IMPORTANT: The Securities and Futures Commission (the "SFC") takes no responsibility for the contents of this notice, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this notice.

This notice is important and requires your immediate attention. If you are in any doubt about the contents of this notice, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent professional advice.

Value Partners Hong Kong Limited (the "Manager") accepts full responsibility for the accuracy of the information contained in this notice and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief at the date hereof, there are no other facts the omission of which would make any statement misleading and that opinions expressed in this notice have been arrived at after due and careful consideration.

Investments involve risks, including the loss of principal. You are advised to consider your investment objectives and circumstances in determining the suitability of an investment in the Sub-Fund. An investment in the Sub-Fund may not be suitable for everyone.

SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Value Partners
Investing through discipline

Value Partners China A-Share Select Fund

(A sub-fund of Value Partners Fund Series (the "Trust"), a Hong Kong umbrella unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong)

(the "Sub-Fund")

Notice to Unitholders

All capitalised terms in this notice shall have the same meaning as in the Explanatory Memorandum of the Sub-Fund dated October 2014, unless otherwise stated.

Summary

(A) Change in PRC withholding income tax ("WIT") provisioning policy on capital gains

In light of the clarifications issued by the PRC regulatory bodies in November 2014, the Sub-Fund's withholding tax provisioning policy on capital gains derived in the PRC has been modified accordingly.

(B) Change of investment strategy: Shanghai-Hong Kong Stock Connect ("Stock Connect")

The investment policy of the Sub-Fund will be revised to allow the Sub-Fund to have direct access to certain eligible A-Shares via Stock Connect. The Explanatory Memorandum has been updated to include information on Stock Connect and the associated risks.

(C) Updated disclosures regarding U.S. regulations

The existing disclosures regarding the Sub-Fund's status and treatment under the relevant U.S. securities laws and regulations have been elaborated in further detail.

(D) Flexibility to accept applications or requests made by other written or electronic forms

Disclosures are inserted in the Explanatory Memorandum to clarify the Manager's discretion to accept subscription, redemption and switching instructions from investors via means other than post or fax.

(E) Change of telephone Number

The telephone number for contacting the Manager regarding enquires and complaints for the Trust or the Sub-Fund has been changed to (852) 2143 0688.

Dear Unitholders,

We, the Manager of the Sub-Fund, wishes to inform you of the following changes in respect of the Sub-Fund.

A. Change in PRC WIT provisioning policy on capital gains

Original WIT provisioning policy

As disclosed in the Explanatory Memorandum, in light of the uncertainty on the income tax treatment on capital gains and in order to meet this potential tax liability for capital gains, having taken and considered independent professional tax advice, and in accordance with such advice, the Manager has determined that:

(1) No WIT provision would be made on the gross unrealised and realised capital gains derived from trading of A-Shares, except for those gross capital gains derived from trading of A-Shares issued by PRC tax resident companies which are immovable properties-rich companies.

(2) A 10% provision for WIT would be made for the gross unrealised and realised capital gains derived by the Sub-Fund from trading of A-Shares issued by PRC tax resident companies which are immovable properties-rich companies. The Manager would adopt a prudent approach in determining whether any relevant PRC tax resident company is or has been an immovable properties-rich company.

(3) No WIT provision would be made on the gross realised and unrealised capital gains derived from the disposal of debt instruments issued by the PRC government and PRC corporations.

Notice No.79

On 14 November 2014, the Ministry of Finance of the PRC (the "MOF"), the State Administration of Taxation of the PRC (the "SAT") and the China Securities Regulatory Commission (the "CSRC") jointly issued the "Notice on the temporary exemption of Corporate Income Tax on capital gains derived from the transfer of PRC equity investment assets such as PRC domestic stocks by QFII and RQFII" (Caishui [2014] No.79) ("Notice No. 79"). Notice No. 79 states that (i) PRC CIT will be imposed on capital gains derived by QFIIs and RQFIIs from the transfer of PRC equity investment assets (including PRC domestic stocks) realised prior to 17 November 2014 in accordance with laws; and (ii) QFIIs and RQFIIs (without a PE in the PRC or having a PE in the PRC but the gains derived in the PRC from the transfer of PRC equity investment assets are not effectively connected with such PE) are temporarily exempt from CIT on gains derived from the transfer of PRC equity investment assets (including PRC A-Shares) effective from 17 November 2014. Specific rules or regulations governing taxes on capital gains derived by foreign investors from the trading of PRC Securities other than equity investments have yet to be announced.

Change to the WIT provisioning approach

The Manager considers that: (i) Notice No. 79 clearly stipulates that RQFIIs shall be temporarily exempt from capital gains tax from 17 November 2014; and (ii) in the absence of specific rules or regulations governing taxes on capital gains derived by foreign investors from the trading of PRC Securities other than equity investments, the income tax treatment on such gains should be governed by the general tax provisions of the PRC CIT Law, such that if the foreign investor is a non-tax resident enterprise without PE in the PRC, a 10% WIT would be imposed on the PRC-sourced capital gains, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties.

After careful consideration of independent professional tax advice, the Manager, acting in the best interest of the Unitholders, has determined to change the Sub-Fund's PRC tax provisioning approach as follows with effect from 17 November 2014:

(a) No provision for gross realised or unrealised capital gains derived from trading of A-Shares, whether or not issued by PRC tax resident companies which are immovable properties-rich companies, via RQFII will be made from 17 November 2014 onwards.

(b) A 10% provision for WIT will be made for gross realised or unrealised capital gains derived from trading of PRC Securities other than A-Shares.

Reversal of tax provision and impact on the Sub-Fund

Prior to 17 November 2014, the Manager has made a tax provision totalling RMB214,071.94 for WIT at 10% in respect of the Sub-Fund's gross realised and unrealised capital gains derived from trading of A-Shares. In light of the temporary exemption under Notice No. 79 for RQFIIs from capital gains tax from 17 November 2014 onwards, the Manager made a reversal of such tax provision (the "Reversal") on 17 November 2014.

The Reversal had the effect of increasing the Net Asset Value of the Sub-Fund as of 17 November 2014 by such amount as shown below:

• Increase in Net Asset Value	RMB201,348.36
• Increase %	0.09%

The positive impact of the Reversal on the Net Asset Value of the Sub-Fund has been reflected in the Net Asset Value of the Sub-Fund as of 17 November 2014 as above. Unitholders who have sold or redeemed Units in the Sub-Fund prior to 17 November 2014 were not affected by the Reversal.

The Trustee of the Trust has no objection to the implementation of the Reversal.

B. Change of investment strategy: Shanghai-Hong Kong Stock Connect

Prior to 18 June 2015 (the "Effective Date"), the Sub-Fund achieves its investment objective by investing in A-Shares via the Manager's RQFII investment quota. From the Effective Date, in addition to the RQFII quota, the Sub-Fund may also have direct access to certain eligible A-Shares via Stock Connect. Up to 100% of the Sub-Fund's investment in A-Shares will be made through either RQFII and/or Stock Connect.

Shanghai-Hong Kong Stock Connect

Stock Connect is a securities trading and clearing linked program developed by the Hong Kong Exchanges and Clearing Limited, Shanghai Stock Exchange ("SSE") and China Securities Depository and Clearing Corporation Limited, with an aim to achieve mutual stock market access between the PRC and Hong Kong.

Stock Connect comprises a Northbound Trading Link and a Southbound Trading Link. Under the Northbound Trading Link, Hong Kong and overseas investors (including the Sub-Fund), through their Hong Kong brokers and a securities trading service company established by the SEHK and the HKSCC, may trade eligible shares listed on the SSE by routing orders to the SSE.

Hong Kong and overseas investors will be able to trade certain stocks listed on the SSE market (i.e. "SSE Securities"). These include all the constituent stocks from time to time of the SSE 180 Index and SSE 380 Index, and all the SSE-listed China A-Shares that are not included as constituent stocks of the relevant indices but which have corresponding H-Shares listed on the SEHK, except the following:

(a) SSE-listed shares which are not traded in RMB; and

(b) SSE-listed shares which are included in the "risk alert board".

Risks associated with Stock Connect

Please note that investments through Stock Connect are subject to additional risks, namely, quota limitations, suspension risk, operational risk, recalling of eligible stocks, settlement and corporation actions risk, regulatory risk and lack of protection by Hong Kong's Investor Compensation Fund. In the event that the Sub-Fund's ability to invest in A-Shares through Stock Connect on a timely basis is adversely affected, the Manager will seek to rely on RQFII investments to invest in A-Shares, in order to achieve the Sub-Fund's investment objective.

The Manager believes that the above changes are in the best interests of the Sub-Fund and there will not be any material change or increase in the overall risk profile of the Sub-Fund following the changes.

Please refer to the Explanatory Memorandum of the Sub-Fund for further information relating to Stock Connect and details of the risks involved.

C. Updated disclosures regarding U.S. regulations

Existing disclosures regarding the Sub-Fund's status and treatment under the relevant U.S. securities laws and regulations have been elaborated in further detail.

D. Flexibility to accept applications or requests made by other written or electronic forms

Disclosures have been inserted in the Explanatory Memorandum to clarify that the Manager has the discretion to accept any applications for subscription, redemption requests and requests for switching made by other written or electronic forms in addition to post and fax.

E. Change of telephone number

The telephone number for contacting the Manager regarding any enquiries and complaints in relation to the Trust or the Sub-Fund has been changed from (852) 2880 9263 to (852) 2143 0688.

The Explanatory Memorandum of the Sub-Fund has been revised by an addendum to reflect the above changes. A copy of the addendum to the Explanatory Memorandum and an updated Product Key Facts Statement of the Sub-Fund have been uploaded on the Manager's website at www.valuepartners.com.hk.

If you have any queries concerning the above, please contact our Fund Investor Services team at (852) 2143 0688 during office hours which are from 9:00 a.m. to 6:00 p.m.

Value Partners Hong Kong Limited
惠理基金管理香港有限公司

15 June 2015