
Important

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

Unless otherwise stated in this notice, capitalized terms used herein shall have the same meaning as defined in the Explanatory Memorandum of the Fund dated 25 June 2011, as amended by the addenda dated 26 August 2011, 25 June 2012, 6 July 2012, 10 July 2013, 19 September 2013, 16 May 2014, 10 October 2014 and 22 October 2015 ("**Explanatory Memorandum**").

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.

5 December 2016

NOTICE TO SHAREHOLDERS – VALUE PARTNERS CHINA GREENCHIP FUND LIMITED
(the "Fund")

Dear Shareholders,

We are writing to inform you of the following changes to the Fund. Unless otherwise specified, the relevant changes will take immediate effect from the date of this notice:

1. Change of Investment Policy – Direct Exposure to China A Shares through Shenzhen-Hong Kong Stock Connect

It is currently disclosed in the Explanatory Memorandum that the Fund may invest directly in eligible China A Shares via the Shanghai-Hong Kong Stock Connect. In addition to the Shanghai-Hong Kong Stock Connect, the Fund intends to gain access to eligible China A Shares via the Shenzhen-Hong Kong Stock Connect (as further described below).

The investment policy of the Fund will be revised to provide flexibility for the Fund to invest directly in eligible China A Shares via the Shenzhen-Hong Kong Stock Connect. The above change will take effect on 5 December 2016 ("**Effective Date**"). For the avoidance of doubt, the Fund's maximum aggregate direct and indirect exposure to China A Shares will remain unchanged i.e. at 30% of the Fund's total net asset value.

Shenzhen-Hong Kong Stock Connect

Under the Shenzhen-Hong Kong Stock Connect, Hong Kong and overseas investors (including the Fund) are able to trade certain eligible shares listed on the Shenzhen Stock Exchange ("**SZSE**"). These include all the constituent stocks of the SZSE Component Index and SZSE Small/Mid Cap Innovation Index which has a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed China A Shares which have corresponding H shares listed on SEHK, except the following:

- SZSE-listed shares which are not traded in RMB; and
- SZSE-listed shares which are included in the "risk alert board" or under delisting arrangement.

Given the change of the investment policy of the Fund is to provide flexibility to invest directly in China A Shares via the Shenzhen-Hong Kong Stock Connect and there is no increase in the Fund's aggregate direct and indirect exposure to China A Shares (i.e. not more than 30%), we believe that (i) the change of the investment policy of the Fund does not amount to a material change to the Fund; (ii) there will be no material change or increase in the overall risk profile of the Fund following the change; and (iii) the change does not materially prejudice the rights or interests of investors of the Fund. As such, the SFC's prior approval is not required for such change.

Please refer to the Addendum dated 5 December 2016 for further information relating to the Shenzhen-Hong Kong Stock Connect, including the, trading quota, settlement and custody arrangement, participation in corporate actions and shareholders' meetings and trading fees and taxes.

Risks associated with the Shenzhen-Hong Kong Stock Connect

Please note that investments through the Shenzhen-Hong Kong Stock Connect are subject to similar risks as those applicable to the Shanghai-Hong Kong Stock Connect, namely, quota limitations, suspension risk, differences in trading days, operational risk, restrictions on selling imposed by front-end monitoring, recalling of eligible stocks, clearing and settlement risk, participation in corporate actions and shareholders' meetings, currency risk, regulatory risk and tax risk. When investing in eligible China A Shares through the Shenzhen-Hong Kong Stock Connect, the Fund will also be subject to the risks associated with the Small and Medium Enterprise Board of the SZSE and/or ChiNext Board of the SZSE ("**ChiNext Board**").

Further, the Fund's investments through Northbound trading under Shenzhen-Hong Kong Stock Connect will not be covered by Hong Kong's Investor Compensation Fund.

2. Change of Directors of the Fund

Mr. Tse Wai Ming resigned as a member of the board of directors of the Fund with effect from 1 September 2016, and following such resignation, Mr. Mo Chun Wah shall cease to act as the alternate to Mr. Tse Wai Ming.

Mr. Roger Anthony Hepper has been appointed as a director of the Fund and Mr. Mo Chun Wah has been appointed as an alternate to Mr. Roger Anthony Hepper with effect from 1 September 2016.

The current directors of the Fund are Mr. Roger Anthony Hepper, Mr. Nigel David Stead, Mr. Kee Chong Li Kwong Wing and Mr. Mo Chun Wah (alternate director to Mr. Roger Anthony Hepper).

3. Other Amendments

In addition to the changes set out above, the Explanatory Memorandum will also be amended by way of the Addendum dated 5 December 2016 to reflect additional disclosures and updates as summarised below:-

- (i) enhancement of disclosures on PRC taxation;
- (ii) insertion of a new risk factor "***Risks associated with the Small and Medium Enterprise Board of the SZSE ("SME Board") and/or ChiNext Board***" and updates to the risk factors headed "***Liquidity Risk of Investing in China A Shares and China B Shares***" and "***PRC Tax Risk***" as a result of the Fund trading via the Shenzhen-Hong Kong Stock Connect;

- (iii) updates to the risk factor headed “**Foreign exchange transaction risk**”;
- (iv) insertion of disclosures on liquidity risk management policy; and
- (v) insertion of disclosures on the Standard for Automatic Exchange of Financial Account Information.

The latest Explanatory Memorandum (as amended by the Addendum dated 5 December 2016) and updated Product Key Facts Statement are now available on our website (www.valuepartners.com.hk)¹ and for your inspection at the Manager’s office during normal business hours (except on Saturdays, Sundays and public holidays).

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. We would like to take this opportunity to thank you for your valuable support and we look forward to be of continued service to you.

Value Partners Limited

¹ This website has not been reviewed or authorized by the SFC.