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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 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 as amended by the Addendum dated 18 June 2015, unless otherwise stated.

Dear Unitholders,

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

A. Shenzhen-Hong Kong Stock Connect

The Sub-Fund currently has direct access to the “Stock Connect”, a securities trading and clearing linked programme with an aim to achieve mutual stock market access between the PRC and Hong

Kong. The Stock Connect previously comprised only of the Shanghai-Hong Kong Stock Connect. On 5 December 2016, the Shenzhen-Hong Kong Stock Connect was launched. From 12 January 2017, the Sub-Fund will also utilise Shenzhen-Hong Kong Stock Connect, in addition to the existing investment channels, to invest in A Shares.

The Shenzhen-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, are able to trade eligible shares listed on the Shenzhen Stock Exchange ("SZSE") by routing orders to the SZSE.

Initially, Hong Kong and overseas investors are only able to trade certain stocks listed on the SZSE market (the "SZSE Securities") via the Shenzhen-Hong Kong Stock Connect.

SZSE Securities will include all the constituent stocks of the SZSE Component Index and the SZSE Small/Mid Cap Innovation Index which have a market capitalisation of not less than RMB 6 billion, and all the SZSE-listed A shares which have corresponding H shares listed on SEHK, except the following:

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

At the initial stage of Shenzhen-Hong Kong Stock Connect, shares listed on the ChiNext Board of SZSE under Northbound Trading Link will be limited to institutional professional investors. Subject to resolution of related regulatory issues, other investors may subsequently be allowed to trade such shares.

Disclosure in the Explanatory Memorandum has been updated to reflect the use of the Shenzhen-Hong Kong Stock Connect and the relevant risks. For further information, please refer to the Explanatory Memorandum including the section headed "Stock Connect". Please note that investments through the Shenzhen-Hong Kong Stock Connect are subject to risks similar to risks of the Shanghai-Hong Kong Stock Connect. Investors' attention is drawn to the risks disclosed in the Explanatory Memorandum, in particular, "Risks associated with the Stock Connect".

B. Updated disclosures regarding liquidity risk management

Pursuant to the Circular to Management Companies of SFC-authorised Funds on Liquidity Risk Management issued by the SFC on 4 July 2016, the Explanatory Memorandum has been updated to include disclosure on the Manager's liquidity risk management policies and procedures.

C. Automatic exchange of financial account information

The Inland Revenue (Amendment) (No.3) Ordinance (the "Ordinance") came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI requires financial institutions ("FIs") in Hong Kong to collect certain required information relating to non-Hong Kong tax residents holding financial accounts with the FIs, and report such information to the Hong Kong Inland Revenue Department ("IRD") for the purpose of AEOI exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax resident in an AEOI partner jurisdiction(s) with which Hong Kong has a Competent Authority Agreement ("CAA") in force; however, the Sub-Fund and/or its agents may further collect information relating to residents of other jurisdictions.

The Sub-Fund is required to comply with the requirements of the Ordinance, which means that the Sub-Fund and/or its agents shall collect and provide to the IRD the required information relating to Unitholders and prospective investors.

For further information, please refer to the Explanatory Memorandum including the section headed “Automatic Exchange of Financial Account Information”. Each Unitholder and prospective investor should consult its own professional advisor(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Sub-Funds.

D. Other amendments

In addition to the changes set out above, the Explanatory Memorandum has also been amended to include additional disclosures and updates as summarised below:-

- (i) enhancement of disclosures on PRC taxation;
- (ii) replacement of the risk factor headed “Foreign exchange risk” with the risk factor headed “Risks relating to Currency Hedging and the Currency Hedged Classes”; and
- (iii) change of the Manager’s website address from “www.valuepartners.com.hk” to “www.valuepartners-group.com”.

The Explanatory Memorandum 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-group.com, and are available at the Manager’s office during office hours (except on Saturdays, Sundays and public holidays).

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. 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.

The Manager accepts responsibility for the information contained in this notice as being accurate at the date hereof.

Value Partners Hong Kong Limited

惠理基金管理香港有限公司

12 January 2017