
DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)

REPORTS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022



**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

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**DA CHENG OVERSEAS CHINA CONCEPT FUND
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MANAGEMENT AND ADMINISTRATION

Directors of the Manager

Mr. Tan Xiaogang
Mr. Xiao Jian
Mr. Wen Zhimin (resigned on 31 March 2023)
Mr. Yao Yudong
Ms. Zhao Bing
Ms. Wu Ping

Trustee and Registrar

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

Manager

Da Cheng International Asset Management
Company Limited
Suites 3516 - 3519,
Jardine House,
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Central, Hong Kong

Legal Counsel to the Manager

Simmons & Simmons
30/F, One Taikoo Place,
979 King's Road,
Hong Kong

Custodian

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

Auditor

PricewaterhouseCoopers
22/F, Prince's Building,
Central,
Hong Kong

**DA CHENG OVERSEAS CHINA CONCEPT FUND
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REPORT OF THE MANAGER

Fund Performance

Da Cheng Overseas China Concept Fund (the “Sub-Fund”) seeks to provide long term growth of capital. As of 31 December 2022, the Net Asset Value (“NAV”) per unit of Class A HKD was HKD11.87, the NAV per unit of the Class A USD was USD11.81, the NAV per unit of the Class A RMB was RMB6.27, and the NAV per unit of the Class A RMB (Hedged) was RMB6.09, aggregating a total net asset size of approximately HKD186,553,497.

A summary of the performance of the Sub-Fund is set out below (as at 31 December 2022).

| | 2022 | 2021 | 2020 | 2019 | Since inception |
|--|---------|---------|--------|--------|---------------------------------|
| Da Cheng Overseas China Concept Fund - HKD Class A NAV-to-NAV return | -33.35% | -19.09% | 52.76% | 30.47% | 22.42%(From 18 March 2016) |
| Da Cheng Overseas China Concept Fund - USD Class A NAV-to-NAV return | -33.35% | -19.52% | 53.45% | 31.21% | 21.81%(From 18 March 2016) |
| Da Cheng Overseas China Concept Fund - RMB Class A NAV-to-NAV return | -27.43% | -13.60% | - | - | -37.30%(From 2 September 2021) |
| Da Cheng Overseas China Concept Fund - RMB (Hedged) Class A NAV-to-NAV return | -34.37% | -7.20% | - | - | -39.10%(From 24 September 2021) |

Source: Da Cheng International Asset Management Limited, Bloomberg

The performance of the Sub-Fund is not referenced to pre-determined benchmarks.

Market Overview

For the full year of 2022, offshore China equities (as measured by MSCI China Index) declined 23.5%, affected by multiple negative factors, including the restart of the United States (“U.S.”) Federal Reserve’s interest rate hike cycle, the escalation of the military conflict between Russia and Ukraine, and China domestic pandemic control measures, etc. In particular, high inflation in the U.S. and the world continues to remain high, which has triggered a more aggressive rate hike by the U.S. Federal Reserve and expectations for future high interest rates. Energy and telecom are the best performing sector in 2022 while industrial, utility and IT are the worst performing sector, which plunged over 30% in 2022.

It is expected that the momentum of global economic growth will show a structural "east shift" in a whole. On one hand, the impact of the "energy crisis" in Europe has not yet fully landed, and there is a greater possibility of economic recession next year; while the United States is subject to a fast-paced tightening monetary policy and economic growth may also decline next year. On the other hand, China has begun to see substantial improvements at policy level. It is expected it will regain economic growth momentum and become the main powerhouse for global economic growth next year.

Looking back at the current round bear market in the Hong Kong stock market, which started on 17 February 2021, it has lasted for nearly two years as of the end of October this year, with a decline of more than 50% during the period. It is most significant no matter in depth or length over the last 25 years. We believe offshore market will turnaround in 2023. According to Morgan Stanley's forecast, MSCI China will record 12-15% return in 2023, especially in the two sectors of consumer discretionary and communication services, which are expected to record earnings growth of 31% and 52% respectively.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
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REPORT OF THE MANAGER (CONTINUED)

Outlook

In terms of valuation, the current Hong Kong stock market is still at a low level over the past two decades. Taking the Hang Seng Index as an example, the current Price-to-earnings ratio is around one standard deviation below the historical average; the current dividend rate is one standard deviation above the historical average. In addition, it can be seen from the A-H premium rate for the same company that Hong Kong stocks have a "35% discount" compared to A shares, which is significantly lower than the historical average.

We believe that valuation restoration driven by various favourable macroeconomic factors is almost completed, and the next stage is facing a profit restoration period with high uncertainty, which requires more attention to dig out sectors and individual stocks with high-performing growth and quality. Specifically, we are more optimistic about the following aspects in 2023: firstly, pan-consumer sectors (such as medical beauty and beer) that benefit from the relaxation of pandemic control and have continuous growth potential in consumption upgrade; secondly, digital economy that meet the country's high-quality development goals (such as artificial intelligence, unpiloted driving, CPU, GPU, data security, etc). In addition, it is also recommended to continue to explore subdivided fields that are in line with the general trend of national policies (such as In vitro fertilization, vocational education, etc.).

For and on behalf of
Da Cheng International Asset Management Company Limited

25 April 2023



**DA CHENG OVERSEAS CHINA CONCEPT FUND
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REPORT OF THE TRUSTEE

We hereby confirm that, in our opinion, the Manager of Da Cheng Overseas China Concept Fund (a sub-fund of DCI Investment Trust, the “Sub-Fund”) has, in all material respects, managed the Sub-Fund in accordance with the provisions of the Trust Deed dated 30 December 2011, as amended or supplemented from time to time, for the year ended 31 December 2022.

For and on behalf of
BOCI-Prudential Trustee Limited

25 April 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

Report on the Audit of the Financial Statements

Opinion

What we have audited

The financial statements of Da Cheng Overseas China Concept Fund (the "Sub-Fund"), a sub-fund of DCI Investment Trust, which are set out on pages 8 to 28, comprise:

- the statement of financial position as at 31 December 2022;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to unitholders for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Sub-Fund as at 31 December 2021, and of its financial transactions and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Sub-Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (the "IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Other Information

The Trustee and the Manager (the "Management") of the Sub-Fund are responsible for the other information. The other information comprises all of 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
TO THE UNITHOLDERS OF DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

Responsibilities of the Management for the Financial Statements

The Management of the Sub-Fund is responsible for the preparation of the financial statements that give a true and fair view in accordance with IFRSs, and for such internal control as the Management determines 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 Management of the Sub-Fund is 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 Management either intends to liquidate the Sub-Fund or to cease operations, or has no realistic alternative but to do so.

In addition, the Management of the Sub-Fund is required to ensure that the financial statements have been properly prepared in accordance with the relevant disclosure provisions of the Trust Deed dated 30 December 2011, as amended (the "Trust Deed") and Appendix E of the Code on Unit Trusts and Mutual Funds issued by the Hong Kong Securities and Futures Commission (the "SFC Code").

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. We report our opinion 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 Appendix E of the SFC Code.

As part of an audit in accordance with ISAs, we exercise professional judgment 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.
- 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 Management.

**INDEPENDENT AUDITOR'S REPORT
TO THE UNITHOLDERS OF DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the Management'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 Management 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 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 Appendix E of the SFC Code.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 25 April 2023

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022**

| | Notes | 2022 HKD | 2021 HKD |
|---|----------|--------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Investments | 3.1, 3.4 | 180,169,622 | 182,232,862 |
| Derivatives | 3.1, 10 | 611 | 141 |
| Dividend receivable | | 22,500 | 27,000 |
| Amount receivable on subscription of units | | - | 11,551 |
| Amount receivable on sale of investments | | 913,430 | - |
| Cash and cash equivalents | 3.4, 7.3 | 7,694,714 | 1,390,368 |
| Total assets | | <u>188,800,877</u> | <u>183,661,922</u> |
| Liabilities | | | |
| Current liabilities | | | |
| Management fee payable | 7.1 | 237,131 | 240,040 |
| Trustee fee payable | 7.2 | 35,000 | 35,000 |
| Amount payable on redemption of units | | 769,245 | 22,731 |
| Amount payable on purchase of investments | | 1,002,093 | - |
| Accrued expenses and other payables | | 203,911 | 191,183 |
| Total liabilities (excluding net assets attributable to unitholders) | | <u>2,247,380</u> | <u>488,954</u> |
| Net assets attributable to unitholders | 6 | <u>186,553,497</u> | <u>183,172,968</u> |

On behalf of
BOCI-Prudential Trustee Limited

On behalf of
Da Cheng International Asset Management
Company Limited

Authorised Signatory

Authorised Signatory

Director

DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

| | Notes | 2022 HKD | 2021 HKD |
|---|-------|----------------------------|----------------------------|
| Income | | | |
| Dividend income | | 1,745,211 | 2,134,757 |
| Interest income from bank deposits | 7.3 | 2,731 | 333 |
| Net losses on investments and derivatives | 5 | (60,704,454) | (41,514,800) |
| Net foreign exchange losses | | (126,098) | (205,829) |
| Other income | | 7,563 | 267 |
| Total investment expense | | <u>(59,075,047)</u> | <u>(39,585,272)</u> |
| Expenses | | | |
| Management fee | 7.1 | 2,594,437 | 3,118,964 |
| Trustee fee | 7.2 | 420,000 | 420,000 |
| Custodian fee | 7.3 | 219,008 | 233,021 |
| Transaction handling fees | 7.4 | 106,200 | 99,780 |
| Transaction costs | 12 | 985,004 | 754,442 |
| Auditor's remuneration | | 201,198 | 182,075 |
| Legal and professional fee | | 9,200 | 105,161 |
| Other expenses | | 12,969 | 16,766 |
| Total operating expenses | | <u>4,548,016</u> | <u>4,930,209</u> |
| Loss before distributions and tax | | <u>(63,623,063)</u> | <u>(44,515,481)</u> |
| Distribution to unitholders | 11 | - | (6,350,558) |
| Loss after distributions and before tax | | <u>(63,623,063)</u> | <u>(50,866,039)</u> |
| Taxation | 8 | (66,837) | (300,811) |
| Decrease in net assets attributable to unitholders | | <u><u>(63,689,900)</u></u> | <u><u>(51,166,850)</u></u> |

The notes on pages 12 to 28 form an integral part of these financial statements.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | 2022 HKD | 2021 HKD |
|--|---------------------|---------------------|
| Net assets attributable to unitholders at the beginning of the year | 183,172,968 | 179,171,667 |
| Subscription of units | 96,399,383 | 200,346,340 |
| Redemption of units | (29,328,954) | (145,178,189) |
| Net increase from unit transactions | 67,070,429 | 55,168,151 |
| Decrease in net assets attributable to unitholders | (63,689,900) | (51,166,850) |
| Net assets attributable to unitholders at the end of the year | 186,553,497 | 183,172,968 |

Number of units issued and redeemed

| | 2022 | | | |
|--|------------------------|------------------------|------------------------|-------------------------------------|
| | HKD Class A | USD Class A | RMB Class A | RMB (Hedged) Class A |
| Number of units in issue at the beginning of the year | 5,968,627 | 555,754 | 2,000 | 2,000 |
| Units issued | 7,667,267 | 17,347 | 15,379 | 10,194 |
| Units redeemed | (1,949,646) | (54,458) | (15,379) | - |
| Number of units in issue at the end of the year | 11,686,248 | 518,643 | 2,000 | 12,194 |
| | 2021 | | | |
| | HKD Class A | USD Class A | RMB Class A | RMB (Hedged) Class A |
| Number of units in issue at the beginning of the year | 4,657,755 | 417,196 | - | - |
| Units issued | 4,531,242 | 517,162 | 2,000 | 2,000 |
| Units redeemed | (3,220,370) | (378,604) | - | - |
| Number of units in issue at the end of the year | 5,968,627 | 555,754 | 2,000 | 2,000 |

The notes on pages 12 to 28 form an integral part of these financial statements.

DA CHENG OVERSEAS CHINA CONCEPT FUND
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

| | 2022 HKD | 2021 HKD |
|---|---|---|
| Cash flows from operating activities | | |
| Decrease in net assets attributable to unitholders | (63,689,900) | (51,166,850) |
| Adjustments for: | | |
| Interest income | (2,731) | (333) |
| Dividend income | (1,745,211) | (2,134,757) |
| Taxation | 66,837 | 300,811 |
| | <hr/> | <hr/> |
| Operating loss before changes in working capital | (65,371,005) | (53,001,129) |
| Decrease in investments | 2,063,240 | 3,424,837 |
| Increase in derivatives | (470) | (141) |
| Increase in amount receivable on sale of investments | (913,430) | - |
| (Decrease)/increase in management fee payable | (2,909) | 8,961 |
| Increase in accrued expenses and other payables | 12,728 | 625 |
| Increase in amount payable on purchase of investments | 1,002,093 | - |
| | <hr/> | <hr/> |
| Cash used in operations | (63,209,753) | (49,566,847) |
| Dividend income received, net of withholding taxes | 1,682,874 | 1,989,692 |
| Interest income received | 2,731 | 333 |
| | <hr/> | <hr/> |
| Net cash used in operating activities | (61,524,148) | (47,576,822) |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Cash flows from financing activities | | |
| Proceeds from subscription of units | 96,410,934 | 200,787,170 |
| Payments on redemption of units | (28,582,440) | (152,570,401) |
| | <hr/> | <hr/> |
| Net cash generated from financing activities | 67,828,494 | 48,216,769 |
| | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| Net increase in cash and cash equivalents | 6,304,346 | 639,947 |
| Cash and cash equivalents at the beginning of the year | 1,390,368 | 750,421 |
| | <hr/> | <hr/> |
| Cash and cash equivalents at the end of the year, representing bank deposits | 7,694,714 | 1,390,368 |
| | <hr style="border-top: 3px double black;"/> | <hr style="border-top: 3px double black;"/> |

The notes on pages 12 to 28 form an integral part of these financial statements.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1 General information

DCI Investment Trust (the “Trust”) is an open-ended unit trust established as an umbrella fund under the laws of Hong Kong by a trust deed dated 30 December 2011, as amended (the “Trust Deed”), between Da Cheng International Asset Management Company Limited as Manager (the “Manager”) and BOCI-Prudential Trustee Limited as Trustee (the “Trustee”). As at 31 December 2022, the Trust has five sub-funds, Da Cheng Overseas China Concept Fund (the “Sub-Fund”), Da Cheng China Balanced Fund, Da Cheng Short Term Bond Fund, Da Cheng Money Market Fund and Da Cheng Hong Kong Dollar Money Market Fund (collectively, the “Sub-Funds”). The date of commencement of operations of the Sub-Fund was 7 March 2016.

The Trust and the Sub-Fund are authorised by the Securities and Futures Commission of Hong Kong (the “SFC”) under Section 104(1) of the Hong Kong Securities and Futures Ordinance and is required to comply with the Code on Unit Trusts and Mutual Funds established by the SFC (the “SFC Code”).

The investment objective of the Sub-Fund is to achieve its objective by primarily investing in China Concept Stocks, which are listed on stock exchanges outside of the People’s Republic of China (“PRC”). The Sub-Fund will primarily invest directly in China Concept Stocks, which are equities issued by:

- (i) companies domiciled in the PRC, Hong Kong or Macau but listed on a stock exchange outside of the PRC; and
- (ii) companies domiciled and listed on a stock exchange, outside of the PRC, whose:
 - (a) operations or assets are based mainly in the PRC, Hong Kong or Macau;
 - (b) management or ownership is mainly controlled by an entity that is established or incorporated in the PRC, Hong Kong or Macau; or
 - (c) revenues or profits are mainly derived from the PRC, Hong Kong or Macau,

including but not limited to H-shares, S-chips and P-chips.

These financial statements were only prepared for the Sub-Fund for the year ended 31 December 2022.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of the Sub-Fund have been prepared in accordance with International Financial Reporting Standards (“IFRSs”). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the Trustee and the Manager (the “Management”) to exercise its judgement in the process of applying the Sub-Fund’s accounting policies.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Standards and amendments to existing standards effective 1 January 2022

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2022 that have a material effect on the financial statements of the Sub-Fund.

New standards, amendments and interpretations effective after 1 January 2022 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Sub-Fund.

2.2 Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Sub-Fund operates (the “functional currency”). The performance of the Sub-Fund is measured and reported to the unitholders in Hong Kong dollar (“HKD”). The Manager considers HKD as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in HKD, which is the Sub-Fund’s functional and presentation currency.

(ii) Transactions and balances

Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within “net gains / (losses) on investments and derivatives”.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within “net foreign exchange losses”.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Summary of significant accounting policies (Continued)

2.3 Investments

(i) Classification

The Sub-Fund classifies its investments based on both the Sub-Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Sub-Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Sub-Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

Derivatives contracts that have a positive fair value are presented as assets at fair value through profit or loss.

The Sub-Fund's policy requires the Manager to evaluate the information about these financial assets on a fair value basis together with other related financial information.

(ii) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date - the date on which the Sub-Fund commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Sub-Fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the investments are presented in the statement of comprehensive income within "net (losses) / gains on investments and derivatives" in the period in which they arise.

Dividend income from financial assets at fair value through profit or loss is recognised in the statement of comprehensive income within dividend income when the Sub-Fund's right to receive payments is established.

(iii) Fair value estimation

The fair value of financial instruments traded in active markets (such as publicly traded derivatives and trading securities) is based on quoted market prices at the closing of trading on the reporting date. The quoted market price used for financial assets held by the Sub-Fund is the last traded price.

(iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2 Summary of significant accounting policies (Continued)

2.4 Cash and cash equivalents

Cash and cash equivalents include cash at banks and deposits held with banks with original maturities of three months or less.

2.5 Interest income

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income includes interest from cash and cash equivalents.

The effective interest method is a method of calculating the amortised cost of an interest bearing asset and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts throughout the expected life of the financial instrument, or a shorter period where appropriate, to the net carrying amount of the financial instrument. When calculating the effective interest rate, the Sub-Fund estimates cash flows considering all contractual terms of the financial instrument (for example, prepayment options) but does not consider future credit losses. The calculation includes all fees and points received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

2.6 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.7 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.8 Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment.

2.9 Redeemable units

The Sub-Fund issued one class of redeemable units in two different currencies as at year end and the redeemable units do not have identical features. The Sub-Fund classified its puttable instruments as financial liabilities. Units are issued and redeemed at the holder's option at prices based on the Sub-Fund's net asset value per unit of the respective class and currency at the time of issue or redemption. The Sub-Fund's net asset value per unit of the respective class and currency is calculated by dividing the net assets attributable to unitholders of the respective class and currency with the total number of outstanding units of the respective class and currency.

The redeemable units are carried at amortised cost which corresponds to the redemption amount that is payable at the reporting date if the unitholder exercises the right to put the units back to the Sub-Fund.

In accordance with the explanatory memorandum of the Sub-Fund, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per unit for subscriptions and redemptions of the Sub-Fund.

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2 Summary of significant accounting policies (Continued)

2.10 Transaction costs

Transaction costs are costs incurred to acquire financial assets at fair value through profit or loss. They include the transaction handling fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs are expensed as incurred in the statement of comprehensive income.

2.11 Taxation

The Sub-Fund currently incurs withholding taxes on certain dividend income. Such income is recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are included as taxation in the statement of comprehensive income.

2.12 Changes to presentation and comparative information

When the presentation or classification of items in the financial statements is amended, comparative amounts have been updated to conform with the current year's presentation or classification.

3 Financial risk management

The Sub-Fund is exposed to a variety of risks including but not limited to market price risk, cash flow and fair value interest rate risk, credit and counterparty risk, liquidity risk and currency risk which are associated with the markets in which the Sub-Fund invests.

The following is a summary of the main risks and risk management policies.

3.1 Market price risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual instrument or factors affecting all instruments in the market. All investments present a risk of loss of capital.

The following table discloses the investments of the Sub-Fund by product type:

| | 2022 HKD | 2021 HKD |
|--|---------------------|---------------------|
| Investments | | |
| American depositary receipts | 23,331,881 | 18,604,016 |
| Listed equity securities - HK | 130,561,554 | 98,342,175 |
| Listed equity securities - US | 4,260,733 | 15,195,113 |
| Listed equity securities – RMB | 22,015,454 | 46,961,720 |
| Collective investment schemes (Note a) | - | 3,129,838 |
| | <hr/> | <hr/> |
| Total investments | 180,169,622 | 182,232,862 |
| | <hr/> | <hr/> |
| Derivatives – assets | | |
| Forward foreign exchange contracts | 611 | 141 |
| | <hr/> | <hr/> |

**DA CHENG OVERSEAS CHINA CONCEPT FUND
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**NOTES TO THE FINANCIAL STATEMENTS
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3 Financial risk management (Continued)

3.1 Market price risk (Continued)

Note a:

| Fund name | Investment strategy | 2021 | | |
|-------------------------------------|--|--------------------------------|----------------------------------|----------|
| | | NAV of the underlying fund HKD | Fair value of the investment HKD | % of NAV |
| KRANESHARES CSI CHINA INTERNET FUND | Tracks the CSI Overseas China Internet Index | 49,226,637,157 | 3,129,838 | 0.01 |

The following table discloses the investments of the Sub-Fund by industrial sectors:

| Investments | 2022 | | 2021 | |
|--------------------------------|-------------------------------|-----------------|-------------------------------|-----------------|
| | Fair value of investments HKD | % of net assets | Fair value of investments HKD | % of net assets |
| Basic Materials | 529,000 | 0.28 | 8,538,874 | 4.66 |
| Communications | 4,798,478 | 2.57 | 43,732,564 | 23.88 |
| Consumer products and services | 68,694,436 | 36.82 | 43,958,199 | 24.00 |
| Energy | 664,000 | 0.36 | 10,659,610 | 5.82 |
| Financials | 16,422,296 | 8.80 | 9,651,239 | 5.27 |
| Funds | - | - | 3,113,121 | 1.70 |
| Healthcare | 13,660,799 | 7.32 | 10,498,671 | 5.73 |
| Industrial | 9,088,119 | 4.87 | 18,159,787 | 9.91 |
| Real estate | 5,879,888 | 3.15 | 5,396,400 | 2.95 |
| Technology | 60,432,606 | 32.39 | 28,524,397 | 15.57 |
| Total investments | 180,169,622 | 96.56 | 182,232,862 | 99.49 |

The Sub-Fund's market price risk on equity securities is managed through diversification of the investment portfolio ratios by exposures to different industries. There is no exposure to individual investment representing over 10% of the Sub-Fund's net asset value at 31 December 2022 and 2021.

The following analysis summarises the sensitivity of the Sub-Fund's net assets to price movements of financial instruments held at the reporting date. The analysis is based on the assumptions that the MSCI China Index increased/decreased by 25% (2021: 15%) with all other variables held constant, and that the fair value of the Sub-Fund's portfolio of investments of HKD180,169,622 (2021: HKD182,232,862) moved according to their historical correlation with the index. This would have increased/decreased the net assets of the Sub-Fund by approximately HKD29,513,097 (2021: HKD31,221,976). This represents the Management's best estimate of a reasonable possible shift in the MSCI China Index, having regard to the historical volatility of the index.

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3 Financial risk management (Continued)

3.2 Cash flow and fair value interest rate risk

The Trustee and the Manager of the Sub-Fund do not manage the Sub-Fund's investment strategy to track any index or external benchmark. The sensitivity analysis presented is based upon the portfolio composition at the reporting date and the historical correlation of the securities comprising the portfolio to the index. The composition of the Sub-Fund's investment portfolio and the correlation thereof to the above index are expected to change over time. The sensitivity analysis prepared as of the reporting date is not necessarily indicative of the effect on the Sub-Fund's net assets of future movements in the level of the above-mentioned index.

Interest rate risk is the risk that the future cash flow and the value of a financial instrument will fluctuate due to changes in market interest rates. As the Sub-Fund has no significant interest-bearing financial assets apart from cash and cash equivalents, the Sub-Fund's income and operating cash flow are substantially independent of changes in market interest rates. All cash and cash equivalents are short-term with maturity less than three months. Receivables and payables are interest-free and have settlement date less than 1 year.

As at 31 December 2022, the Sub-Fund had a cash and cash equivalents of HKD7,694,714 (2021: HKD1,390,368). If interest rates had been 150 basis points (2021: 50 basis points) higher or lower with all other variables held constant, net assets attributable to unitholders would have been HKD115,421 (2021: HKD6,952) higher or lower as at 31 December 2022.

3.3 Currency risk

Currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. As at 31 December 2022 and 2021, the Sub-Fund was exposed to currency risk arising from balances and transactions in foreign currencies as its assets and liabilities are mainly denominated in RMB and HKD, the Sub-Fund's functional and presentation currency. The Sub-Fund has financial assets denominated in United States dollar. The Sub-Fund does not consider the currency risk to be significant since the HKD is pegged to the United States dollar.

The table below summarises the Sub-Fund's financial assets and liabilities and the impact of possible reasonable increases / decreases of key exchange rates on the Sub-Fund's profit for the reporting period and on liabilities, which are denominated in a currency other than HKD as at 31 December 2022 and 2021.

| | Net exposure HKD | Possible reasonable shift in exchange rate + / - | Impact on net assets + / - HKD |
|-----------------------|---------------------|--|---|
| At 31st December 2022 | | | |
| RMB | 26,738,814 | 8% | 2,139,105 |
| At 31st December 2021 | | | |
| RMB | 47,001,058 | 1% | 470,011 |

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**NOTES TO THE FINANCIAL STATEMENTS
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3 Financial risk management (Continued)

3.4 Credit and counterparty risk

Credit and counterparty risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Sub-Fund.

All transactions in securities are settled or paid for upon delivery using approved and reputable brokers. The risk of default is considered minimal, as delivery of securities sold is only made when the broker has received payment. Payment is made on a purchase when the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

The Sub-Fund is exposed to credit and counterparty risk on cash and cash equivalents.

The table below summarises the exposure to the Sub-Fund's counterparty as at 31 December 2022 and 2021 together with its credit rating.

| At 31 December 2022 | HKD | Credit rating | Source of credit rating |
|-----------------------------------|-------------|----------------------|--------------------------------|
| Investments | | | |
| Bank of China (Hong Kong) Limited | 180,169,622 | Aa3 | Moody's |
| Cash and cash equivalents | | | |
| Bank of China (Hong Kong) Limited | 7,694,714 | Aa3 | Moody's |
| At 31 December 2021 | HKD | Credit rating | Source of credit rating |
| Investments | | | |
| Bank of China (Hong Kong) Limited | 182,232,862 | Aa3 | Moody's |
| Cash and cash equivalents | | | |
| Bank of China (Hong Kong) Limited | 1,390,368 | Aa3 | Moody's |

The Sub-Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 31 December 2022 and 2021, amount receivable on subscription of units and cash and cash equivalents are held with a counterparty with a credit rating of Aa3 and are due to be settled within 1 month. Management considers the probability of default to be close to zero as the counterparty has a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

The maximum exposure at the year ended 31 December 2022 and 2021 was the carrying amount of the investments and cash and cash equivalents.

3.5 Liquidity risk

Liquidity risk is the risk that the Sub-Fund may not be able to generate sufficient cash and resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Fund is exposed to daily redemptions of units in the Sub-Fund. The Sub-Fund invests the majority of its assets in investments that are traded in an active market which can be readily disposed of.

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**NOTES TO THE FINANCIAL STATEMENTS
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3 Financial risk management (Continued)

3.5 Liquidity risk (Continued)

The table below analyses the Sub-Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within 12 months are equal to their carrying balances as the impact of discounting is not significant.

| | 2022 Less than 3 months HKD | 2021 Less than 3 months HKD |
|---|--|--|
| Management fee payable | 237,131 | 240,040 |
| Trustee fee payable | 35,000 | 35,000 |
| Amount payable on redemption of units | 769,245 | 22,731 |
| Amount payable on purchase of investments | 1,002,093 | - |
| Accrued expenses and other payables | 203,911 | 191,183 |
| Net assets attributable to unitholders | 186,553,497 | 183,172,968 |
| | <u>188,800,877</u> | <u>183,661,922</u> |

Units are redeemed on demand at the unitholder's option.

As at 31 December 2022 the total assets of the Sub-Fund amounted to HKD188,800,877 (2021: HKD183,661,922). The Sub-Fund manages its liquidity risk by investing in investments that it expects to be able to liquidate within 7 days or less.

3.6 Fair value estimation

The fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year end date. The Sub-Fund utilises the last traded market price as its fair valuation inputs for financial assets. All derivative are carried as assets when fair value is positive and as liabilities when fair value is negative.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as spot/forward foreign exchange contracts, include the use of valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

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**NOTES TO THE FINANCIAL STATEMENTS
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3 Financial risk management (Continued)

3.6 Fair value estimation (Continued)

The Sub-Fund classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes “observable” requires significant judgment by the Sub-Fund. The Sub-Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following tables analyse within the fair value hierarchy the Sub-Fund’s investments at 31 December 2022 and 2021:

| As at 31 December 2022 | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|--------------------|----------------|----------------|--------------------|
| Assets | HKD | HKD | HKD | HKD |
| Investments | | | | |
| - American depositary receipts | 23,331,881 | - | - | 23,331,881 |
| - Listed equity securities - HK | 130,561,554 | - | - | 130,561,554 |
| - Listed equity securities - US | 4,260,733 | - | - | 4,260,733 |
| - Listed equity securities – RMB | 22,015,454 | - | - | 22,015,454 |
| Derivative | | | | |
| - Forward foreign exchange contracts | - | 611 | - | 611 |
| Total | 180,169,622 | 611 | - | 180,170,233 |

| As at 31 December 2021 | Level 1 | Level 2 | Level 3 | Total |
|---|--------------------|----------------|----------------|--------------------|
| Assets | HKD | HKD | HKD | HKD |
| Investments | | | | |
| - American depositary receipts | 18,604,016 | - | - | 18,604,016 |
| - Listed equity securities - HK | 98,342,175 | - | - | 98,342,175 |
| - Listed equity securities - US | 15,195,113 | - | - | 15,195,113 |
| - Listed equity securities – RMB | 46,961,720 | - | - | 46,961,720 |
| - USD denominated collective investment schemes | 3,129,838 | - | - | 3,129,838 |
| Derivative | | | | |
| - Forward foreign exchange contracts | - | 141 | - | 141 |
| Total | 182,232,862 | 141 | - | 182,233,003 |

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**NOTES TO THE FINANCIAL STATEMENTS
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3 Financial risk management (Continued)

3.6 Fair value estimation (Continued)

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include American depositary receipts, listed equity securities and collective investment schemes. The Sub-Fund does not adjust the quoted price for these investments.

Investments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. As at 31 December 2022 and 2021, there was no level 3 investments held by the Sub-Fund.

There was no transfer between levels for the years ended 31 December 2022 and 2021.

The carrying amount of dividend receivable, amount receivable on subscription of units, amount receivable on sale of investments, cash and cash equivalents, management fee payable, trustee fee payable, amount payable on redemption of units, amount payable on purchase of investments, accrued expenses and other payables and net assets attributable to unitholders approximated their fair values and are presented in the statement of financial position. There are no financial assets and financial liabilities not carried at fair value but for which the fair value is disclosed.

3.7 Capital risk management

The Sub-Fund's capital is represented by the net assets attributable to unitholders. The Sub-Fund strives to invest the subscriptions in investments that meet the Sub-Fund's investment objectives while maintaining sufficient liquidity to meet unitholder redemptions.

The Management may:

- Redeem and issue new units in accordance with the constitutive documents of the Sub-Fund; and
- Exercise discretion when determining the amount of distributions of the Sub-Fund to the unitholders.

4 Financial instruments by category

Financial assets

Apart from investments which are classified as financial assets at fair value through profit or loss, all other financial assets as disclosed in the statement of financial position, including dividend receivable, amount receivable on subscription of units, amount receivable on sale of investments and cash and cash equivalents, are categorised as financial assets measured at amortised cost.

Financial liabilities

All financial liabilities as disclosed in the statement of financial position, including management fee payable, trustee fee payable, amount payable on redemption of units, amount payable on purchase of investments, accrued expenses and other payables and net assets attributable to unitholders, are categorised as financial liabilities measured at amortised cost.

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5 Net losses on investments and derivatives

| | 2022 HKD | 2021 HKD |
|--|---------------------|---------------------|
| Net realised (losses)/gains on sale of investments and derivatives | (38,207,806) | 10,331,232 |
| Net change in unrealised losses on investments and derivatives | (22,496,648) | (51,846,032) |
| | <u>(60,704,454)</u> | <u>(41,514,800)</u> |

6 Number of units in issue and net assets attributable to unitholders per unit

Net assets attributable to unitholders are carried at the redemption amount that would be payable if the unitholder exercised the right to redeem the units in the Sub-Fund.

Class A Units are available for sale to the retail public. The Manager seeks to hedge the foreign currency exposure of any hedged share class to HKD, with the aim of reducing the impact of currency fluctuations of the relevant class currency against HKD. Investors in hedged classes bear the associated costs and are exposed to the risks associated with the instruments used in the hedging process.

As at 31 December 2022 and 2021, the Sub-Fund had HKD Class A, USD Class A, RMB Class A and RMB (Hedged) Class A units in issue.

The following table details the net asset value per unit of each class of units at the reporting date:

| | 2022 HKD Class A | 2022 USD Class A | 2022 RMB Class A | 2022 RMB (Hedged) Class A |
|---|---------------------------------|---------------------------------|---------------------------------|--|
| Net assets attributable to unitholders per unit (Dealing NAV) at 31 December 2022 | <u>11.87</u> | <u>11.81</u> | <u>6.27</u> | <u>6.09</u> |
| | 2021 HKD Class A | 2021 USD Class A | 2021 RMB Class A | 2021 RMB (Hedged) Class A |
| Net assets attributable to unitholders per unit (Dealing NAV) at 31 December 2021 | <u>17.81</u> | <u>17.72</u> | <u>8.64</u> | <u>9.28</u> |

At the discretion of the Manager, units subscribed may be subject to a subscription charge of up to 5% of the value of any subscription.

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7 Transactions with related parties or connected persons

The following is a summary of transactions entered into during the year between the Sub-Fund and its related parties including the Manager, the investment delegate, the Trustee/custodian and their connected persons (the “Connected Persons”). Connected Persons are those as defined in the SFC Code. All such transactions were entered into in the ordinary course of business and on normal commercial terms. To the best of the Management’s knowledge, the Sub-Fund does not have any other transactions with the Connected Persons except for those disclosed below.

7.1 Management fee

The Manager is entitled to receive a management fee of up to 2% per annum (2021: 2% per annum) of the net asset value of the Sub-Fund. For the year ended 31 December 2022, the Manager charged a management fee of 1.5% per annum (2021: 1.5% per annum) of the net asset value of Class A units of the Sub-Fund. The fee calculated and accrued on each valuation day and payable monthly in arrears.

Management fee charged for the year was HKD2,594,437 (2021: HKD3,118,964) of which HKD237,131 (2021: HKD240,040) was payable to the Manager.

7.2 Trustee fee

The Trustee is entitled to receive a trustee fee of up to 0.5% per annum (2021: 0.5% per annum) of the net asset value of the Sub-Fund. Currently, the Trustee is entitled to receive a fee of up to 0.15% per annum (2021: up to 0.15% per annum) of the net asset value of the Sub-Fund. The fee is calculated and accrued on each dealing day and payable monthly in arrears.

Trustee fee charged for the year was HKD420,000 (2021: HKD420,000) of which HKD35,000 (2021: HKD35,000) was payable to the Trustee.

7.3 Custodian fee, cash and cash equivalents and investment balances

The custodian, an affiliate of the Trustee, is entitled to receive transaction charges at customary market rates and custody fees at different rates. Such charges and fees will be calculated monthly and payable monthly in arrears. The custodian will be paid a custodian fee of up to 0.1% per annum (2021: up to 0.1% per annum) of the net asset value of the Sub-Fund. Custodian fee charged for the year was HKD219,008 (2021: HKD233,021). All the custodian fee payable was fully settled as of 31 December 2022 and 2021.

Cash and cash equivalents amounted to HKD7,694,714 (2021: HKD1,390,368) is held with Bank of China (Hong Kong) Limited. In addition, the Sub-Fund’s investments are held at Bank of China (Hong Kong) Limited as custodian of the Sub-Fund.

Interest income earned from cash and cash equivalents for the year was HKD2,731 (2021: HKD333) while the bank charge for the year was HKD2,763 (2021: HKD10,349).

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7 Transactions with related parties or connected persons (Continued)

7.4 Transaction handling fees

In its purchases and sales of investments, the Sub-Fund utilises the investment transaction services of the Trustee. Details of transactions effected through the Trustee are as follows:

| | 2022 HKD | 2021 HKD |
|---|---------------------|---------------------|
| Transaction handling fees paid for the year | 106,200 | 99,780 |
| Average rate of transaction handling fees | 0.02% | 0.02% |
| Total aggregate value of such transactions for the year | 586,096,339 | 506,873,250 |
| Percentage of such transactions in value to total transactions for the year | 100% | 100% |

7.5 Investments in related parties

During the year ended 31 December 2022, the Sub-Fund purchased of HKD3,527,445 (2021: HKD4,092,805) and disposed of HKD1,279,160 (2021: HKD3,660,680) of shares of BOC Aviation Limited, a related party of the Trustee, with a gain of HKD357,716 (2021: loss HKD432,125). The Sub-Fund purchased HKD2,636,476 (2021: Nil) and disposed of HKD2,277,798 (2021: Nil) of shares of BOC Hong Kong (Holdings) Limited, a related party of the Trustee, with a loss of HKD358,678 (2021: Nil).

As at 31 December 2022, the Sub-Fund held 40,000 shares of BOC Aviation Limited with fair value of HKD2,606,000.

As at 31 December 2021, the Sub-Fund did not hold any investments in related parties.

7.6 Holdings in the Sub-Fund

The Sub-Fund allows the Manager and 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 2022 and 2021 were as follows:

Units held by Da Cheng International Asset Management Company Limited, the Manager of the Sub-Fund through Bank of China (Hong Kong) Nominees Limited, a group company of the Trustee, as agent:

| 2022 | Units outstanding at 1 January 2022 | Units subscribed during the period | Units reinvested during the period | Units redeemed during the period | Units outstanding at 31 December 2022 |
|-------------------------|--|---|---|---|--|
| RMB Class A | 2,000 | - | - | - | 2,000 |
| RMB (Hedged) Class A | 2,000 | - | - | - | 2,000 |

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7 Transactions with related parties or connected persons (Continued)

7.6 Holdings in the Sub-Fund (Continued)

| 2021 | Units outstanding at 1 January 2021 | Units subscribed during the period | Units reinvested during the period | Units redeemed during the period | Units outstanding at 31 December 2021 |
|-------------------------|--|---|---|---|--|
| RMB Class A | - | 2,000 | - | - | 2,000 |
| RMB (Hedged) Class A | - | 2,000 | - | - | 2,000 |

As at 31 December 2022, the Sub-Fund has 2,000 units (2021: 2,000 units) of RMB Class A and 2,000 units (2021: 2,000 units) of RMB (Hedged) Class A amounted to HKD12,540 (2021: HKD21,203) and HKD12,180 (2021: HKD22,774) held by Da Cheng International Asset Management Company Limited, the Manager of the Sub-Fund.

8 Taxation

Hong Kong profits tax

No provision for Hong Kong profits tax has been made for the Sub-Fund as it was authorised as collective investment schemes under Section 104 of the Hong Kong Securities and Futures Ordinance and is therefore exempt from profits tax under Section 26A(1A) of the Hong Kong Inland Revenue Ordinance.

PRC withholding tax

The Sub-Fund invests in H-shares of companies in China securities listed on the Hong Kong Stock Exchange. Under the PRC Corporate Income Tax Law, the Sub-Fund may be liable to pay PRC tax on the capital gains realised in the trading of these shares. However, no provision was or has been made for PRC tax from such gains in the Sub-Fund's financial statements as the directors believe that the Sub-Fund can sustain a position that the existing tax regulations and enforcement thereof of such PRC tax on capital gains arising from the transfers of such shares are not yet certain or clarified.

The Sub-Fund is subject to withholding tax on certain dividend income earned from its investments. For the year ended 31 December 2022, the total withholding tax amounted to HKD66,837 (2021: HKD300,811).

9 Soft commission arrangements

The Manager confirms that there has been no soft commission arrangement existing during the year ended 31 December 2022 and 2021 in relation to directing transactions of the Sub-Fund through a broker or dealer.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

10 Derivatives

The following forward exchange contracts were unsettled as at 31 December 2022 and 2021:

As at 31 December 2022

| Currency sold | Amount sold | Currency bought | Amount bought | Settlement date | Fair value HKD |
|-------------------|-------------|-----------------|---------------|-----------------|----------------|
| Hong Kong Dollars | 78,666 | Renminbi | 70,000 | 31 March 2023 | 611 |
| Assets | | | | | 611 |

As at 31 December 2021

| Currency sold | Amount sold | Currency bought | Amount bought | Settlement date | Fair value HKD |
|-------------------|-------------|-----------------|---------------|-----------------|----------------|
| Hong Kong Dollars | 24,276 | Renminbi | 20,000 | 22 March 2022 | 141 |
| Assets | | | | | 141 |

11 Distributions to unitholders

| | 2021 RMB |
|--|--------------------|
| <u>Interim distributions</u> | |
| HKD Class A 0.35 on 5,427,957 units with ex-date on 30 June 2021 and payment on 19 July 2021 | (1,899,785) |
| USD Class A 0.35 on 504,400 units with ex-date on 30 June 2021 and payment on 19 July 2021 | (1,371,047) |
| <u>Final distributions</u> | |
| HKD Class A 0.30 on 5,947,039 units with ex-date on 16 December 2021 and payment on 24 December 2021 | (1,784,112) |
| USD Class A 0.30 on 553,475 units with ex-date on 16 December 2021 and payment on 24 December 2021 | (1,295,614) |
| | <u>(6,350,558)</u> |

There was no distribution for the year ended 31 December 2022.

During the year ended 31 December 2021, the total comprehensive loss of the Sub-Fund was HKD(51,166,850). There was no undistributed income (2021: nil) brought forward as at 1 January 2022 or carried forward as at 31 December 2022.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

12 Transaction costs

The amount represents the commission or other charges incurred in the purchases and sales of investments paid to brokers or other services providers.

13 Approval of financial statements

The financial statements were approved by the Trustee and the Manager on 25 April 2023.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**INFORMATION ON EXPOSURE ARISING FROM FINANCIAL DERIVATIVE INSTRUMENTS
(UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

The lowest, highest and average gross exposure arising from the use of financial derivative instruments for any purpose as a proportion to the Sub-Fund's total net asset value for the year ended 31 December 2022.

| | 2022 % of net asset value | 2021 % of net asset value |
|------------------------|--|--|
| Lowest gross exposure | 0.01% | 0.00% |
| Highest gross exposure | 0.06% | 0.01% |
| Average gross exposure | 0.03% | 0.00% |

The lowest, highest and average net exposure arising from the use of financial derivative instruments for investment purpose as a proportion to the Sub-Fund's total net asset value for the year ended 31 December 2022.

| | 2022 % of net asset value | 2021 % of net asset value |
|----------------------|--|--|
| Lowest net exposure | 0.00% | 0.00% |
| Highest net exposure | 0.00% | 0.00% |
| Average net exposure | 0.00% | 0.00% |



**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**INVESTMENT PORTFOLIO (UNAUDITED)
AS AT 31 DECEMBER 2022**

| | Holdings | Market value HKD | % of net assets |
|--|----------|---------------------|--------------------|
| American depositary receipts | | | |
| BAIDU INC-ADR | 2,100 | 1,872,680 | 1.00 |
| FUTU HLDGS LTD-SPONSORED ADR | 6,000 | 1,901,542 | 1.02 |
| JD.COM INC-ADR | 15,000 | 6,564,179 | 3.52 |
| PINDUODUO INC-SPONSORED ADR | 12,000 | 7,629,557 | 4.09 |
| TRIP.COM GROUP LTD-ADR | 20,000 | 5,363,923 | 2.88 |
| | | 23,331,881 | 12.51 |
| | | ----- | ----- |
| Listed equity securities | | | |
| CHINA | | | |
| ADVANCED MICRO-FABRICATION EQUIPMENT INC CHINA-A | 2,000 | 220,836 | 0.12 |
| BEIJING KINGSOFT OFFICE SOFTWARE INC-A | 3,000 | 893,923 | 0.48 |
| BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO LTD-A | 16,000 | 605,119 | 0.32 |
| CHINA NATIONAL SOFTWARE & SERVICE CO LTD-A | 84,940 | 5,581,796 | 2.99 |
| CHINA TOURISM GROUP DUTY FREE CORP LTD-A | 8,000 | 1,947,035 | 1.04 |
| EAST MONEY INFORMATION CO LTD-A | 100,000 | 2,185,604 | 1.17 |
| HUADONG MEDICINE CO LTD-A | 10,000 | 527,249 | 0.28 |
| IFLYTEK CO LTD-A | 80,000 | 2,958,902 | 1.59 |
| KWEICHOW MOUTAI CO LTD-A | 600 | 1,167,383 | 0.63 |
| LUXSHARE PRECISION INDUSTRY CO LTD-A | 50,000 | 1,788,478 | 0.96 |
| OFFCN EDUCATION TECHNOLOGY CO LTD-A | 200,000 | 1,043,232 | 0.56 |
| SHANGHAI M&G STATIONERY INC-A | 12,000 | 743,286 | 0.40 |
| THUNDER SOFTWARE TECHNOLOGY CO LTD-A | 15,000 | 1,694,970 | 0.91 |
| ZWSOFT CO LTD GUANGZHOU-A | 3,000 | 657,641 | 0.35 |
| | | 22,015,454 | 11.80 |
| | | ----- | ----- |
| HONG KONG | | | |
| AIA GROUP LTD | 60,000 | 5,208,000 | 2.79 |
| ALIBABA GROUP HLDG LTD | 100,000 | 8,625,000 | 4.62 |
| ALIBABA HEALTH INFORMATION TECHNOLOGY LTD | 410,000 | 2,726,500 | 1.46 |
| ANTA SPORTS PRODUCTS LTD | 30,000 | 3,069,000 | 1.65 |
| BEIGENE LTD | 43,000 | 5,770,600 | 3.09 |
| BOC AVIATION LTD | 40,000 | 2,606,000 | 1.40 |
| BOSIDENG INTL HLDGS LTD | 500,000 | 1,855,000 | 0.99 |
| BUDWEISER BREWING CO APAC LTD | 160,000 | 3,928,000 | 2.11 |
| CHINA EAST EDUCATION HLDGS LTD | 60,000 | 373,800 | 0.20 |
| CHINA MERCHANTS BANK CO LTD-H | 65,000 | 2,837,250 | 1.52 |
| COUNTRY GARDEN SERVICES HLDGS CO LTD | 240,735 | 4,679,888 | 2.51 |
| DONGFANG ELECTRIC CORP LTD-H | 50,000 | 664,000 | 0.36 |
| FU SHOU YUAN INTL GROUP LTD | 100,000 | 670,000 | 0.36 |
| GEELY AUTOMOBILE HLDGS LTD | 150,000 | 1,710,000 | 0.92 |
| GREENTOWN MANAGEMENT HLDGS CO LTD | 200,000 | 1,200,000 | 0.64 |
| H WORLD GROUP LTD | 70,000 | 2,355,500 | 1.26 |
| HAIER SMART HOME CO LTD -H | 40,000 | 1,064,000 | 0.57 |
| HANGZHOU TIGERMED CONSULTING CO LTD-H | 18,000 | 1,623,600 | 0.87 |
| HONG KONG EXCHANGES & CLEARING LTD | 2,000 | 674,400 | 0.36 |
| HUA HONG SEMICONDUCTOR LTD | 30,000 | 817,500 | 0.44 |

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 31 DECEMBER 2022**

| | Holdings | Market value HKD | % of net assets |
|--|-----------|-------------------------------|--------------------------|
| Listed equity securities (Continued) | | | |
| HONG KONG (Continued) | | | |
| INSPUR INTL LTD | 300,000 | 1,068,000 | 0.57 |
| JD.COM INC | 28 | 6,166 | 0.00 |
| JINXIN FERTILITY GROUP LTD | 50,000 | 360,500 | 0.19 |
| JIUMAOJIU INTL HLDGS LTD | 260,000 | 5,421,000 | 2.91 |
| KINGDEE INTL SOFTWARE GROUP CO LTD | 200,000 | 3,348,000 | 1.79 |
| KUAISHOU TECHNOLOGY | 10,000 | 710,500 | 0.38 |
| LENOVO GROUP LTD | 400,000 | 2,564,000 | 1.37 |
| LI NING CO LTD | 60,000 | 4,065,000 | 2.18 |
| MEITUAN-CLASS B | 57,000 | 9,957,900 | 5.34 |
| MGM CHINA HLDGS LTD | 10,000 | 86,000 | 0.05 |
| PHARMARON BEIJING CO LTD-H | 46,000 | 2,490,900 | 1.34 |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H | 70,000 | 3,615,500 | 1.94 |
| SEMICONDUCTOR MANUFACTURING INTL CORP | 20,000 | 334,400 | 0.18 |
| SENSETIME GROUP INC-CL B | 2,300,000 | 5,106,000 | 2.74 |
| SHANGHAI MICROPORT MEDBOT (GROUP) CO LTD | 40,000 | 1,272,000 | 0.68 |
| SHENZHOU INTL GROUP HLDGS LTD | 44,000 | 3,863,200 | 2.07 |
| SINOTRUK (HONG KONG) LTD | 300,000 | 3,264,000 | 1.75 |
| SWIRE PACIFIC LTD 'A' | 45,000 | 3,091,500 | 1.66 |
| TECHTRONIC INDUSTRIES CO LTD | 30,000 | 2,613,000 | 1.40 |
| TENCENT HLDGS LTD | 31,000 | 10,354,000 | 5.55 |
| TONGCHENG TRAVEL HLDGS LTD | 250,000 | 4,695,000 | 2.52 |
| WEIMOB INC | 700,000 | 4,662,000 | 2.50 |
| WUXI BIOLOGICS CAYMAN INC | 27,000 | 1,615,950 | 0.87 |
| ZIJIN MINING GROUP CO LTD-H | 50,000 | 529,000 | 0.28 |
| ZTE CORP-H | 175,000 | 3,010,000 | 1.61 |
| | | <hr/> | |
| | | 130,561,554 | 69.99 |
| | | <hr/> | |
| United States | | | |
| YUM CHINA HLDGS INC | 10,000 | 4,260,733 | 2.28 |
| | | <hr/> | |
| | | 4,260,733 | 2.28 |
| | | <hr/> | |
| Total listed equity securities | | <hr/> <hr/> 180,169,622 | <hr/> <hr/> 96.58 |
| Foreign Currency Forward Contracts | | | |
| CNY/HKD ¹ | | 611 | 0.00 |
| | | <hr/> | |
| | | 611 | 0.00 |
| | | <hr/> | |
| Total investments | | <hr/> <hr/> 180,170,233 | <hr/> <hr/> 96.58 |
| Other net assets | | <hr/> 6,383,264 | <hr/> 3.42 |
| Total net assets as at 31 December 2022 | | <hr/> <hr/> <hr/> 186,553,497 | <hr/> <hr/> <hr/> 100.00 |



**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
AS AT 31 DECEMBER 2022**

| | Holdings | Market value HKD | % of net assets |
|-----------------------------------|-----------------|-----------------------------|----------------------------|
| Total investments, at cost | | <u>181,456,121</u> | |

¹ The counterparty of is Bank of China (Hong Kong) Limited.

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Holdings | | | | 31 December 2022 |
|---|---------------------|-----------|---------------------|-------------|---------------------|
| | 31 December 2021 | Additions | Bonus/ Dividends | Deductions | |
| ADVANCED MICRO DEVICES INC | 5,300 | 7,100 | - | (12,400) | - |
| ADVANCED MICRO-FABRICATION EQUIPMENT INC CHINA-A | - | 4,000 | - | (2,000) | 2,000 |
| AIA GROUP LTD | 54,000 | 33,000 | - | (27,000) | 60,000 |
| ALIBABA GROUP HLDG LTD | - | 120,000 | - | (20,000) | 100,000 |
| ALIBABA HEALTH INFORMATION TECHNOLOGY LTD | - | 450,000 | - | (40,000) | 410,000 |
| ANTA SPORTS PRODUCTS LTD | 24,000 | 26,000 | - | (20,000) | 30,000 |
| APPLIED MATERIALS INC | 5,000 | 6,800 | - | (11,800) | - |
| BAIDU INC-ADR | 1,800 | 600 | - | (300) | 2,100 |
| BEIGENE LTD-ADR | - | 50,000 | - | (7,000) | 43,000 |
| BEIJING KINGSOFT OFFICE SOFTWARE INC-A | - | 3,000 | - | - | 3,000 |
| BEIJING ORIENTAL YUHONG WATERPROOF TECHNOLOGY CO LTD-A | - | 16,000 | - | - | 16,000 |
| BOC AVIATION LTD | - | 60,000 | - | (20,000) | 40,000 |
| BOC HONG KONG (HLDGS) LTD | - | 90,000 | - | (90,000) | - |
| BOE VARITRONIX LTD | - | 200,000 | - | (200,000) | - |
| BOSIDENG INTL HLDGS LTD | 600,000 | 500,000 | - | (600,000) | 500,000 |
| BROADCOM INC | 600 | 200 | - | (800) | - |
| BUDWEISER BREWING CO APAC LTD | - | 180,000 | - | (20,000) | 160,000 |
| BYD CO LTD-H | - | 10,000 | - | (10,000) | - |
| CHINA EAST EDUCATION HLDGS LTD | - | 60,000 | - | - | 60,000 |
| CHINA MERCHANTS BANK CO LTD-H | 80,000 | 120,000 | - | (135,000) | 65,000 |
| CHINA NATIONAL SOFTWARE & SERVICE CO LTD-A | - | 104,940 | - | (20,000) | 84,940 |
| CHINA RESOURCES BEER HLDGS CO LTD | 62,000 | - | - | (62,000) | - |
| CHINA TOURISM GROUP DUTY FREE CORP LTD-A | 12,000 | 19,000 | - | (23,000) | 8,000 |
| CIFI HLDGS GROUP CO LTD | - | 300,000 | - | (300,000) | - |
| COFCO JOYCOME FOODS LTD | - | 1,100,000 | - | (1,100,000) | - |
| CONTEMPORARY AMPEREX TECHNOLOGY CO LTD-A | 8,300 | 7,200 | - | (15,500) | - |
| COUNTRY GARDEN SERVICES HLDGS CO LTD | 228,735 | 295,000 | - | (283,000) | 240,735 |
| DONGFANG ELECTRIC CORP LTD-H | - | 50,000 | - | - | 50,000 |
| EAST MONEY INFORMATION CO LTD-A | 120,000 | 93,000 | 35,000 | (148,000) | 100,000 |
| FU SHOU YUAN INTL GROUP LTD | - | 200,000 | - | (100,000) | 100,000 |
| FUTU HLDGS LTD-SPONSORED ADR | - | 6,000 | - | - | 6,000 |
| GANFENG LITHIUM CO LTD-H | 10,000 | - | - | (10,000) | - |
| GDS HLDGS LTD-SPONSORED ADR | 3,300 | 10,500 | - | (13,800) | - |
| GEELY AUTOMOBILE HLDGS LTD | 60,000 | 270,000 | - | (180,000) | 150,000 |
| GOERTEK INC-A | 60,000 | 35,000 | - | (95,000) | - |
| GREENTOWN MANAGEMENT HLDGS CO LTD | - | 200,000 | - | - | 200,000 |
| GUANGZHOU KINGMED DIAGNOSTICS GROUP CO LTD-A | - | 28,000 | - | (28,000) | - |
| GUANGZHOU TINCI MATERIALS TECHNOLOGY CO LTD-A | 24,000 | 13,000 | 35,000 | (72,000) | - |
| H WORLD GROUP LTD | - | 70,000 | - | - | 70,000 |
| HAIER SMART HOME CO LTD -H | - | 65,000 | - | (25,000) | 40,000 |
| HANGZHOU FIRST APPLIED MATERIAL CO LTD-A | - | 25,000 | - | (25,000) | - |
| HANGZHOU TIGERMED CONSULTING CO LTD-H | - | 28,000 | - | (10,000) | 18,000 |

**DA CHENG OVERSEAS CHINA CONCEPT FUND
 (A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**
**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
 FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Holdings | | | | 31 December 2022 |
|---|---------------------|-----------|---------------------|------------|---------------------|
| | 31 December 2021 | Additions | Bonus/ Dividends | Deductions | |
| HONG KONG EXCHANGES & CLEARING LTD | 5,000 | 12,000 | - | (15,000) | 2,000 |
| HSBC HLDGS PLC | - | 160,000 | - | (160,000) | - |
| HUA HONG SEMICONDUCTOR LTD | - | 50,000 | - | (20,000) | 30,000 |
| HUADONG MEDICINE CO LTD-A | - | 10,000 | - | - | 10,000 |
| HUAYU AUTOMOTIVE SYSTEMS CO LTD-A | - | 60,000 | - | (60,000) | - |
| IFLYTEK CO LTD-A | - | 80,000 | - | - | 80,000 |
| INSPUR ELECTRONIC INFORMATION INDUSTRY CO LTD-A | - | 10,000 | - | (10,000) | - |
| INSPUR INTL LTD | - | 300,000 | - | - | 300,000 |
| JD.COM INC | - | 11,500 | 1,428 | (12,900) | 28 |
| JD.COM INC-ADR | 10,500 | 4,500 | - | - | 15,000 |
| JINXIN FERTILITY GROUP LTD | - | 100,000 | - | (50,000) | 50,000 |
| JIUMAOJIU INTL HLDGS LTD | 180,000 | 210,000 | - | (130,000) | 260,000 |
| KINGDEE INTL SOFTWARE GROUP CO LTD | - | 280,000 | - | (80,000) | 200,000 |
| KRANESHARES CSI CHINA INTERNET FUND | 11,000 | 46,000 | - | (57,000) | - |
| KUAISHOU TECHNOLOGY | - | 88,000 | - | (78,000) | 10,000 |
| KWEICHOW MOUTAI CO LTD-A | 900 | 2,400 | - | (2,700) | 600 |
| LENOVO GROUP LTD | - | 450,000 | - | (50,000) | 400,000 |
| LI NING CO LTD | 66,000 | 40,000 | - | (46,000) | 60,000 |
| LIANCHUANG ELECTRONIC TECHNOLOGY CO LTD-A | - | 70,000 | - | (70,000) | - |
| LINK REAL ESTATE INVESTMENT TRUST | - | 30,000 | - | (30,000) | - |
| LONGI GREEN ENERGY TECHNOLOGY CO LTD-A | 50,000 | 46,400 | 21,600 | (118,000) | - |
| LUXSHARE PRECISION INDUSTRY CO LTD-A | - | 50,000 | - | - | 50,000 |
| MEITUAN-CLASS B | 41,000 | 61,000 | - | (45,000) | 57,000 |
| MGM CHINA HLDGS LTD | - | 30,000 | - | (20,000) | 10,000 |
| NETEASE INC-ADR | 6,000 | 1,600 | - | (7,600) | - |
| OFFCN EDUCATION TECHNOLOGY CO LTD-A | - | 200,000 | - | - | 200,000 |
| PHARMARON BEIJING CO LTD-H | 42,000 | 18,000 | 18,000 | (32,000) | 46,000 |
| PINDUODUO INC-SPONSORED ADR | 5,000 | 29,500 | - | (22,500) | 12,000 |
| PING AN INSURANCE GROUP CO OF CHINA LTD-H | - | 150,000 | - | (80,000) | 70,000 |
| RIO TINTO LTD | - | 4,800 | - | (4,800) | - |
| S F HLDG CO LTD-A | - | 66,100 | - | (66,100) | - |
| SEMICONDUCTOR MANUFACTURING INTL CORP | - | 50,000 | - | (30,000) | 20,000 |
| SENSETIME GROUP INC-CL B | - | 2,300,000 | - | - | 2,300,000 |
| SHANGHAI M&G STATIONERY INC-A | - | 12,000 | - | - | 12,000 |
| SHANGHAI MICROPORT MEDBOT (GROUP) CO LTD | - | 40,000 | - | - | 40,000 |
| SHENZHOU INTL GROUP HLDGS LTD | 36,000 | 27,000 | - | (19,000) | 44,000 |
| SINOTRUK (HONG KONG) LTD | - | 300,000 | - | - | 300,000 |
| STANDARD CHARTERED PLC | - | 30,000 | - | (30,000) | - |
| SUNGROW POWER SUPPLY CO LTD-A | 30,000 | 32,500 | - | (62,500) | - |
| SUNNY OPTICAL TECHNOLOGY GROUP CO LTD | 22,000 | 9,000 | - | (31,000) | - |
| SWIRE PACIFIC LTD 'A' | - | 55,000 | - | (10,000) | 45,000 |
| TECHTRONIC INDUSTRIES CO LTD | 39,000 | 26,000 | - | (35,000) | 30,000 |
| TENCENT HLDGS LTD | 26,000 | 24,000 | - | (19,000) | 31,000 |

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**STATEMENT OF MOVEMENTS IN INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

| | Holdings | | | | 31 December 2022 |
|---|---------------------|-----------|---------------------|------------|---------------------|
| | 31 December 2021 | Additions | Bonus/ Dividends | Deductions | |
| THUNDER SOFTWARE TECHNOLOGY CO LTD-A | - | 25,000 | - | (10,000) | 15,000 |
| TONGCHENG TRAVEL HLDGS LTD | 210,000 | 120,000 | - | (80,000) | 250,000 |
| TONGWEI CO LTD-A | - | 45,000 | - | (45,000) | - |
| TRIP.COM GROUP LTD | - | 2,000 | - | (2,000) | - |
| TRIP.COM GROUP LTD-ADR | - | 25,500 | - | (5,500) | 20,000 |
| TRULY INTL HLDGS LTD | - | 650,000 | - | (650,000) | - |
| WEIMOB INC | - | 700,000 | - | - | 700,000 |
| WILL SEMICONDUCTOR LTD-A | - | 1,500 | - | (1,500) | - |
| WULIANGYE YIBIN CO LTD-A | 8,000 | 7,000 | - | (15,000) | - |
| WUXI BIOLOGICS CAYMAN INC | 107,000 | 69,000 | - | (149,000) | 27,000 |
| YUM CHINA HLDGS INC | - | 13,000 | - | (3,000) | 10,000 |
| YUNNAN ENERGY NEW MATERIAL CO LTD-A | 12,800 | 4,000 | - | (16,800) | - |
| ZHANGZHOU PIENZEHUANG PHARMACEUTICAL CO LTD-A | 6,000 | - | - | (6,000) | - |
| ZHEJIANG CHINT ELECTRICS CO LTD-A | 40,000 | 40,000 | - | (80,000) | - |
| ZIJIN MINING GROUP CO LTD-H | - | 50,000 | - | - | 50,000 |
| ZTE CORP-H | - | 175,000 | - | - | 175,000 |
| ZTO EXPRESS CAYMAN INC-SPONSORED ADR | 11,500 | 7,500 | - | (19,000) | - |
| ZWSOFT CO LTD GUANGZHOU-A | - | 3,000 | - | - | 3,000 |

**DA CHENG OVERSEAS CHINA CONCEPT FUND
(A SUB-FUND OF DCI INVESTMENT TRUST ESTABLISHED IN HONG KONG)**

**PERFORMANCE TABLE (UNAUDITED)
FOR THE YEAR ENDED 31 DECEMBER 2022**

Net asset value

| At the end of financial year date | Net asset value | | | | Net asset value per unit | | | |
|---|-----------------|---------------|---------------|----------|--------------------------|--------|---------------|----------------------------------|
| | Class A – | | Class A – RMB | | Class A – HKD | | Class A – RMB | |
| | HKD | Class A - USD | Class A – RMB | (Hedged) | in HKD | in USD | in RMB | Class A - RMB (Hedged) in RMB |
| 31 December 2022 | 138,704,740 | 47,750,937 | 14,126 | 83,694 | 11.87 | 11.81 | 6.27 | 6.09 |
| 31 December 2021 | 106,329,433 | 76,799,648 | 21,203 | 22,684 | 17.81 | 17.72 | 8.64 | 9.28 |
| 31 December 2020 | 105,713,487 | 73,458,180 | - | - | 22.70 | 22.71 | - | - |

Highest and lowest net asset value per unit

| Financial year ended | Class A - HKD | | Class A - USD | | Class A RMB | | Class A RMBH | |
|---------------------------------------|---|---|---|---|---|---|---|---|
| | Highest Issue price per unit in HKD | Lowest redemption price per unit in HKD | Highest issue price per unit in USD | Lowest redemption price per unit in USD | Highest issue price per unit in RMB | Lowest redemption price per unit in RMB | Highest issue price per unit in RMB | Lowest redemption price per unit in RMB |
| | 31 December 2022 | 17.58 | 8.79 | 17.49 | 8.69 | 8.55 | 4.88 | 9.16 |
| 31 December 2021 | 27.57 | 17.24 | 27.59 | 17.14 | 10.21 | 8.40 | 10.51 | 8.96 |
| 31 December 2020 | 22.70 | 12.14 | 22.71 | 12.13 | - | - | - | - |
| 31 December 2019 | 14.96 | 10.93 | 14.90 | 10.83 | - | - | - | - |
| 31 December 2018 | 17.79 | 11.08 | 17.66 | 10.96 | - | - | - | - |
| 31 December 2017 | 17.03 | 10.40 | 16.91 | 10.40 | - | - | - | - |
| 31 December 2016 (since inception) | 11.66 | 9.51 | 11.67 | 9.50 | - | - | - | - |