

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

Report and Financial Statements
For the year ended 31 December 2023

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

GENERAL INFORMATION

Registered office of the Fund	22/F Manhattan Place 23 Wang Tai Road, Kowloon Bay Kowloon, Hong Kong
Directors	Kwan Pak Hoo Bankee Kwan Teng Hin Jeffrey
Manager	CASH Wealth Management Limited 22/F Manhattan Place 23 Wang Tai Road, Kowloon Bay Kowloon, Hong Kong
Custodian, Administrator and Registrar	BOCI Prudential Trustee Limited Suites 1501-1507 & 1513 - 1516 15/F, 1111 King's Road, Taikoo Shing Hong Kong
Auditor	Deloitte Touche Tohmatsu 35/F One Pacific Place 88 Queensway Hong Kong
Legal Advisers	Sidley Austin 39th Floor Two International Finance Centre 8 Finance Street, Central Hong Kong

REPORT OF THE CUSTODIAN

TO THE PARTICIPATING SHAREHOLDERS OF CASH PRIME VALUE EQUITY OFC

時富優越價值股票開放式基金型公司

(incorporated in Hong Kong with limited liability)

We hereby confirm that, to the best of our knowledge, the Manager of the CASH Prime Value Equity OFC (the "Fund") has, in all material respects, managed the Fund for the year ended 31 December 2023 in accordance with the provisions of the Fund's Instrument of Incorporation.

CASH Prime Value Equity OFC



BOCI-Prudential Trustee Limited
(the Custodian)

30 APR 2024

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CASH PRIME VALUE EQUITY OFC

時富優越價值股票開放式基金型公司

(incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of CASH Prime Value Equity OFC (the "Fund") set out on pages 6 to 33 which comprise the statement of financial position as at 31 December 2023, the statement of profit or loss and other comprehensive income, the statement of changes in net assets attributable to participating shareholders and the statement of cash flows for the year ended 31 December 2023, and notes to the financial statements, including material accounting policy information and other explanatory information.

In our opinion, the financial statements give a true and fair view of the financial position of the Fund as at 31 December 2023, and of its financial performance and cash flows for the year ended 31 December 2023 in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA").

Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. 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 Fund in accordance with the HKICPA's *Code of Ethics for Professional Accountants* ("the Code"), 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 directors of the Fund are responsible for the other information. The other information comprises the information included in the annual report, but does not include 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

TO THE SHAREHOLDERS OF CASH PRIME VALUE EQUITY OFC - continued

時富優越價值股票開放式基金型公司

(incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements - continued

Responsibilities of Manager and Directors and Those Charged with Governance for the Financial Statements

The Manager and the directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA, and for such internal control as the Manager and the directors determine is 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 directors are responsible for assessing the ability of the Fund 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 directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

In addition, the Manager and the directors are required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the instrument of incorporation of the Fund dated 4 January 2022, Part 7 of the Securities and Futures (Open-ended Fund Companies) Rules ("OFC Rules"), Appendix E of the Code on Unit Trusts and Mutual Funds ("UT Code") and Chapter 9 of the Code on Open-Ended Fund Companies ("OFC Code") issued by the Securities and Futures Commission.

Those charged with governance are responsible for overseeing the financial reporting process of the Fund.

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 is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you, in accordance with the agreed terms of engagement, and for no other purpose. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAAs 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 Fund have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the instrument of incorporation of the Fund, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CASH PRIME VALUE EQUITY OFC - continued

時富優越價值股票開放式基金型公司

(incorporated in Hong Kong with limited liability)

Report on the Audit of the Financial Statements - continued

Auditor's Responsibilities for the Audit of the Financial Statements - continued

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional skepticism 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.
- 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 internal control of the Fund.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Manager and the directors.
- Conclude on the appropriateness of the Manager's and the directors' 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 ability of the Fund 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 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 those charged with governance 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.

INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF CASH PRIME VALUE EQUITY OFC - continued

時富優越價值股票開放式基金型公司

(incorporated in Hong Kong with limited liability)

Report on matters under the relevant disclosure provisions of the instrument of incorporation of the Fund, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code

In our opinion, the financial statements have been properly prepared, in all material respects, in accordance with the relevant disclosure provisions of the instrument of incorporation of the Fund, Part 7 of the OFC Rules, Appendix E of the UT Code and Chapter 9 of the OFC Code.

Deloitte Touche Tohmatsu

Deloitte Touche Tohmatsu

Certified Public Accountants

Hong Kong

30 APR 2024

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2023

	<u>NOTES</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
Assets			
Financial assets at fair value through profit or loss	7	11,165,290	14,112,760
Bank balances	8	270,509	733,570
Amount due from a broker	9	6,832	-
Management fee rebate receivable	13	829,669	-
		<u>12,272,300</u>	<u>14,846,330</u>
Liabilities			
Administrator fee payable	13	40,000	120,000
Investment handling fee payable		-	4,600
Management fee payable	13	154,791	41,777
Performance fee payable	13	-	33,284
Transaction fee payable		-	1,200
Accrued audit fee		171,788	171,709
Fund set up fee payable		1,540,070	1,540,070
Other payable		5,000	14,833
		<u>1,911,649</u>	<u>1,927,473</u>
Net assets attributable to the participating shareholder	10, 15	<u>10,360,651</u>	<u>12,918,857</u>

The financial statements on pages 6 to 33 were approved and authorised for issue by the Board of Directors on **30 APR 2024** and are signed on its behalf by:


Kwan Pak Hoo Bankee
DIRECTOR


Kwan Teng Hin Jeffrey
DIRECTOR

Notes are an integral part of the financial statements.

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>NOTES</u>	<u>2023</u> HK\$	4.1.2022 to <u>31.12.2022</u> HK\$
INCOME			
Dividend income		664,124	31,940
Interest income		756	102
Net (losses) gains on investments held for trading	4	(1,184,519)	1,006,602
Net foreign exchange (loss) gain		(71)	536
Management fee rebate	13	829,669	-
		<u>309,959</u>	<u>1,039,180</u>
EXPENSES			
Management fee	13	154,395	41,777
Administrator fee	13	480,000	160,000
Custodian fee		23,884	18,557
Performance fee	13	-	33,284
Audit fee	13	-	172,245
Transaction costs on investment	13	100,444	71,908
Transaction handling fee		8,700	11,000
Fund set up fee		-	1,580,070
Other expenses		64,102	22,858
		<u>831,525</u>	<u>2,111,699</u>
Loss before tax		<u>(521,566)</u>	<u>(1,072,519)</u>
Withholding tax on dividend income	5	<u>(43,286)</u>	<u>(2,170)</u>
Loss and total comprehensive expense for the year/period		<u><u>(564,852)</u></u>	<u><u>(1,074,689)</u></u>

Notes are an integral part of the financial statements.

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO THE PARTICIPATING
SHAREHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>NOTES</u>	<u>2023</u> HK\$	<u>2022</u> HK\$
Net assets attributable to participating shareholders at the beginning of year/period		12,918,857	-
Subscriptions of redeemable participating shares issued	10		
- Class A		10,200	812,500
- Class I		3,000,000	14,000,000
Redemptions of redeemable participating shares	10		
- Class A		(18,654)	(818,954)
- Class I		(4,984,900)	-
		<u>10,925,503</u>	<u>13,993,546</u>
Loss and total comprehensive expense for the year/period		<u>(564,852)</u>	<u>(1,074,689)</u>
Net assets attributable to participating shareholders at the end of year/period		<u><u>10,360,651</u></u>	<u><u>12,918,857</u></u>

Notes are an integral part of the financial statements.

CASH PRIME VALUE EQUITY OFC
 時富優越價值股票開放式基金型公司

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>NOTES</u>	<u>2023</u> HK\$	4.1.2022 to <u>31.12.2022</u> HK\$
OPERATING ACTIVITIES			
Loss before tax		(521,566)	(1,072,519)
Adjustments for:			
Interest income		(756)	(102)
Dividend income		(664,124)	(31,940)
Operating cash flows before movements in working capital		(1,186,446)	(1,104,561)
Decrease (increase) in financial assets at fair value through profit or loss		2,947,470	(14,112,760)
Increase in amount due from a broker		(6,832)	-
Increase in management fee rebate receivable		(829,669)	-
(Decrease) increase in administrator fee payable		(80,000)	120,000
(Decrease) increase in investment handling fee payable		(4,600)	4,600
Increase in management fee payable		113,014	41,777
(Decrease) increase in performance fee payable		(33,284)	33,284
(Decrease) increase in transaction fee payable		(1,200)	1,200
Increase in accrued audit fee		79	171,709
Increase in fund set up fee		-	1,540,070
(Decrease) increase in other payable		(9,833)	14,833
Cash from (used in) operation		908,699	(13,289,848)
Interest received		756	102
Dividend received		664,124	31,940
Withholding tax paid		(43,286)	(2,170)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES		1,530,293	(13,259,976)
CASH FROM FINANCING ACTIVITIES			
Proceeds from issuance of shares	14	3,010,200	14,812,500
Payment on redemption of shares	14	(5,003,554)	(818,954)
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES		(1,993,354)	13,993,546
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		(463,061)	733,570
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR/PERIOD		733,570	-
CASH AND CASH EQUIVALENTS AT END OF THE YEAR/PERIOD		270,509	733,570
ANALYSIS OF THE BALANCE OF CASH AND CASH EQUIVALENTS			
Bank balances		270,509	733,570

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

1. GENERAL

The Fund is a public open-ended fund company with variable capital, which was registered in Hong Kong under the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") on 22 February 2022. The Fund is constituted by way of the Instrument of Incorporation filed to the Companies Registry of Hong Kong on 31 December 2021, and effective as of 4 January 2022. The Fund was established with a view to accepting wide participation by eligible persons, whether directly or indirectly. CASH Wealth Management Limited (the "Manager") will use commercially reasonable efforts to market the Fund to achieve this objective.

The address of the registered office and the principal place of business of the Fund is 22/F Manhattan Place, 23 Wang Tai Road, Kowloon Bay, Hong Kong. CASH Wealth Management Limited is the Fund's immediate holding company and CASH Financial Services Group Limited ("CFSG") is the Fund's intermediate holding company and Celestial Asia Securities Holdings Limited, a company incorporated in Bermuda, is the Fund's ultimate holding company and its shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited and it produces consolidated financial statements available for public use.

The principal activity of the Fund is investment holding.

The financial statements are presented in Hong Kong dollars ("HK\$"), which is also as the functional currency of the Fund.

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Fund has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") for the first time, which are mandatorily effective for the annual period beginning on 1 January 2023 for the preparation of the financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform-Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

New and amendments to HKFRSs that are mandatorily effective for the current year - continued

Except as described below, the application of the new and amendments to HKFRSs in the current year has had no material impact on the financial positions and performance for the current and prior years and/or on the disclosures set out in these financial statements.

**Impacts on application of Amendments to HKAS 1 and HKFRS Practice Statement 2
Disclosure of Accounting Policies**

The Fund has applied the amendments for the first time in the current year. HKAS 1 *Presentation of Financial Statements* is amended to replace all instances of the term "significant accounting policies" with "material accounting policy information". Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

The amendments also clarify that accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material. If an entity chooses to disclose immaterial accounting policy information, such information must not obscure material accounting policy information.

HKFRS Practice Statement 2 *Making Materiality Judgements* (the "Practice Statement") is also amended to illustrate how an entity applies the "four-step materiality process" to accounting policy disclosures and to judge whether information about an accounting policy is material to its financial statements. Guidance and examples are added to the Practice Statement.

The application of the amendments has had no material impact on the Fund's financial position and performance but has affected the disclosure of the Fund's accounting policies set out in Note 3 to the financial statements.

Amendments to HKFRSs in issue but not yet effective

The Fund has not early applied the following amendments to HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendment to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Disclosure of Accounting Policies ²
Amendments to HKAS 21	Lack of Exchangeability ³

2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs") - continued

Amendments to HKFRSs in issue but not yet effective - continued

- ¹ Effective for annual periods beginning on or after a date to be determined.
- ² Effective for annual periods beginning on or after 1 January 2024.
- ³ Effective for annual periods beginning on or after 1 January 2025.

The directors anticipate that the application of the other amendments to HKFRSs will have no material impact on the financial statements in the foreseeable future.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION

3.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. For the purpose of preparation of the financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users.

The financial statements for the current period cover the twelve-month period ended 31 December 2023. The corresponding comparative amounts shown for the statement of profit or loss and other comprehensive income and statement of cash flows and related notes cover from 4 January 2022 to 31 December 2022 and therefore may not be comparable with amounts shown for the current period.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange of goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Fund takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

3.2 Material accounting policy information

Financial instruments

Financial assets and financial liabilities are recognised when the Fund becomes a party to the contractual provisions of the instrument. All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss ("FVTPL")) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating interest income and interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts and payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial assets or financial liability, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Financial assets

Classification and subsequent measurement of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at FVTPL.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling in the near term; or
- on initial recognition it is a part of a portfolio of identified financial instruments that the Fund manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Classification and subsequent measurement of financial assets - continued

(i) Amortised cost and interest income

Interest income is recognised using the effective interest method for financial assets measured subsequently at amortised cost. Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired. For financial assets that have subsequently become credit-impaired, interest income is recognised by applying the effective interest rate to the amortised cost of the financial asset from the next reporting period. If the credit risk on the credit impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognised by applying the effective interest rate to the gross carrying amount of the financial asset from the beginning of the reporting period following the determination that the asset is no longer credit impaired.

(ii) Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss. The net gain or loss recognised in profit or loss excludes any interests or dividends earned on the financial asset.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets

The Fund performs impairment assessment under expected credit loss ("ECL") model on financial assets which are subject to impairment assessment under HKFRS9. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL ("12m ECL") represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Fund's historical credit loss experience, adjusted for factors that are specific to the counterparties, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

For all the instruments measured at amortised costs, the Fund measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Fund recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

(i) Significant increase in credit risk

In assessing whether the credit risk has increased significantly since initial recognition, the Fund compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Fund considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets - continued

(i) Significant increase in credit risk - continued

- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Fund presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Fund has reasonable and supportable information that demonstrates otherwise.

The Fund regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

For internal credit risk management, the Fund considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Fund, in full.

Irrespective of the above, the Fund considers that default has occurred when a financial asset is more than 90 days past due unless the Fund has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(iii) Credit-impaired financial assets

A financial asset is credit-impaired when one or more events of default that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial assets - continued

Impairment of financial assets - continued

(iii) Credit-impaired financial assets - continued

- (a) significant financial difficulty of the issuer or the borrower;
- (b) a breach of contract, such as a default or past due event;
- (c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (e) the disappearance of an active market for that financial asset because of financial difficulties.

(iv) Write-off policy

The Fund writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Fund's recovery procedures, taking into account legal advice where appropriate. A write-off constitutes a derecognition event. Any subsequent recoveries are recognised in profit or loss.

(v) Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. Estimation of ECL reflects an unbiased and probability-weighted amount that is determined with the respective risks of default occurring as the weights.

Generally, the ECL is the difference between all contractual cash flows that are due to the Fund in accordance with the contract and the cash flows that the Fund expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Financial instruments - continued

Financial liabilities and equity

Classification as debt or equity

Debt and equity instruments issued by the Fund are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Participating shares

Participating shares issued by the Fund which provide the participating shareholders with the right to redeem their shares for cash equal to their proportionate share of the net asset value of the Fund are classified as liabilities in accordance with HKAS 32.

The liability to participating shareholders is presented on the statement of financial position as "net assets attributable to participating shareholders" and is determined based on the residual assets of the Fund after deducting the Fund's other liabilities and management share capital.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Fund are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or FVTPL.

The financial liabilities of the Fund are all carried at amortised cost.

Financial liabilities including other payables is subsequently measured at amortised cost, using the effective interest method.

Derecognition of financial liabilities

The Fund derecognises financial liability when, and only when, the Fund's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Distributions to participating shareholders

Proposed distributions to participating shareholders are recognised in the statement of financial position when they are appropriately authorised by the Manger and no longer at the discretion of the Fund.

Offsetting a financial asset and a financial liability

A financial asset and a financial liability are offset and the net amount is presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Expenses

Expenses are accounted for on an accruals basis.

Dividend income

Dividend income is recognised when the Fund's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of profit or loss and other comprehensive income.

Transaction fees and costs

Transaction costs on investment and transaction handling costs are costs incurred to acquire/dispose financial assets or liabilities at fair value through profit or loss. They include the fees and commissions paid to agents, advisers, brokers, dealers and custodian. Transaction fees, when incurred, are immediately recognised in the statement of comprehensive income as expense.

Foreign currencies

In preparing the financial statements of the Fund, transactions in currencies other than the functional currency of the Fund (foreign currencies) are recognised at the rates of exchanges prevailing on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Foreign currencies - continued

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the year.

Cash and cash equivalents

Cash and cash equivalents include bank balances with original maturity of three months or less.

Taxation

Income tax expense represents the sum of the current and deferred income tax expense.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before taxation because of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Fund's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Fund expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied to the same taxable entity by the same taxation authority.

3. BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND MATERIAL ACCOUNTING POLICY INFORMATION - continued

3.2 Material accounting policy information - continued

Taxation - continued

Current and deferred tax are recognised in profit or loss.

In assessing any uncertainty over income tax treatments, the Fund considers whether it is probable that the relevant tax authority will accept the uncertain tax treatment used, or proposed to be use by individual entities in their income tax filings. If it is probable, the current and deferred taxes are determined consistently with the tax treatment in the income tax filings. If it is not probable that the relevant taxation authority will accept an uncertain tax treatment, the effect of each uncertainty is reflected by using either the most likely amount or the expected value.

4. NET (LOSSES) GAINS ON INVESTMENTS HELD FOR TRADING

	<u>2023</u> HK\$	4.1.2022 to <u>31.12.2022</u> HK\$
Net realised losses on financial assets at FVTPL	(462,544)	(583,633)
Net change in unrealised (loss) gain on financial assets at FVTPL	<u>(721,975)</u>	<u>1,590,235</u>
	<u>(1,184,519)</u>	<u>1,006,602</u>

5. WITHHOLDING TAX

The Fund is subject to PRC withholding tax of 10% on dividends during the year.

6. TAXATION

No provision for Hong Kong profits tax has been make at the Fund was authorised as collective investment scheme under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempted from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

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7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<u>2023</u> HK\$	<u>2022</u> HK\$
Equity securities listed in Hong Kong	<u>11,165,290</u>	<u>14,112,760</u>

The fair values of the listed equity securities are determined based on the quoted market bid prices available on the relevant exchanges.

8. BANK BALANCES

The amounts represent interest bearing at commercial rate with current bank accounts.

Details of impairment assessment for the years ended 31 December 2023 and 2022 are set out in note 12.

9. AMOUNT DUE FROM A BROKER

The amount due from a broker is unsecured and repayable on demand.

Details of impairment assessment for the years ended 31 December 2023 and 2022 are set out in note 12.

10. NET ASSETS ATTRIBUTABLE TO THE PARTICIPATING SHAREHOLDERS AND MANAGEMENT SHARE CAPITAL

Authorised and issued capital

The Fund has variable share capital which is divided into management shares and shares, which may be issued in classes. The Fund has issued 1 management share which is held by CASH Wealth Management Limited, with rights provided for in the IOI of the Fund and subject to applicable Laws.

The Fund may, in its sole discretion, establish additional classes on terms determined upon their issuance without the consent of or notice to the shareholders where the rights attached to any existing class will not be deemed to be varied by the issue of such other Classes ranking. In addition, the Fund may, insofar as it is permitted by applicable laws, redeem or purchase any of the Shares pursuant to the IOI.

The paid-up share capital of the Fund is at all times equal to the net asset value of the Fund.

10. NET ASSETS ATTRIBUTABLE TO THE PARTICIPATING SHAREHOLDERS AND
MANAGEMENT SHARE CAPITAL - continued

Classes of participating shares

Every holder of management shares shall be entitled to receive notice of and attend, but cannot vote at general meetings, except at its own class meeting of the Fund. During the event of winding up, management shareholder ranks only for a return of paid up capital pari passu out of the assets of the Fund as provided in the instrument of incorporation ("IOI") of the Fund dated 5 August 2022 but shall confer no other right to participate in the profits or assets of the Fund and shall not carry a right to dividends.

The Fund can issue multiple classes of participating shares managed as capital of the Fund which are subject to specific terms and reserves the right, from time to time, to issue new classes of participating shares in the capital of the Fund upon such terms, with such rights and obligations, and in such manner as it may determine.

Shareholder shall be entitled to receive notice of, attend and speak at general meetings and/or any Class meeting of the Fund. The Shareholders' votes will be in proportion to the number of Shares held or to the value of Shares held by the Shareholder in the Fund. During the event of winding up, the investor shares carry a right to share in surplus assets of the Fund remaining after the return of the capital paid up on the management shares, provided that the assets available for distribution among the shareholders are more than sufficient to repay the whole of the paid up capital and investor shares carry a right to dividends as set out in the instrument of incorporation of the Fund dated 5 August 2022.

Issue of shares

Currently, only Class A and Class I shares are available for subscription by subscribers during the initial offer period and on each business day thereafter. Shares of the Fund are denominated in HK dollars.

Class A shares and Class I shares was initially offered to investors during its initial offer period at HK\$1,000 per share. Initial minimum subscription (exclusive of initial charge) and minimum holding was HK\$10,000 and HK\$2,000,000 for Class A shares and Class I shares respectively.

Redemption of shares

Any shareholder may redeem its shares on any business day or such other days as the directors may determine, in whole or in part. Shares of the relevant class redeemed on a dealing day will be redeemed at a price calculated by reference to net asset value per share of such class as at the valuation point (i.e. close of business of the last relevant market to close on a business day), which is the close of business of the last relevant market to close on a business day.

The Fund does not intend to make distributions upon the authorisation of the Fund.

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10. NET ASSETS ATTRIBUTABLE TO THE PARTICIPATING SHAREHOLDERS AND
MANAGEMENT SHARE CAPITAL - continued

The number of shares issued during the year were as follows:

	Number of <u>shares</u>
<u>Management shares</u>	
At 4 January 2022 (date of incorporation)	-
Issued during the period	1
	<hr/>
At 31 December 2022 and 1 January 2023	1
Issued during the year	-
	<hr/>
At 31 December 2023	1
	<hr/> <hr/>
	Number of <u>shares</u>
<u>Class A participating shares</u>	
At 4 January 2022 (date of incorporation)	-
Issued during the period	841
Redeemed during the period	(811)
	<hr/>
At 31 December 2022 and 1 January 2023	30
Issued during the year	11
Redeemed during the year	(20)
	<hr/>
At 31 December 2023	21
	<hr/> <hr/>
<u>Class I participating shares</u>	
At 4 January 2022 (date of incorporation)	-
Issued during the period	13,987
	<hr/>
At 31 December 2022 and 1 January 2023	13,987
Issued during the year	2,682
Redeemed during the year	(5,000)
	<hr/>
At 31 December 2023	11,669
	<hr/> <hr/>
Participating shares balance as of 31 December 2023	11,690
	<hr/> <hr/>
Participating shares balance as of 31 December 2022	14,017
	<hr/> <hr/>

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10. NET ASSETS ATTRIBUTABLE TO THE PARTICIPATING SHAREHOLDERS AND
MANAGEMENT SHARE CAPITAL - continued

The following table details the net asset value per share of Class A and Class I of participating shares as at 31 December 2023.

2023

	Number of shares <u>issued</u>	Net asset <u>value</u> HK\$	Net asset value <u>per share</u> HK\$
Class A	21	17,236	820.76
Class I	11,669	10,343,415	886.40
Total	<u>11,690</u>	<u>10,360,651</u>	

2022

	Number of shares <u>issued</u>	Net asset <u>value</u> HK\$	Net asset value <u>per share</u> HK\$
Class A	30	25,838	861.27
Class I	13,987	12,893,019	921.79
Total	<u>14,017</u>	<u>12,918,857</u>	

11. CAPITAL RISK MANAGEMENT

As a result of the ability to issue and redeem shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund. The Fund is not subject to externally imposed capital requirements and has no restrictions on the issue and redemptions of shares.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its subscription documents.
- To seek to generate consistent, long-term capital growth while focusing on the preservation of capital. To invest in the best risk-adjusted return assets among a wide range of uncorrelated or low-correlated markets, securities and derivative instruments.

12. FINANCIAL INSTRUMENT

Categories of financial instrument

	<u>2023</u> HK\$	<u>2022</u> HK\$
Financial assets		
At FVTPL	11,165,290	14,112,760
At amortised cost	1,107,010	733,570
Financial liabilities		
At amortised cost	1,739,861	1,755,764
Net assets attributable to participating shareholders	10,360,651	12,918,857

Financial risk management objectives and policies

The Fund's major financial instruments include financial assets at FVTPL, bank balances, amount due from a broker, management fee rebate receivable and administrator fee payable, investment handling fee payable, management fee payable, performance fee payable, transaction fee payable, fund set up fee payable, other payable and net assets attributable to participating shareholders. Details of these financial instruments are disclosed in respective notes. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. The management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

Market risk

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument fluctuates as a result of changes in foreign exchange rates.

The Fund undertakes certain transactions denominated in currencies other than HK\$. Hence, exposures to exchange rate fluctuations arise.

12. FINANCIAL INSTRUMENT - continued

Financial risk management objectives and policies - continued

Market risk - continued

Foreign exchange risk - continued

At 31 December 2023, all monetary and non-monetary assets and liabilities were mainly denominated in HK\$ and US\$. The Manager does not expect significant foreign exchange risk arising from US\$ denominated monetary items in view of the Hong Kong dollar pegged system to the US\$. The Manager considered that the effect is insignificant and there is the linked exchange rate system of Hong Kong dollars against United States dollars.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Fund is not subject to significant amount of interest rate risk since the financial assets of the Fund are not carrying interest, which are subject to minimal interest rate fluctuation. Accordingly, no sensitivity analysis has been presented on the cash flow interest rate risk.

Equity and other price risks

The Fund is exposed to equity price risk as a result of changes in fair value of its investments in listed equity securities. The directors manage the exposure by closely monitoring the portfolio of equity investments.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk of listed equity securities held for trading at the end of the report period.

As at 31 December 2023, if the market bid prices of the Fund's listed equity investments had been 15 (2022: 15) percent higher/lower, the Fund's loss after taxation would decrease/increase by HK\$1,675,000 (2022: HK\$2,117,000). This is attributable to the changes in the fair value of the listed equity investment.

In the management's opinion, the sensitivity analysis is unrepresentative of the inherent equity price risk as the year end exposure does not reflect the exposure during the year.

Credit risk and impairment assessment

As at 31 December 2023, the Fund's maximum exposure to credit risk which will cause a financial loss to the Fund due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the statement of financial position.

The Fund has concentration of credit risk on bank balances as disclosed below.

12. FINANCIAL INSTRUMENT - continued

Financial risk management objectives and policies - continued

Credit risk and impairment assessment - continued

The tables below detail the credit risk exposures of the Fund's financial assets, which are subject to ECL assessment:

	<u>Notes</u>	<u>External credit rating</u>	<u>Internal credit management and assessment</u>	<u>12-month or lifetime ECL</u>	2023 Gross carrying amount HK\$	2022 Gross carrying amount HK\$
Financial assets at amortised cost						
Bank balances	8	Aa3	Note 1	12-month ECL	270,509	733,570
Amount due from a broker	9	Aa3	Note 2	12-month ECL	6,832	-
Management fee rebate receivable	13	N/A	Note 2	12-month ECL	829,669	-

Notes:

1. The Fund has concentration of credit risk arising from bank balances which are mainly deposited with one bank. The credit risk on bank balances is limited because the counterparty is a major institutional bank with credit rating of Aa3 assigned by international credit-rating agencies. The institutional bank has a low risk of default and there is no significant increase in credit risk since initial recognition. Accordingly, they are subject to 12-m ECL. The ECL is assessed by reference to the PD and LGD for the relevant credit rating grades published by international credit rating agencies, and adjusted for forward-looking factors that are available without undue cost or effort.
2. The amount due from a broker and management fee rebate receivable are not past due as at 31 December 2023 the Fund considers there is no significant change in credit risks of these balances since initial recognition. Accordingly, they are subject to 12-m ECL. The Fund has assessed the ECL by reference to the PD and LGD of speculative grade ratings over the expected life and is adjusted for forward-looking estimates.

The ECL impairment allowance determined for all the financial assets carried at amortised cost mentioned above is insignificant and accordingly no provision has been made.

Liquidity risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting obligations associated with its financial liabilities. Exposure to liquidity risk arises because of the possibility that the Fund could be required to pay its liabilities earlier than expected. The Fund manages its obligation to repurchase the shares when required to do so. The Fund is exposed to cash redemptions of its redeemable shares within 5 business days from the date of redemption of shares. Shares are redeemable at any time on every business day.

12. FINANCIAL INSTRUMENT - continued

Financial risk management objectives and policies - continued

Liquidity risk - continued

The Fund invests primarily in listed equities, which under normal market conditions, are readily convertible to cash.

All other financial liabilities are repayable within 1 year.

Fair value of the Fund's financial assets that are measured at fair value on a recurring basis

Some of the Fund's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets are determined (in particular, the valuation technique and input used).

	Fair value as at 31 December		Fair value hierarchy	Valuation technique
	2023	2022		
	HK\$	HK\$		
<u>Financial assets at FVTPL</u>				
Investment held for trading				
- Equity securities listed in Hong Kong	11,165,290	14,112,760	Level 1	Quoted prices in an active market

The directors consider that the carrying amounts of other financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values. Such fair value of other financial assets and financial liabilities is determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

There are no transfers between levels during the year.

13. TRANSACTION WITH THE CUSTODIAN AND ITS AFFILIATES AND THE MANAGER AND ITS CONNECTED PERSONS

All transactions entered into during the period between the Funds and their related parties, including the Custodian, the Manager and their connected persons were carried out in the ordinary course of business and on normal commercial terms. To the best of the Manager's knowledge, the Funds do not have any other transactions with their related parties, including the Custodian, the Manager and their connected persons except for those disclosed below.

Administration fee

Under the terms of the explanatory memorandum, the Administrator is entitled to an administration fee based on the percentage of net asset value of the Fund per annum up to 0.2% and maximum up to 2%. Total administration fees incurred for the year, amounted to HK\$480,000 (2022: HK\$160,000) of which HK\$40,000 (2022: HK\$120,000) were payable as of 31 December 2023.

13. TRANSACTION WITH THE CUSTODIAN AND ITS AFFILIATES AND THE MANAGER AND ITS CONNECTED PERSONS - continued

Management fee

Under the terms of the explanatory memorandum, a combined management fee is payable to the Manager at a rate of 1.5% per annum and maximum of 3% per annum for Class A shares and a rate of 1% per annum and maximum of 3% per annum for Class I shares of the Net Asset Value calculated as at each valuation day, which shall accrue monthly and will be payable monthly in HK\$ in arrears. In calculating the management fees payable in respect of each month.

Total management fees incurred for the year amounted to HK\$154,395 (2022: HK\$41,777) and HK\$154,791 (2022: HK\$41,777) were payable as of 31 December 2023.

Management fee rebate

The Fund is entitled to receive a management fee from the Manager, incurred in excess of the management fee cap, at a rate of 3% for Class A share and 2.5% for Class I shares of the average Net Asset Value calculated as at each valuation day. Total management fee rebate recognised for the year, amounted to HK\$829,669 (2022: HK\$nil) of which HK\$829,669 (2022: HK\$nil) were receivable as of 31 December 2023.

Performance fee

In addition, the Manager is also entitled to receive a performance fee from the Fund calculated and accrued as at the valuation point and payable monthly in arrears in respect of each share of Class A and Class I after the end of each performance period (as defined below). The Performance fee is charged for 10% for Class A shares and 8% for Class I shares based on the increase in the net asset value of the Class in the relevant performance period calculated annually on a high-on-high basis.

Each performance period is the period (of approximately 12 months' duration) from and including the first dealing day up to and including the last dealing day of each financial year (i.e. 29 December 2023). The first performance period for each class of shares will be the period commencing from the closing date of the relevant class of shares up to and including the last dealing day of each financial year.

Total performance fees incurred for the year amounted to HK\$nil (2022: HK\$33,284) of which HK\$nil (2022: HK\$33,284) was payable as of 31 December 2023.

Audit fee

The audit fee incurred for the year amounted to HK\$179,400 is borne by the Manager.

Bank deposits and investments held by the Custodian

As at 31 December 2023, the Fund placed bank balance amounted to HK\$270,509 (2022: HK\$733,570) and investments amounted HK\$11,165,290 (2022: HK\$14,112,760) with Bank of China (Hong Kong) Limited, a related company of the Custodian and Registrar.

13. TRANSACTION WITH THE CUSTODIAN AND ITS AFFILIATES AND THE MANAGER AND ITS CONNECTED PERSONS - continued

Interest income and bank charges from/to the Custodian

The interest income received from and bank charges to Bank of China (Hong Kong) Limited, a related company of the Custodian, amounted to HK\$756 (2022: HK\$102) and HK\$1,370 (2022: HK\$nil) respectively for the year ended 31 December 2023.

Transaction costs on investment to the connected person

Transaction costs on investment to Celestial Securities Limited, a connected person of the Fund, amounts to HK\$100,444 (2022: HK\$71,908) at a standard commercial rate of 6% for the year ended 31 December 2023.

Participating shares held by the Manager and Directors

The Fund allows the manager, its connected persons and other funds managed by the manager to subscribe for, and redeem, shares in the Fund.

As of 31 December 2023, 10 (2022: 20) units of Class A participating shares of the Fund were held by a director of the Manager.

There were a net redemption of 10 units of Class A participating shares by the directors of the Manager, and no subscription or redemption of Class I participating shares more made by the directors of the Fund or the Manager for the year ended 31 December 2023.

14. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

The table below details changes in the Fund's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Fund's statement of cash flows as cash flows from financing activities.

	Net Asset attributable to the participating shareholder HK\$
At 4 January 2022 (date of incorporation)	-
Financing cash flows:	
- Proceeds from issuance of shares	14,812,500
- Payment on redemption of shares	(818,954)
Loss and total comprehensive expense for the period	(1,074,689)
At 31 December 2022	12,918,857
Financing cash flows:	
- Proceeds from issuance of shares	3,010,200
- Payment on redemption of shares	(5,003,554)
Loss and total comprehensive expense for the year	(564,852)
At 31 December 2023	10,360,651

15. RECONCILIATION OF NET ASSET VALUE

The following schedule shows the reconciliation between the net asset value determined in accordance with the explanatory memorandum of the Fund and the net asset value determined in accordance with HKFRS.

The explanatory memorandum of the Fund state that the fund set up fee should be amortised in 5 years, while the HKFRS requires that fund set up fee should be expensed immediately. As at 31 December 2023, the remaining amortisation period is 56 months for HK\$1,472,775.

	<u>2023</u> HK\$	<u>2022</u> HK\$
Net assets attributable to participating shareholders as determined for the purposes of processing shares subscriptions and redemptions	11,833,426	14,391,632
Adjustment to fund set up fee	<u>(1,472,775)</u>	<u>(1,472,775)</u>
Net assets attributable to participating shareholders (per financial statements)	<u>10,360,651</u>	<u>12,918,857</u>

16. SOFT DOLLAR COMMISSION

As regards to the Fund, the Manager has not entered into any soft dollar commission arrangements during the year ended 31 December 2023.

17. NEGOTIABILITY OF ASSETS

At 31 December 2023, there was no statutory or contractual requirement restricting the negotiability of the assets of the Fund.

18. CONTINGENT LIABILITIES AND COMMITMENTS

The Fund had no contingent liabilities and commitments as at 31 December 2023 and period ended 31 December 2022.

19. DISTRIBUTIONS

The Fund did not make any distribution for the year ended 31 December 2023 and period ended 31 December 2022.

20. SUBSEQUENT EVENTS

During the year between the end of the reporting period and the date of authorisation of these financial statements, there was a net redemption of 0.81 (2022: 2,681.52) units amounted to HK\$529.7 (2022: HK\$3,000,000) for Class A shares of the Fund.

Other than those disclosed above, no subsequent events have occurred that would require adjustment or disclosure and have a material effect on the financial statements as at 31 December 2023.

21. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Manager and the Custodian on 30 April 2024.

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INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2023

	<u>Holdings</u>	<u>Fair Value</u> <u>HKD</u>	<u>% of</u> <u>net assets</u>
<u>Listed equities</u>			
HONG KONG			
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	7,000	529,200	5.11%
BAIC MOTOR CORP LTD-H	290,000	661,200	6.38%
BRILLIANCE CHINA AUTOMOTIVE HLDGS LTD	47,000	570,580	5.51%
BYD CO LTD-H	3,000	643,200	6.20%
CHINA MOBILE LTD	11,500	745,200	7.19%
CHINA UNICOM (HONG KONG) LTD	50,000	245,000	2.36%
CHONGQING RURAL COMMERCIAL BANK CO LTD-H	220,000	666,600	6.43%
CNOOC LTD	59,000	767,000	7.40%
COSCO SHIPPING ENERGY TRANSPORTATION CO LTD-H	110,000	810,700	7.82%
FUFENG GROUP LTD	157,000	679,810	6.56%
LI AUTO INC-CL A	2,800	411,880	3.98%
MAOYAN ENTERTAINMENT	63,000	565,740	5.46%
MGM CHINA HLDGS LTD	68,000	673,880	6.50%
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	14,000	773,500	7.47%
SANDS CHINA LTD	24,400	557,540	5.38%
SINOTRUK (HONG KONG) LTD	48,000	735,360	7.10%
TRIP.COM GROUP LTD	2,400	666,240	6.43%
UNITED LABORATORIES LTD	66,000	462,660	4.47%
		<u>11,165,290</u>	<u>107.75%</u>
Total portfolio investment		<u>11,165,290</u>	<u>107.75%</u>
Other net assets		<u>(804,639)</u>	<u>(7.75%)</u>
Total net assets as at 31 December 2023		<u>10,360,651</u>	<u>100%</u>
Total investments, at cost		<u>10,297,030</u>	

*Investments are accounted for on a trade date basis.

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

INVESTMENT PORTFOLIO (UNAUDITED) - continued
AS AT 31 DECEMBER 2022

	<u>Holdings</u>	<u>Fair Value</u> <u>HKD</u>	<u>% of</u> <u>net assets</u>
<u>Listed equities</u>			
HONG KONG			
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	88,000	585,200	4.07%
BANK OF CHINA LTD-H	121,000	343,640	2.39%
BRILLIANCE CHINA AUTOMOTIVE HLDGS LTD	100,000	437,000	3.04%
CATHAY PACIFIC AIRWAYS LTD	61,000	519,720	3.60%
CHINA CITIC BANK CORP LTD-H	144,000	498,240	3.46%
CHINA COMMUNICATIONS SERVICES CORP-H	168,000	478,800	3.33%
CHINA CONSTRUCTION BANK CORP-H	69,000	337,410	2.34%
CHINA GALAXY SECURITIES CO LTD-H	84,000	320,040	2.22%
CHINA MOBILE LTD	11,500	595,125	4.14%
CHINA RAILWAY CONSTRUCTION CORP LTD-H	100,000	467,000	3.24%
CHINA RESOURCES MIXC LIFESTYLE SERVICES LTD	15,000	594,750	4.13%
CHINA SHENHUA ENERGY CO LTD-H	20,000	451,000	3.13%
CHINA UNICOM (HONG KONG) LTD	164,000	792,120	5.50%
GALAXY ENTERTAINMENT GROUP LTD	10,000	516,000	3.59%
GCL POLY ENERGY HLDGS LTD	180,000	356,400	2.48%
GREENTOWN MANAGEMENT HLDGS CO LTD	88,000	528,000	3.67%
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	80,000	420,800	2.92%
HANGZHOU TIGERMED CONSULTING CO LTD-H	6,600	595,320	4.14%
HSBC HLDGS PLC	10,000	485,500	3.37%
JD HEALTH INTL INC	6,900	492,315	3.42%
KOOLEARN TECHNOLOGY HLDG LTD	17,000	892,500	6.20%
MGM CHINA HLDGS LTD	57,600	495,360	3.44%
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	20,000	570,000	3.96%
SANDS CHINA LTD	18,800	486,920	3.38%
STANDARD CHARTERED PLC	8,000	469,600	3.26%
TRIP.COM GROUP LTD	2,400	656,640	4.56%
XINTE ENERGY CO LTD-H	24,000	346,560	2.41%
YANKUANG ENERGY GROUP CO LTD-H	16,000	380,800	2.65%
		<u>14,112,760</u>	<u>98.04%</u>
Total portfolio investment		<u>14,112,760</u>	<u>98.04%</u>
Other net assets		<u>278,872</u>	<u>1.96%</u>
Total net assets as at 31 December 2022		<u>14,391,632</u>	<u>100.00%</u>
Total investments, at cost		<u>12,522,525</u>	

*Investments are accounted for on a trade date basis

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Listed equities	01-Jan-23	Additions	Deductions	31-Dec-23
	Shares	Shares	Shares	Shares
AKESO INC	0	16,000	(16,000)	0
ALIBABA GROUP HLDG LTD	0	7,000	0	7,000
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	88,000	100,000	(188,000)	0
BAIC MOTOR CORP LTD-H	0	290,000	0	290,000
BANK OF CHINA LTD-H	121,000	0	(121,000)	0
BEIJING CAPITAL INTL AIRPORT CO LTD-H	0	124,000	(124,000)	0
BEIJING TONG REN TANG CHINESE MEDICINE CO LTD	0	47,000		47,000
BOE VARITRONIX LTD	0	39,000	(39,000)	0
BRILLIANCE CHINA AUTOMOTIVE HLDGS LTD	100,000	0	(100,000)	0
BYD CO LTD-H	0	3,000	0	3,000
CATHAY PACIFIC AIRWAYS LTD	61,000	0	(61,000)	0
CHINA CITIC BANK CORP LTD-H	144,000	0	(144,000)	0
CHINA COMMUNICATIONS SERVICES CORP-H	168,000	0	(168,000)	0
CHINA CONSTRUCTION BANK CORP-H	69,000	110,000	(179,000)	0
CHINA EDUCATION GROUP HLDGS LTD	0	85,000	(85,000)	0
CHINA GALAXY SECURITIES CO LTD-H	84,000	85,500	(169,500)	0
CHINA MOBILE LTD	11,500	0	0	11,500
CHINA RAILWAY CONSTRUCTION CORP LTD-H	100,000	0	(100,000)	0
CHINA RESOURCES MIXC LIFESTYLE SERVICES LTD	15,000	0	(15,000)	0
CHINA SHENHUA ENERGY CO LTD-H	20,000	0	(20,000)	0
CHINA UNICOM (HONG KONG) LTD	164,000	0	(114,000)	50,000
CHONGQING RURAL COMMERCIAL BANK CO LTD-H	0	220,000	0	220,000
CNOOC LTD	0	59,000	0	59,000
COSCO SHIPPING ENERGY TRANSPORTATION CO LTD-H	0	110,000	0	110,000
DONGFANG ELECTRIC CORP LTD-H	0	50,000	(50,000)	0
EC HEALTHCARE	0	72,000	(72,000)	0
FUFENG GROUP LTD	0	157,000	0	157,000
GALAXY ENTERTAINMENT GROUP LTD	10,000	0	(10,000)	0
GANFENG LITHIUM CO LTD-H	0	11,600	(11,600)	0
GCL POLY ENERGY HLDGS LTD	180,000	157,000	(337,000)	0
GREENTOWN MANAGEMENT HLDGS CO LTD	88,000	0	(88,000)	0

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) - continued
FOR THE YEAR ENDED 31 DECEMBER 2023

Listed equities	01-Jan-23 Shares	Additions Shares	Deductions Shares	31-Dec-23 Shares
GUANGSHEN RAILWAY CO LTD-H	0	230,000	(230,000)	0
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	80,000	52,000	(132,000)	0
HANGZHOU TIGERMED CONSULTING CO LTD-H	6,600	0	(6,600)	0
HSBC HLDGS PLC	10,000	0	(10,000)	0
JD HEALTH INTL INC	6,900	0	(6,900)	0
KOOLEARN TECHNOLOGY HLDG LTD	17,000	0	(17,000)	0
LI AUTO INC-CL A	0	2,800	0	2,800
MAOYAN ENTERTAINMENT	0	63,000	0	63,000
MGM CHINA HLDGS LTD	57,600	68,000	(57,600)	68,000
MORIMATSU INTL HLDGS CO LTD	0	75,000	(75,000)	0
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	20,000	0	(6,000)	14,000
ORIENT SECURITIES CO LTD-H	0	140,000	(140,000)	0
SANDS CHINA LTD	18,800	24,400	(18,800)	24,400
SHOUGANG FUSHAN RESOURCES GROUP LTD	0	330,000	(330,000)	0
SHOUGANG FUSHAN RESOURCES GROUP LTD	0	250,000	(250,000)	0
SINOPEC ENGINEERING (GROUP) CO LTD-H	0	176,500	(176,500)	0
SINOTRUK (HONG KONG) LTD	0	48,000	0	48,000
STANDARD CHARTERED PLC	8,000	0	(8,000)	0
TIANQI LITHIUM CORP-H	0	10,000	(10,000)	0
TRIP.COM GROUP LTD	2,400	0	0	2,400
UNITED LABORATORIES LTD	0	186,000	(120,000)	66,000
WYNN MACAU LTD	0	90,000	(90,000)	0
XINTE ENERGY CO LTD-H	24,000	46,000	(70,000)	0
YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LTD CO-H	0	42,500	(42,500)	0
YANKUANG ENERGY GROUP CO LTD-H	16,000	12,000	(28,000)	0
ZHEJIANG EXPRESSWAY CO LTD-H	0	110,000	(110,000)	0

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) - continued
FOR THE PERIOD FROM 4 JANUARY 2022 TO 31 DECEMBER 2022

Listed equities	01-Jan-22 Shares	Additions Shares	Deductions Shares	31-Dec-22 Shares
ALIBABA HEALTH INFORMATION TECHNOLOGY LTD	0	88,000	0	88,000
BANK OF CHINA LTD-H	0	121,000	0	121,000
BANK OF COMMUNICATIONS CO LTD-H	0	75,000	(75,000)	0
BOC HONG KONG (HLDGS) LTD	0	12,500	(12,500)	0
BRILLIANCE CHINA AUTOMOTIVE HLDGS LTD	0	100,000	0	100,000
BYD CO LTD-H	0	2,000	(2,000)	0
CATHAY PACIFIC AIRWAYS LTD	0	61,000	0	61,000
CHINA CITIC BANK CORP LTD-H	0	144,000	0	144,000
CHINA COAL ENERGY CO LTD-H	0	48,000	(48,000)	0
CHINA COMMUNICATIONS SERVICES CORP-H	0	308,000	(140,000)	168,000
CHINA CONSTRUCTION BANK CORP-H	0	69,000	0	69,000
CHINA EVERBRIGHT BANK CO LTD-H	0	139,000	(139,000)	0
CHINA GALAXY SECURITIES CO LTD-H	0	84,000	0	84,000
CHINA MOBILE LTD	0	11,500	0	11,500
CHINA OVERSEAS PROPERTY HLDGS LTD	0	40,000	(40,000)	0
CHINA RAILWAY CONSTRUCTION CORP LTD-H	0	100,000	0	100,000
CHINA RESOURCES MIXC LIFESTYLE SERVICES LTD	0	15,000	0	15,000
CHINA SHENHUA ENERGY CO LTD-H	0	20,000	0	20,000
CHINA STATE CONSTRUCTION INTL HLDGS LTD	0	36,000	(36,000)	0
CHINA TELECOM CORP LTD-H	0	180,000	(180,000)	0
CHINA UNICOM (HONG KONG) LTD	0	164,000	0	164,000
CHONGQING RURAL COMMERCIAL BANK CO LTD-H	0	123,000	(123,000)	0
CNOOC LTD	0	51,000	(51,000)	0
GALAXY ENTERTAINMENT GROUP LTD	0	10,000	0	10,000
GANFENG LITHIUM CO LTD-H	0	4,800	(4,800)	0
GCL POLY ENERGY HLDGS LTD	0	295,000	(115,000)	180,000
GREENTOWN MANAGEMENT HLDGS CO LTD	0	138,000	(50,000)	88,000

CASH PRIME VALUE EQUITY OFC
時富優越價值股票開放式基金型公司

STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) - continued
FOR THE PERIOD FROM 4 JANUARY 2022 TO 31 DECEMBER 2022

	01-Jan-22	Additions	Deductions	31-Dec-22
Listed equities	Shares	Shares	Shares	Shares
GUANGZHOU AUTOMOBILE GROUP CO LTD-H	0	130,000	(50,000)	80,000
HANGZHOU TIGERMED CONSULTING CO LTD-H	0	10,900	(4,300)	6,600
HSBC HLDGS PLC	0	16,800	(6,800)	10,000
JD HEALTH INTL INC	0	6,900	0	6,900
KOOLEARN TECHNOLOGY HLDG LTD	0	17,000	0	17,000
MGM CHINA HLDGS LTD	0	57,600	0	57,600
NEW ORIENTAL EDUCATION & TECHNOLOGY GROUP INC	0	20,000	0	20,000
NIO INC-CL A	0	1,970	(1,970)	0
ORIENT OVERSEAS INTL LTD	0	7,000	(7,000)	0
PACIFIC BASIN SHIPPING LTD	0	127,000	(127,000)	0
PEOPLE'S INSURANCE CO (GROUP) OF CHINA LTD-H	0	138,000	(138,000)	0
PICC PROPERTY & CASUALTY CO LTD-H	0	40,000	(40,000)	0
SAMSONITE INTL SA	0	19,200	(19,200)	0
SANDS CHINA LTD	0	18,800	0	18,800
SHOUGANG FUSHAN RESOURCES GROUP LTD	0	168,000	(168,000)	0
SITC INTL HLDGS CO LTD	0	19,000	(19,000)	0
STANDARD CHARTERED PLC	0	8,000	0	8,000
TRIP.COM GROUP LTD	0	2,400	0	2,400
XD INC	0	22,000	(22,000)	0
XINTE ENERGY CO LTD-H	0	47,600	(23,600)	24,000
YANGTZE OPTICAL FIBRE AND CABLE JOINT STOCK LTD CO-H	0	18,500	(18,500)	0
YANKUANG ENERGY GROUP CO LTD-H	0	26,000	(10,000)	16,000
CSOP HANG SENG INDEX DAILY (2X) INVERSE PRODUCT	0	190,000	(190,000)	0
CSOP HANG SENG TECH INDE-HKD	0	100,000	(100,000)	0

PERFORMANCE TABLE (UNAUDITED)

1. NET ASSET VALUE

<u>Financial year ended</u>	<u>Net asset value of the Fund</u> HKD	<u>Net asset value per unit</u> HKD
31 December 2023		
-Class A	19,686	959.8
-Class I	11,813,740	1,012.5
31 December 2022		
-Class A	30,751	1,025
-Class I	14,360,881	1,026.7

2. HIGHEST / LOWEST NET ASSET VALUE PER UNIT

<u>Financial year ended</u>	<u>Highest issue price per unit</u> HKD	<u>Lowest redemption price per unit</u> HKD
31 December 2023		
-Class A	1,128.6	912.1
-Class I	1,186.3	958.2
From 4 January 2022 to 31 December 2022		
-Class A	1,009.4	866.6
-Class I	1,040.4	867.4

The above table reflected the amount stated in NAV report (before audit adjustment) provided by the Fund.