

Important

This document is important and requires your immediate attention. If you have any doubt about the content of this document, you should seek independent professional financial advice.

All capitalized terms used herein but not otherwise defined will have the same meaning as defined in the Explanatory Memorandum of the Fund dated 21 September 2015, as amended and supplemented from time to time (“Explanatory Memorandum”).

15 April 2016

NOTICE TO UNITHOLDERS – VALUE PARTNERS CLASSIC FUND (“Fund”)

Dear Unitholders,

We are writing to inform you of the following changes/updates to the Fund:

1. Establishment of New Classes of Units

We would like to inform you that a new class of units, namely “Z” units will be available for subscription from 29 April 2016 (“**Effective Date**”).

The initial issue price of “Z” units is USD10.

Key features of “Z” units are as follows:

	“Z” units
Preliminary charge	Up to 5% of the issue price
Management fee	0.75% per annum
Minimum initial subscription	US\$10,000,000
Minimum subsequent subscription	US\$100,000
Minimum holding applicable to partial redemption	US\$5,000,000
Performance fee	15% per annum of the increase in net asset value per unit in the relevant class in the relevant performance period calculated annually on a high-on-high basis
Redemption charge	Currently nil
Switching charge	Currently nil*

** Certain distributors may impose a charge for each switching of units in a class of the Fund acquired through them for units in another class of the Fund. The charge will be deducted at the time of the switching and paid to the relevant distributors. Unitholders who intend to switch their units in one class to units in another class should check with their respective distributors for the charge on switching.*

The Explanatory Memorandum will be amended to reflect the establishment of “Z” units.

2. Settlement of PRC Taxes on investment in A Shares via CAAPs

As disclosed in the Explanatory Memorandum, certain issuers of China A Shares Access Products (“**CAAPs**”) had been withholding 10% of any capital gains on the Fund’s disposal of CAAPs prior to 17 November 2014, representing the PRC tax which would be payable on the actual sale of the underlying A shares. If the tax withheld by the CAAP issuers is inadequate to meet final PRC tax liabilities, the CAAP issuers may pass on the additional tax liabilities to the Fund, and may therefore

result in a decrease in the value of the Fund.

We would like to inform you that the PRC taxes payable by the Fund on PRC sourced capital gains from indirect A shares investments realized prior to 17 November 2014 had been fully settled and had not resulted in any impact on the net asset value of the Fund.

PRC Tax Risk

- The tax laws, regulations and practice in the PRC are constantly changing, and they may be changed with retrospective effect.
- If no tax provision is made or if the tax provisions made are excessive or inadequate, unitholders may be advantaged or disadvantaged depending upon the final outcome of how capital gains from direct A Shares investments and indirect A Shares investments through CAAPs will be taxed, the level of tax provision and when the unitholders subscribed and/or redeemed their Units in/from the Fund.

The disclosures in the Explanatory Memorandum on PRC taxation will be amended to reflect, inter alia, updates to the PRC tax position as a result of the settlement of the relevant PRC taxes.

Please note that the Explanatory Memorandum will also be amended to reflect other ancillary updates relating to, inter alia, provision of information to the Trustee and the Manager, disclosure of information to tax authorities and personal data.

The updated Explanatory Memorandum will be available on or around the Effective Date on our website (www.valuepartners.com.hk) and for your inspection at the Manager's office during normal business hours (except on Saturdays, Sundays and public holidays).

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 there are no other facts the omission of which would make any statement in this notice misleading as at the date of issuance.

Thank you for your continued support. If you have any questions relating to the above, please contact our Fund Investor Services team at (852) 2143 0688 or email us at fis@vp.com.hk.

Value Partners Hong Kong Limited