

Annual Report

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds, an open-ended unit trust established  
as an umbrella fund under the laws of Hong Kong)

31 December 2023

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

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TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

ADMINISTRATION AND MANAGEMENT

**MANAGER AND RQFII HOLDER**

Taikang Asset Management (Hong Kong) Company Limited  
39/F Bank of China Tower  
1 Garden Road, Central  
Hong Kong

**TRUSTEE AND REGISTRAR**

BOCI-Prudential Trustee Limited  
Suites 1501-1507 & 1513-1516, 15/F  
1111 King's Road  
Taikoo Shing  
Hong Kong

**DIRECTORS OF THE MANAGER**

Chen Dong Sheng  
Chen Yi Lun  
Duan Guo Sheng  
Feng Tie Liang  
Xing Yi (Resigned on 1 January 2023)  
Zhang Jing Guo  
Zhang Le

**AUDITOR**

Ernst & Young  
27/F, One Taikoo Place  
979 King's Road, Quarry Bay  
Hong Kong

**SOLICITORS TO THE MANAGER**

King & Wood Mallesons  
13/F Gloucester Tower, The Landmark,  
15 Queen's Road Central  
Central  
Hong Kong

**CUSTODIAN**

Bank of China (Hong Kong) Limited  
14/F, Bank of China Tower  
1 Garden Road  
Hong Kong

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
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REPORT OF THE MANAGER TO THE UNITHOLDERS

Three primary factors accounted for the decline of China's equity markets in 2023: a sluggish economic recovery, a slow pace of policy implementation, and an ongoing outflow of foreign capital. Stocks first saw a broad-based surge in the beginning of 2023, when the epidemic prevention and control reopened. However, the momentum was fleeting thereafter due to insufficient domestic demand and embattled real estate. Then China's external demand suffered from the strain of a faltering global economy. Liquidity was also subdued by the U.S. – China tensions. Though the positive policy shift at the Politburo meeting caused the stocks to rebound temporarily, following implementation was too mild to boost market sentiment.

Taikang Kaitai China New Opportunity Fund (Class I HKD ACC) dropped by 15.93% in 2023. Sector wise, Information Technology, Industrials, and Materials were the top performers contributing to the relative return, but the gains were hard to offset the loss in Financials, Real Estate, and Communication Services. Weak economic expectation weighed on the Communication Services stocks. Property market deteriorated in 2023, and the risks have not completely dissipated in the medium-term cycle. The undesirable stock selection in Financials sector dragged portfolio performance.

Looking forward, there may be an improvement in China's macro economy driven by internal and external factors in 2024. Loosening fiscal policy in 2024 is likely to support domestic demand, and moderate restocking in low inventory will bolster economic growth. It is anticipated that the global monetary tightening cycle will end, and external demand might likewise show resiliency. In addition, resuming U.S.-China talks in 2023 resulted in some progress in two countries' relationship. However, there are also unfavorable factors to consider. The real estate industry is still declining and overcapacity has not entirely been addressed, both of which might stall the process of economic recovery. The risk of an economic recession in the United States exists with the gradually accumulating economic pressure. Additionally, the U.S. presidential election in 2024 may lead to geopolitical tensions.

Sector wise, we hold a more constructive view on the upside potential of cyclical sectors and AI-related stocks in the short term, and focus more on manufacturing that gains from overseas development and assets with high dividend yields in the medium- to long-term. Optimism in AI is emerging as applications and infrastructure development advance steadily. In 2024, the market for computing power may see a boom. Restocking in traditional industries gives cyclical sectors momentum. Prices should be supported by the low inventory aside from some short-term consolidation. We will keep an eye on influence of demand-side policy drivers like special government bonds in the future.

In the medium to long term, the "going global" story may benefit opportunities in the automotive, high-end manufacturing, solar energy, and consumer goods sectors. Drawing from the experience of Japan, companies with overseas business can focus more on research and development in the context of a long-term economic slowdown. Internationalization often leads to higher growth potential with positive effects on revenue and profit margin. Meanwhile, high-dividend stocks have attractive yields and can benefit from both economic cycles and policies. Dividend stocks with less-stretched valuations are expected to continue to be the safe-haven if the global recession risk or geopolitical risk rises in 2024.

Overall, our investment team holds a mildly positive view on the China/ Hong Kong stock market in 2024. We believe that the valuation of the market is currently at a historically low level and it is likely to bottom out. While equities are considered more worthwhile for investment in 2024 compared to 2023, active management is more important to capture structural opportunities.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

REPORT OF THE TRUSTEE TO THE UNITHOLDERS

We hereby confirm that, in our opinion, the Manager, Taikang Asset Management (Hong Kong) Company Limited, has, in all material respects, managed Taikang Kaitai Funds – Taikang Kaitai China New Opportunities Fund for the year ended 31 December 2023 in accordance with the provisions of the Trust Deed dated 16 April 2014, as amended or supplemented from time to time.

On behalf of  
BOCI-Prudential Trustee Limited, the Trustee

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29 April 2024

## **INDEPENDENT AUDITOR’S REPORT**

### **To the unitholders of Taikang Kaitai China New Opportunities Fund**

(a sub-fund of Taikang Kaitai Funds, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Taikang Kaitai China New Opportunities Fund (a sub-fund of Taikang Kaitai Funds (the “Trust”) and referred to as the “Sub-Fund”) set out on pages 7 to 39 which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to unitholders and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (“IFRSs”) issued by the International Accounting Standards Board (“IASB”).

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (“ISAs”) issued by the International Auditing and Assurance Standards Board (IAASB). Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the financial statements* section of our report. We are independent of the Sub-Fund in accordance with the *Code of Ethics for Professional Accountants* (the “Code”) issued by the Hong Kong Institute of Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other information**

The Manager and the Trustee of the Sub-Fund are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor’s report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **INDEPENDENT AUDITOR'S REPORT** (continued)

### **To the unitholders of Taikang Kaitai China New Opportunities Fund**

(a sub-fund of Taikang Kaitai Funds, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

#### **Responsibilities of the Manager and the Trustee and for the financial statements**

The Manager and the Trustee of the Sub-Fund are responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs issued by IASB, and for such internal control as the Manager and the Trustee determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Manager and the Trustee of the Sub-Fund are responsible for assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Manager and the Trustee either intend to liquidate the Sub-Fund or to cease operations or have no realistic alternative but to do so.

In addition, the Manager and the Trustee of the Sub-Fund are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the trust deed dated 16 April 2014, as amended or supplemented from time to time (the "Trust Deed") and the relevant disclosure provisions of Appendix E of the Code on Unit Trusts and Mutual Funds (the "SFC Code") issued by the Hong Kong Securities and Futures Commission.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In addition, we are required to assess whether the financial statements of the Sub-Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

## **INDEPENDENT AUDITOR'S REPORT** (continued)

### **To the unitholders of Taikang Kaitai China New Opportunities Fund**

(a sub-fund of Taikang Kaitai Funds, an open-ended unit trust established as an umbrella fund under the laws of Hong Kong)

#### **Auditor's responsibilities for the audit of the financial statements** (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Sub-Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the Trustee.
- Conclude on the appropriateness of the Manager's and the Trustee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Sub-Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Sub-Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Manager and the Trustee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on matters under the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code**

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

Certified Public Accountants  
Hong Kong  
29 April 2023

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 HKD	2022 HKD
<b>INCOME</b>			
Dividend income on financial assets at fair value through profit or loss		4,288,254	3,796,777
Interest income on bank deposits		3,908	1,882
Net losses on financial assets at fair value through profit or loss	7	(40,343,631)	(124,752,865)
Net foreign exchange differences		(92,308)	226,365
		<u>(36,143,777)</u>	<u>(120,727,841)</u>
<b>EXPENSES</b>			
Management fee	4	(3,081,832)	(3,632,499)
Trustee fee	4	(481,290)	(489,195)
Auditor's remuneration		(215,906)	(209,621)
Custodian fee	4	(509,513)	(424,353)
Brokerage fees and other transaction costs		(3,420,582)	(4,270,699)
Legal and other professional fee		(25,814)	(63,745)
Bank charges		(8,466)	(5,222)
Other expenses		(281,344)	(241,222)
		<u>(8,024,747)</u>	<u>(9,336,556)</u>
Operating loss		(44,168,524)	(130,064,397)
<b>FINANCE COSTS</b>			
Distributions to unitholders	5	<u>(55,637)</u>	<u>(74,974)</u>
LOSS BEFORE TAX		(44,224,161)	(130,139,371)
Withholding tax	6	<u>(290,965)</u>	<u>(280,193)</u>
DECREASE IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS DURING THE YEAR		<u>(44,515,126)</u>	<u>(130,419,564)</u>

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Notes	2023 HKD	2022 HKD
<b>ASSETS</b>			
Financial assets at fair value through profit or loss	7	224,129,750	252,889,758
Amounts due from brokers	8	749,877	3,424,639
Dividend receivable		269,402	116,777
Amounts receivable on subscription of units		29,935	66,140
Cash and cash equivalents	9	<u>1,567,862</u>	<u>666,948</u>
<b>TOTAL ASSETS</b>		<u><u>226,746,826</u></u>	<u><u>257,164,262</u></u>
<b>LIABILITIES</b>			
Management fee payable	4	233,333	268,119
Trustee fee payable	4	40,000	38,710
Distributions payable to unitholders	5	3,505	5,714
Other payables and accruals		304,841	316,647
Amounts due to brokers	8	1,751,403	820,079
Amounts payable on redemption of units		<u>190,957</u>	<u>201,974</u>
<b>TOTAL LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO UNITHOLDERS)</b>		<u><u>2,524,039</u></u>	<u><u>1,651,243</u></u>
<b>NET ASSETS ATTRIBUTABLE TO UNITHOLDERS</b>	11	<u><u>224,222,787</u></u>	<u><u>255,513,019</u></u>
<b>TOTAL LIABILITIES</b>		<u><u>226,746,826</u></u>	<u><u>257,164,262</u></u>

.....  
Manager

.....  
Trustee

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

For the year ended 31 December 2023

	Note	Number of Units	HKD
As at 1 January 2023		<u>13,045,277.536</u>	<u>255,513,019</u>
Subscription of units			
- Class I-HKD-ACC		2,354,046.527	32,130,000
- Class I-USD-ACC		-	-
- Class A-HKD-ACC		178,333.937	2,107,534
- Class A-USD-ACC		8,849.873	816,226
- Class A-HKD-DIST		10,150.416	84,637
- Class A-USD-DIST		57.104	3,845
- Class A-RMB-AC		-	-
		<u>2,551,437.857</u>	<u>35,142,242</u>
Redemption of units			
- Class I-HKD-ACC		(120,974.875)	(1,649,171)
- Class I-USD-ACC		(167,899.030)	(13,010,178)
- Class A-HKD-ACC		(133,595.533)	(1,572,110)
- Class A-USD-ACC		(56,952.322)	(5,064,976)
- Class A-HKD-DIST		(9,996.630)	(79,696)
- Class A-USD-DIST		(8,297.882)	(541,003)
- Class A-RMB-AC		(35.261)	(214)
		<u>(497,751.533)</u>	<u>(21,917,348)</u>
Decrease in net assets attributable to unitholders during the year		<u>-</u>	<u>(44,515,126)</u>
As at 31 December 2023	10	<u><u>15,098,963.860</u></u>	<u><u>224,222,787</u></u>

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

For the year ended 31 December 2023

	Note	Number of Units	HKD
As at 1 January 2022		<u>13,073,436.934</u>	<u>404,064,539</u>
Subscription of units			
- Class I-HKD-ACC		107,364.159	1,550,000
- Class I-USD-ACC		-	-
- Class A-HKD-ACC		655,569.544	9,292,311
- Class A-USD-ACC		92,847.697	11,791,863
- Class A-HKD-DIST		63,574.975	788,887
- Class A-USD-DIST		2,727.357	214,423
- Class A-RMB-AC		-	-
		<u>922,083.732</u>	<u>23,637,484</u>
Redemption of units			
- Class I-HKD-ACC		-	-
- Class I-USD-ACC		(293,078.634)	(30,344,558)
- Class A-HKD-ACC		(621,733.595)	(8,384,156)
- Class A-USD-ACC		(24,826.600)	(2,870,442)
- Class A-HKD-DIST		(9,769.121)	(101,859)
- Class A-USD-DIST		(835.180)	(68,425)
		<u>(950,243.130)</u>	<u>(41,769,440)</u>
Decrease in net assets attributable to unitholders during the year		<u>-</u>	<u>(130,419,564)</u>
As at 31 December 2022	10	<u><u>13,045,277.536</u></u>	<u><u>255,513,019</u></u>

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 HKD	2022 HKD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(44,224,161)	(130,139,371)
Adjustments for:			
Dividend income on financial assets at fair value through profit or loss		(4,288,254)	(3,796,777)
Interest income on bank deposits		(3,908)	(1,882)
Distributions to unitholders	5	55,637	74,974
		<u>(48,460,686)</u>	<u>(133,863,056)</u>
Decrease in financial assets at fair value through profit or loss		28,760,008	149,077,756
Decrease/(increase) in amounts due from brokers		2,674,762	(1,309,228)
Increase/(decrease) in amounts due to brokers		931,324	(323,989)
Decrease in management fee payable		(34,786)	(150,944)
Increase/(decrease) in trustee fee payable		1,290	(12,396)
(Decrease)/increase in other payables and accruals		<u>(11,806)</u>	<u>35,953</u>
Cash (used in)/generated from operations		(16,139,894)	13,454,096
Interest received		3,908	1,882
Dividend received		4,135,629	3,680,000
Withholding tax paid		<u>(290,965)</u>	<u>(280,193)</u>
Net cash flows (used in)/from operating activities		<u>(12,291,322)</u>	<u>16,855,785</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from issue of units		35,178,447	23,638,424
Payments for redemption of units		(21,928,365)	(41,626,057)
Distributions paid to unitholders		<u>(57,846)</u>	<u>(75,666)</u>
Net cash flows from/(used in) financing activities		<u>13,192,236</u>	<u>(18,063,299)</u>
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		900,914	(1,207,514)
Cash and cash equivalents at beginning of year		<u>666,948</u>	<u>1,874,462</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR		<u><u>1,567,862</u></u>	<u><u>666,948</u></u>
<b>ANALYSIS OF BALANCE OF CASH AND CASH EQUIVALENTS</b>			
Cash at bank	9	<u><u>1,567,862</u></u>	<u><u>666,948</u></u>

The accompanying notes are an integral part of these financial statements.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

1. THE SUB-FUND

Taikang Kaitai Funds (the “Trust”) was constituted as an open-ended unit trust established as an umbrella fund under the laws of Hong Kong pursuant to a trust deed dated 16 April 2014 and its supplemental deed (the “Trust Deed”).

Taikang Kaitai China New Opportunities Fund (the “Sub-Fund”) was constituted as a separate Sub-Fund of the Trust on 11 August 2016. The Sub-Fund is an open-ended unit trust and is authorised by the Hong Kong Securities and Futures Commission (the “SFC”) under Section 104(1) of the Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds issued by the SFC (the “SFC Code”). Authorisation by the SFC does not imply official approval or recommendation.

The Manager of the Trust is Taikang Asset Management (Hong Kong) Company Limited (the “Manager”) and the Trustee is BOCI-Prudential Trustee Limited (the “Trustee”). The custodian is Bank of China (Hong Kong) Limited (the “Custodian”).

Three classes of units, namely Class A units, Class I units and Class P units, are available in the Sub-Fund. Class A units are available for sale to the retail public in Hong Kong while Class I units are offered to institutional investors, private bank clients and other investors determined by the manager from time to time. Class P units are available for sale to investors in Mainland China. Class A units and Class P units are subjected to same management fee while Class I units are subject to different management fees. For the year ended 31 December 2023, Class A units and Class I units were in issue.

The investment objective of the Sub-Fund is to provide investors with long term capital appreciation (i.e. not less than 70% of its net assets) primarily through investing in China-related investments in equity markets.

2.1 BASIS OF PREPARATION

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards (“IFRSs”) as issued by the International Accounting Standards Board (“IASB”), interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and the relevant disclosure provisions of the Trust Deed and the relevant disclosure provisions of Appendix E of the SFC Code.

The financial statements have been prepared under the historical cost basis, except for financial assets classified at fair value through profit or loss that have been measured at fair value. The financial statements are presented in Hong Kong Dollar (“HKD”) and all values are rounded to the nearest HKD except where otherwise indicated.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Sub-Fund has adopted the following revised IFRSs, which are applicable to the Sub-Fund for the first time in the current year's financial statements.

Amendments to IAS 1 and IFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to IAS 8	<i>Definition of Accounting Estimates</i>

Amendments to IAS 1 and IFRS Practice Statement 2 *Disclosure of Accounting Policies*

The amendments to IAS 1 and IFRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Sub-Fund's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Sub-Fund's financial statements.

Amendments to IAS 8 *Definition of Accounting Estimates*

The amendments to IAS 8 clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Sub-Fund's financial statements.

2.3. ISSUED BUT NOT YET EFFECTIVE IFRSs

The Sub-Fund has not early applied any of the revised IFRSs that have been issued but are not yet effective for the accounting year ended 31 December 2023 in these financial statements. Among these IFRSs, none of them are expected to be relevant to the Company's and the Sub-Fund's financial statements upon becoming effective.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4. MATERIAL ACCOUNTING POLICIES

Financial instruments

*(i) Classification*

In accordance with IFRS 9, the Sub-Fund classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below.

In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- on initial recognition, it is a part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective as a hedging instrument).

*Financial assets*

The Sub-Fund classifies its financial assets as subsequently measured at amortised cost or measured at fair value through profit or loss on the basis of both:

- the entity's business model for managing the financial assets; and
- the contractual cash flow characteristics of the financial asset

*Financial assets measured at amortised cost*

A debt instrument is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Sub-Fund includes in this category short-term non-financing receivables including amounts due from brokers, dividend receivable, amounts receivable on subscription of units and cash and cash equivalents.

*Financial assets measured at fair value through profit or loss*

A financial asset is measured at fair value through profit or loss if:

- (a) Its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest (SPPI) on the principal amount outstanding; or
- (b) It is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- (c) At initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Sub-Fund includes in this category its investments in listed equity securities.

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2.4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

(i) *Classification* (continued)

*Financial liabilities*

*Financial liabilities measured at fair value through profit or loss*

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading. The Sub-Fund includes in this category its redeemable units and the Sub-Fund's accounting policy regarding the redeemable units is described below.

*Financial liabilities measured at amortised cost*

This category includes all financial liabilities, other than those measured at fair value through profit or loss. The Sub-Fund includes in this category management fee payable, trustee fee payable, distributions payable to unitholders, other payables and accruals, amounts due to brokers and amounts payable on redemption of units.

(ii) *Recognition*

The Sub-Fund recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the timeframe generally established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Sub-Fund commits to purchase or sell the asset.

(iii) *Initial measurement*

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in profit or loss.

Financial assets and liabilities (other than those classified as fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

(iv) *Subsequent measurement*

After initial measurement, the Sub-Fund measures financial instruments which are classified as at fair value of profit or loss at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at fair value through profit or loss in profit or loss. Interest and dividends earned or paid on these instruments are recorded separately in interest income or expense and dividend income or expense in profit or loss.

Debt instruments, other than those classified as at fair value through or loss, are measured at amortised cost using the effective interest method less any allowance for impairment. Gains and losses are recognised in profit or loss when the debt instruments are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, as well as through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

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2.4. MATERIAL ACCOUNTING POLICIES (continued)

Financial instruments (continued)

*(iv) Subsequent measurement* (continued)

The effective interest method is a method of calculating the amortised cost of a financial asset or a financial liability and of allocating the interest income or interest expense in profit or loss over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of the financial asset or to the amortised cost of the financial liability. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instruments but does not consider future credit losses. The calculation includes all fees paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

*(v) Derecognition*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Sub-Fund's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Sub-Fund has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Portfolio has transferred substantially all the risks and rewards of the asset; or (b) the Portfolio has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Sub-Fund has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Sub-Fund continues to recognise the transferred asset to the extent of the Sub-Fund's continuing involvement. In that case, the Sub-Fund also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Sub-Fund has retained.

The Sub-Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

Impairment of financial assets

The Sub-Fund holds only amounts due from brokers and amounts receivable on subscription of units with no financing component and which have maturities of less than 3 months or on demand at amortised cost and, as such, has chosen to apply an approach similar to the simplified approach for expected credit losses ("ECL") under IFRS 9 to all its receivables. Therefore, the Sub-Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Sub-Fund's approach to ECLs reflects a probability-weighted outcome, the time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The Sub-Fund uses the provision matrix as a practical expedient to measure ECLs on receivables, based on days past due for groupings of receivables with similar loss patterns. Receivables are grouped based on their nature. The provision matrix is based on historical observed loss rates over the expected life of the receivables and is adjusted for forward-looking estimates.

NOTES TO THE FINANCIAL STATEMENTS

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2.4. MATERIAL ACCOUNTING POLICIES (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. This is generally not the case with master netting agreements unless one party to the agreement defaults and the related assets and liabilities are presented gross in the statement of financial position.

Fair value measurement

The Sub-Fund measures its investments in financial instruments, such as equity instruments, at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Sub-Fund.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted price or binding dealer price quotations, without any deduction for transaction costs. For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e., using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e., discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Sub-Fund identifies transfers between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Sub-Fund has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

2.4. MATERIAL ACCOUNTING POLICIES (continued)

Functional and presentation currency

The Sub-Fund's functional currency is HKD, which is the currency of the primary economic environment in which it operates. The Sub-Fund's performance is evaluated, and its liquidity is managed in HKD. Therefore, HKD is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The Sub-Fund's presentation currency is also HKD.

Foreign currency translations

Transactions during the reporting period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Foreign currency transaction gains and losses on financial instruments classified as fair value through profit or loss are included in profit or loss as part of the "Net gain or loss on financial assets at fair value through profit or loss". Foreign exchange differences on other financial instruments are included in profit or loss as "Net foreign exchange differences".

Amounts due to and due from brokers

Amounts due to brokers are payables for securities purchased (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for financial liabilities measured at amortised cost, for recognition and measurement.

Amounts due from brokers include margin accounts and receivables for securities sold (in a regular way transaction) that have been contracted for, but not yet delivered, on the reporting date. Refer to the accounting policy for financial assets measured at amortised cost for recognition and measurement.

Margin accounts represent cash deposits held with brokers as collateral against open futures contracts.

Net assets attributable to holders of redeemable units

The Sub-Fund issues redeemable units, namely Class A units and Class I units, which are redeemable at the unitholder's option and are classified as financial liabilities.

Redeemable units are subscribed and redeemed during the Hong Kong and PRC business days of each calendar month or such other day or days determined by the Manager and the Trustee may agree from time to time for cash equal to a proportionate share of the Sub-Fund's net assets attributable to holders of redeemable units of the relevant classes. The Manager is entitled, with the approval of the Trustee, to limit the number of redeemable units of the Sub-Fund redeemed on any business day to 10% of the total number of redeemable units of the Sub-Fund in issue.

Redeemable units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net assets attributable to holders of redeemable units per unit at the time of issue or redemption. The Sub-Fund's net assets attributable to holders of redeemable units per unit is calculated by dividing the net assets attributable to holders by the number of units in issue.

NOTES TO THE FINANCIAL STATEMENTS

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2.4. MATERIAL ACCOUNTING POLICIES (continued)

Distributions to unitholders

Distributions are at the discretion of the Manager. A distribution to the Sub-Fund's unitholders is included in profit or loss in the statement of profit or loss and other comprehensive income as the "Finance costs". A proposed distribution is recognised as a liability in the period in which it is approved by the Manager of the Sub-Fund.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts when appropriate.

Dividend income

Dividend income is recognised when the Sub-Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding tax, which is disclosed separately in profit or loss.

Transaction costs

Transaction costs are costs incurred to acquire financial assets or financial liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss as an expense.

Net gain or loss on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets as "fair value through profit or loss" and excludes interest and dividend incomes and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior period's unrealised gains and losses for financial instruments which were realised in the reporting period. Realised gains and losses on disposals of financial instruments classified as "fair value through profit or loss" are calculated using the weighted average method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

Interest income

Interest income is recognised in profit or loss for all interest-bearing financial instruments using the effective interest method.

Taxes

In some jurisdiction, dividend income, interest income and capital gains are subject to withholding tax deducted at the source of the income. The Sub-Fund presents the withholding tax separately from the gross investment income in statement of profit or loss and other comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

NOTES TO THE FINANCIAL STATEMENTS

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2.4. MATERIAL ACCOUNTING POLICIES (continued)

Related parties

A party is considered to be related to the Sub-Fund if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Sub-Fund;
  - (ii) has significant influence over the Sub-Fund; or
  - (iii) is a member of the key management personnel of the Sub-Fund or of a parent of the Sub-Fund; or
  
- (b) the party is an entity where any of the following conditions applies
  - (i) the entity and the Sub-Fund are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Sub-Fund are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Sub-Fund or an entity related to the Sub-Fund;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of group of which it is a part, provides key management personnel services to the Sub-Fund or to the parent of the Sub-Fund.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Sub-Fund's financial statements requires the Manager to make judgments, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Estimates

The key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below. The Sub-Fund based its estimates on parameters available when the financial statements were prepared. However, existing circumstances and assumptions about future developments may change due to market changes or circumstances arising beyond the control of the Sub-Fund. Such changes are reflected in the assumptions when they occur.

Taxation

In preparing these financial statements, management has made certain assumptions and used various estimates concerning the tax exposure which is dependent on what might happen in the future. The resulting accounting estimates may not equal the related actual results.

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3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

PRC taxes on capital gains

The Ministry of Finance (“MOF”) has made certain assumptions and used various estimates concerning the tax exposure which is jointly issued a circular concerning the tax treatment for the Shanghai-Hong Kong Stock Connect (Caishui [2014] No. 81 - The Circular Concerning the Tax Treatment for the Pilot Programme of the Shanghai-Hong Kong Stock Connect (“Circular 81”)) which states that the corporate income tax (“CIT”), individual income tax and business tax (“BT”) will be temporarily exempt on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of China A-Shares through the Shanghai-Hong Kong Stock Connect. Besides, the MOF, the State Administration of Taxation (“SAT”) and China Securities Regulatory Commission (“CSRC”) have jointly issued a circular concerning the tax treatment for the Shenzhen-Hong Kong Stock Connect (Caishui [2016] No. 127 – The Circular Concerning the Tax Treatment for the Pilot Programme of the Shenzhen-Hong Kong Stock Connect (“Circular 127”)), which states that CIT and individual income tax will be temporarily exempt on gains derived by Hong Kong and overseas investors (including the Sub-Fund) on the trading of China A-Shares through the Shenzhen-Hong Kong Stock Connect. The abovementioned BT would only apply to income derived by the Sub-Fund before 1 May 2016. The value-added tax (“VAT”) reform was fully rolled out and the Circular Caishui [2016] 36 (“Circular 36”) came into effective from 1 May 2016 that income derived by taxpayers from investments in PRC securities would be subject to VAT instead of BT. For gains derived from investment in China A-Shares via Stock Connect, the Sub-Fund is also temporarily exempt from PRC VAT according to Circular 36 and Circular 127.

With the temporary exemption in Circular 81 and Circular 127, the Sub-Fund did not accrue any PRC CIT and VAT provisions for gains made on China A-Shares through Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect.

PRC taxes on dividends

Pursuant to the “Notice about the tax policies related to the Shanghai-Hong Kong Stock Connect” (Caishui [2014] No. 81) (“Circular 81”) and the “Notice about the tax policies related to the Shenzhen-Hong Kong Stock Connect” (Caishui [2016] No. 127) (“Circular 127”) promulgated by the MOF, the SAT and the CSRC on 14 November 2014 and on 1 December 2016 respectively, the Sub-Fund is subject to a PRC withholding tax (“WIT”) at a rate of 10% on the dividend income received from China A-Shares and China H-shares.

The PRC WIT on dividend income incurred during the year are included in “Withholding tax” in the statement of profit or loss and other comprehensive income of the Sub-Fund.

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4. FEES

Management fee

The Manager is entitled to receive a management fee from the Sub-Fund as a percentage of net assets attributable to holders of redeemable units of each class of unit of the Sub-Fund Class A units: 1.75% per annum, Class I units: 1.0% per annum, and Class P units: 1.75% per annum, subject to maximum fee of 3% per annum calculated and accrued daily and payable monthly in arrears.

Trustee fee

The Trustee is entitled to receive a trustee fee from the Sub-Fund, at a rate of up to 0.15% per annum of the net assets attributable to holders of redeemable units of the Sub-Fund calculated, and accrued daily and payable monthly in arrears.

Custodian fee

The Custodian is entitled to receive custody fee from the Sub-Fund, at a rate of up to 0.1% per annum of the net assets attributable to holders of redeemable units of the Sub-Fund, and transaction handling fee for each transactions of the investments, calculated and accrued and payable monthly in arrears.

5. DISTRIBUTION

	Note	2023 HKD
Amount brought forward at 1 January 2023		-
Decrease in net assets attributable to unitholders during the year		(44,515,126)
Add: Finance costs – Distribution to unitholders		55,637
Less: Net foreign exchange differences		258,900
Less: Net unrealised gains on finance assets at fair value through profit or loss	7	<u>10,567,216</u>
Undistributed income before distribution		(33,633,373)
Dividend declared on 31 January 2023 (Class A-HKD-DIST - HKD0.023 per unit) (Class A-USD-DIST - USD0.023 per unit)		(5,699)
Dividend declared on 28 February 2023 (Class A-HKD-DIST - HKD0.023 per unit) (Class A-USD-DIST - USD0.023 per unit)		(5,706)
Dividend declared on 31 March 2023 (Class A-HKD-DIST - HKD0.022 per unit) (Class A-USD-DIST - USD0.022 per unit)		(5,459)
Dividend declared on 28 April 2023 (Class A-HKD-DIST - HKD0.022 per unit) (Class A-USD-DIST - USD0.022 per unit)		(5,460)

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5. DISTRIBUTION (continued)

	Note	2023 HKD
Dividend declared on 31 May 2023 (Class A-HKD-DIST - HKD0.022 per unit) (Class A-USD-DIST - USD0.022 per unit)		(4,726)
Dividend declared on 30 June 2023 (Class A-HKD-DIST - HKD0.021 per unit) (Class A-USD-DIST - USD0.021 per unit)		(4,514)
Dividend declared on 31 July 2023 (Class A-HKD-DIST - HKD0.021 per unit) (Class A-USD-DIST - USD0.021 per unit)		(4,508)
Dividend declared on 31 August 2023 (Class A-HKD-DIST - HKD0.021 per unit) (Class A-USD-DIST - USD0.021 per unit)		(4,520)
Dividend declared on 29 September 2023 (Class A-HKD-DIST - HKD0.020 per unit) (Class A-USD-DIST - USD0.020 per unit)		- (3,859)
Dividend declared on 31 October 2023 (Class A-HKD-DIST - HKD0.020 per unit) (Class A-USD-DIST - USD0.020 per unit)		(3,860)
Dividend declared on 30 November 2023 (Class A-HKD-DIST - HKD0.020 per unit) (Class A-USD-DIST - USD0.020 per unit)		(3,821)
Dividend declared on 29 December 2023 (Class A-HKD-DIST - HKD0.019 per unit) (Class A-USD-DIST - USD0.019 per unit)		(3,505)
Transfer from capital		<u>33,689,010</u>
Undistributed income at 31 December 2023		<u><u>-</u></u>

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5. DISTRIBUTION (continued)

	Note	2022 HKD
Amount brought forward at 1 January 2022		-
Decrease in net assets attributable to unitholders during the year		(130,419,564)
Add: Finance costs – Distribution to unitholders		74,974
Less: Net foreign exchange differences		(226,365)
Less: Net unrealised gains on finance assets at fair value through profit or loss	7	<u>(3,254,593)</u>
Undistributed income before distribution		(133,825,548)
Dividend declared on 31 January 2022 (Class A-HKD-DIST - HKD0.035 per unit) (Class A-USD-DIST - USD0.036 per unit)		(7,680)
Dividend declared on 28 February 2022 (Class A-HKD-DIST - HKD0.035 per unit) (Class A-USD-DIST - USD0.036 per unit)		(7,831)
Dividend declared on 31 March 2022 (Class A-HKD-DIST - HKD0.027 per unit) (Class A-USD-DIST - USD0.027 per unit)		(6,010)
Dividend declared on 29 April 2022 (Class A-HKD-DIST - HKD0.027 per unit) (Class A-USD-DIST - USD0.027 per unit)		(6,070)
Dividend declared on 31 May 2022 (Class A-HKD-DIST - HKD0.027 per unit) (Class A-USD-DIST - USD0.027 per unit)		(5,904)
Dividend declared on 30 June 2022 (Class A-HKD-DIST - HKD0.028 per unit) (Class A-USD-DIST - USD0.028 per unit)		(6,182)

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5. DISTRIBUTION (continued)

	Note	2022 HKD
Dividend declared on 29 July 2022 (Class A-HKD-DIST - HKD0.028 per unit) (Class A-USD-DIST - USD0.028 per unit)		(6,656)
Dividend declared on 31 August 2022 (Class A-HKD-DIST - HKD0.028 per unit) (Class A-USD-DIST - USD0.028 per unit)		(6,788)
Dividend declared on 30 September 2022 (Class A-HKD-DIST - HKD0.022 per unit) (Class A-USD-DIST - USD0.022 per unit)		(5,336)
Dividend declared on 31 October 2022 (Class A-HKD-DIST - HKD0.022 per unit) (Class A-USD-DIST - USD0.022 per unit)		(5,337)
Dividend declared on 30 November 2022 (Class A-HKD-DIST - HKD0.022 per unit) (Class A-USD-DIST - USD0.022 per unit)		(5,466)
Dividend declared on 30 December 2022 (Class A-HKD-DIST - HKD0.023 per unit) (Class A-USD-DIST - USD0.023 per unit)		(5,714)
Transfer from capital		<u>133,900,522</u>
Undistributed income at 31 December 2022		<u>-</u>

The amount available for distribution is the total net amount receivable by the Sub-Fund in respect of the relevant period ("Total Income") minus any expenses chargeable against income, subject to adjustments made in accordance with the Trust Deed. Total Income would include amount receivable by way of interests (e.g. generated from bank deposits and debt securities), or other receipts as determined by the Manager to be in the nature of income. Unrealised capital gain or loss does not form part of Total Income and therefore would not impact on the amount available for distribution.

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6. INCOME TAX

Hong Kong Tax

The Sub-Funds of the Trust are exempt from Hong Kong profits tax on income arising from its authorised activities under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

Withholding Tax

The Sub-Fund is subject to withholding tax on dividend income derived from investments in China A-Shares, China H-shares and United States.

The withholding tax paid during the year ended 31 December 2023 was HKD290,965 (2022: HKD280,193).

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 HKD	2022 HKD
Financial assets at fair value through profit or loss		
- equity securities	<u>224,129,750</u>	<u>252,889,758</u>
Gains or (losses) recognised in relation to financial assets at fair value through profit or loss:		
- realised losses	(29,776,415)	(128,007,458)
- unrealised (losses)/gains	<u>(10,567,216)</u>	<u>3,254,593</u>
Net losses on financial assets at fair value through profit or loss	<u>(40,177,039)</u>	<u>(124,752,865)</u>

Valuation techniques

*Listed equity securities*

When fair value of publicly traded securities is based on quoted market prices, or binding dealer price quotations, in an active market for identical assets without any adjustments, the instruments are included within Level 1 of the hierarchy.

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7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

The following table analyses within the fair value hierarchy the Sub-Fund's financial assets measured at fair value at 31 December 2023 and 31 December 2022.

31 December 2023	Quoted prices in active markets (Level 1) HKD	Significant observable inputs (Level 2) HKD	Significant unobservable inputs (Level 3) HKD	Total HKD
Financial assets at fair value through profit or loss: - equity securities	<u>224,129,750</u>	<u>-</u>	<u>-</u>	<u>224,129,750</u>
31 December 2022	Quoted prices in active markets (Level 1) HKD	Significant observable inputs (Level 2) HKD	Significant unobservable inputs (Level 3) HKD	Total HKD
Financial assets at fair value through profit or loss: - equity securities	<u>252,889,758</u>	<u>-</u>	<u>-</u>	<u>252,889,758</u>

As at 31 December 2023 and 2022, there are no investments classified within Level 2 and Level 3. During the years ended 31 December 2023 and 2022, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets.

8. AMOUNTS DUE FROM/TO BROKERS

	2023 HKD	2022 HKD
Cash held by brokers	2,381	2,381
Receivables for securities sold but not yet settled	<u>747,496</u>	<u>3,422,258</u>
Total amounts due from brokers	<u>749,877</u>	<u>3,424,639</u>
Payables for securities purchased but not yet settled	<u>1,751,403</u>	<u>820,079</u>
Total amounts due to brokers	<u>1,751,403</u>	<u>820,079</u>

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9. CASH AND CASH EQUIVALENTS

	2023 HKD	2022 HKD
Cash at bank	<u>1,567,862</u>	<u>666,948</u>
Total cash and cash equivalents	<u><u>1,567,862</u></u>	<u><u>666,948</u></u>

Cash at bank is held in Bank of China (Hong Kong) Limited, which is a creditworthy bank with no recent history of default. Interest is earned at a floating rate based on daily bank deposit rates. The carrying amount of the cash and cash equivalents approximates to its fair value.

10. NUMBER OF UNITS IN ISSUE

The following is the subscription/(redemption) of units of the Sub-Fund during the year ended 31 December 2023:

	As at 1 January 2023	Subscription of units	Redemption of units	As at 31 December 2023
Class I-HKD-ACC	8,586,929.378	2,354,046.527	(120,974.875)	10,820,001.030
Class I-USD-ACC	500,259.998	-	(167,899.030)	332,360.968
Class A-HKD-ACC	3,337,793.098	178,333.937	(133,595.533)	3,382,531.502
Class A-USD-ACC	479,225.507	8,849.873	(56,952.322)	431,123.058
Class A-HKD-DIST	124,314.915	10,150.416	(9,996.630)	124,468.701
Class A-USD-DIST	15,920.681	57.104	(8,297.882)	7,679.903
Class A-RMB-AC	<u>833.959</u>	<u>-</u>	<u>(35.261)</u>	<u>798.698</u>
Total	<u><u>13,045,277.536</u></u>	<u><u>2,551,437.857</u></u>	<u><u>(497,751.533)</u></u>	<u><u>15,098,963.860</u></u>

The following is the subscription/(redemption) of units of the Sub-Fund during the year ended 31 December 2022:

	As at 1 January 2022	Subscription of units	Redemption of units	As at 31 December 2022
Class I-HKD-ACC	8,479,565.219	107,364.159	-	8,586,929.378
Class I-USD-ACC	793,338.632	-	(293,078.634)	500,259.998
Class A-HKD-ACC	3,303,957.149	655,569.544	(621,733.595)	3,337,793.098
Class A-USD-ACC	411,204.410	92,847.697	(24,826.600)	479,225.507
Class A-HKD-DIST	70,509.061	63,574.975	(9,769.121)	124,314.915
Class A-USD-DIST	14,028.504	2,727.357	(835.180)	15,920.681
Class A-RMB-AC	<u>833.959</u>	<u>-</u>	<u>-</u>	<u>833.959</u>
Total	<u><u>13,073,436.934</u></u>	<u><u>922,083.732</u></u>	<u><u>(950,243.130)</u></u>	<u><u>13,045,277.536</u></u>

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

A reconciliation of the net assets attributable to holders of redeemable units as reported in the statement of financial position to the net assets attributable to holders of redeemable units as determined for the purposes of processing unit subscriptions and redemptions is provided below:

	Note	2023 HKD	2022 HKD
Published net assets attributable to unitholders		224,228,976	255,503,388
Adjustment to amounts receivable on subscription of units	(a)	14,000	10,900
Adjustments to amounts payable on management fee, trustee fee and other payable		<u>(20,189)</u>	<u>(1,269)</u>
Net assets attributable to unitholders as reported in the financial statements		<u>224,222,787</u>	<u>255,513,019</u>

Note:

(a) There were subscriptions of units of Class A-HKD-ACC and Class A-USD-ACC on 30 December 2022 after net assets attributable to unitholders was published on 30 December 2022.

As at 31 December 2023

	Unit price as reported in the audited financial statements <i>in class currency</i>	Published unit price <i>in class currency</i>
<b>Class I-HKD-ACC</b>		
Net assets attributable to unitholders	HKD11.809	HKD11.810
<b>Class I-USD-ACC</b>		
Net assets attributable to unitholders	USD9.436	USD9.436
<b>Class A-HKD-ACC</b>		
Net assets attributable to unitholders (a)	HKD10.464	HKD10.466
<b>Class A-USD-ACC</b>		
Net assets attributable to unitholders	USD10.438	USD10.439
<b>Class A-HKD-DIST</b>		
Net assets attributable to unitholders	HKD7.510	HKD7.511
<b>Class A-USD-DIST</b>		
Net assets attributable to unitholders	USD7.516	USD7.517
<b>Class A-RMB-ACC</b>		
Net assets attributable to unitholders	RMB5.361	RMB5.362

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

11. NET ASSETS ATTRIBUTABLE TO UNITHOLDERS (continued)

As at 31 December 2022

	Unit price as reported in the audited financial statements <i>in class currency</i>	Published unit price <i>in class currency</i>
<b>Class I-HKD-ACC</b>		
Net assets attributable to unitholders	HKD14.048	HKD14.048
<b>Class I-USD-ACC</b>		
Net assets attributable to unitholders	USD11.246	USD11.246
<b>Class A-HKD-ACC</b>		
Net assets attributable to unitholders (a)	HKD12.542	HKD12.542
<b>Class A-USD-ACC</b>		
Net assets attributable to unitholders (a)	USD12.535	USD12.535
<b>Class A-HKD-DIST</b>		
Net assets attributable to unitholders	HKD9.277	HKD9.277
<b>Class A-USD-DIST</b>		
Net assets attributable to unitholders	USD9.303	USD9.304
<b>Class A-RMB-ACC</b>		
Net assets attributable to unitholders	RMB6.248	RMB6.248

Note:

- (a) There were subscriptions of units of Class A-HKD-ACC on 29 December 2023 after net assets attributable to unitholder was published on 29 December 2023 (2022: subscriptions of units of Class A-HKD-ACC and Class A-USD-ACC on 30 December 2022 after net assets attributable to unitholders was published on 30 December 2022).

Capital management

The Sub-Fund's objectives for managing capital are to invest the capital in investments in order to achieve its investment objective while maintaining sufficient liquidity to meet the expenses of the Sub-Fund, and to meet redemption requests as they arise.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES

Investment in the Sub-Fund is subject to normal market fluctuations and other risks inherent in investing in securities and there can be no assurance that any appreciation in value will occur. The value of investments and the income from them fluctuate and therefore the value of the redeemable participating units can fall as well as rise.

The performance of the Sub-Fund will be affected by a number of risk factors, including the following:

**Market risk**

Market risk is the risk of loss arising from uncertainty concerning movements in market prices and rates, including observable variables such as interest rates, credit spreads, exchange rates, and others that may be only indirectly observable such as volatilities and correlations. Market risk includes such factors as changes in economic environment, consumption pattern and investors' expectation etc. which may have significant impact on the value of the investments. Market movement may therefore result in substantial fluctuation in the net assets attributable to holders of redeemable units of each class per redeemable class unit of the Sub-Fund.

The maximum risk resulting from financial instruments equals their fair value.

The Sub-Fund assumes market risk in trading activities. The Sub-Fund distinguishes market risk as follows:

- Price risk
- Interest rate risk
- Foreign exchange risk

Price risk

The Sub-Fund's market price risk is managed through diversification of the investment portfolio as well as investing in securities with strong fundamentals. The table below summarises the overall market exposures of the Sub-Fund and the impact of the increase/decrease in the fair value of the Sub-Fund's financial assets at fair value through profit or loss on the Sub-Fund's net asset value as at 31 December 2023 and 31 December 2022. The analysis is based on the assumption that the underlying investments in equity securities increased/decreased by a reasonable possible shift, with all other variables held constant. However, this does not represent a prediction of the future movement in the corresponding key markets.

	Carrying value of financial assets at fair value through profit or loss US\$	% of net assets %	Shift in underlying securities % +/-	Estimated possible change in net asset value US\$ +/-
As at 31 December 2023	224,129,750	99	1	2,241,298
As at 31 December 2022	252,889,758	99	1	2,528,898

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Market risk** (continued)

Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of interest-bearing assets and future cash flow.

The Sub-Fund has interest-bearing bank deposits. As the bank deposits are on demand, the Manager considers the movement in interest rates will have insignificant cash flow impact on the daily net assets attributable to holders of redeemable units and therefore no sensitivity analysis on bank deposits is presented.

Foreign exchange risk

Foreign exchange risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Sub-Fund invests in securities that are denominated in currencies other than the HKD. Accordingly, the value of the Sub-Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates. Therefore, the Sub-Fund will necessarily be subject to foreign exchange risks.

The primary purpose of the Sub-Fund's foreign currency economic hedging activities is to protect against the volatility associated with investments and other assets and liabilities denominated in foreign currencies in the normal course of business. From time to time, the Sub-Fund may attempt to manage currency risk by using forward contracts, options or other instruments.

The Sub-Fund only holds monetary financial assets and liabilities predominately denominated in HKD and USD. Since the HKD is pegged to the USD, the Manager considers the Sub-Fund's exposure to foreign exchange risk in respect of the monetary financial assets and liabilities denominated in USD is minimal.

**Liquidity risk**

Liquidity risk is defined as the risk that the Sub-Fund will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets. The Sub-Fund is exposed to cash redemptions of its redeemable units on every Hong Kong business day during the calendar year.

The Manager seeks to control the liquidity risk of the investment portfolio in order to meet unitholders' redemption requests. However, if sizable redemption requests are received, the Manager may need to liquidate investment at a substantial discount in order to satisfy such requests and the Sub-Fund may suffer losses as a result.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Liquidity risk** (continued)

As at 31 December 2023

	On demand HKD	Less than 3 months HKD	3 to 12 months HKD	More than 12 months HKD	Total HKD
<b>Financial assets</b>					
Financial assets at fair value					
through profit or loss	224,129,750	-	-	-	224,129,750
Amounts due from brokers	2,381	747,496	-	-	749,877
Dividend receivable	-	269,402	-	-	269,402
Amounts receivable on subscription of units	-	29,935	-	-	29,935
Cash and cash equivalents	1,567,862	-	-	-	1,567,862
	<u>225,699,993</u>	<u>1,046,833</u>	<u>-</u>	<u>-</u>	<u>226,746,826</u>
	On demand HKD	Less than 3 months HKD	3 to 12 months HKD	Others HKD	Total HKD
<b>Financial liabilities</b>					
Management fee payable	-	233,333	-	-	233,333
Trustee fee payable	-	40,000	-	-	40,000
Distributions payable to unitholders	-	3,505	-	-	3,505
Other payables and accruals	-	304,841	-	-	304,841
Amounts due to brokers	-	1,751,403	-	-	1,751,403
Amounts payable on redemption of units	-	190,957	-	-	190,975
Net assets attributable to unitholders*	-	-	-	224,222,787	224,222,787
	<u>-</u>	<u>2,524,039</u>	<u>-</u>	<u>224,222,787</u>	<u>226,746,826</u>

\* Subject to redemption terms of the Sub-Fund.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

**Liquidity risk** (continued)

As at 31 December 2022

	On demand HKD	Less than 3 months HKD	3 to 12 months HKD	More than 12 months HKD	Total HKD
<b>Financial assets</b>					
Financial assets at fair value					
through profit or loss	252,889,758	-	-	-	252,889,758
Amounts due from brokers	2,381	3,422,258	-	-	3,424,639
Dividend receivable	-	116,777	-	-	116,777
Amounts receivable on subscription of units	-	66,140	-	-	66,140
Cash and cash equivalents	666,948	-	-	-	666,948
	<u>253,559,087</u>	<u>3,605,175</u>	<u>-</u>	<u>-</u>	<u>257,164,262</u>
	On demand HKD	Less than 3 months HKD	3 to 12 months HKD	Others HKD	Total HKD
<b>Financial liabilities</b>					
Management fee payable	-	268,119	-	-	268,119
Trustee fee payable	-	38,710	-	-	38,710
Distributions payable to unitholders	-	5,714	-	-	5,714
Other payables and accruals	-	316,647	-	-	316,647
Amounts due to brokers	-	820,079	-	-	820,079
Amounts payable on redemption of units	-	201,974	-	-	201,974
Net assets attributable to unitholders*	-	-	-	255,513,019	255,513,019
	<u>-</u>	<u>1,651,243</u>	<u>-</u>	<u>255,513,019</u>	<u>257,164,262</u>

\* Subject to redemption terms of the Sub-Fund.

**Credit and counterparty risk**

Credit risk is the risk that the counterparty to a financial instrument will cause a financial loss for the Sub-Fund by failing to discharge an obligation. The Sub-Fund is exposed to the risk of credit-related losses that can occur as a result of a counterparty or issuer being unable or unwilling to honour its contractual obligations. These credit exposures exist within equity securities and cash and cash equivalents.

It is the Sub-Fund's policy to enter into financial instruments with reputable counterparties. The Manager's policy is to closely monitor the creditworthiness of the Sub-Fund's counterparties (e.g., brokers, custodian and banks) by reviewing their credit ratings, financial statements and press releases on a regular basis.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

12. FINANCIAL RISK AND MANAGEMENT OBJECTIVES AND POLICIES (continued)

***Credit and counterparty risk*** (continued)

The Sub-Fund's financial assets which are potentially subject to concentrations of counterparty risk consist principally of bank deposits and investments held with the financial institutions. The Sub-Fund limits its exposure to counterparty risk by transacting with well-established banks and counterparties with high credit rating. As at 31 December 2023, the Sub-Fund's bank deposits and investments are held with the financial institution with credit rating of Aa3 (2022: Aa3) rated by Moody's. As such, the Manager does not consider the Sub-Fund to be exposed to significant counterparty risk.

Credit risk disclosures are segmented into two sections based on whether the underlying financial instrument is subject to IFRS 9's impairment disclosures or not.

Financial assets subject to IFRS 9's impairment requirements

The Sub-Fund's financial assets subject to the expected credit loss model within IFRS 9 are amounts due from brokers, dividend receivable, amounts receivable on subscription of units and cash and cash equivalents. At 31 December 2023 and 31 December 2022, no loss allowance had been provided. No assets are considered impaired and no amounts have been written off in the period. All receivables are expected to be received in three months or on demand. The Sub-Fund has adopted the simplified approach, meaning loss allowance made, if any, is based on lifetime ECLs.

In calculating the loss allowance, a provision matrix has been used based on historical observed loss rates over the expected life of the receivables adjusted for forward-looking estimates. Items have been grouped by their nature into the following categories: amounts due from brokers and other receivables.

Financial assets not subject to IFRS 9's impairment requirements

Financial assets at fair value through profit or loss is not subject to IFRS 9's impairment requirements as they are measured at fair value through profit or loss. The carrying value of these assets represents the Sub-Fund's maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates. Hence, no separate maximum exposure to credit risk disclosure is provided for these instruments.

13. TRANSACTIONS WITH CONNECTED PERSONS

Connected persons of the Manager and the Trustee are those as defined in the SFC Code. All transactions entered into during the period between the Sub-Fund and its connected persons were carried out in the normal course of business and on normal commercial terms. To the best of the Manager's knowledge, the Sub-Fund does not have any other transactions with connected persons except for what is disclosed below.

A. Bank deposits and investments held by the Trustee's connected persons

The Sub-Fund's bank deposits and investments were held by the Trustee's connected person, Bank of China (Hong Kong) Limited. Further details of the balances held are described in Note 9 to the financial statements. At 31 December 2023, bank balance was HKD1,567,862 (2022: HKD666,948). For the year ended 31 December 2023, the interest income on the bank deposits was HKD3,908 (2022: HKD1,882) and bank charges was HKD8,466 (2022: HKD5,222).

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

13. TRANSACTIONS WITH CONNECTED PERSONS (continued)

B. Investment transactions with connected person of the Trustee's connected persons

The following table shows an analysis of the Sub-Fund's transactions executed with BOCI Securities Limited ("BOCI"), the connected persons of the Trustee during the years ended 31 December 2023 and 2022.

	Aggregate value of purchases and sales transactions effected through BOCI HKD	Total commission paid HKD	% of Sub-Fund's total transactions during the year %	Average commission rate %
<u>31 December 2023</u>				
BOCI Securities Limited	10,499,769	15,750	0.81	0.15
<u>31 December 2022</u>				
BOCI Securities Limited	35,485,386	53,228	2.31	0.15

C. Holdings in the Sub-Fund

The Sub-Fund allows the Manager, its connected persons and other funds managed by the Manager to subscribe for, and redeem, units in the Sub-Fund. The holdings in the Sub-Fund by the Manager and its connected persons as at 31 December 2023 and 2022 were as follows:

As at 31 December 2023

Class I-HKD-ACC

	Units outstanding at 1 January 2023	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2023
Taikang Asset Management (Hong Kong) Company Limited, the Manager of the Sub-Fund	2,564,903.433	-	-	2,564,903.433
Taikang International Finance Limited, the wholly-owned subsidiary of the Manager of the Sub-Fund	3,930,007.876	-	-	3,930,007.876
Senior management of the Manager	67,599.540	-	-	67,599.540
Director of the Manager	1,587,563.914	2,246,876.176	-	3,834,440.090
	<u>8,150,074.763</u>	<u>2,246,876.176</u>	<u>-</u>	<u>10,396,950.939</u>

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

13. TRANSACTIONS WITH THE MANAGER AND ITS CONNECTED PERSONS (continued)

C. Holdings in the Sub-Fund (continued)

Class I-USD-ACC

	Units outstanding at 1 January 2023	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2023
Taikang International Finance Limited, the wholly-owned subsidiary of the Manager of the Sub-Fund	214,509.829	-	-	214,509.829
	<u>214,509.829</u>	<u>-</u>	<u>-</u>	<u>214,509.829</u>

As at 31 December 2022

Class I-HKD-ACC

	Units outstanding at 1 January 2022	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2022
Taikang Asset Management (Hong Kong) Company Limited, the Manager of the Sub-Fund	2,564,903.433	-	-	2,564,903.433
Taikang International Finance Limited, the wholly-owned subsidiary of the Manager of the Sub-Fund	3,930,007.876	-	-	3,930,007.876
Senior management of the Manager	67,599.540	-	-	67,599.540
Director of the Manager	1,587,563.914	-	-	1,587,563.914
	<u>8,150,074.763</u>	<u>-</u>	<u>-</u>	<u>8,150,074.763</u>

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

13. TRANSACTIONS WITH THE MANAGER AND ITS CONNECTED PERSONS (continued)

C. Holdings in the Sub-Fund (continued)

Class I-USD-ACC

	Units outstanding at 1 January 2022	Units subscribed during the year	Units redeemed during the year	Units outstanding at 31 December 2022
Taikang International Finance Limited, the wholly-owned subsidiary of the Manager of the Sub-Fund	214,509.829	-	-	214,509.829
	<u>214,509.829</u>	<u>-</u>	<u>-</u>	<u>214,509.829</u>

All transactions entered into during the year between the Sub-Fund and the Manager and its connected persons were carried out in the normal course of business and on normal commercial terms.

D. Fees earned by the Manager, the Trustee and its connected persons

In addition to the management fee, trustee fee and custodian fee disclosed in Note 4, the below fees are charged by the Sub-Fund's connected persons:

(i) Registration Fee

Annual Maintenance fee is charged HKD2,500 per share class by the Trustee. The registration fee for the year ended 31 December 2023 was HKD210,564 (2022: HKD209,436).

(ii) Transaction costs

The Trustee is entitled to receive transaction fee up to HKD240 for each securities / unit trust / mutual fund transaction / cash outgoing transfer made through the Trustee.

Transaction fee is charged by the Custodian at USD24 (Hong Kong market), USD25 (Stock-connect) and USD27 (US market) per transaction.

The transaction cost for the year ended 31 December 2023 was HKD263,160 (2022: HKD219,480).

(iii) Accounting fee

The Trustee is entitled to receive an accounting fee for preparation of the draft of financial statements, at a rate of HKD10,000 per draft of report. The accounting fee for the year ended 31 December 2023 was HKD10,000 (2022: HKD10,000).

(iv) Distribution handling fee

The Trustee is entitled to receive a distribution handling fee for dividend distribution, at a rate of HKD60 per account holder. The distribution handling fee for the year ended 31 December 2023 was HKD3,600 (2022: HKD7,080).

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
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NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

14. SOFT COMMISSION ARRANGEMENTS

The Manager and its connected persons may enter into soft commission arrangements with brokers under which certain goods and services used to support investment decision making will be received. The Manager and its connected persons will not make direct payment for these services but will transact an agreed amount of business with the brokers on behalf of the Sub-Fund and commission will be paid on these transactions.

The goods and services must be of demonstrable benefit to the Sub-Fund and may include research and advisory services, economic and political analysis, portfolio analysis including valuation and performance measurement, market analysis and data and quotation services, computer hardware and software incidental to the above goods and services, clearing and custodian services and investment-related publications.

Since the inception of the Sub-Fund, the Manager had not participated in any soft dollar arrangements in respect of any transactions for the accounts of the Sub-Fund.

15. EVENTS AFTER THE REPORTING PERIOD

During the period from 1 January 2024 to the date of authorisation of these financial statements, the Sub-Fund has the following subsequent subscriptions and redemptions:

	Number of units	Amount
Subsequent subscriptions		
- Class I-HKD-ACC	106,906.738	HKD1,198,211
- Class A-HKD-ACC	40,488.494	HKD404,577
- Class A-USD-ACC	210.242	USD2,127
- Class A-HKD-DIST	251.825	HKD1,798
- Class A-USD-DIST	20.714	USD146
Subsequent redemptions		
- Class I-HKD-ACC	1,672,897.168	HKD18,281,833
- Class A-HKD-ACC	451,032.870	HKD4,465,260
- Class A-USD-ACC	94,301.296	USD916,187
- Class A-HKD-DIST	10,187.697	HKD73,473

16. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Trustee and the Manager on 29 April 2024.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

31 December 2023

	At 1 January 2023	Movement in holdings			At 31 December 2023
		Additions	Bonus/ Dividends	Disposals	
<b>Listed investments</b>					
<b>Equity Securities</b>					
<b>China</b>					
ANHUI HUAHENG BIOTECHNOLOGY CO LTD-A	-	56,725	774	(26,800)	30,699
AVIC HEAVY MACHINERY CO LTD-A	-	80,100	-	(80,100)	-
AVIC JONHON OPTRONIC TECHNOLOGY CO LTD-A	-	44,200	-	(44,200)	-
AVIC XI'AN AIRCRAFT INDUSTRY GROUP CO LTD-A	-	45,600	-	(45,600)	-
BANK OF NINGBO CO LTD-A	-	224,700	-	(224,700)	-
BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO LTD-A	-	65,000	-	(65,000)	-
BEIJING TRS INFORMATION TECHNOLOGY CO LTD-A	-	164,500	-	(164,500)	-
CHINA CSSC HLDGS LTD-A	-	106,400	-	(106,400)	-
CHINA ZHENHUA GROUP SCIENCE & TECHNOLOGY CO LTD-A	-	27,900	-	(27,900)	-
CHONGQING TAIJI INDUSTRY GROUP CO LTD-A	-	80,600	-	(37,200)	43,400
CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A	5,700	8,500	-	(14,200)	-
DAWNING INFORMATION INDUSTRY CO LTD-A	-	75,976	-	(75,976)	-
ESTUN AUTOMATION CO LTD-A	-	159,500	-	(159,500)	-
GOERTEK INC-A	-	80,000	-	-	80,000
GUANGZHOU TINCI MATERIALS TECHNOLOGY CO LTD-A	-	89,900	-	(89,900)	-
HANGZHOU FIRST APPLIED MATERIAL CO LTD-A	-	220,160	17,840	(151,900)	86,100
HUAMING POWER EQUIPMENT CO LTD-A	-	161,300	-	(61,500)	99,800
HUBEI FEILIHUA QUARTZ GLASS CO LTD-A	65,424	72,600	-	(138,024)	-
IFLYTEK CO LTD-A	-	37,700	-	(37,700)	-
JA SOLAR TECHNOLOGY CO LTD-A	-	35,100	8,080	(43,180)	-
KUNSHAN KINGLAI HYGIENIC MATERIALS CO LTD-A	44,700	41,200	-	(85,900)	-
LB GROUP CO LTD-A	-	30,900	-	(30,900)	-

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a Sub-Fund of Taikang Kaitai Funds)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

31 December 2023

	Movement in holdings				At 31 December 2023
	At 1 January 2023	Additions	Bonus/ Dividends	Disposals	
LUXSHARE PRECISION INDUSTRY CO LTD-A	-	182,800	-	-	182,800
NAURA TECHNOLOGY GROUP CO LTD-A	16,000	6,900	-	(22,900)	-
NINGBO TUOPU GROUP CO LTD-A	69,900	91,700	-	(120,400)	41,200
NINGBO XUSHENG AUTO TECHNOLOGY CO LTD-A	-	96,800	-	(96,800)	-
POWER CONSTRUCTION CORP OF CHINA LTD-A	-	398,400	-	(398,400)	-
SHANDONG JINJING SCIENCE & TECHNOLOGY CO LTD-A	-	392,600	-	(392,600)	-
SHANGHAI JINJIANG INTL HOTELS DEVELOPMENT CO LTD-A	-	18,200	-	(18,200)	-
SHANGHAI LIANGXIN ELECTRICAL CO LTD-A	249,800	307,400	-	(557,200)	-
SHANGHAI MOONS ELECTRIC CO LTD-A	-	76,100	-	(53,300)	22,800
SHENZHEN ENVICOOL TECHNOLOGY CO LTD-A	-	186,360	32,628	(106,800)	112,188
SHENZHEN INOVANCE TECHNOLOGY CO LTD-A	49,000	33,100	-	(82,100)	-
SHENZHEN SC NEW ENERGY TECHNOLOGY CORP-A	30,800	25,200	-	(56,000)	-
SICHUAN TUOPAI SHEDE WINE CO LTD-A	-	13,100	-	(13,100)	-
STATE GRID INFORMATION & COMMUNICATION CO LTD-A	-	337,100	-	(337,100)	-
SUNGROW POWER SUPPLY CO LTD-A	37,800	8,200	-	(46,000)	-
SUNRESIN NEW MATERIALS CO LTD-A	47,834	109,900	28,917	(77,400)	109,251
SUZHOU MAXWELL TECHNOLOGIES CO LTD-A	13,880	25,700	-	(39,580)	-
WUHAN DR LASER TECHNOLOGY CORP LTD-A	-	30,600	-	(30,600)	-
WULIANGYE YIBIN CO LTD-A	-	19,700	-	(19,700)	-
WUXI AUTOWELL TECHNOLOGY CO LTD-A	9,118	-	-	(9,118)	-
ZHEJIANG CHENGCHANG TECHNOLOGY CO LTD-A	-	24,660	-	(24,660)	-
ZHEJIANG JINGSHENG MECHANICAL & ELECTRICAL CO LTD-A	50,100	-	-	(50,100)	-

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a Sub-Fund of Taikang Kaitai Funds)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

31 December 2023

	At 1 January 2023	Additions	Movement in holdings		At 31 December 2023
			Bonus/ Dividends	Disposals	
ZHEJIANG SUPCON TECHNOLOGY CO LTD-A	-	80,123	14,445	(55,100)	39,468
ZHONGJI INNOLIGHT CO LTD-A	-	263,000	-	(157,000)	106,000
	690,056	4,636,204	102,684	(4,475,238)	953,706
<b>Hong Kong</b>					
AGRICULTURAL BANK OF CHINA LTD-H	-	1,684,000	-	(1,684,000)	-
AIA GROUP LTD	-	29,000	-	(29,000)	-
ALIBABA GROUP HLDG LTD	250,700	238,200	-	(235,300)	253,600
ANTA SPORTS PRODUCTS LTD	57,800	63,600	-	(99,200)	22,200
ASM PACIFIC TECHNOLOGY LTD	-	94,600	-	(94,600)	-
BAIDU INC-SW	99,300	91,700	-	(106,300)	84,700
BILIBILI INC-CL Z	27,940	14,280	-	(42,220)	-
BRII BIOSCIENCES LTD	-	510,000	-	(510,000)	-
BYD CO LTD-H	-	24,500	-	(13,500)	11,000
CHINA COMMUNICATIONS CONSTRUCTION CO LTD-H	-	1,520,000	-	(1,520,000)	-
CHINA COMMUNICATIONS SERVICES CORP-H	-	2,236,000	-	(2,236,000)	-
CHINA CONSTRUCTION BANK CORP-H	-	3,564,000	-	(1,639,000)	1,925,000
CHINA GALAXY SECURITIES CO LTD-H	-	1,777,000	-	(765,000)	1,012,000
CHINA HONGQIAO GROUP LTD	-	938,000	-	(694,000)	244,000
CHINA LESSO GROUP HLDGS LTD	-	600,000	-	(600,000)	-
CHINA LIFE INSURANCE CO LTD-H	-	756,000	-	(112,000)	644,000
CHINA MERCHANTS BANK CO LTD-H	184,000	147,500	-	(264,000)	67,500
CHINA OVERSEAS LAND & INVESTMENT LTD	-	593,000	-	(593,000)	-

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a Sub-Fund of Taikang Kaitai Funds)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

31 December 2023

	At 1 January 2023	Additions	Movement in holdings		At 31 December 2023
			Bonus/ Dividends	Disposals	
CHINA OVERSEAS PROPERTY HLDGS LTD	-	135,000	-	(135,000)	-
CHINA PACIFIC INSURANCE (GROUP) CO-H	-	324,200	-	(324,200)	-
CHINA POWER INTL DEVELOPMENT LTD	-	3,050,000	-	(3,050,000)	-
CHINA RESOURCES LAND LTD	-	212,000	-	(46,000)	166,000
CHINA TELECOM CORP LTD-H	-	1,652,000	-	(1,652,000)	-
CHINA UNICOM (HONG KONG) LTD	-	656,000	-	(656,000)	-
CHINA VANKE CO LTD-H	230,500	426,600	-	(657,100)	-
CIFI HLDGS GROUP CO LTD	2,264,000	1,770,000	-	(4,034,000)	-
CITIC SECURITIES CO LTD-H	-	380,000	-	(380,000)	-
CMOC GROUP LTD-H	-	990,000	-	(537,000)	453,000
CNOOC LTD	-	845,000	-	(845,000)	-
COUNTRY GARDEN HLDGS CO LTD	4,773,000	-	-	(4,773,000)	-
COWELL E HLDGS INC	-	315,000	-	(315,000)	-
GEELY AUTOMOBILE HLDGS LTD	524,000	40,000	-	(564,000)	-
GENSCRIPT BIOTECH CORP	226,000	568,000	-	(400,000)	394,000
H WORLD GROUP LTD	75,200	171,100	-	(246,300)	-
HONG KONG AEROSPACE TECHNOLOGY GROUP LTD	-	210,400	-	(210,400)	-
HUA HONG SEMICONDUCTOR LTD	133,000	-	-	(133,000)	-
HUATAI SECURITIES CO LTD-H	-	352,000	-	(352,000)	-
INNOVENT BIOLOGICS INC (B)	-	1,000	-	(1,000)	-
JD.COM INC	16,850	42,250	-	(37,600)	21,500
JIUMAOJIU INTL HLDGS LTD	411,000	56,000	-	(467,000)	-
KUAISHOU TECHNOLOGY	123,600	115,100	-	(238,700)	-
KWG GROUP HLDGS LTD	605,500	814,500	-	(1,420,000)	-

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a Sub-Fund of Taikang Kaitai Funds)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

31 December 2023

	At 1 January 2023	Additions	Movement in holdings		At 31 December 2023
			Bonus/ Dividends	Disposals	
LENOVO GROUP LTD	-	932,000	-	(16,000)	916,000
LI AUTO INC-CL A	-	20,900	-	-	20,900
LI NING CO LTD	156,500	207,000	-	(303,000)	60,500
LONGFOR GROUP HLDGS LTD	91,500	625,000	-	(716,500)	-
MEITUAN-CLASS B	69,400	108,610	-	(137,800)	40,210
NETEASE INC	-	107,200	-	(80,900)	26,300
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	-	114,100	-	(11,100)	103,000
NINE DRAGONS PAPER HLDGS LTD	510,000	-	-	(510,000)	-
PING AN INSURANCE GROUP CO OF CHINA LTD-H	174,000	208,000	-	(205,500)	176,500
POP MART INTL GROUP LTD	-	50,800	-	(50,800)	-
PRUDENTIAL PLC	-	350	-	(350)	-
SEAZEN GROUP LTD	2,008,000	1,694,000	-	(3,702,000)	-
SINO BIOPHARMACEUTICAL LTD	-	2,137,000	-	(1,120,000)	1,017,000
SINOTRUK (HONG KONG) LTD	-	1,013,000	-	(569,500)	443,500
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	-	135,400	-	(75,500)	59,900
TENCENT HLDGS LTD	45,700	64,600	-	(43,800)	66,500
TRIP.COM GROUP LTD	32,050	15,450	-	(34,650)	12,850
WEIMOB INC	757,000	288,000	-	(1,045,000)	-
WUXI APPTEC CO LTD-H	-	80,900	-	(24,100)	56,800
WUXI BIOLOGICS CAYMAN INC	127,500	146,500	-	(274,000)	-
WUXI XDC CAYMAN INC	-	110,120	-	(110,000)	120
XPENG INC	116,400	73,100	-	(169,300)	20,200

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a Sub-Fund of Taikang Kaitai Funds)

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED) (continued)

31 December 2023

	<b>Movement in holdings</b>				
	<b>At 1 January 2023</b>	<b>Additions</b>	<b>Bonus/ Dividends</b>	<b>Disposals</b>	<b>At 31 December 2023</b>
XTEP INTL HLDGS LTD	-	215,000	-	(215,000)	-
YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LTD CO-H	-	252,000	-	(252,000)	-
YUEXIU PROPERTY CO LTD	-	811,000	-	(488,000)	323,000
ZIJIN MINING GROUP CO LTD-H	242,000	726,000	-	(368,000)	600,000
ZTE CORP-H	-	97,400	-	(97,400)	-
WUXI BIOLOGICS CAYMAN IN-RTS (EX date 06 NOV2023)	-	120	-	(120)	-
	14,332,440	38,241,080	-	(43,331,740)	9,241,780
<b>United States</b>					
ALIBABA GROUP HLDG LTD-SPONSORED ADR	-	2,350	-	(2,350)	-
BAIDU INC-ADR	-	1,193	-	(1,193)	-
FUTU HLDGS LTD-SPONSORED ADR	5,024	-	-	(5,024)	-
PINDUODUO INC-SPONSORED ADR	3,706	19,701	-	(9,312)	14,095
	8,730	23,244	-	(17,879)	14,095

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF INVESTMENT PORTFOLIO (UNAUDITED)

31 December 2023

	Holding/ Nominal value	Market Value HKD	% of net asset
<b>Listed/quoted investments</b>			
<b><u>Equity Securities</u></b>			
<b>Denominated in RMB</b>			
<b>China</b>			
ANHUI HUAHENG BIOTECHNOLOGY CO LTD-A	30,699	4,239,137	1.89
CHONGQING TAIJI INDUSTRY GROUP CO LTD-A	43,400	2,211,548	0.99
GOERTEK INC-A	80,000	1,843,501	0.82
HANGZHOU FIRST APPLIED MATERIAL CO LTD-A	86,100	2,291,925	1.02
HUAMING POWER EQUIPMENT CO LTD-A	99,800	1,545,584	0.69
LUXSHARE PRECISION INDUSTRY CO LTD-A	182,800	6,907,054	3.08
NINGBO TUOPU GROUP CO LTD-A	41,200	3,321,330	1.48
SHANGHAI MOONS ELECTRIC CO LTD-A	22,800	1,646,714	0.73
SHENZHEN ENVICOOL TECHNOLOGY CO LTD-A	112,188	3,381,354	1.51
SUNRESIN NEW MATERIALS CO LTD-A	109,251	6,357,994	2.84
ZHEJIANG SUPCON TECHNOLOGY CO LTD-A	39,468	1,963,134	0.88
ZHONGJI INNOLIGHT CO LTD-A	106,000	13,127,007	5.85
	953,706	48,836,280	21.78
<b>Denominated in HKD</b>			
<b>Hong Kong</b>			
ALIBABA GROUP HLDG LTD	253,600	19,172,160	8.55
ANTA SPORTS PRODUCTS LTD	22,200	1,681,650	0.75
BAIDU INC-SW	84,700	9,833,670	4.39
BYD CO LTD-H	11,000	2,358,400	1.05
CHINA CONSTRUCTION BANK CORP-H	1,925,000	8,951,250	3.99
CHINA GALAXY SECURITIES CO LTD-H	1,012,000	4,179,560	1.86
CHINA HONGQIAO GROUP LTD	244,000	1,559,160	0.70
CHINA LIFE INSURANCE CO LTD-H	644,000	6,517,280	2.91
CHINA MERCHANTS BANK CO LTD-H	67,500	1,836,000	0.82
CHINA RESOURCES LAND LTD	166,000	4,648,000	2.07
CMOC GROUP LTD-H	453,000	1,934,310	0.86
GENSCRIPT BIOTECH CORP	394,000	7,824,840	3.49
JD.COM INC	21,500	2,418,750	1.08
LENOVO GROUP LTD	916,000	10,002,720	4.46
LI AUTO INC-CL A	20,900	3,074,390	1.37
LI NING CO LTD	60,500	1,264,450	0.56
MEITUAN-CLASS B	40,210	3,293,199	1.47
NETEASE INC	26,300	3,697,780	1.65

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

STATEMENT OF INVESTMENT PORTFOLIO (UNAUDITED) (continued)

31 December 2023

	Holding/ Nominal value	Market Value HKD	% of net asset
<b>Listed/quoted investments</b>			
<b><u>Equity Securities</u></b>			
<b>Denominated in HKD</b>			
<b>Hong Kong</b>			
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	103,000	5,690,750	2.54
PING AN INSURANCE GROUP CO OF CHINA LTD-H	176,500	6,239,275	2.78
SINO BIOPHARMACEUTICAL LTD	1,017,000	3,528,990	1.57
SINOTRUK (HONG KONG) LTD	443,500	6,794,420	3.03
SUNNY OPTICAL TECHNOLOGY GROUP CO LTD	59,900	4,243,915	1.89
TENCENT HLDGS LTD	66,500	19,524,400	8.71
TRIP.COM GROUP LTD	12,850	3,567,160	1.59
WUXI APTEC CO LTD-H	56,800	4,512,760	2.01
WUXI XDC CAYMAN INC	120	3,840	0.00
XPENG INC	20,200	1,145,340	0.51
YUEXIU PROPERTY CO LTD	323,000	2,054,280	0.92
ZIJIN MINING GROUP CO LTD-H	600,000	7,632,000	3.40
	9,241,780	159,184,699	70.99
<b>Denominated in USD</b>			
<b>United States</b>			
PINDUODUO INC-SPONSORED ADR	14,095	16,108,771	7.18
	14,095	16,108,771	7.18
<b><u>TOTAL NET ASSETS</u></b>			
<b>Denominated in HKD</b>			
Total listed/quoted investments		224,129,750	99.96
Other net assets		93,037	0.04
Total net assets as at 31 December 2023		224,222,787	100.00
<b>Total Investments, at cost</b>		229,651,514	

Note: Investments are accounted for a trade-date basis.

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

PERFORMANCE TABLE (UNAUDITED)

31 December 2023

Net asset value (“NAV”) attributable to unitholders

Net assets attributable to holders of redeemable units per unit

Year	NAV of the Sub-Fund (HKD)	Class I- HKD-ACC units (HKD)	Class I-USD- ACC units (USD)	Class I- HKD-DIST units (HKD)	Class A- HKD-ACC units (HKD)	Class A- USD-ACC units (USD)	Class A- HKD-DIST units (HKD)	Class A- USD-DIST units (USD)	Class A- RMB-ACC units (RMB)
2023	224,222,787	11.809	9.436	-	10.464	10.438	7.510	7.516	5.361
2022	255,503,388	14.048	11.246	-	12.542	12.535	9.277	9.304	6.248
2021	404,030,681	20.818	16.663	-	18.726	18.712	14.298	14.340	8.551

Lowest issue price per unit

Year	Class I- HKD-ACC units (HKD)	Class I- USD-ACC units (USD)	Class I- HKD-DIST units (HKD)	Class A- HKD-ACC units (HKD)	Class A- USD-ACC units (USD)	Class A- HKD-DIST units (HKD)	Class A- USD-DIST units (USD)	Class A- RMB-ACC units (RMB)
2023	11.302	9.029	-	10.017	9.990	7.208	7.211	5.143
2022	11.007	8.752	-	9.839	9.767	7.314	7.285	5.151
2021	19.824	15.863	-	17.836	17.818	13.652	13.689	
2020	10.987	8.842	-	10.015	10.062	8.060	8.126	
2019	10.611	8.454	-	9.761	9.710	8.131	8.117	
2018	10.541	8.385	-	9.710	9.643	8.153	8.127	

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

PERFORMANCE TABLE (UNAUDITED) (continued)

31 December 2023

Highest redemption price per unit

Year	Class I- HKD-ACC units (HKD)	Class I- USD-ACC units (USD)	Class I- HKD-DIST units (HKD)	Class A- HKD-ACC units (HKD)	Class A- USD-ACC units (USD)	Class A- HKD-DIST units (HKD)	Class A- USD-DIST units (USD)	Class A- RMB-ACC units (CNY)
2023	16.349	13.034	-	14.588	14.520	10.790	10.777	7.059
2022	20.674	16.548	-	18.595	18.582	14.199	14.24	8.513
2021	27.305	21.981	-	24.721	24.846	19.397	19.568	
2020	22.508	18.121	-	20.399	20.503	16.041	16.183	
2019	13.838	11.092	-	12.636	12.645	10.312	10.289	
2018	15.600	12.453	-	14.452	14.403	12.417	12.421	

TAIKANG KAITAI CHINA NEW OPPORTUNITIES FUND  
(a sub-fund of Taikang Kaitai Funds)

INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS (UNAUDITED)

Below is the summary of gross exposure and net derivative exposure arising from the use of financial derivative instruments for the years ended 31 December 2023 and 31 December 2022.

For the year ended 31 December 2023

	Lowest	Highest	Average
Gross exposure	0.00%	0.00%	0.00%
Net derivative exposure	0.00%	0.00%	0.00%

For the year ended 31 December 2022

	Lowest	Highest	Average
Gross exposure	0.00%	0.00%	0.00%
Net derivative exposure	0.00%	0.00%	0.00%