PRODUCT KEY FACTS

Value Partners Greater China High Yield Income Fund

Issuer: Value Partners Hong Kong Limited **April 2026**

- **This statement provides you with key information about the Value Partners Greater China High Yield Income Fund (the "Fund").**
- **This statement is a part of the offering document.**
- **You should not invest in this product based on this statement alone.**

Quick facts

Manager: Value Partners Hong Kong Limited

Administrator: HSBC Trustee (Cayman) Limited

Custodian: HSBC Institutional Trust Services (Asia) Limited

Ongoing charges over a year[#]:

Class A AUD Hedged MDis Shares	1.71%[β]
Class A CAD Hedged MDis Shares	1.71%[β]
Class A EUR Hedged Acc Shares	1.71%[β]
Class A EUR Hedged MDis Shares	1.71%[β]
Class A GBP Hedged MDis Shares	1.71%[β]
Class A NZD Hedged MDis Shares	1.71%[β]
Class A RMB Acc Shares	1.71%[##]
Class A RMB Hedged Acc Shares	1.71%[β]
Class A RMB MDis Shares	1.71%[β]
Class A RMB Hedged MDis Shares	1.71%[β]
Class P USD Acc Shares	1.71%[β]
Class P USD MDis Shares	1.71%[β]
Class P HKD Acc Shares	1.71%[β]
Class P HKD MDis Shares	1.71%[β]
Class P SGD Hedged MDis Shares	1.71%[β]

Dealing frequency: Daily (each day (other than a Saturday or a Sunday) on which banks in Hong Kong are open for general business)

Base currency: US dollars (US$)

Dividend policy: *Class A AUD Hedged MDis Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged MDis Shares, Class A NZD Hedged MDis Shares, Class A RMB MDis Shares, Class A RMB Hedged MDis Shares, Class P USD MDis Shares, Class P HKD MDis Shares and Class P SGD Hedged MDis Shares:* Declared monthly on a discretionary basis and dividends, if declared, will be paid monthly. Dividends may be paid out of the capital of the relevant Class and may result in an immediate reduction of the net asset value ("**Net Asset Value**") per Participating Share of the Fund.

Class A EUR Hedged Acc Shares, Class A RMB Acc Shares, Class A RMB Hedged Acc Shares, Class P USD Acc Shares and Class P HKD Acc Shares: No dividends will be paid on these Classes and the Fund's income and capital gains attributable to these Classes will be reinvested.

Minimum investment:	For Class A AUD Hedged MDis Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged Acc Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged MDis Shares, Class A NZD Hedged MDis Shares, Class A RMB Acc Shares, Class A RMB Hedged Acc Shares, Class A RMB MDis Shares and Class A RMB Hedged MDis Shares: (i) AUD, CAD, EUR, GBP, NZD: US$10,000 initial, and US$5,000 subsequent or their equivalent amount in the relevant currency (ii) RMB: RMB60,000 initial, and RMB30,000 subsequent (iii) HKD: HK$80,000 initial, and HK$40,000 subsequent *For Class P USD Acc Shares, Class P USD MDis Shares, Class P HKD Acc Shares, Class P HKD MDis Shares, and Class P SGD Hedged MDis Shares:* (i) USD, SGD: US$10,000 initial and US$5,000 subsequent or their equivalent amount in SGD (ii) HKD: HK$80,000 initial and HK$40,000 subsequent
Financial year end of this fund:	31 December

 # The ongoing charges figure is expressed as a percentage of the sum of expenses over the average Net Asset Value of the class of shares for the corresponding period as described below. This figure may vary from year to year. Information is updated as at 17 April 2026.

B This figure is based on the expenses for the year ended 31 December 2025.

The ongoing charges figure for this unlaunched or recently launched unit class is an estimate only and is an annualized figure based on the ongoing charge figure of a reference unit class for the year ended 31 December 2025. The actual ongoing charges figure may be different from the estimate and may vary from year to year.

What is this product?

The Fund is a single fund which is an open-ended mutual fund corporation registered under the laws of the Cayman Islands.

Objective and Investment Strategy

Investment Objective

The Fund aims to provide capital appreciation for investors. In addition, in respect of the Distribution Classes, the Fund also intends to pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. Please note that there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout.

Investment Policies

Debt securities in general

The Fund aims to achieve its investment objective by investing not less than 70% of its Net Asset Value in a portfolio of debt securities issued by or fully guaranteed by (i) listed or unlisted corporations which have their main operations (or majority of assets) in, or have their majority of their income derived from Greater China (comprising the People's Republic of China ("**PRC**"), Hong Kong, Macau and Taiwan), and (ii) governments and/or government related entities in Greater China; and where the Manager believes such debt securities are being traded at significant discount to their underlying intrinsic values. For the avoidance of doubt, the issuers of the debt securities who have a majority of their income derived from Greater China as mentioned in (i) above may be based in or outside Greater China.

Selection of debt securities for investment by the Fund will be based on the creditworthiness of the issuer (and the parent company or associated company guarantor, in the case of debt securities issued by a special purpose vehicle ("**SPVs**") which is fully guaranteed by the parent company or associated company) by forecasting the issuer's (and/or parent company or associated company guarantor's) credit profile by at least 2 years with a primary focus on the issuer's (and or parent company or associated company guarantor's) corporate profile, corporate strategy, forecasted cash flow and financial profile. Investment analysis will also take into account the leverage, liquidity, management and business of the issuer (and the parent company or associated company guarantor, in the case of debt securities issued by a SPV which is fully guaranteed by the parent company or associated company).

The debt securities in which the Fund may invest shall include, but are not limited to, convertible and non-convertible debt securities, fixed and floating rate bonds and high-yield bonds. Such debt securities (or the issuers of such debt securities) are across all ratings and thus, such debt securities (or the issuers of such debt securities) may be rated or unrated or rated below investment grade credit rating, such as below Moody's "Baa3" or below Standard & Poor's "BBB-". Also, the Fund may invest significantly in below investment grade debt securities. The Fund however, will not invest more than 10% of its Net Asset Value in debt securities issued or guaranteed by any single country with a credit rating below investment grade. For the avoidance of doubt, a "single country" shall include a country, its government, a public or local authority or nationalized industry of that country. Also, the debt securities in which the Fund may invest are mainly denominated in USD.

The Manager will invest in a broadly diversified portfolio of debt securities with no fixed duration, term structure or industry sector weightings in the allocation of assets in Greater China. Selection of investments will be determined by the availability of attractive investment opportunities.

RMB denominated debt securities issued outside the PRC

The Fund may also invest up to 30% of its latest Net Asset Value in Renminbi ("**RMB**") denominated debt securities issued outside the PRC including RMB denominated debt securities with settlements, coupon payments and principal repayments paid in another currency based on prevailing foreign exchange rates against the RMB. The Fund may invest up to 15% of its latest Net Asset Value in Synthetic RMB Debt Securities, being offshore debt securities denominated in RMB but settled in other currencies.

Debt securities issued by SPVs

The Fund's investment in subordinated debt securities issued by SPVs will not exceed 15% of its latest Net Asset Value. Currently, the Fund intends to invest only in debt securities issued by SPVs which are fully, unconditionally and irrevocably guaranteed by its parent company or associated company. Such parent company or associated company will be of substance and is not a SPV itself.

Instruments with loss-absorption features

The Fund may invest less than 30% of its Net Asset Value in instruments with loss-absorption features ("**LAPs**") such as contingent convertible bonds issued by financial institutions, non-preferred senior debt instruments, certain Additional Tier 1 and Tier 2 capital instruments, and external loss-absorbing capacity debt instruments. These instruments may be subject to contingent write-down or contingent conversion to ordinary shares on the occurrence of trigger event(s).

Equity securities

The Fund may invest in equity securities and may invest up to 10% of the Fund's latest Net Asset Value in China B-Shares. Currently, the Fund does not intend to invest either directly or indirectly in China A-Shares. Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Shareholders in the event the Manager wishes to change the investment policy in relation to China A-Shares and China B-Shares as aforesaid. In such circumstance, the Explanatory Memorandum and the Product Key Facts Statement will be updated to reflect such change as soon as reasonably practicable.

Financial derivative instruments and other investments

The Fund currently may use financial derivative instruments (such as futures contracts, options and warrants) for hedging and investment purposes. The Fund may invest in index and currency swaps and currency forwards (which are normally traded over-the-counter) for hedging purposes only.

Currently, the Fund does not intend to (i) invest in structured products and mortgaged-backed securities; and (ii) engage in securities lending transactions, sale and repurchase transactions and reverse repurchase transactions. The Fund also does not intend to engage in any over-the counter transactions other than index and currency swaps and currency forwards. If required under the Code, prior approval of the SFC will be sought and not less than one month's prior notice will be given to the shareholders in the event the Manager wishes to invest in the aforesaid instruments or engage in any of the aforesaid transactions. In such circumstance, the Explanatory Memorandum and the Product Key Facts Statement will be updated to reflect such change as soon as reasonably practicable.

Subject to the above investment strategy and the investment restrictions as set out in the Explanatory Memorandum, the Fund may also invest in commodity-based investments, depository receipts, currencies and interest rates instruments. Currently, the Fund does not intend to invest more than 10% of its latest Net Asset Value in such instruments. The Fund may invest up to 20% of its latest Net Asset Value in units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme (including those managed by the Manager or its connected persons).

The Fund's portfolio may also temporarily include cash and cash equivalents, up to 100% of its latest Net Asset Value, under exceptional circumstances (such as in the event of market crashes, major crisis or to mitigate the risk of potential sharp reversals and falls in the equity or bond markets) for cash flow management or for reducing market exposure.

The aggregate value of the Fund's investments in securities issued by a single entity (other than a collective investment scheme) may not exceed 10% of its latest Net Asset Value provided that the total Net Asset Value of securities (other than units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme (including those managed by the Manager or its connected persons)) held in the issuing entities in each of which it invests more than 5% of its Net Asset Value is less than 40% of its latest Net Asset Value.

Use of Derivatives / Investment in Derivatives

The Fund's net derivative exposure may be up to 50% of its Net Asset Value.

What are the key risks?

Investment involves risks. Please refer to the Explanatory Memorandum for details including the risk factors.

1. Investment risk

- The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. The income of the Fund and its Net Asset Value may be adversely affected. There is no guarantee of the repayment of principal.

2. Interest rates risks

- Investment in the Fund is subject to interest rates risks. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise.

3. Debt securities issued by SPVs

- Investments in debt securities issued by SPVs may expose the Fund to additional risks such as the credit/ default risk of both the SPV and the parent company or associated company (see "**Credit risk**" below) and risks relating to the enforceability of the guarantee issued by the parent company or associated company of such SPV.
- If the parent company or associated company defaults in any of its other debt obligations, this may trigger a cross-default which may then affect the ability of the parent company or associated company to meet its obligations under the guarantee. This may adversely affect the value of the debt securities issued by the SPV and guaranteed by its parent company or associated company.

- Investments in debt securities of a subordinated nature issued by SPVs will have a lower priority of claim in the event of the relevant issuer's liquidation or bankruptcy as they rank behind holders of unsubordinated debt securities but before holders of equity securities. The Fund is therefore exposed to higher credit / insolvency risk of its counterparties as a holder of subordinated debt securities than as a holder of unsubordinated debt securities.

4. Credit risk

- The Fund is exposed to the credit or default risk of issuers of bonds or other debt securities that the Fund invests in. The issuers of such instruments may incur difficulties in making full and timely repayments of principal and interest, which may lead to a default and, ultimately, a fall in the value of the Fund. Some of the debt securities are offered on an unsecured basis without collateral. As a result, if the issuer becomes bankrupt, the Fund will become an unsecured creditor of such issuers.

5. Unrated or below investment grade and high yielding debt securities risk

- The Fund may significantly invest in high yielding securities which (or the issuers of which) may be unrated or rated below investment grade. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities.

6. Credit rating downgrading risk

- The credit rating of a debt instrument or its issuer may subsequently be downgraded. Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the securities and/or issuers at all times. In the event of such downgrading, the value of the Fund may be adversely affected. The Manager may or may not dispose of the securities that are being downgraded.

7. Sovereign debt risk

- The Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/ or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.

8. Valuation risk

- Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Fund.

9. Liquidity of Investment Portfolio

- The debt securities in the Greater China region may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Fund may incur significant trading costs.

- The debt securities in which the Fund invests (including debt securities issued by SPVs) may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. If sizeable redemption requests are received, the Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Fund may suffer losses in trading such securities.

10. RMB denominated debt securities risks

- RMB is currently not freely convertible and is subject to exchange controls and restrictions.

- Non-RMB based investors are exposed to foreign exchange risk and there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of the RMB could adversely affect the investors' investments in the Fund. Although offshore RMB ("**CNH**") and onshore CNY ("**CNY**") are the same currency, they trade at different rates. Any divergence between CNH and CNY may adversely impact investors.

- As the quantity of RMB denominated debt securities issued outside the PRC that are available to the Fund is currently limited, the Fund may not have exposure to RMB denominated debt securities as it intended.

- The "Dim Sum" bond (i.e. bonds issued outside of the PRC but denominated in RMB) market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the Net Asset Value of the Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalisation of the offshore RMB (CNH) market by the relevant regulator(s).
- Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

11. Risk relating to dividends paid out of capital

- The Manager may at its discretion pay dividend out of the capital of the Fund. In respect of the Distribution Classes, investors should note that payment of dividends out of capital amounts to a return or withdrawal of part of their original investment or from any capital gains attributable to the original investment. Any such distributions will generally result in an immediate reduction of the Net Asset Value per Participating Share of the Fund.
- The distribution amount and Net Asset Value of the hedged share classes may be adversely affected by differences in the interest rates of the reference currency of the hedged share classes and the Fund's base currency (i.e. US dollars), resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged classes.
- The Manager may amend this policy subject to the SFC's prior approval and by giving not less than one month's prior notice to investors.

12. Dividend risk

- For the Distribution Classes, the Manager may determine if, and to what extent, dividends may be paid out of capital where the income/capital gain generated by the Fund is insufficient to pay a distribution declared by the Fund. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. A high distribution yield does not imply a positive or high return.
- The Manager currently does not intend to pay dividends in respect of the Accumulation Classes. Accordingly, an investment in the Accumulation Classes may not be suitable for investors seeking income returns for financial or tax planning purposes.

13. Geographical concentration risk

- The Fund's investments are concentrated in the Greater China region. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments.
- The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Greater China region.
- The Fund invests in the China and Taiwan markets which may involve increased risks and special considerations not typically associated with investment in more developed economies or markets, such as liquidity risks, currency risks/ control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

14. China tax considerations

- There are risks and uncertainties associated with the current PRC tax laws, regulations and practice in respect of the Fund's investments in RMB denominated debt securities issued by PRC issuers (which may have retrospective effect). Any increased tax liabilities on the Fund may adversely affect the Fund's value.
- Currently, based on professional and independent advice from tax advisor, the Manager will not make any tax provisions for PRC taxes in respect of the Fund. In case of any actual tax liabilities imposed on the Fund which will be debited from the Fund's assets, the Fund's Net Asset Value will be adversely affected. Depending on the timing of their subscriptions and/or redemptions, investors may be disadvantaged.

15. Risks of investing in convertible bonds

- Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

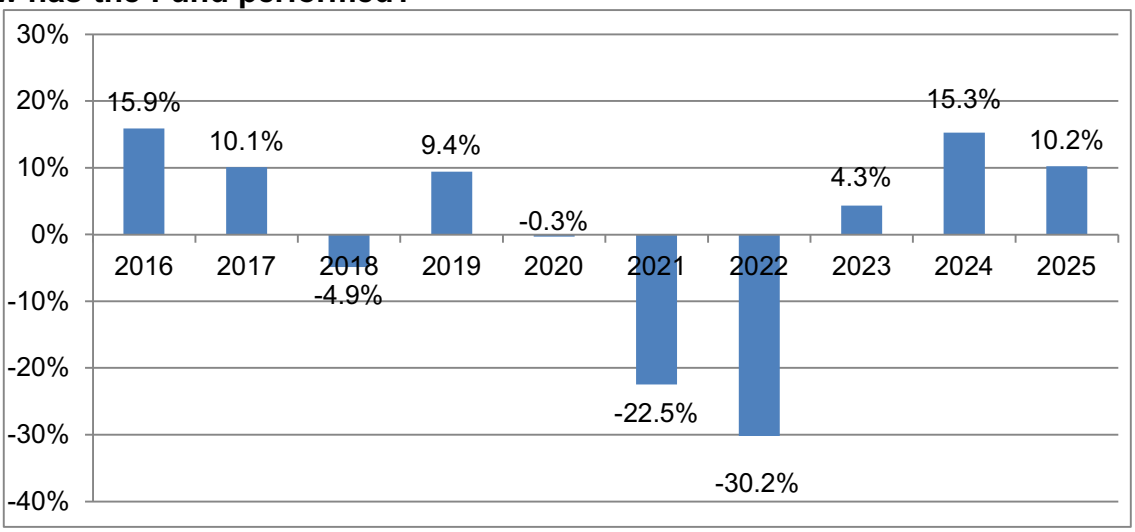
16. Foreign exchange risk

- The Fund is denominated in US dollars but may issue classes designated in a currency other than its base currency. In addition, underlying investments of the Fund may be denominated in a currency other than its base currency. The NAV of the Fund may therefore be affected unfavorably by fluctuations in the exchange rates between these currencies and the base currency and by changes in exchange rate controls.

17. Risks relating to currency hedging and the currency hedged classes ("Currency Hedged Classes")

- The Manager may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular class into the class currency of the relevant class. Investors in the Currency Hedged Classes may have exposure to currencies other than the currency of that Currency Hedged Class. Investors should also be aware that the hedging strategy may substantially limit the benefits of any potential increase in value of a Currency Hedged Class expressed in the class currency, if the Currency Hedged Class' denominating currency falls against the base currency of the Fund.
- The precise hedging strategy applied to a particular Currency Hedged Class may vary. In addition, there is no guarantee that the desired hedging instruments will be available or hedging strategy will achieve its desired result. In such circumstances, investors of the Currency Hedged Class may still be subject to the currency exchange risk on an unhedged basis.
- If the counterparties of the instruments used for hedging purposes default, investors of the Currency Hedged Classes may be exposed to the currency exchange risk on an unhedged basis and may therefore suffer further losses.

How has the Fund performed?



Note:

- Past performance information is not indicative of future performance. Investors may not get back the full amount invested.
- The computation basis of the performance is based on the calendar year end, NAV-to-NAV, with dividend reinvested.

- The figures show by how much Class P USD Acc increased or decreased in value during the calendar year being shown. Performance data has been calculated in US$ including ongoing charges and excluding subscription fee and redemption fee you might have to pay.
- Where no past performance is shown there was insufficient data available in that year to provide performance.
- Fund launch date: 27 March 2012
- Class P USD Acc launch date: 27 March 2012
- Class P USD Acc has the longest history and is broadly indicative of the Fund's performance characteristics.

Is there any guarantee?

This Fund does not have any guarantees. You may not get back the full amount of money you invest.

What are the fees and charges?

Charges which may be payable by you

You may have to pay the following fees when dealing in the shares of the Fund.

Fee	What you pay
Subscription fee (Initial Charge)	Up to 5% of the subscription price per share (in the case of Class A Shares and Class P Shares)
Switching fee (conversion charge)	Up to 3% of the subscription price per share of the subsequent class
Redemption fee	Nil*

* *Note: The redemption fee may be increased from the current rate to up to 5% of the redemption price per share by giving one month's prior notice to investors.*

Ongoing fees payable by the Fund

The following expenses will be paid out of the Fund. They affect you because they reduce the return you get on your investments.

	Annual rate (as a % of the Net Asset Value of each class)	
Management fee	1.5%* (in the case of Class A Shares and Class P Shares)	
Administration and Custodian fees	**Net Asset Value**	**Annual rate (as a % of the Net Asset Value)**
	First US$150 million	0.135%*
	Next US$650 million	0.13%*
	Portion on top of US$800 million	0.125%*
	(subject to a monthly minimum fee of US$4,500)	
Performance fee	Not applicable	
Other fees	You may have to pay other fees when dealing in the shares of the Fund. Please refer to the section of the Explanatory Memorandum entitled "Charges and Expenses" for further details of the other fees payable.	

* *Please note that some fees may be increased up to a specified permitted maximum on giving shareholders at least one month's prior notice. Please refer to the section of the Explanatory Memorandum entitled "Charges and Expenses" for further details of the fees and charges payable and the permitted maximum of such fees, as well as other ongoing expenses that may be borne by the Fund.*

Additional Information

- You generally buy and redeem shares at the Fund's next-determined Net Asset Value after the Administrator's Delegate receives your request, directly or via a distributor, in good order at or before 6:00 p.m. (Hong Kong time), being the Fund's dealing cut-off time on each dealing day of the Fund. Before placing your subscription or redemption orders, please check with your distributor for the distributor's internal dealing cut-off time (which may be earlier than the Fund's dealing cut-off time).
- The latest Net Asset Value of the Fund and the share prices are available online at www.valuepartners-group.com* on each business day.
- Investors may obtain the past performance information of other share classes offered to Hong Kong investors from the website of the Manager at www.valuepartners-group.com*.
- Investors may obtain information on the distributor(s) appointed in respect of the Fund by making a telephone enquiry with the Manager on (852) 2143 0688.
- In respect of the Distribution Classes, the composition of the latest dividends (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website www.valuepartners-group.com*.

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

Important

If you are in doubt, you should seek professional advice.

The SFC takes no responsibility for the contents of this statement and makes no representation as to its accuracy or completeness.

Value Partners
Investing through discipline

VALUE PARTNERS
GREATER CHINA HIGH YIELD INCOME FUND

EXPLANATORY MEMORANDUM

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PRELIMINARY

Important: If you are in any doubt about the contents of this Explanatory Memorandum, you should seek independent professional financial advice.

Unless otherwise stated, all capitalised terms used herein shall have the meaning ascribed to them in the section "Definitions". References to singular terms shall include the plural and vice-versa, as necessary.

The Directors, whose names appear under the section below headed "Management and Administration - Directors" and the Manager accept full responsibility for the accuracy of the information contained in this Explanatory Memorandum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading. This Explanatory Memorandum may from time to time be updated.

Distribution of this Explanatory Memorandum must be accompanied by the Product Key Facts Statement and a copy of the latest published annual report of the Fund and any subsequent interim report. Participating Shares are offered on the basis only of the information contained in this Explanatory Memorandum, the Product Key Facts Statement and (where applicable) the above mentioned annual reports and interim reports.

Cayman Islands

This Explanatory Memorandum does not constitute, and shall not be construed as, an offer or invitation to the public in the Cayman Islands to subscribe for Participating Shares. No offer or invitation to subscribe for Participating Shares may be made to the public in the Cayman Islands.

People's Republic of China

This Explanatory Memorandum may not be circulated or distributed in the People's Republic of China ("**PRC**") and no invitations of advertisements or other documents relating to the Participating Shares which are directed at, or the contents of which are likely to be addressed or read by the public in the PRC may be issued by any person.

Hong Kong

The Fund has been authorised by the Securities and Futures Commission in Hong Kong ("**SFC**"). The SFC's authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean that the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

Japan

Investors should note that no public offering of Participating Shares in the Fund may be made in Japan unless a securities registration statement pursuant to Articles 4 and 5 of the Securities and Exchange Law of Japan has been filed with the Director of Kanto Local Finance Bureau of the Ministry of Finance of Japan and a registration pursuant to the Law concerning Investment Trusts and Investment Corporations of Japan as amended has been filed with the Commissioner of the Financial Services Agency of Japan. The Manager has not filed, and has no intention to file, such securities registration statements for a public offering in Japan.

Singapore

The Fund has been entered onto the list of restricted schemes maintained by the Monetary Authority of Singapore ("**MAS**") pursuant to section 305 of the Securities and Futures Act Cap 289 ("**SFA**").

The offer or invitation of the Participating Shares of the Fund, which is the subject of this Explanatory Memorandum, are not authorised or recognised by the MAS and the Fund's Participating Shares are not allowed to be offered to the retail public. Neither this Explanatory Memorandum and any other document nor material issued in connection with the offer or sale is a prospectus as defined in the SFA. Accordingly statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you in light of your own personal circumstances.

This Explanatory Memorandum has not been registered as a prospectus with the MAS. . Accordingly, this Explanatory Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Participating Shares may not be circulated or distributed, nor may such Participating Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A(1)(c) of the SFA) (each an "**Institutional Investor**"), (ii) to a relevant person as defined in Section 305 of the SFA or any person pursuant to an offer referred to in Section 305(2) of the SFA (each a "**Relevant Investor**"), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Subject to all other restrictions on transferability imposed by the Fund, recipients of this Explanatory Memorandum represent and warrant that where the Participating Shares are initially acquired pursuant to an offer made in reliance on an exemption under:

(a) Section 304 of the SFA by an Institutional Investor, subsequent sales of the Participating Shares may only be made to another Institutional Investor; and

(b) Section 305 of the SFA by a Relevant Investor, subsequent sales of the Participating Shares may only be made to an Institutional Investor or another Relevant Investor.

In addition, it should be noted that where the Participating Shares are initially subscribed or purchased in Singapore under Section 305 of the SFA by:

(1) a corporation referred to in Section 305A(2) of the SFA (a "**Relevant Corporation**"), the securities of the Relevant Corporation shall not be transferred within 6 months after the Relevant Corporation has acquired any Participating Shares unless the transfer is in accordance with the conditions of Section 305A(2) of the SFA; or

(2) a trust referred to in Section 305A(3) of the SFA (a "**Relevant Trust**"), the rights and interest (howsoever described) of the beneficiaries thereof in the Relevant Trust shall not be transferred within 6 months after any Participating Shares have been acquired for the Relevant Trust unless the transfer is in accordance with the conditions of Section 305A(3) of the SFA.

Investors are required to ensure that any of their own transfer arrangements in relation to the Participating Shares of the Fund comply with the above restrictions and should seek legal advice to ensure compliance with the same.

Solely for the purposes of its obligations pursuant to Section 309B of the SFA, the Fund has determined, and hereby notifies all relevant persons (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 ("**CMP Regulations 2018**")), that the interests are capital markets products other than prescribed capital markets products (as defined in Section 309B of the SFA).

This Explanatory Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Investors in Singapore should note that if they wish to obtain information on the past performance and a copy of the annual report of the Fund they should contact the relevant distributors to obtain such information.

United States

The Participating Shares have not been and will not be registered under the United States Securities Act of 1933 ("**Securities Act**") or the securities laws of any state thereof and may not be offered or sold in the United States or to U.S. Persons (as defined in this Explanatory Memorandum), other than distributors, unless the Participating Shares are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. Hedging transactions with respect to Participating Shares are permitted to the extent consistent with the Securities Act. Furthermore, the Fund has not been registered as an investment company under the United States Investment Company Act of 1940 (the "**Investment Company Act**"). The Participating Shares may not be transferred or sold to any U.S. Person without the prior written consent of the Directors, which consent may be conditioned, granted or withheld in their sole discretion. It is anticipated that such transfer or sales will not generally be permitted. In addition to the foregoing, the Participating Shares may not be transferred or sold unless such transfer or sale complies with or is exempt from the registration requirements of the Securities Act. Neither the Fund nor the Participating Shares have been approved or disapproved by any U.S. federal or state securities commission or regulatory authority or the regulatory authorities of any other jurisdiction, and the foregoing authorities have not passed upon or endorsed the merits of this offering or the accuracy of these offering materials. Any representation to the contrary is unlawful.

General

The Articles of Association of the Fund give powers to the Directors to effect the compulsory redemption of Participating Shares issued to, or decline to register any transfer of Participating Shares to, or held for the benefit of, any person who is not a Qualified Holder or who may, either alone or together with others, in the sole and conclusive opinion of the Directors might cause a breach of any applicable law or requirement in any jurisdiction or result in the Fund, any Shareholder or any of its Service Providers (as defined below) incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund, any Shareholder or any Service Provider might not otherwise have incurred or suffered or which might subject the Fund, any Shareholder or any Service Provider to regulation or a requirement to register or obtain any form of licence or approval in any jurisdiction (provided that in the case of the Service Providers, such disadvantage impacts the ability, willingness or the terms on which the Service Providers provide services to the Fund which may negatively impact the interests of existing Shareholders of the Fund).

The Directors also have power to compulsorily redeem a Shareholder's Participating Shares in accordance with the Articles, including to settle any amount due from the Shareholder to the Fund, the Manager or any service provider to the Fund. If the Net Asset Value of the Fund is at any time below US$8,000,000 (or such other amounts as the Directors may determine and notify to Shareholders from time to time) and if the Directors at such time so resolve, all Participating Shares become compulsorily redeemable.

Participating Shares are offered on the basis only of the information contained in this Explanatory Memorandum, the Product Key Facts Statement and (where applicable) the annual reports of the Fund and subsequent interim reports. Any information given or representations made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as unauthorised and accordingly must not be relied upon.

Potential applicants for Participating Shares should inform themselves as to (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Participating Shares.

Investors should seek professional advice from their tax consultants to determine the possible tax consequences of an investment in the Fund. In particular, any distributions may be reduced if any tax, duty or levy fee or any other cost is payable by the Fund as a result of any action taken by the relevant taxing authority or court of competent jurisdiction. No representation or warranty is made, or should be implied, by the Manager, the Directors or the Fund as to the availability of taxation deductions or any other taxation implications in relation to the Fund or in respect of the receipt by the Shareholders of any distributions.

Investment in the Participating Shares is speculative and involves significant risk. Potential subscribers should understand such risks and have the financial ability and willingness to accept them for an extended period of time. An investment should form only a part of a complete investment program and potential subscribers must be able to bear the loss of its entire investment. Investors should refer to the section headed "Risks Factors" below.

The Fund is subject to Anti-Money Laundering and Counter Terrorist Financing regulations in multiple jurisdictions. Under such regulations, the Fund is required to implement an internal Anti-Money Laundering Compliance program. Any information obtained as part of the Fund's Anti-Money Laundering and Counter Terrorist Financing procedures (including records of the Fund) may be required to be disclosed to the relevant Anti-Money Laundering and Counter Terrorist Financing authorities in such jurisdictions.

DIRECTORY

Directors:	Mr. Roger Anthony HEPPER Ms. Ng Chit Sze
Registered and Principal Office:	**HSBC Trustee (Cayman) Limited** *Principal address:* Strathvale House, 90 North Church Street George Town Grand Cayman Cayman Islands *Registered address:* P O Box 309 Ugland House Grand Cayman KY1-1104 Cayman Islands
Manager:	**Value Partners Hong Kong Limited** 43rd Floor, The Center, 99 Queen's Road Central, Hong Kong
Administrator:	**HSBC Trustee (Cayman) Limited** *Principal address:* Strathvale House, 90 North Church Street George Town Grand Cayman Cayman Islands *Registered address:* P O Box 309, Ugland House Grand Cayman KY1-1104 Cayman Islands
Administrator's Delegate:	**HSBC Institutional Trust Services (Asia) Limited** 1 Queen's Road Central Hong Kong

Custodian:	**HSBC Institutional Trust Services (Asia) Limited** 1 Queen's Road Central Hong Kong
Auditors:	**PricewaterhouseCoopers** P.O. Box 258 George Town Grand Cayman KY1-1104 Cayman Islands
Legal Advisers:	*As to matters of Cayman Islands law: -* **Maples and Calder** PO Box 309, Ugland House Grand Cayman KY1-1104 Cayman Islands *As to matters of Hong Kong and International law:-* **Deacons** 5th Floor Alexandra House 18 Chater Road Central Hong Kong

DEFINITIONS

Unless otherwise stated, defined terms used in this Explanatory Memorandum have the following meanings:-

"Administration Agreement"	means the agreement(s) referred to in paragraph (ii) under the section headed "General Information - Material Contracts" by which the Fund has appointed the Administrator to act as administrator of the Fund, as amended from time to time;
"Administrative Share"	means an administrative share having a nominal value of US$1.00 in the share capital of the Fund and having the rights and subject to the restrictions specified in the Articles;
"Administrator"	means HSBC Trustee (Cayman) Limited in its capacity as administrator of the Fund and/or such other administrator(s) as may be appointed by the Fund from time to time;
"Administrator's Delegate"	means HSBC Institutional Trust Services (Asia) Limited in its capacity as the delegate of the Administrator or such other person or persons appointed to act as delegate of the Administrator in respect of the Fund from time to time;
"Articles"	means the articles of association of the Fund, as amended from time to time;
"AUD"	means the lawful currency of Australia for the time being;
"Business Day"	means a day (other than a Saturday or a Sunday) on which banks in Hong Kong are open for general business provided that where as a result of a Typhoon Signal, a Rainstorm Warning or other similar event, the period during which banks in Hong Kong are open on any day are reduced, such day shall not be a Business Day unless the Manager otherwise determines;

"CAD"	means the lawful currency of Canada for the time being;
"China" or "PRC"	means the People's Republic of China;
"China A-Shares"	means the shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in Renminbi and available for investment by domestic (Chinese) investors, holders of the Renminbi qualified foreign institutional investors (RQFII) status and foreign strategic investors approved by the China Securities Regulatory Commission;
"China B-Shares"	means the shares issued by companies listed on the Shanghai Stock Exchange or the Shenzhen Stock Exchange, traded in foreign currencies and available for investment by domestic (Chinese) investors and foreign investors;
"CIMA"	means the Cayman Islands Monetary Authority;
"Class"	means any one or all of the classes of Participating Shares which may be issued in respect of the Fund and more particularly described in this Explanatory Memorandum;
"Class Currency"	means such currency of issue of a Class;
"Code"	means the Code on Unit Trusts and Mutual Funds issued by the SFC, as may be amended from time to time;

"Connected Person"	in relation to a company means: (a) any person or company beneficially owning, directly or indirectly, 20% or more of the ordinary share capital of that company or being able to exercise, directly or indirectly, 20% or more of the total votes in that company; or (b) any person or company controlled by a person who or which meets one or both of the descriptions given in (a); or (c) any member of the group of which that company forms part; or (d) any director or officer of that company or of any of its Connected Persons as defined in (a), (b) or (c) above;
"Custodian"	means HSBC Institutional Trust Services (Asia) Limited in its capacity as custodian of the assets of the Fund as delivered to and accepted by the Custodian from time to time and/or such other custodian(s) as may be appointed by the Fund from time to time;
"Custodian Agreement"	means the agreement(s) referred to in paragraph (iii) under the section headed "General Information - Material Contracts" by which the Fund appointed the Custodian to provide custody and other related services to the Fund;
"Directors"	means the directors of the Fund from time to time;
"entities within the same group"	means entities which are included in the same group for the purposes of consolidated financial statements prepared in accordance with internationally recognised accounting standards;

"EUR"	means the lawful currency of certain member states of the European Union for the time being;
"Fund"	means Value Partners Greater China High Yield Income Fund;
"Government and other public securities"	has the meaning as set out in the Code which, at the date of this Explanatory Memorandum, means any investment issued by, or the payment of principal and interest on, which is guaranteed by a government, or any fixed-interest investment issued by its public or local authorities or other multilateral agencies;
"Greater China"	means the region comprising the PRC, Hong Kong, Macau and Taiwan;
"GBP"	means the lawful currency of the United Kingdom for the time being;
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China;
"HK$" or "Hong Kong dollars"	means the lawful currency of Hong Kong for the time being;
"IFRS"	means International Financial Reporting Standards;
"Initial Offer Period"	means such period as the Manager may determine and set out in the Explanatory Memorandum as amended or supplemented from time to time;
"Initial Offer Price"	in relation to each Class of Participating Shares means the initial offer price of such Class as determined by the Manager;
"investment delegate"	means an entity that has been delegated the investment management function of all or part of the assets of the Fund;
"IRS"	means the United States Internal Revenue Service;

"IRS Code"	means the United States Internal Revenue Code of 1986, as amended;
"JPY"	means the lawful currency of Japan for the time being;
"Law"	means the Mutual Funds Law (as amended) of the Cayman Islands, as amended;
"Management Agreement"	means the agreement(s) referred to in paragraph (i) under the section headed "General Information - Material Contracts" by which the Fund has appointed the Manager to manage the investments and affairs of the Fund, with powers of delegation, and to provide certain administrative services to the Fund;
"Manager"	means Value Partners Hong Kong Limited in its capacity as manager of the Fund;
"Net Asset Value"	means the net asset value of the Fund or of a Participating Share, or of a Participating Share of a particular Class thereof, as the context may require, calculated in accordance with the Articles;
"NZD"	means the lawful currency of New Zealand for the time being;
"Participating Share"	means a redeemable participating voting share having nominal value of US$0.001 in the share capital of the Fund and having the rights and being subject to the restrictions specified in the Articles;

"Qualified Holder"	means any person, corporation or entity other than (a) a U.S. Person which is not a U.S. Person who has acquired Participating Shares with the consent of the Directors (provided that the number or nature of such person shall not exceed such number or shall include such qualification as the Directors shall determine from time to time with a view to precluding the Fund from being required to register as an investment company under the Investment Company Act), precluding the registration of Participating Shares under the Securities Act and precluding the Fund from being required to register under the U.S. Securities and Exchange Act of 1934) (b) any person, corporation or entity which cannot acquire or hold Participating Shares without violating laws, regulations, any requirements of any country or governmental authority or any requirements set out in this Explanatory Memorandum, or (c) a custodian, nominee, or trustee for any person described in (a) or (b) above;
"recognized jurisdiction scheme"	means a scheme authorised pursuant to overseas laws as listed in the list of recognized jurisdiction schemes determined under the Code and which is published on the SFC's website as amended from time to time;
"Redemption Day"	means each Business Day or such other day or days as the Manager may determine from time to time provided that any change to the Redemption Day shall be notified to the Custodian and if so required by the SFC, at least one calendar month's (or such other notice period as may be agreed with the SFC) prior notice shall be given to the Shareholders before any change in the Manager's determination on the Redemption Day shall become effective;
"Redemption Dealing Deadline"	means 6:00 p.m. (Hong Kong time) on the relevant Redemption Day or such other time as the Manager may determine from time to time provided that any change to the Redemption Dealing Deadline shall be notified to the Custodian and if so required by the SFC, at least one calendar month's (or such other notice period as may be agreed with the SFC) prior notice shall be given to the Shareholders before any change in the Manager's determination on the Redemption Dealing Deadline shall become effective;

"Redemption Price"	means the price per Participating Share at which Participating Shares (or Participating Shares of a particular Class) will be redeemed calculated on a forward pricing basis as more particularly described herein under the section headed "Calculation of Net Asset Value - Calculation of Subscription Price and Redemption Price";
"reverse repurchase transactions"	means transactions whereby the Fund purchases securities from a counterparty of sale and repurchase transactions and agrees to sell such securities back at an agreed price in the future;
"RMB" or "Renminbi"	means the lawful currency of the PRC for the time being;
"sale and repurchase transactions"	means transactions whereby the Fund sells its securities to a counterparty of reverse repurchase transactions and agrees to buy such securities back at an agreed price with a financing cost in the future;
"securities financing transactions"	means, collectively, securities lending transactions, sale and repurchase transactions and reverse repurchase transactions;
"securities lending transactions"	means transactions whereby the Fund lends its securities to a security-borrowing counterparty for an agreed fee;
"Service Providers"	means the Manager, the Administrator, the Custodian, the registrar and their delegates appointed to provide services to the Fund;
"SGD"	means the lawful currency of Singapore for the time being;
"SFC"	means the Securities and Futures Commission of Hong Kong;
"SFO"	means the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as may be amended from time to time;
"Share"	means any share in the capital of the Fund whether the same be an Administrative Share or a Participating Share;

"Shareholders"	means persons registered as holders of Participating Shares;
"Subscription Day"	means each Business Day or such other day or days as the Manager may determine from time to time provided that any change to the Subscription Day shall be notified to the Custodian and if so required by the SFC, at least one calendar month's (or such other notice period as may be agreed with the SFC) prior notice shall be given to the Shareholders before any change in the Manager's determination on the Subscription Day shall become effective;
"Subscription Dealing Deadline"	means 6:00 p.m. (Hong Kong time) on the relevant Subscription Day or such other time as the Manager may determine from time to time provided that any change to the Subscription Dealing Deadline shall be notified to the Custodian and if so required by the SFC, at least one calendar month's (or such other notice period as may be agreed with the SFC) prior notice shall be given to the Shareholders before any change in the Manager's determination on the Subscription Dealing Deadline shall become effective;
"Subscription Price"	means the price per Participating Share at which Participating Shares (or Participating Shares of a particular Class) will be issued subsequent to the Initial Offer Period calculated on a forward pricing basis as more particularly described herein under the section headed "Calculation of Net Asset Value - Calculation of Subscription Price and Redemption Price";
"substantial financial institution"	means an authorised institution as defined in section 2(1) of the Banking Ordinance (Chapter 155 of Laws of Hong Kong) or a financial institution which is on an ongoing basis subject to prudential regulation and supervision, with a minimum net asset value of HKD2 billion or its equivalent in foreign currency;
"Synthetic RMB Debt Securities"	means offshore debt securities denominated in RMB but settled in other currencies;

"US$" or "US Dollars"	means the lawful currency of the United States of America for the time being;
"US IGA"	means the intergovernmental agreement between the United States and the Cayman Islands to improve international tax compliance and the exchange of information;
"U.S. Person"	means any person who is a "U.S. Person" as defined in Rule 902(k) under the Regulation S under the Securities Act and/or who does not qualify as a "Non-United States person" as such term is defined in the Commodities and Futures Trading Commission Rule 4.7(a) (i.e. any person deemed a U.S. Person under either definition);
"Valuation Day"	in relation to a Subscription Day or Redemption Day means such Subscription Day or Redemption Day, as the case may be, or such other day or days as the Manager may determine from time to time at which the Net Asset Value falls to be calculated provided that any change to the Valuation Day shall be notified to the Custodian and if so required by the SFC, at least one calendar month's (or such other notice period as may be agreed with the SFC) prior notice shall be given to the Shareholders before any change in the Manager's determination on the Valuation Day shall become effective;
"Valuation Point"	means the close of business in the last relevant market to close on each Valuation Day or such other time on each Valuation Day as the Manager may from time to time determine in relation to the Fund provided that any change to the Valuation Point shall be notified to the Custodian and if so required by the SFC, at least one calendar month's (or such other notice period as may be agreed with the SFC) prior notice shall be given to the Shareholders before any change in the Manager's determination on the Valuation Point shall become effective.

INTRODUCTION

Value Partners Greater China High Yield Income Fund is an exempted open-ended investment company incorporated on 3 February 2012 in the Cayman Islands with limited liability.

INVESTMENT OBJECTIVE, INVESTMENT POLICIES AND INVESTMENT AND BORROWING RESTRICTIONS

Investment Objective and Policies

Investment Objective

The investment objective of the Fund is to provide capital appreciation for investors. In addition, in respect of the Distribution Classes (as defined below), the Fund also intends to pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. Please note that there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout.

Investment Policies

Debt securities in general

The Fund aims to achieve its investment objective by investing not less than 70% of its Net Asset Value in a portfolio of debt securities issued by or fully guaranteed by (i) listed or unlisted corporations which have their main operations (or majority of assets) in, or have their majority of their income derived from Greater China (the region comprising the PRC, Hong Kong, Macau and Taiwan), and (ii) governments and/or government related entities in Greater China; and where the Manager believes such debt securities are being traded at significant discount to their underlying intrinsic values. For the avoidance of doubt, the issuers of the debt securities who have a majority of their income derived from Greater China as mentioned in (i) above may be based in or outside Greater China.

Selection of debt securities for investment by the Fund will be based on the creditworthiness of the issuer (and the parent company or associated company guarantor, in the case of debt securities issued by a special purpose vehicle which is fully guaranteed by the parent company or associated company) by forecasting the issuer's (and/or parent company or associated company guarantor's) credit profile by at least 2 years with a primary focus on the issuer's (and/or parent company or associated company guarantor's) corporate profile, corporate strategy, forecasted cash flow and financial profile. Investment analysis will also take into account the leverage, liquidity, management and business of the issuer (and the parent company or associated company guarantor, in the case of debt securities issued by a special purpose vehicle which is fully guaranteed by the parent company or associated company).

The debt securities in which the Fund may invest shall include, but are not limited to, convertible and non-convertible debt securities, fixed and floating rate bonds and high-yield bonds. Such debt securities (or the issuers of such debt securities) are across all ratings and thus, such debt securities (or the issuers of such debt securities) may be rated or unrated or rated below investment grade credit rating, such as below Moody's "Baa3" or below Standard & Poor's "BBB-". Also, the Fund may invest significantly in below investment grade debt securities. The Fund however, will not invest more than 10% of its Net Asset Value in debt securities issued or guaranteed by any single country with a credit rating below investment grade. For the avoidance of doubt, a "single country" shall include a country, its government, a public or local authority or nationalized industry of that country.

Also, the debt securities in which the Fund may invest are mainly denominated in USD.

The Manager will invest in a broadly diversified portfolio of debt securities with no fixed duration, term structure or industry sector weightings in the allocation of assets in Greater China. Selection of investments will be determined by the availability of attractive investment opportunities.

RMB denominated debt securities issued outside the PRC

The Fund may also invest up to 30% of its latest Net Asset Value in RMB denominated debt securities issued outside the PRC including RMB denominated debt securities with settlements, coupon payments and principal repayments paid in another currency based on prevailing foreign exchange rates against the RMB. The Fund may invest up to 15% of its latest Net Asset Value in Synthetic RMB Debt Securities.

Debt securities issued by special purpose vehicles

The Fund's investment in subordinated debt securities issued by special purpose vehicles will not exceed 15% of its latest Net Asset Value. Currently, the Fund intends to invest only in debt securities issued by special purpose vehicles which are fully, unconditionally and irrevocably guaranteed by its parent company or associated company. Such parent company or associated company will be of substance and is not a special purpose vehicle itself.

Instruments with loss-absorption features

The Fund may invest less than 30% of its Net Asset Value in instruments with loss-absorption features ("**LAPs**") such as contingent convertible bonds issued by financial institutions, non-preferred senior debt instruments, certain Additional Tier 1 and Tier 2 capital instruments and external loss-absorbing capacity ("LAC") debt instruments.

LAPs are debt instruments with features of contingent write-down or contingent conversion to ordinary shares on the occurrence of the following: (a) when a financial institution is near or at the point of non-viability; or (b) when the capital ratio of a financial institution falls to a specified level. These LAPs instruments may include:

(i) debt instruments that meet the qualifying criteria to be Additional Tier 1 Capital or Tier 2 Capital under the Banking (Capital) Rules and similar debt instruments issued under an equivalent regime of non-Hong Kong jurisdictions;

(ii) external LAC debt instruments under the Financial Institutions (Resolution) (Loss-absorbing Capacity Requirements – Banking Sector) Rules pursuant to the Financial Institutions Resolution Ordinance of Hong Kong (Cap. 628) ("**FIRO**");

(iii) debt instruments issued under a regime of non-Hong Kong jurisdictions which implements the Financial Stability Board's standards for "Total Loss-absorbing Capacity Term Sheet";

(iv) "non-preferred senior debt instruments" (may be named as "Tier 3" in some jurisdictions) and senior or subordinated debt instruments issued by a holding company of a financial institution which fall within the above circumstances; and

(v) contingent convertible bonds ("**CoCos**") issued by financial institutions which upon the occurrence of the trigger event, may be converted into shares of the issuer (potentially at a discounted price), or may be subject to the permanent write-down to zero.

For the avoidance of doubt, instruments in the legal form of equities (including ordinary shares and preferred shares) and all types of deposits (including certificate of deposits) are excluded.

Equity securities

The Fund may invest in equity securities and may invest up to 10% of the Fund's latest Net Asset Value in China B-Shares. Currently, the Fund does not intend to invest either directly or indirectly in China A-Shares. Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Shareholders in the event the Manager wishes to change the investment policy in relation to China A-Shares and China B-Shares as aforesaid. In such circumstance, the Explanatory Memorandum and the Product Key Facts Statement will be updated to reflect such change as soon as reasonably practicable.

Financial derivative instruments and other investments

The Fund currently may use financial derivative instruments (such as futures contracts, options and warrants) for hedging and investment purposes. The Fund may invest in index and currency swaps and currency forwards (which are normally traded over-the-counter) for hedging purposes only.

Currently, the Fund does not intend to (i) invest in structured products and mortgaged-backed securities; and (ii) engage in securities lending transactions, sale and repurchase transactions and reverse repurchase transactions. The Fund also does not intend to engage in any over-the-counter transactions other than index and currency swaps and currency forwards. Prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Shareholders in the event the Manager wishes to invest in the aforesaid instruments or engage in any of the aforesaid transactions. In such circumstance, the Explanatory Memorandum and the Product Key Facts Statement will be updated to reflect such change as soon as reasonably practicable.

Subject to the above investment strategy and the investment restrictions (as set out below under the section headed "Investment Restrictions"), the Fund may also, invest in commodity-based investments depository receipts, units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme (including those managed by the Manager or its Connected Persons), currencies and interest rates and may hold cash, short-term deposits, and other money instruments (as considered appropriate by the Manager). Currently, the Fund does not intend to invest more than 10% of its latest Net Asset Value in such instruments.

Use of derivatives / Investment in Derivatives

The Fund's net derivative exposure may be up to 50% of the Fund's latest available Net Asset Value.

There is no guarantee that the investment strategies the Manager adopts will be successful or that the Fund will achieve any particular level of returns.

Base Currency

The base currency of the Fund is US dollars ("**Base Currency**").

Investment and Borrowing Restrictions

The Articles set out restrictions and prohibitions on the acquisition of certain investments by the Manager and borrowing restrictions. Unless otherwise disclosed in this Explanatory Memorandum, the Fund is subject to the investment restrictions and borrowing restrictions set out in Schedule 1 to this Explanatory Memorandum.

Liquidity Risk Management

The Manager has established a liquidity management policy which enables it to identify, monitor and manage the liquidity risks of the Fund and to ensure that the liquidity profile of the investments of the Fund will facilitate compliance with the Fund's obligation to meet redemption requests. Such policy, combined with the liquidity management tools of the Manager, also seeks to achieve fair treatment of the Shareholders and safeguard the interests of the remaining Shareholders in case of sizeable redemptions.

The Manager's liquidity policy takes into account the investment strategy, the liquidity profile, the redemption policy, the dealing frequency, the ability to enforce redemption limitations and the fair valuation policies of the Fund. These measures seek to ensure fair treatment and transparency for all investors.

The liquidity management policy involves monitoring the profile of investments held by the Fund on an on-going basis to ensure that such investments are appropriate to the redemption policy as stated under the section headed "**INVESTING IN THE FUND**", and will facilitate compliance with the Fund's obligation to meet redemption requests. Further, the liquidity management policy includes details on periodic stress testing carried out by the Manager to manage the liquidity risk of the Fund under normal and exceptional market conditions.

The following tool(s) may be employed by the Manager to manage liquidity risks:

- the Fund's obligation to redeem Participating Shares is subject to postponement if requests are received in respect of any one Redemption Day for redemptions aggregating more than the Redemption Limit, i.e. 10% of the total Net Asset Value of the Fund as at such Redemption Day (subject to the conditions under the heading entitled "**Restrictions on Redemptions**" in the section headed "**INVESTING IN THE FUND**");

- the Directors have the power, in determining the Subscription Price of a Participating Share, to add to the Net Asset Value per Participating Share of the relevant Class (before making any rounding adjustment) an amount, for the account of the Fund which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the Fund and the latest available asked price of such investments, (b) all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees and registration fees which would be incurred for the account of the Fund in investing an amount equal to that Net Asset Value per Participating Share of the relevant Class (as detailed under the heading entitled "**Calculation of Subscription Price and Redemption Price**" in the section headed "**CALCULATION OF NET ASSET VALUE**"); and

- similarly, the Directors may, when determining the Redemption Price of a Participating Share, deduct for the account of the Fund from the Net Asset Value per Participating Share of the relevant Class (before making any rounding adjustment) an amount which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the Fund and the latest available bid price of such investments, and (b) all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees and registration fees which would be incurred for the account of the Fund in realising assets or closing out positions to provide funds to meet any redemption request (as detailed under the heading entitled "**Calculation of Subscription Price and Redemption Price**" in the section headed "**CALCULATION OF NET ASSET VALUE**").

MANAGEMENT AND ADMINISTRATION

Directors

The Directors of the Fund are as follows:

Roger Anthony HEPPER

Mr. Roger Anthony HEPPER is Co-Chief Operating Officer of Value Partners Group Limited ("Value Partners"). He oversees the overall infrastructure of Value Partners group, covering product development, information technology and operations, legal and risk management, as well as middle-office coordination across Value Partners group's Hong Kong headquarters and overseas offices.

Mr. HEPPER joined Value Partners in August 2016. He has a distinguished career in asset management with 30 years of experience. He is a veteran of JPMorgan Group with diverse leadership roles.

Mr. HEPPER was Managing Director and Chief Operating Officer of Asia Pacific for JPMorgan Asset Management. He joined the firm in 1987 as an Internal Audit Manager in London and relocated to Hong Kong in 1995 as a Senior Finance Manager of Jardine Fleming Unit Trusts. He was appointed Head of Risk Management and Middle Office of Asia Pacific in 1999, then Head of Risk, Operations & Technology of Asia Pacific in 2001, before taking up the Regional Chief Operating Officer role in 2003. Prior to joining the firm, he began his career at Baker Rooke in London and qualified as a Chartered Accountant.

In addition to holding a number of directorships and board memberships at JPMorgan Asset Management across Asia, Mr. HEPPER sits on a number of committees in Hong Kong, including the Hong Kong's Securities and Futures Commission's Committee on Unit Trusts and the Real Estate Investment Trusts Committee. He also served as a Representative Director on the OTC Clear Board of Hong Kong Exchanges & Clearing Limited.

Mr. HEPPER graduated from Loughborough University of Technology in England with a Bachelor's degree in Accountancy and Financial Management. He is a Fellow of I.C.A.E.W.

NG Chit Sze

Ms. NG Chit Sze is a Director, Fund Operations of Value Partners, where she oversees fund operations and involves in various operations enhancement projects.

Ms. NG joined Value Partners in September 2014. Prior to that, she was most recently a Managing Director at Citco Hong Kong Limited, overseeing the company's business and operations. Before that, she was Senior Vice President, Client Services, Fund Services at HSBC Institutional Trust Services (Asia) Limited. She also had stints at PricewaterhouseCoopers Hong Kong.

Ms. NG graduated from The Chinese University of Hong Kong with a Bachelor's degree in Business Administration. She is a member of the Hong Kong Institute of Certified Public Accountants.

Manager

The Manager is Value Partners Hong Kong Limited. The Manager is responsible for managing the investment, sale and reinvestment of the Fund's assets.

The Manager was incorporated in Hong Kong on 10 May 1999 and commenced its current operations in January 2008. It is dedicated to the philosophy of investing in "value" securities and concentrates its investment expertise in Asian markets, particularly the Greater China region. Using a disciplined, bottom-up approach, the Manager applies fundamental analysis to seek under-valued positions.

Value Partners Hong Kong Limited is licensed under the SFO to carry on the regulated activities of type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) in Hong Kong.

The Manager has full power to delegate the whole or any part of its function for managing the investment, sale and reinvestment of the Fund's assets under the Management Agreement to any person, firm or company provided that for so long as the Fund is authorized pursuant to section 104 of the SFO such delegation of investment discretionary functions shall be subject to the SFC's prior approval.

The directors of the Manager are Dato' Seri CHEAH Cheng Hye, Mr. SO Chun Ki Louis and Mr. HO Man Kei, Norman.

Dato' Seri CHEAH Cheng Hye

Dato' Seri CHEAH Cheng Hye is Co-Chairman and Co-Chief Investment Officer ("**Co-CIO**") of Value Partners Group Limited ("**Value Partners**"). He is in charge of Value Partners' fund management and investment research, business operations, product development and corporate management. He sets Value Partners' overall business and portfolio strategy.

Dato' Seri CHEAH has been in charge of Value Partners since he co-founded the firm in February 1993 with his partner, Mr. V-Nee YEH. Throughout the 1990s, he held the position of Chief Investment Officer and Managing Director of Value Partners, responsible for managing both the firm's funds and business operation. He led Value Partners to a successful listing on the Main Board of The Hong Kong Stock Exchange in 2007. The firm became the first asset management company listed in Hong Kong. Dato' Seri CHEAH has more than 30 years of investment experience, and is considered one of the leading practitioners of value-investing in Asia and beyond. Value Partners and he personally have received numerous awards – a total of more than 200 professional awards and prizes since the firm's inception in 1993.

Dato' Seri CHEAH currently serves as an Independent Non-executive Director of Hong Kong Exchanges and Clearing Limited ("**HKEX**"), a member of The Hong Kong University of Science and Technology ("**HKUST**") Business School Advisory Council, as well as Co-Chairman of The Malaysian Chamber of Commerce (Hong Kong and Macau). He was previously a member of the Financial Services Development Council ("FSDC") (from February 2015 to January 2019), and a member of the New Business Committee of FSDC (from 2013 to 2018). FSDC is a high-level, cross-sector advisory body established by the Hong Kong Special Administrative Region Government.

In August 2016, Dato' Seri CHEAH was conferred Darjah Gemilang Pangkuan Negeri ("**DGPN**"), one of the highest civil honours granted by the state of Penang in Malaysia to recognize exceptional individuals. The DGPN award comes with the title of "Dato' Seri". In 2013, he was conferred Darjah Setia Pangkuan Negeri ("**DSPN**") with the title of "Dato' ". In the same year, he was named an Honorary Fellow of the HKUST for outstanding achievements.

Dato' Seri CHEAH was named "Outstanding Manager of the Year – Greater China equity category" in the Fund of the Year Awards 2017 by Benchmark, and the co-winner of "CIO of the Year in Asia" along with Mr. Louis SO in the 2011 Best of the Best Awards by Asia Asset Management. In 2010, he was named by AsianInvestor as one of the Top-25 Most Influential People in Asian Hedge Funds. In 2009, he was named by AsianInvestor as one of the 25 Most Influential People in Asian Asset Management. He was also named "Capital Markets Person of the Year" by FinanceAsia in 2007, and in 2003, he was voted the "Most Astute Investor" in the Asset Benchmark Survey.

Prior to starting Value Partners, Dato' Seri CHEAH worked at Morgan Grenfell Group in Hong Kong, where, in 1989, he founded the company's Hong Kong/China equities research department as the Head of Research and proprietary trader for the firm. Prior to this, he was a financial journalist with the Asian Wall Street Journal and Far Eastern Economic Review, where he reported on business and financial news across East and Southeast Asia markets. Dato' Seri CHEAH served for nine years (1993 to 2002) as an independent non-executive director of Hong Kong-listed JCG Holdings, a leading microfinance company (a subsidiary of Public Bank Malaysia renamed from 2006 as Public Financial Holdings).

Mr. SO Chun Ki Louis

Mr. Louis SO is Co-Chairman and Co-Chief Investment Officer ("**Co-CIO**") of Value Partners. He works closely with Dato' Seri CHEAH Cheng Hye on all aspects of providing leadership to Value Partners, including overseeing all group affairs and activities, daily operations and management of the firm's investment management team. Mr. SO holds a leadership role in Value Partners' investment process, including a high degree of responsibility over portfolio management.

Mr. SO has 20 years of experience in the financial industry, with a solid track record in research and portfolio management. He joined Value Partners in May 1999 and was promoted to take up various research and fund management roles since then. He was appointed Co-Chairman of Value Partners with effect from 26 April 2019. His extensive management capability and on-the-ground experience helped the group establish an unparalleled research and investment team.

Mr. SO was named "Outstanding Manager of the Year – Greater China equity category" in the Fund of the Year Awards 2017 by Benchmark. In the 2011 Best of the Best Awards by Asia Asset Management, he was the co-winner of "CIO of the Year in Asia" award alongside Dato' Seri CHEAH Cheng Hye.

Mr. SO graduated from the University of Auckland in New Zealand with a Bachelor's degree in Commerce and obtained a Master's degree in Commerce from the University of New South Wales in Australia.

Mr. HO Man Kei, Norman

Mr. Norman HO is a Senior Investment Director of Value Partners, where he is a leader in Value Partners' investment process, with a high degree of responsibility over portfolio management. Mr. HO is a member of the Board of Directors of Value Partners Group, and is also a director of certain subsidiaries of the Group.

Mr. HO has extensive experience in the fund management and investment industry, with a focus on research and portfolio management. Mr. HO joined Value Partners in November 1995. He was promoted to the roles of Investment Director and Senior Investment Director in 2010 and January 2014, respectively. Prior to joining Value Partners, he was an Executive with Dao Heng Securities Limited and had started his career with Ernst & Young.

Mr. HO graduated with a Bachelor's degree in Social Sciences (majoring in Management Studies) from The University of Hong Kong. He is a CFA charterholder.

Administrator and Administrator's Delegate

Pursuant to the Administration Agreement, HSBC Trustee (Cayman) Limited has been appointed as the Administrator of the Fund. The Administrator is responsible for, inter alia, the general administration of the Fund, which includes keeping the register of Shareholders of the Fund, the proper book-keeping of the Fund, arranging for the issue and redemption of Participating Shares, and calculating the Net Asset Value of the Fund in accordance with the method set out in the section headed "Calculation of Net Asset Value" below and the Articles. The Administrator is also acting as company secretary to the Fund as well as providing a registered office to it.

The Administrator is entitled to be indemnified by the Fund against all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, legal costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful default on the part of the Administrator) which may be imposed on, incurred by or asserted against the Administrator in performing its obligations or duties. To the extent and for so long the Fund is authorized pursuant to section 104 of the SFO, the Administrator will not be exempted from any liability to Shareholders imposed under the laws of Hong Kong or the Cayman Islands or breaches of trust through fraud or negligence, nor may they be indemnified against such liability by Shareholders or at Shareholders' expense.

The Administrator shall be entitled, without verification, further enquiry or liability on the Administrator's part, to rely on pricing information in relation to specified investments held by the Fund which is provided by price sources stipulated in this Explanatory Memorandum or in the absence of any such stipulated price sources, any price sources on which the Administrator may choose to rely. Without prejudice to the generality of the foregoing, the Administrator shall not be responsible or liable to any person for the valuation or pricing of any assets or liabilities of the Fund (save as provided in the Services set out in the Administration Agreement) or for any inaccuracy, error or delay in pricing information supplied to the Administrator.

The Administrator will use reasonable endeavours to independently verify the price of any such assets or liabilities of the Fund using its network of automated pricing services, brokers, market makers, intermediaries or other third parties.

In the absence of readily available independent pricing sources, the Administrator may rely solely upon any valuation or pricing information (including, without limitation, fair value pricing information) about any such assets or liabilities of the Fund which is provided to it by: (i) the Fund, (ii) the Directors (or other governing body) or the Manager; and/or (iii) any valuer, third party valuation agent, intermediary or other third party which in each such case is appointed or authorised by the Fund, the Directors (or other governing body) or the Manager to provide valuations or pricing information of the Fund's assets or liabilities to the Administrator.

The Administrator in no way acts as guarantor or offeror of the Fund's Participating Shares or any underlying investment. The Administrator is a service provider to the Fund and has no responsibility or authority to make investment decisions, or render investment advice, with respect to the assets of the Fund. The Administrator is not responsible for, and accepts no responsibility or liability for any losses suffered by the Fund or any investors in the Fund as a result of any failure by the Fund or the Manager to adhere to the investment objective, policy, investment restrictions, borrowing restrictions or operating guidelines. The Administrator will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a U.S. Person, would be subject to sanctions of the Office of Foreign Assets Control ("**OFAC**") of the US Department of the Treasury.

The Administrator shall not be liable or otherwise responsible for any loss suffered by any person by reason of (i) any act or omission of any person prior to the commencement date of the Administration Agreement, (ii) any defect, error, inaccuracy, breakdown or delay in any product or service provided to the Administrator by any third party service provider, and (iii) any inaccuracy, error or delay in information provided to the Administrator by or for the Fund, Manager, or any person associated with, or appointed by, the Fund or Manager (including any broker, market maker or intermediary). The Administrator shall not otherwise be liable for any loss to the Fund or any other person unless direct loss is sustained as a result of its fraud, negligence or wilful default. To the extent and for so long the Fund is authorized pursuant to section 104 of the SFO, the Administrator will not be exempted from any liability to Shareholders imposed under the laws of Hong Kong or the Cayman Islands or breaches of trust through fraud or negligence, nor may they be indemnified against such liability by Shareholders or at Shareholders' expense.

Under the terms of the Administration Agreement, the Administrator is able to delegate certain of its functions and duties to the Administrator's affiliates provided that the Administrator will remain responsible for the performance of the affiliates. The Administrator has accordingly delegated certain of its functions and duties to the Administrator's Delegate.

The appointment of the Administrator may be terminated without cause by not less than 90 days' notice in writing.

The Administrator is not responsible for the preparation or issue of this Explanatory Memorandum other than with respect to the description above in respect of the Administrator.

Custodian

HSBC Institutional Trust Services (Asia) Limited has been appointed as the Custodian to the Fund's assets.

Under the Custodian Agreement, the Custodian shall be responsible for the safe keeping of the assets of Company and shall take into its custody or under its control all the investments, cash and other assets forming part of the assets of the Fund and hold them in trust for the Shareholders of the Fund in accordance with the provisions of the Articles. To the extent permitted by law, the Custodian must register such investments, cash and registrable assets in the name of or to the order of the Custodian and all such investments, cash and other assets forming part of the assets of the Fund shall be dealt with as the Custodian may think proper for the purpose of providing for the safe keeping thereto. The Custodian shall in respect of any investments or other assets of the Fund which by nature cannot be held in custody, maintain a proper record of such investments or assets in its books under the name of the Fund.

The Custodian is entitled to be indemnified by the Fund against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever (other than those resulting from the fraud, negligence or wilful default on the part of the Custodian or any agent, sub-custodian or delegate appointed by it and for which it would be liable under the custodian agreement) which may be imposed on, incurred by or asserted against the Custodian in performing its obligations or duties. To the extent and for so long the Fund is authorized pursuant to section 104 of the SFO, the Custodian will not be exempted from any liability to Shareholders imposed under the laws of Hong Kong or the Cayman Islands or breaches of trust through fraud or negligence, nor may they be indemnified against such liability by Shareholders or at Shareholders' expense.

In performing its duties, the Custodian may, at the expense of the Fund, appoint such nominees, agents, sub-custodians and delegates as it thinks fit to perform in whole or in part any of its duties and discretions (included in such appointment are powers of sub-delegation). The Custodian is required to (a) exercise reasonable care, skill and diligence in the selection, appointment and ongoing monitoring of nominees, agents, sub-custodians and delegates which are appointed for the custody and/or safekeeping of any of the investments, cash, assets or other property comprised in the assets of the Fund (each a "Correspondent"); and (b) be satisfied that such Correspondent retained remains suitably qualified and competent on an ongoing basis to provide the relevant custodial services to the Fund. The Custodian will be liable for any act or omission of any Correspondent (which is a Connected Person of the Custodian) in relation to assets forming part of the property of the Fund as if the same were the act or omission of the Custodian, but provided that if the Custodian has discharged its obligations in (a) and (b) as set out in this paragraph, the Custodian shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of any Correspondent which is not a Connected Person of the Custodian.

As at the date of this Explanatory Memorandum, the Custodian has no intention to appoint any agents, sub-custodians and delegates to perform in whole or in part any of its duties and discretions under the Custodian Agreement where the appointment fee would be at the expense of the Fund. The Custodian may however, delegate its duties and discretions to agents, sub-custodians or delegates which are appointed not at the expense of the Fund. For the avoidance of doubt, the administration and operational charges incurred by the Custodian through its agents, sub-custodians and delegates which may be appointed by the Custodian not at the expense of the Fund in its day to day operations will be borne by the Fund being the Fund's operational expenses.

The Custodian also shall not be liable for any act, omission, insolvency, liquidation or bankruptcy of Euro-clear Clearing System Limited or Clearstream Banking or Cedel, S.A. or any other recognised or central depositary or clearing and settlement system.

For so long as the Fund is authorized pursuant to section 104 of the SFO, the Custodian shall be responsible for the safe-keeping of the assets of the Fund, subject to the provisions of the Code.

The Custodian will also take reasonable care to ensure that the sale, issue, repurchase, redemption and cancellation of Participating Shares effected by the Fund are carried out in accordance with the provisions of the Articles and this Explanatory Memorandum, and the methods adopted by the Manager and notified to the Custodian in calculating the value of Participating Shares are adequate to ensure that the sale, issue, repurchase, redemption and cancellation prices of such Participating Shares are calculated in accordance with the provisions of the Articles and this Explanatory Memorandum.

The Custodian will take reasonable care to ensure that investment and borrowing limitations set out in this Explanatory Memorandum and the conditions under which the Fund was authorized are complied with, however, the Custodian is under no duty to supervise compliance with the investment objective, policy, investment restrictions, borrowing restrictions or operating guidelines of the Fund. The Custodian will not participate in transactions or activities or make any payments denominated in US dollars, which, if carried out by a U.S. Person, would be subject to sanctions of the Office of Foreign Assets Control of the US Department of the Treasury ("OFAC"). The OFAC administers and enforces economic sanction programs primarily against countries and groups of individuals, such as terrorists and narcotics traffickers by using the blocking of assets and trade restrictions to accomplish foreign policy and national security goals. In enforcing economic sanctions, OFAC acts to prevent "prohibited transactions," which are described by OFAC as trade or financial transactions and other dealings in which US persons may not engage unless authorised by OFAC or expressly exempted by statute. OFAC has the authority to grant exemptions to prohibitions on such transactions, either by issuing a general license for certain categories of transactions, or by specific licenses issued on a case-by-case basis. HSBC Group has adopted a policy of compliance with the sanctions issued by OFAC. As part of its policy, the Custodian may request for additional information if deemed necessary.

The Custodian in no way acts as guarantor or offeror of the Participating Shares or any underlying investment. The Custodian has no responsibility or authority to make investment decisions, or render investment advice with respect to the Fund, which is the sole responsibility of the Manager.

The appointment of the Custodian may be terminated by not less than 90 days' notice in writing. For so long as the Fund is authorized pursuant to section 104 of the SFO, the Fund shall procure that (i) the Custodian may not retire except upon the appointment of a new custodian and subject to the approval of the SFC; and (ii) the retirement of the Custodian shall take effect at the same time as the new custodian takes up office.

Neither the Custodian nor its employees or agents are directly involved in the business affairs, organisation, sponsorship or management of the Fund; nor responsible for the preparation or issue of this Explanatory Memorandum other than the description above.

INVESTING IN THE FUND

Classes of Participating Shares

The Fund currently has the following Classes of Participating Shares:-

Class	Class Currency
Class A HKD Hedged Acc Share	HK$
Class A HKD Hedged MDis Share	HK$
Class A AUD Hedged Acc Share	AUD
Class A AUD Hedged MDis Share	AUD
Class A CAD Hedged Acc Share	CAD
Class A CAD Hedged MDis Share	CAD
Class A EUR Hedged Acc Share	EUR
Class A EUR Hedged MDis Share	EUR
Class A GBP Hedged Acc Share	GBP
Class A GBP Hedged MDis Share	GBP
Class A JPY Hedged Acc Share	JPY
Class A JPY Hedged MDis Share	JPY
Class A NZD Hedged Acc Share	NZD
Class A NZD Hedged MDis Share	NZD
Class z USD Acc Share	US$
Class z USD MDis Share	US$
Class z EUR Acc Share	EUR
Class z EUR Hedged Acc Share	EUR
Class z EUR MDis Share	EUR
Class z EUR Hedged MDis Share	EUR
Class P USD Acc Share	US$
Class P USD MDis Share	US$
Class P HKD Acc Share	HK$
Class P HKD MDis Share	HK$
Class P SGD Hedged Acc Share	SGD
Class P SGD Hedged MDis Share	SGD
Class X USD Acc Share	US$

Class A HKD Hedged Acc Shares, Class A HKD Hedged MDis Shares, Class A AUD Hedged Acc Shares, Class A AUD Hedged MDis Shares, Class A CAD Hedged Acc Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged Acc Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged Acc Shares, Class A GBP Hedged MDis Shares, Class A JPY Hedged Acc Shares, Class A JPY Hedged MDis Shares, Class A NZD Hedged Acc Shares and Class A NZD Hedged MDis Shares are collectively referred to as "**Class A Shares**".

Class z USD Acc Shares, Class z USD MDis Shares, Class z EUR Acc Shares, Class z EUR Hedged Acc Shares, Class z EUR MDis Shares and Class z EUR Hedged MDis Shares are collectively referred to as "**Class z Shares**".

Class P USD Acc Shares, Class P USD MDis Shares, Class P HKD Acc Shares, Class P HKD MDis Shares, Class P SGD Hedged Acc Shares, Class P SGD Hedged MDis Shares are collectively referred to as "**Class P Shares**".

Class X USD Acc Shares are referred to as "**Class X Shares**".

Each Class A Shares and Class P Shares are available for subscription by investors in Hong Kong who make an initial investment of not less than the Minimum Initial Subscription Amount for the respective Classes as set out under the section headed "Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount" below.

Class X USD Acc Shares are only available for subscription by funds and managed accounts managed by the Manager or Connected Persons of the Manager who are "professional investors" as defined in the SFO or offered on a private placement basis.

Class z Shares are only available for subscription by institutional investors and/or professional investors.

The Fund reserves the right to establish and issue further Classes of Participating Shares from time to time. Each such Class may have differing investment parameters such as currency hedged or unhedged classes, fee structures and other features such as different class currency denominations, minimum subscription and holding amount, or distribution policies. Except for the features described in this Explanatory Memorandum and save as otherwise provided in the Articles, Class A Shares, Class z Shares, Class P Shares and Class X Shares shall have equal ranking with, and the same rights as, each other.

Each Class of the Fund will bear the expenses and liabilities directly attributable to that Class and a portion of the Fund's general administrative expenses allocated on the basis of total net assets or other methods.

Initial Issue

Class A Shares (save for Class A AUD Hedged MDis Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged Acc Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged MDis Shares and Class A NZD Hedged MDis Shares which are being offered on an on-going basis), Class z Shares (save for Class z USD Acc Shares and Class z USD MDis Shares which are being offered on an on-going basis), Class P SGD Hedged Acc Shares and Class X USD Acc Shares will be offered to investors during the Initial Offer Period of such Class at the following Initial Offer Prices (exclusive of the Initial Charge):-

Class	**Initial Offer Price**
Class A HKD Hedged Acc Share	HK$10
Class A HKD Hedged MDis Share	HK$10
Class A AUD Hedged Acc Share	AUD10
Class A AUD Hedged MDis Share	AUD10
Class A CAD Hedged Acc Share	CAD10
Class A CAD Hedged MDis Share	CAD10
Class A EUR Hedged Acc Share	EUR10
Class A EUR Hedged MDis Share	EUR10
Class A JPY Hedged Acc Share	JPY10
Class A JPY Hedged MDis Share	JPY10
Class A NZD Hedged Acc Share	NZD10
Class A NZD Hedged MDis Share	NZD10
Class z USD Acc Share	US$10
Class z USD MDis Share	US$10
Class z EUR Acc Share	EUR10
Class z EUR Hedged Acc Share	EUR10
Class z EUR MDis Share	EUR10
Class z EUR Hedged MDis Share	EUR10
Class P SGD Hedged Acc Share	SGD10
Class P SGD Hedged MDis Share	SGD10
Class X USD Acc Share	US$10

In relation to Class z EUR Acc Shares, Class z EUR Hedged Acc Shares, Class z EUR MDis Shares and Class z EUR Hedged MDis Shares, the Initial Offer Period shall be from 9:00 a.m. (Hong Kong time) on 2 January 2020 to 5:00 p.m. (Hong Kong time) on 2 January 2020, or such other period as may be specified by the Manager.

Subscription application forms ("**Subscription Applications**") should be sent to the Administrator's Delegate. In respect of Subscription Applications and application moneys in cleared funds which are received on or before 5:00 p.m. (Hong Kong time) on the closing date of the Initial Offer Period, the relevant Participating Shares will be issued immediately following the close of the Initial Offer Period.

Moneys received from investors prior to the close of the Initial Offer Period will not be invested in securities until after the close of the Initial Offer Period. All interest earned, on these moneys, if any will accrue for the benefit of the Fund. Although the relevant Participating Shares will not be issued until the close of Initial Offer Period, paid monies are immediately deposited into the Fund's bank account without interest. Prior to the issuance of the relevant Participating Shares following the close of Initial Offer Period, the Administrator's Delegate may, at the direction of the Manager, release funds from the Fund to investment intermediaries of the Fund (if any) to ensure that investments by the Fund can be effected on the issuing day.

Subscription Applications may be sent by post, facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate), provided that for Subscription Applications sent by facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate), the original must follow promptly. Investors should note that none of the Fund, the Manager, the Administrator, the Administrator's Delegate or their respective agents accepts any responsibility for any loss caused as a result of non-receipt or illegibility of any Subscription Application sent by facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate) or for any loss caused in respect of any action taken as a consequence of such facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate) believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a facsimile or other written or electronic transmission report produced by the originator of such transmission discloses that such transmission was sent.

Subsequent Issues

Following the close of the relevant Initial Offer Period, the relevant Classes of Participating Shares will be available for issue on each Subscription Day at the relevant Subscription Price.

Subscription Applications should be sent to the Administrator's Delegate before the Subscription Dealing Deadline. Generally, Subscription Applications received after the Subscription Dealing Deadline will be processed on the next Subscription Day and application moneys in cleared funds will be held over without interest. Subscription Applications may be sent by post, facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate) provided that for Subscription Applications sent by facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate), the original must follow promptly. The Manager may, in its absolute discretion, determine whether or not duly signed original applications are required in respect of subsequent Subscription Applications sent by facsimile or other written or electronic means. Investors should note that none of the Fund, the Manager, the Administrator, the Administrator's Delegate or their respective agents accepts any responsibility for any loss caused as a result of non-receipt or illegibility of any Subscription Application sent by facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate) or for any loss caused in respect of any action taken as a consequence of such facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate) believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a facsimile or other written or electronic transmission report produced by the originator of such transmission discloses that such transmission was sent.

Application moneys in cleared funds must be received on or before the Subscription Dealing Deadline or within such period which shall not generally be more than 3 Business Days after the relevant Subscription Dealing Deadline (unless a longer period is agreed by the Manager) ("**Payment Deadline**"). If payment in full in cleared funds has not been received by the relevant Payment Deadline, the Manager may reject such application for subscription and cancel any Participating Shares which may have been issued in respect of such application for subscription by way of compulsory redemption. Upon such cancellation, the relevant Participating Shares shall be deemed never to have been issued and the applicant therefor shall have no right to claim in respect thereof against the Fund, provided that: (i) no previous valuations of the Fund shall be re-opened or invalidated as a result of the cancellation of such Participating Shares; (ii) the Manager shall be entitled to charge the applicant a cancellation fee of up to HK$500 to represent the administrative costs involved in processing the application for such Participating Shares from such applicant; and (iii) the Manager may also require the applicant to pay to the Fund in respect of each Participating Share so cancelled the amount (if any), by which the Subscription Price of each such Participating Shares exceeds the Redemption Price which would have applied in relation to each such Participating Share if the Manager had received on such day a request from such applicant for the realisation thereof in accordance with the provisions of the Articles.

Subscription Applications should be sent to the Administrator's Delegate before the Subscription Dealing Deadline. Generally, Subscription Applications received after the Subscription Dealing Deadline will be processed on the next Subscription Day and application moneys in cleared funds will be held over without interest. Subscription Applications may be sent by post or by facsimile provided that for Subscription Applications sent by facsimile, the original must follow promptly. Investors should note that none of the Fund, the Manager, the Administrator, the Administrator's Delegate or their respective agents accepts any responsibility for any loss caused as a result of non-receipt or illegibility of any Subscription Application sent by facsimile or for any loss caused in respect of any action taken as a consequence of such facsimile believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a facsimile transmission report produced by the originator of such transmission discloses that such transmission was sent. Subscription Applications sent by email or other electronic communication will not be accepted.

The price at which Participating Shares will be issued on any particular Subscription Day will be the Subscription Price per Participating Share in respect of the relevant Subscription Day calculated in the manner provided in the Articles and as described in the section below headed "Calculation of Net Asset Value - Calculation of Subscription Price and Redemption Price".

Fractions of not less than 1/1000th of a Participating Share will be issued unless otherwise determined by the Directors. Application moneys representing a smaller fraction of a Participating Share will be retained for the benefit of the Fund.

The issue of Participating Shares may be suspended in certain circumstances (for details see the section below headed "Calculation of Net Asset Value - Suspension" which also contains details of circumstances in which subscriptions, conversions and/or redemptions and/or redemption payments, may be suspended). If Subscription Applications are received by the Administrator's Delegate during a period of suspension and not withdrawn, such Subscription Applications shall be treated as if it were received in time to be dealt with on the Subscription Day next following the end of the said suspension and dealt with accordingly. Once completed Subscription Applications have been received by the Administrator's Delegate, they are irrevocable except in the event of suspension of the determination of the Net Asset Value and/or the allotment or issue of Participating Shares or with the Manager's approval.

Initial Charge

Unless otherwise waived by the Manager (either in whole or in part and whether generally or in a particular case), the Manager has the power to levy an initial charge of up to 5% of the Initial Offer Price or the Subscription Price in the case of Class A Shares, an initial charge of up to 3% of the Initial Offer Price or the Subscription Price in the case of Class z Shares, and an initial charge of up to 5% of the Initial Offer Price or the Subscription Price in the case of Class P Shares, as the case may be ("**Initial Charge**"). No initial charge will be levied on Class X Shares.

The Initial Charge is payable by the applicant and retained by the Manager for its own benefit. The Initial Charge is in addition to the Initial Offer Price or the Subscription Price, as the case may be. The Manager is entitled to deduct the Initial Charge from the application moneys paid by an applicant before investment in the Participating Shares. The Manager reserves the right to vary or waive the Initial Charge whether generally or in a particular case. The Manager also reserves the right to rebate the Initial Charge in relation to any application for Participating Shares, whether in part or in full and whether generally or particularly.

Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount

The Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount, inclusive of any Initial Charge, for each Class of Participating Shares are set out below:

Class	**Minimum Initial Subscription Amount**	**Minimum Subsequent Subscription Amount**
Class A HKD Hedged Acc Share	HK$80,000	HK$40,000
Class A HKD Hedged MDis Share	HK$80,000	HK$40,000
Class A AUD Hedged Acc Share	US$10,000*	US$5,000*
Class A AUD Hedged MDis Share	US$10,000*	US$5,000*
Class A CAD Hedged Acc Share	US$10,000*	US$5,000*
Class A CAD Hedged MDis Share	US$10,000*	US$5,000*
Class A EUR Hedged Acc Share	US$10,000*	US$5,000*
Class A EUR Hedged MDis Share	US$10,000*	US$5,000*
Class A GBP Hedged Acc Share	US$10,000*	US$5,000*
Class A GBP Hedged MDis Share	US$10,000*	US$5,000*
Class A JPY Hedged Acc Share	US$10,000*	US$5,000*
Class A JPY Hedged MDis Share	US$10,000*	US$5,000*

Class A NZD Hedged Acc Share	US$10,000*	US$5,000*
Class A NZD Hedged MDis Share	US$10,000*	US$5,000*
Class z USD Acc Share	US$1,000,000	US$500,000
Class z USD MDis Share	US$1,000,000	US$500,000
Class z EUR Acc Share	US$1,000,000*	US$500,000*
Class z EUR Hedged Acc Share	US$1,000,000*	US$500,000*
Class z EUR MDis Share	US$1,000,000*	US$500,000*
Class z EUR Hedged MDis Share	US$1,000,000*	US$500,000*
Class P USD Acc Share	US$10,000	US$5,000
Class P USD MDis Share	US$10,000	US$5,000
Class P HKD Acc Share	HK$80,000	HK$40,000
Class P HKD MDis Share	HK$80,000	HK$40,000
Class P SGD Hedged Acc Share	US$10,000*	US$5,000*
Class P SGD Hedged MDis Share	US$10,000*	US$5,000*
Class X USD Acc Share	Nil	Nil

* An equivalent amount in SGD, AUD, CAD, EUR, GBP, JPY or NZD

The Manager may in its discretion agree from time to time to accept such lesser amounts, whether generally or in a particular case.

Payment Procedure

Generally, no Participating Shares will be issued unless and until the relevant application moneys have been received in cleared funds by or on behalf of the Fund. Please refer to the section headed "Subsequent Issues" above on cancellation of any Participating Shares which may have been issued if payment in full in cleared funds has not been received by the relevant Payment Deadline. Unless the applicant has made arrangements with the Administrator, the Administrator's Delegate and/or the Manager to make payment in some other currency, payment net of any bank charges must be made in the Class Currency of the relevant Class of Participating Shares by telegraphic transfer to the bank account(s) specified in the Subscription Application or by some other method as specified in the Subscription Application. Application moneys other than in the Class Currency will be converted into the Class Currency and all bank charges and other conversion costs, if any, will be deducted from the application moneys prior to investment in Participating Shares. Any currency conversion will be effected on a timely basis by the Administrator's Delegate upon receipt of instructions from the Manager and shall be converted at the rate (whether official or otherwise) which the Manager shall in its absolute discretion deem appropriate to the circumstances having regard, inter alia, to any premium or discount which it considers may be relevant and to costs of exchange. None of the Fund, the Manager, the Administrator or the Administrator's Delegate will be liable to any Shareholder for any loss suffered by such Shareholder arising from the said currency conversion.

The Manager may in its discretion agree to accept payment for Participating Shares in specie instead of in cash. In such circumstances, the assets to be transferred to the Fund will be valued in such manner as the Manager may determine (subject to such valuation not exceeding the maximum value that would apply if those assets were valued in accordance with the valuation rules described below in the section headed "Calculation of Net Asset Value"), and the relevant investor will be issued Participating Shares having an equivalent value to such assets, after allowing for payment of the Initial Charge (if any) to the Manager. Participating Shares will only be issued on vesting of the assets in or for the account of the Fund. Any costs of transferring the assets to or for the account of the Fund (including any applicable charges, levies or stamp duties) will be borne by the relevant investor and, accordingly, will be deducted from the value of such assets in determining the number of Participating Shares to be issued to such investor unless the Manager agrees otherwise.

Please note that for cleared funds to be received in Hong Kong before 5.00 p.m. on the closing date of the Initial Offer Period or any subsequent Payment Deadline, payment must be made for value at least one business day in New York (for US dollars) or one Business Day in Hong Kong (for Hong Kong dollars) preceding such close or Payment Deadline, as the case may be.

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity under Part V of the Securities and Futures Ordinance.

Participating Shares will be in registered form and certificates will not be issued. All application moneys must originate from an account held in the name of the subscriber. No third party payments shall be accepted.

Although Participating Shares will not be issued until the applicable Subscription Day, paid monies are immediately deposited into the Fund's bank account without interest. Prior to the issuance of Participating Shares on the applicable Subscription Day, the Administrator may, at the direction of the Manager, release funds from the Fund to investment intermediaries of the Fund (if any) to ensure that investments can be effected on the relevant Subscription Day.

Restrictions on Issue

The Manager has an absolute discretion to accept or reject in whole (or in part) any application for Participating Shares. In particular, Participating Shares may not be offered or sold to any persons other than a Qualified Holder. In the event that an application is rejected in whole or in part, application monies (or where an application is accepted in part only, the balance thereof) will be returned without interest by telegraphic transfer (or such other method as agreed by the Manager but in any case no cheque will be issued) to the account in the name of such applicant and at the risk and expense of the applicant. Investors must notify the Administrator's Delegate as soon as practicable if there is any change in the information provided by the investor in the Subscription Application.

Each investor must represent and warrant to the Fund that, among other things, he is able to acquire Participating Shares without violating applicable laws. The Fund will not knowingly, offer or sell Participating Shares to any investor to whom such offer or sale would be unlawful. In particular, Participating Shares may not be offered or sold to any person other than a Qualified Holder.

Anti-Money Laundering Regulations

Cayman Islands

In order to comply with legislation or regulations aimed at the prevention of money laundering the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), their agents, affiliates, subsidiaries or associates are required to adopt and maintain anti-money laundering procedures, and may require subscribers to provide evidence to verify their identity, the identity of their beneficial owners/controllers (where applicable), and source of funds. Where permitted, and subject to certain conditions, the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), their agents, affiliates, subsidiaries or associates may also rely upon a suitable person for the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) or otherwise delegate the maintenance of its anti-money laundering procedures (including the acquisition of due diligence information) to a suitable person.

The Fund, the Manager, the Administrator (and/or the Administrator's Delegate), their agents, affiliates, subsidiaries or associates on the Fund's behalf, reserve the right to request such information as is necessary to verify the identity of a subscriber or a transferee and the identity of their beneficial owners/ controllers (where applicable) and the source of the payment. Where the circumstances permit, the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), their agents, affiliates, subsidiaries or associates, on the Fund's behalf, may be satisfied that full due diligence may not be required at subscription where an exemption applies under the Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands, as amended and revised from time to time or any other applicable law ("**AML Regulations**"). However, detailed verification information may be required prior to the payment of any proceeds from or any transfer of an interest in Participating Shares.

In the event of delay or failure on the part of the subscriber or the transferee, as applicable, in producing any information required for verification purposes, the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), the Custodian, their agents, affiliates, subsidiaries or associates on the Fund's behalf, may refuse to accept the application or if the application has already occurred, may suspend or redeem the Participating Shares, in which case any funds received will, to the fullest extent permitted by applicable law, be returned without interest to the account from which they were originally debited.

The Fund, the Manager, the Administrator (and/or the Administrator's Delegate), their agents, affiliates, subsidiaries or associates on the Fund's behalf, also reserve the right to refuse to make any redemption or dividend payment to a Shareholder if the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), their agents, affiliates, subsidiaries or associates suspect or are advised that the payment of redemption or dividend proceeds to such Shareholder may be non-compliant with applicable laws or regulations, or if such refusal is considered necessary or appropriate to ensure the compliance by the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), their agents, affiliates, subsidiaries or associates with any applicable laws or regulations. None of the Fund, the Directors, the Manager and the Administrator (and/or the Administrator's Delegate), their agents, affiliates, subsidiaries or associates (as the case may be or their respective delegates shall be liable to the Shareholder for any loss suffered as a result of the rejection or delay to process an application or payment of redemption proceeds.

CIMA has a discretionary power to impose substantial administrative fines upon the Fund in connection with any breaches by the Fund of prescribed provisions of the Anti-Money Laundering Regulations (2018 Revision) of the Cayman Islands, as amended and revised from time to time, and other parties who either consented to or connived in the breach, or to whose neglect the breach is proved to be attributable. To the extent any such administrative fine is payable by the Fund, the Fund will bear the costs of such fine and any associated proceedings.

If any person in the Cayman Islands (including the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), the Custodian, their agents, affiliates, subsidiaries or associates (as the case may be)) knows or suspects or has reasonable grounds for knowing or suspecting that another person is engaged in criminal conduct or money laundering or is involved with terrorism or terrorist financing and property and the information for that knowledge or suspicion came to their attention in the course of business in the regulated sector, or other trade, profession, business or employment, the person will be required to report such knowledge or suspicion to (i) the Financial Reporting Authority ("**FRA**") of the Cayman Islands, pursuant to the Proceeds of Crime Law (2019 Revision) of the Cayman Islands if the disclosure relates to criminal conduct or money laundering, or (ii) a police officer of the rank of constable or higher, or the FRA, pursuant to the Terrorism Law (2018 Revision) of the Cayman Islands, if the disclosure relates to involvement with terrorism or terrorist financing and property. Such a report shall not be treated as a breach of confidence or of any restriction upon the disclosure of information imposed by any enactment or otherwise.

By subscribing, applicants consent to the disclosure by the Fund of any information about them to regulators and others upon request in connection with money laundering and similar matters both in the Cayman Islands and in other jurisdictions.

Pursuant to the AML Regulations, the Fund must designate natural persons to act as its Anti-Money Laundering Compliance Officer, Money Laundering Reporting Officer and Deputy Money Laundering Reporting Officer (the "**AML Officer Roles**"). The Directors have ensured that natural persons have been designated to perform the AML Officer Roles in accordance with Cayman Islands law. Investors can obtain further information in respect of the AML Officer Roles from the Manager at 43rd Floor, The Center, 99 Queen's Road Central, Hong Kong.

Hong Kong

In Hong Kong, there are similar obligations to report suspicious transactions to the Joint Financial Intelligence Unit jointly run by staff of the Hong Kong Police Force and the Hong Kong Customs & Excise Department pursuant to the Drug Trafficking (Recovery of Proceeds) Ordinance, the Organized and Serious Crimes Ordinance, the United Nations (Anti-Terrorism Measures) Ordinance and the Prevention of Money Laundering and Terrorist Financing Guidance Note issued by the SFC. Reporting of suspicious transactions by the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), the Custodian and their respective affiliates, delegates, subsidiaries or associates (as the case may be) shall not be communicated with the investor, as such action may constitute an offence in Hong Kong.

Redemption of Participating Shares

Shareholders may redeem all or a part of (subject to the Minimum Holding Amount specified below) their Participating Shares on a Redemption Day on giving notice ("**Redemption Notice**") to the Administrator's Delegate.

Redemption Notices must be received on or before the Redemption Dealing Deadline in relation to the relevant Redemption Day. Any Redemption Notice received after the Redemption Dealing Deadline will be held over until the Redemption Day next following the relevant Redemption Day and Participating Shares will then be redeemed at the Redemption Price applicable to Participating Shares of the relevant Class on that day.

Redemption Notices must be in writing (and, if sent by facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate), the original must follow promptly by mail unless an original fax indemnity was previously provided to the Manager), must state the number or value and where applicable the relevant Class of Participating Shares to be redeemed and give payment instructions for the redemption proceeds.

Unless otherwise specified by the redeeming Shareholder or the Directors otherwise determine, Participating Shares of a particular Class which were subscribed earlier in time shall be redeemed prior to Participating Shares of such Class which were subscribed later.

Investors should be reminded that if they choose to send Redemption Notices by facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate), they bear their own risk of such notices not being received. None of the Fund, the Manager, the Administrator or the Administrator's Delegate accepts any responsibility for any loss caused as a result of non-receipt or illegibility of any notice sent by facsimile or other written or electronic means specified by the Manager and the Administrator (or the Administrator's Delegate) or for any loss caused in respect of any action taken as a consequence of such instructions believed in good faith to have originated from properly authorised persons. This is notwithstanding the fact that a facsimile or other written or electronic transmission report produced by the originator of such transmission discloses that such transmission was sent.

Redemption Charge

The Manager has the power to levy a redemption charge of up to 5% of the Redemption Price on the redemption of Participating Shares. Currently, no redemption charge will be levied on redemption of any Class of Participating Shares. The Manager may impose a redemption charge of up to 5% of the Redemption Price in the future by giving not less than one month's prior notice to the Shareholders.

Minimum Redemption Amount and Minimum Holding Amount

The Minimum Redemption Amount and Minimum Holding Amount of each Class of Participating Shares are as set out below:-

Class	**Minimum Redemption Amount**	**Minimum Holding Amount**
Class A HKD Hedged Acc Share	Nil	HK$80,000
Class A HKD Hedged MDis Share	Nil	HK$80,000
Class A AUD Hedged Acc Share	Nil	US$10,000*
Class A AUD Hedged MDis Share	Nil	US$10,000*
Class A CAD Hedged Acc Share	Nil	US$10,000*
Class A CAD Hedged MDis Share	Nil	US$10,000*
Class A EUR Hedged Acc Share	Nil	US$10,000*

Class A EUR Hedged MDis Share	Nil	US$10,000*
Class A GBP Hedged Acc Share	Nil	US$10,000*
Class A GBP Hedged MDis Share	Nil	US$10,000*
Class A JPY Hedged Acc Share	Nil	US$10,000*
Class A JPY Hedged MDis Share	Nil	US$10,000*
Class A NZD Hedged Acc Share	Nil	US$10,000*
Class A NZD Hedged MDis Share	Nil	US$10,000*
Class z USD Acc Share	Nil	US$1,000,000
Class z USD MDis Share	Nil	US$1,000,000
Class z EUR Acc Share	Nil	US$1,000,000*
Class z EUR Hedged Acc Share	Nil	US$1,000,000*
Class z EUR MDis Share	Nil	US$1,000,000*
Class z EUR Hedged MDis Share	Nil	US$1,000,000*
Class P USD Acc Share	Nil	US$10,000
Class P USD MDis Share	Nil	US$10,000
Class P HKD Acc Share	Nil	HK$80,000
Class P HKD MDis Share	Nil	HK$80,000
Class P SGD Hedged Acc Share	Nil	US$10,000*
Class P SGD Hedged MDis Share	Nil	US$10,000*
Class X USD Acc Share	Nil	Nil

* An equivalent amount in SGD, AUD, CAD, EUR, GBP, JPY or NZD

In the event that a Redemption Notice is received to redeem Participating Shares of a Class which would result in the applicant holding less than Minimum Holding Amount of the relevant Class, the Manager may at its discretion deem such Redemption Notice to have been made in respect of all the Participating Shares of the relevant Class held by such applicant. Notwithstanding the aforesaid, the Manager has the discretion to waive the requirement for a minimum holding and/or minimum redemption amount of Participating Shares (in whole or in part), whether generally or in a particular case.

The price at which Participating Shares of a Class or Classes in relation thereto will be redeemed on any particular Redemption Day will be the Redemption Price in respect of the relevant Redemption Day calculated in the manner provided in the Articles and as described in the section below headed "Calculation of Net Asset Value - Calculation of Subscription Price and Redemption Price".

Payment of Redemption Proceeds

Redemption proceeds will (unless payments are suspended as otherwise disclosed herein) generally be paid in the Class Currency of the relevant Class and will normally be paid within 5 Business Days of the relevant Redemption Day and in any event no later than 1 calendar month after the later of: (i) the Redemption Day on which the Participating Shares are redeemed; (ii) the day on which the Administrator's Delegate receives an original Redemption Notice, duly completed and signed by the redeeming Shareholder (or, in the case of joint Shareholders, each of them) and such other documents to the satisfaction of the Manager or the Administrator's Delegate; (iii) where the Redemption Notice provides for the redemption proceeds to be paid by telegraphic transfer, the signature of the Shareholder on such request and details of that bank account have been verified in such manner as the Manager or the Administrator's Delegate may from time to time determine; and (iv) the day on which the calculation of the Redemption Price for the relevant Redemption Day on which the Participating Shares are redeemed is finalised. With the prior consent of the Manager, arrangements can be made for redemption proceeds to be paid in any major currency other than the Class Currency of the relevant Class of Participating Shares being redeemed.

Redemption proceeds will normally be paid at the risk and expense of the redeeming Shareholder by telegraphic transfer to his pre-designated bank account as specified in the Redemption Notice. All bank and other administrative charges incurred in settling redemption proceeds to the redeeming Shareholders as well as the costs incurred in currency conversion, if any, will be borne by the redeeming Shareholders and deducted from the redemption proceeds. Where redemption proceeds are to be paid to a bank account other than that notified to the Administrator's Delegate at the time of subscription, the Administrator's Delegate may require the signature of the Shareholder on the relevant Redemption Notice to be independently verified to its satisfaction. No redemption proceeds will be paid to third parties.

If at any time during the period from the time as at which the Redemption Price is calculated and the time at which redemption proceeds are converted out of any other currency into the relevant Class Currency there is an officially announced devaluation or depreciation of that other currency, the amount payable to any relevant redeeming Shareholder may be reduced as the Directors consider appropriate to take account of the effect of that devaluation or depreciation.

The maximum interval between the receipt of a Redemption Notice together with the relevant documents and the payment of the redemption proceeds to the Shareholder may not exceed one calendar month of the relevant Redemption Day unless the market(s) in which a substantial portion of the investments of the Fund is made is subject to legal or regulatory requirements (such as foreign exchange currency controls) thus rendering the payment of the redemption proceeds within the aforesaid time frame not practicable. In such case, the extended time frame for the payment of redemption proceeds shall reflect the additional time needed in light of the specific circumstances in the relevant market(s). In addition, in such case, proper records must be kept by the Manager to demonstrate and justify this (e.g. the Fund is directly subject to or adversely affected by the restrictions which are beyond the reasonable control of the Manager) and Shareholders and the SFC shall be properly and promptly informed. In any event, the redemption proceeds shall be paid to redeeming Shareholders as soon as possible after the receipt of the proceeds by the Fund.

Participating Shares shall be treated as having been redeemed with effect from the relevant Redemption Day irrespective of whether or not a Shareholder has been removed from the register of Shareholders or the Redemption Price has been determined or remitted. Accordingly on and from the relevant Redemption Day, Shareholders in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Articles with respect to Participating Shares being redeemed (including any right to receive notice, attend or vote at any meeting of the Fund) save the right to receive the Redemption Price and any dividend which has been declared prior to the relevant Redemption Day but not yet paid (in each case with respect to the Participating Shares being redeemed). Such Shareholders will be treated as creditors of the Fund with respect to the Redemption Price and will rank accordingly in priority to the Fund's creditors.

Restrictions on Redemptions

With a view to protecting the interests of Shareholders, the Fund's obligation to redeem Participating Shares is subject to postponement if requests are received in respect of any one Redemption Day for redemptions aggregating more than 10% of the total Net Asset Value of the Fund as at such Redemption Day ("**Redemption Limit**"). In that event, the limitation will apply pro rata so that every Shareholder wishing to redeem Participating Shares on that Redemption Day redeems the same proportion of the number of Participating Shares which each such Shareholder applied to be redeemed. Redemption requests in respect of all Participating Shares not redeemed but which would otherwise have been redeemed on that Redemption Day will be carried forward to the next Redemption Day (or such earlier day as the Directors may determine), whereupon all the Participating Shares the subject of such redemption requests will (subject to the same Redemption Limit) be redeemed. If redemption requests are carried forward, the Fund will inform the Shareholders who are affected and with respect to any subsequent redemption, priority will be given to requests which have been carried forward according to the length of time for which they have been carried forward.

The right of any Shareholder to require the redemption of Participating Shares will be suspended during any period when the determination of the Net Asset Value and/or the redemption of Participating Shares is suspended by the Fund. For details, please see the section below headed "Calculation of Net Asset Value - Suspension" which also contains details of circumstances in which payments due on redemption may be suspended. If Redemption Notices are received by the Administrator's Delegate during a period of suspension and not withdrawn, such Redemption Notices shall be treated as if it were received in time to be dealt with on the Redemption Day next following the end of the said suspension and dealt with accordingly.

Except during a period of suspension of the determination of the Net Asset Value and/or the redemption of Participating Shares, an applicant for Participating Shares shall not, without the approval of the Manager, be entitled to withdraw his Redemption Notice. Unless otherwise determined by the Manager, any withdrawal of a Redemption Notice shall be made in writing and shall only be effective if actually received by the Administrator's Delegate before termination of the said period of suspension. If the Redemption Notice is not so withdrawn the redemption of the relevant Participating Shares shall be made on the Redemption Day next following the end of the said suspension and dealt with accordingly.

Further, the Fund reserves the right to refuse and the Manager, the Administrator and the Administrator's Delegate reserve the right to refuse or to induce the Fund to refuse to make any redemption payment to a Shareholder if any of them suspects or is advised that the payment of any redemption proceeds to such Shareholder might result in a breach or violation of any applicable anti-money laundering or other laws or regulations by any person in any relevant jurisdiction, or such refusal based on the reasonable opinion of the Manager and the Administrator (and/or the Administrator's Delegate) acting in good faith is considered necessary or appropriate to ensure the compliance by the Fund, its Directors, the Manager, the Administrator and/or the Administrator's Delegate with any such laws or regulations in any relevant jurisdiction.

Redemption in Specie

Subject to the prior consent of the redeeming shareholder, the Directors may in their discretion from time to time effect a redemption payment to any or all redeeming Shareholders in specie or in kind (in whole or in part) rather than in cash having regard to the interests of the remaining Shareholders. The circumstances in which the Directors envisage exercising this discretion include, but are not limited to a situation where substantial redemption requests are received by the Fund which will make it impracticable or prejudicial to continuing Shareholders to redeem the Fund's investments in order to fund redemption payments; or when there is a devaluation of any foreign currency in which a material proportion of the Fund's investments are denominated during the period between the time as at which the Redemption Price is calculated and the time when redemption proceeds are to be converted out of such other currency into the relevant Class Currency.

In making redemption payments in specie or in kind, the relevant securities to be transferred or assigned or otherwise made available to the redeeming Shareholders as determined by the Directors shall be transferred at the same values in the relevant Class Currency attributed to them on the Redemption Day as at which the Redemption Price of the relevant Participating Shares to be redeemed was calculated. Any charges, levies or stamp duties incurred in transferring the securities to the redeeming Shareholders shall be for the account of such redeeming Shareholders.

If the Directors determine to distribute securities in kind, such securities may be distributed directly to the redeeming Shareholder. Such redemption proceeds in kind will be transferred to the redeeming Shareholder as soon as practical.

Compulsory Redemption

The Directors have the power to require the redemption or transfer of Participating Shares held by a person who is not a Qualified Holder or by any person in breach of any law or requirement of any country or governmental authority or by any person or persons in circumstances which, in the opinion of the Directors, might result in the Fund, any Shareholder or any Service Provider incurring any liability to taxation or suffering any other pecuniary, fiscal or regulatory disadvantage which the Fund, any Shareholder or any Service Provider might not otherwise have incurred or suffered or which might subject the Fund, any Shareholder or any Service Provider to regulation or a requirement to register or obtain any form of licence or approval in any jurisdiction (provided that in the case of the Service Providers, such disadvantage impacts the ability, willingness or the terms on which the Service Providers provide services to the Fund which may negatively impact the interests of existing Shareholders of the Fund). The Directors may give notice to such Shareholder requiring him to transfer his Participating Shares to a person who would not thereby be in contravention of any such restrictions as aforesaid or may redeem such Participating Shares in the manner provided for in the Articles.

The Directors also have power to compulsorily redeem a Shareholder's Participating Shares to settle any amount due from the Shareholder to the Fund or any service provider. The Directors may compulsorily redeem all outstanding Participating Shares if the Net Asset Value of the Fund falls below US$8,000,000 or such other amounts as the Directors may determine and notify to Shareholders from time to time. The Directors may also compulsorily redeem Participating Shares of a Shareholder in accordance with the Articles, provided that such compulsory redemption is effected by the Directors in good faith.

Conversion of Participating Shares

Shareholders have the right (subject always to the Manager's approval) to convert all or part of their Participating Shares ("**Initial Class**") into Participating Shares of another Class in the Fund ("**Subsequent Class**") by giving notice to the Administrator's Delegate ("**Conversion Notice**") in writing and sent by post, fax or other written or electronic forms specified by the Manager and the Administrator (or the Administrator's Delegate) on or before the Redemption Dealing Deadline of the Initial Class. In respect of any faxed or other written or electronic instructions, the duly signed original Conversion Notice must follow such instructions, unless an original fax indemnity was previously provided to the Manager. Any conversion request received after such Redemption Dealing Deadline will be held over and dealt with on the next Redemption Day in relation to the Initial Class. The provisions on redemption and subscription for the Initial Class and the Subsequent Class apply.

To effect a conversion, Participating Shares in the Initial Class will be redeemed at the prevailing Redemption Price per Participating Share of the relevant Class as at the relevant Redemption Day on which the Participating Shares are to be converted and Participating Shares in the Subsequent Class will be issued to the Shareholders at the applicable Subscription Price per Participating Share of the Subsequent Class in respect of the relevant Subscription Day.

The conversion shall be determined in accordance with the following formula:

$$N = \frac{E \times R \times F}{S + C}$$

Where:

N = the number of Participating Shares of the Subsequent Class to be allotted and issued;

E = the number of Participating Shares of the Initial Class to be converted pursuant to the Conversion Notice;

R = the Redemption Price per Participating Share of the Initial Class on the Redemption Day on which redemption is to take effect;

F = the currency conversion factor determined by the Manager as representing the effective rate of exchange between the currency of denomination of the Initial Class and the currency of denomination of the Subsequent Class;

S = the Subscription Price per Participating Share for the Subsequent Class on the Subscription Day of the Subsequent Class coincident with the Redemption Day of the Initial Class on which redemption is to take effect, or in the case that the Subscription Day of the Subsequent Class does not coincide with the Redemption Day of the Initial Class, then the Subscription Price per Participating Share for the Subsequent Class on the Subscription Day of the Subsequent Class next following the Redemption Day of the Initial Class on which redemption is to take effect; and

C = the conversion charge (if any).

If the number of Participating Shares of the Subsequent Class so produced shall include any fraction of less than 1/1000th of a Participating Share of such Class (or such other fraction as the Manager otherwise determines generally or in any particular case), such fraction shall be ignored and any moneys arising from the redemption of the Participating Shares of the Initial Class and giving rise to such fraction shall be forfeited and retained as part of the Subsequent Class PROVIDED THAT if there is, at any time during the period from the time as at which that Redemption Price is calculated up to the time at which any necessary transfer of funds from the Initial Class to the Subsequent Class takes place, an officially announced devaluation of any currency in which any investment of the Initial Class is denominated or normally traded, that Redemption Price shall be reduced as the Manager considers appropriate to take account of the effect of that devaluation and the number of Participating Shares of the Subsequent Class to be allotted to that applicant pursuant to his Conversion Notice shall be recalculated in accordance with the formula set out above as if that reduced Redemption Price had been the Redemption Price on the relevant Redemption Day.

The Manager has the power to levy a conversion charge of up to 3% of the Subscription Price per Participating Share of the Subsequent Class as at the Valuation Point on the Valuation Day at which the Subscription Price of such Participating Shares is ascertained. The conversion charge, if any, shall be deducted from the amount reinvested into the Subsequent Class and shall be retained by or paid to the Manager for its own absolute use and benefit. The Manager has discretion to waive such conversion charges, if levied, in whole or in part, whether generally or in a particular case.

Partial conversions must not result in the balance holding of the applicant in the Initial Class being less than the Minimum Holding Amount of the Participating Shares of the Initial Class as may from time to time be specified (either generally or in any particular case or cases) by the Manager. If as a result of partial conversion, the applicant would hold Participating Shares in the Initial Class of less than the prescribed Minimum Holding Amount, the conversion request will be deemed to be in respect of the Applicant's entire holding in the Initial Class (unless the Manager otherwise determines generally or in any particular case). No conversion will be permitted if as a result of a conversion request, the Applicant will be issued Participating Shares in the Subsequent Class with an aggregate value of less than the Minimum Initial Subscription Amount (where you do not hold any Participating Shares in the Subsequent Class at the time of switching) or the Minimum Subsequent Subscription Amount (where you hold Participating Shares in the Subsequent Class at the time of switching) of the Subsequent Class.

Subject to the Manager's approval, Shareholders may convert Participating Shares held by them into shares, units or interests in other collective investment schemes managed by the Manager or its Connected Persons and which are authorised by the SFC. Conversion to such other collective investment schemes will be by way of redeeming the Participating Shares held by the relevant Shareholders in accordance with the redemption procedures set out in the section headed "Investing in the Fund - Redemption of Participating Shares" above and by re-investing the redemption proceeds thereof in such other collective investment schemes in accordance with the provisions of the relevant offering document(s) for such other collective investment schemes.

The conversion of Participating Shares may be suspended in certain circumstances (for details see the section below headed "Calculation of Net Asset Value - Suspension" which also contains details of circumstances in which subscriptions, conversions and/or redemptions and/or redemption payments, may be suspended). If Conversion Notices are received by the Administrator's Delegate during a period of suspension and not withdrawn, such Conversion Notices shall be treated as if it were received in time to be dealt with on the Redemption Day of the Initial Class next following the end of the said suspension and dealt with accordingly. Once completed Conversion Notices have been received by the Administrator's Delegate, they are irrevocable except in the event of suspension of the determination of the Net Asset Value and/or the conversion of Participating Shares or with the Manager's approval.

RISK FACTORS

General

An investment in the Participating Shares involves risks. Prospective investors should give careful consideration to the following factors, among others, in evaluating the merits and suitability of an investment in the Participating Shares. The value of Participating Shares may fall as well as rise and investors may not get back the amount originally invested. Accordingly, an investment in the Fund should only be made by persons who are able to bear the risk of loss of all the capital invested. The Fund will be responsible for paying its fees and expenses regardless of the level of its profitability.

The following specific risks should be carefully considered by prospective investors before investing in the Fund. Investors should not solely rely upon such information for investment in the Fund and should note that there may be various other considerations such as their own circumstances, financial position, investment objectives and risk tolerance level which may be relevant to them which may also need to be taken into account before making any decision to invest in the Fund.

Investment Risks

Investments of the Fund will be subject to market fluctuations and risks inherent in all investments and might also be affected by external factors such as global economic recession or the occurrence of any *force majeure* events which are beyond the control of the Manager and/or the Directors. There can be no assurance that the Fund will achieve its investment objective.

The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. The income of the Fund and its Net Asset Value may be adversely affected. There is no guarantee of the repayment of principal.

Debt Securities Investment Risk

Investments in debt securities are subject to risks of an issuer's ability to meet principal and interest payments on the obligation (credit risk), and may also be subject to price volatility due to such factors as interest rate sensitivity, market perception of the creditworthiness of the issuer and general market liquidity.

The volume of transactions effected in certain bond markets may be appreciably below that of the world's largest markets, such as the United States. Accordingly, the Fund's investment in such markets may be less liquid and their prices may be more volatile than comparable investments in debt securities trading in markets with larger trading volumes. Moreover, the settlement periods in certain markets may be longer than in others which may affect portfolio liquidity.

Debt Securities Issued by SPVs

The Fund may invest in debt securities issued by special purpose vehicles (SPVs) and such investments may subject the Fund to additional risks.

In certain cases, a company may establish an SPV to issue debt securities, rather than issuing the debt securities itself. SPVs are typically established for the sole purpose of issuing debt securities and, as such, have no or limited operation history. Typically, the parent company or associated company of the SPV will provide a guarantee in relation to the debt securities and/or the SPV will hold assets as collateral to meet its obligations under the debt securities. In case the SPV fails to meet its obligations, the guarantee will oblige the parent company or associated company to provide payment instead. It is the intention of the Manager that the Fund will only invest in debt securities issued by SPVs which are fully, unconditionally and irrevocably guaranteed by its parent company or associated company. In the Manager's assessment this guarantee feature is one of the best protections available to holders of debt securities issued by SPVs because such parent company or associated company will be of substance and is not a special purpose vehicle itself.

In making such investments, the Fund is exposed to the credit risk of both the SPV and the parent company or associated company (see "Credit Risk" below) and to risks relating to the enforceability of the parent company or associated company guarantee. The enforceability of a parent company or associated company guarantee and the availability of any judicial remedy will depend on, among other things, the governing law of the parent company or associated company guarantee and the laws and procedures of the place where any judicial remedy is sought. In particular, if court proceedings are instituted in a different jurisdiction from where the parent company is located, or where the parent company has substantial assets, the Fund may experience difficulties or delays in obtaining judicial remedies against the parent company or its assets. If the parent company or associated company guarantee is not enforceable or there are delays in enforcing the parent company or associated company guarantee, that may adversely affect the value of the Fund's investment in such debt securities.

In addition, the parent company of the SPV may have other debt obligations. The parent company's default on one debt obligation may trigger defaults on other debt obligations (i.e. cross default provisions) so that all affected debt obligations would become immediately due and payable at the same time. The serious consequences of cross-default may affect the ability of the parent company or associated company to meet its obligations under the guarantee. This may adversely affect the value of the debt securities issued by the SPV and guaranteed by its parent company or associated company.

In certain markets where there are restrictions for borrowers to guarantee overseas borrowings, debt securities issued by overseas SPVs may become subordinated. The Fund may also invest in debt securities of a subordinated nature which are issued by SPVs. Such investments will have a lower priority of claim in the event of the relevant issuer's liquidation or bankruptcy as they rank behind holders of unsubordinated debt securities but before holders of equity securities. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of subordinated debt securities only after all claims by holders of unsubordinated debt securities have been satisfied in full. The Fund is therefore exposed to higher credit / insolvency risk of its counterparties as a holder of subordinated debt securities than as a holder of unsubordinated debt securities.

Equity Investment Risk

Investment in equity securities is subject to the risk that the market value of the stocks may go down as well as up due to numerous factors such as changes in investment sentiment, political environment, regional or global economic instability, currency and interest rate fluctuations. If the market value of the stocks go down the Net Asset Value of the Fund may be adversely affected.

Risks of Investing in Convertible Bonds

Convertible bonds are a hybrid between debt and equity, permitting holders to convert into shares in the company issuing the bond at a specified future date. As such, convertibles will be exposed to equity movement and greater volatility than straight bond investments. Investments in convertible bonds are subject to the same interest rate risk, credit risk, liquidity risk and prepayment risk associated with comparable straight bond investments.

Risks relating to Investment in Contingent Convertible Bonds

Contingent convertible bonds are hybrid capital securities that absorb losses when the capital of the issuer falls below a certain level. Upon the occurrence of a predetermined event (known as a trigger event), contingent convertible bonds will be converted into shares of the issuing company (potentially at a discounted price as a result of the deterioration in the financial condition of the issuing company), or cause the permanent write-down to zero of the principal investment and/or accrued interest such that the principal amount invested may be lost on a permanent basis. In case of conversion, the Manager might be forced to sell these new equity shares and such forced sale may result in the Fund experiencing losses. Contingent convertible bonds are risky and highly complex instruments. Coupon payments on contingent convertible bonds are discretionary and may also be ceased or deferred by the issuer at any point, for any reason, and for any length of time. As a result, these instruments may be volatile and their price may decline rapidly in the event that coupon payments are suspended. Trigger events can vary but these could include the capital ratio of the issuing company falling below a certain level, or the share price of the issuer falling to a particular level for a certain period of time. In addition, these instruments are issued by banking and insurance institutions. The performance of the Fund may depend to a greater extent on the overall condition of the financial services industry than for funds following a more diversified strategy.

Risk associated with investment in instruments with loss-absorption features

The Fund may invest in instruments with loss-absorption features. Debt instruments with loss-absorption features are subject to greater risks when compared to traditional debt instruments as such instruments are typically subject to the risk of being written down or converted to ordinary shares upon the occurrence of certain pre-defined trigger events (e.g. when the issuer is near or at the point of non-viability or when the issuer's capital ratio falls to a specified level), which are likely to be outside of the issuer's control. Such trigger events are complex and difficult to predict and may result in a significant or total reduction in the value of such instruments.

In the event of the activation of a trigger, there may be potential price contagion and volatility to the entire asset class. Debt instruments with loss-absorption features may also be exposed to liquidity, valuation and sector concentration risk.

The Fund may invest in contingent convertible bonds issued by financial institutions, which are highly complex and are of high risk. Please refer to "Risks relating to investment in contingent convertible bonds" above for more information. The Fund may invest in senior non-preferred debts. While these instruments are generally senior to subordinated debts, they may be subject to write-down upon the occurrence of a trigger event and will no longer fall under the creditor ranking hierarchy of the issuer. This may result in total loss of principal invested.

Credit Risk

The Fund is exposed to the credit or default risk of issuers of bonds or other debt securities that the Fund invests in. The issuers of such instruments may incur difficulties in making full and timely repayments of principal and interest, which may lead to a default and, ultimately, a fall in the value of the Fund. There is no guarantee that investors will receive the principal amount invested when they redeem their investment in the Fund.

Many emerging market countries have accumulated substantial debt service obligations. This may adversely affect their ability to service their debts and increase the likelihood of their defaulting on their obligations. It should also be noted that investment in securities issued by corporations may represent a higher credit risk than investment in securities issued by governments.

The value of the Fund may be affected if any of the financial institutions with which the cash of the Fund is invested or deposited suffers insolvency or other financial difficulties.

There is no certainty in the credit worthiness of issuers of debt securities. Unstable market conditions may mean there are increased instances of default amongst issuers. This may in turn affect the Net Asset Value per Participating Share.

Further, some of the debt securities are offered on an unsecured basis without collateral, and in such circumstance, the Fund will rank equally with other unsecured debts of the relevant issuer. As a result, if the issuer becomes bankrupt, proceeds from the liquidation of the issuer's assets will be paid to holders of the debt securities only after all secured claims have been satisfied in full. The Fund is therefore fully exposed to the credit/insolvency risk of its counterparties as an unsecured creditor.

Credit Ratings Risk

Investment in debt securities involve credit risk to the issuer which may be evidenced by the issuer's credit rating. Securities which are subordinated and/or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated securities.

The ratings of fixed-income securities by Moody's and Standard & Poor's are a generally accepted barometer of credit risk. They are, however, subject to certain limitations from an investor's standpoint. The rating on an issuer is heavily weighted by past performance and does not necessarily reflect probable future conditions. There is frequently a lag between the time the rating is assigned and the time it is updated. In addition, there may be varying degrees of difference in credit risk of securities within each rating category.

Credit Rating Downgrading Risk

The credit rating of a debt instrument or its issuer may subsequently be downgraded. Investment grade securities may be subject to the risk of being downgraded to below investment grade securities. Credit ratings assigned by rating agencies are subject to limitations and do not guarantee the creditworthiness of the securities and/or issuers at all times. In the event of such downgrading, the value of the Fund may be adversely affected. The Manager may or may not dispose of the securities that are being downgraded, subject to the investment objectives of the Fund. If the Fund continues to hold such securities, it will be subject to additional risk of loss. In the event of investment grade securities being downgraded to below investment grade securities, the Fund will also be subject to the below investment grade securities risk outlined in the following paragraph.

Sovereign Debt Risk

The Fund's investment in securities issued or guaranteed by governments may be exposed to political, social and economic risks. In adverse situations, the sovereign issuers may not be able or willing to repay the principal and/ or interest when due or may request the Fund to participate in restructuring such debts. The Fund may suffer significant losses when there is a default of sovereign debt issuers.

Unrated or Below Investment Grade and High Yielding Debt Securities Risk

The Fund may significantly invest in high yielding debt securities which (or the issuers of which) may be unrated or rated below investment grade. Such securities are generally subject to lower liquidity, higher volatility and greater risk of loss of principal and interest than high-rated debt securities. Investments in securities which (or the issuers of which) are unrated or below investment grade are considered to have a higher credit risk and greater possibility of default than securities which (or the issuers of which) are investment grade with respect to payment of interest and the return of principal. Unrated or lower rated debt securities generally offer a higher current yield than higher grade issues. However, unrated or lower rated debt securities involve higher risks and are more susceptible and sensitive to adverse changes in general economic conditions, changes in interest rates and in the industries in which the issuers are engaged, as well as to changes in the financial condition of the issuers. Valuation of these securities is more difficult and thus the Fund's prices may be more volatile. Additionally, the market for unrated or lower rated debt securities generally is less active than that for higher rated securities and the Fund's ability to liquidate its holdings in response to changes in the economy or the financial markets may be further limited by such factors as adverse publicity and investor perceptions. As a result, it may be more difficult for the Fund to sell such debt securities or the Fund may be able to sell such debt securities only at prices lower than if such debt securities were widely traded. The Fund will suffer losses if such debt securities have to be sold at prices which are substantially lower than the amount invested by the Fund.

The value of lower-rated or unrated debt securities is also affected by investors' perceptions. When economic conditions appear to be deteriorating, lower rated or unrated debt securities may decline in market value more than investment grade debt securities due to investors' heightened concerns and perceptions over credit quality and increase in the default risk of such lower or unrated debt securities. As a result, the value of the Fund's investments may be adversely affected and investors may suffer substantial losses of their investments.

RMB Denominated Debt Securities Risk

The Fund may invest in RMB denominated debt securities and such investments may subject the Fund to additional risks.

Renminbi exchange risk

Starting from 2005, the exchange rate of the RMB is no longer pegged to the US dollar. The RMB has now moved to a managed floating exchange rate based on market supply and demand with reference to a basket of foreign currencies. The daily trading price of the RMB against other major currencies in the inter-bank foreign exchange market would be allowed to float within a narrow band around the central parity published by the People's Bank of China. As the exchange rates are based primarily on market forces, the exchange rates for RMB against other currencies, including US dollars and Hong Kong dollars, are susceptible to movements based on external factors.

It should be noted that the RMB is currently not a freely convertible currency as it is subject to foreign exchange control policies of the Chinese government. Such exchange controls and restrictions may affect the value of the RMB denominated debt securities which in turn will have adverse impact on the Net Asset Value of the Fund. Liquidity could deteriorate due to government controls and restrictions which, would affect investors' ability to exchange RMB into other currencies as well as the rates. Under exceptional circumstances, payment of redemptions and/or dividend payment in RMB may be delayed due to the exchange controls and restrictions applicable to RMB.

Non-RMB based investors are exposed to foreign exchange risk. The possibility that the appreciation of RMB will be accelerated cannot be excluded. On the other hand, there can be no assurance that the RMB will not be subject to devaluation. In particular, there is no guarantee that the value of RMB against the investors' base currencies will not depreciate. Any depreciation of the RMB could adversely affect the investors' investments in the Fund. The Fund's investments in RMB denominated debt securities (including investments in debt securities denominated in RMB but settled in other currencies) may be adversely affected if RMB depreciates against its base currency in that the Fund's investments may be worth less when they exchange RMB back to its base currency. This will adversely affect the Net Asset Value of the Fund.

Offshore RMB Market risk

The onshore RMB ("**CNY**") is the only official currency of the PRC and is used in all financial transactions between individuals, states and corporations in the PRC ("**Onshore RMB Market**"). Hong Kong is the first jurisdiction to allow accumulation of RMB deposits outside the PRC ("**Offshore RMB Market**"). Since June 2010, the offshore RMB ("**CNH**") is traded officially, regulated jointly by the Hong Kong Monetary Authority and the People's Bank of China. As a result of the controls on cross-border transfers of Renminbi between Hong Kong and the PRC, the Onshore RMB Market and the Offshore RMB Market are, to an extent, segregated, and each market may be subject to different regulatory requirements that are applicable to the Renminbi. The CNY may therefore trade at a different foreign exchange rate compared to the CNH. Due to the strong demand for offshore RMB, CNH used to be traded at a premium to onshore RMB, although occasional discounts may also be observed. The Fund's investments may potentially be exposed to both the CNY and the CNH, and the Fund may consequently be exposed to greater foreign exchange risks and/or higher costs of investment to the extent such investments use the CNH rate of exchange.

RMB Settled Debt Securities and Synthetic RMB Debt Securities risk

The Fund may invest in offshore debt securities which are denominated in RMB but settled in other currencies ("**Synthetic RMB Debt Securities**") and offshore debt securities which are denominated and settled in RMB ("**RMB Settled Debt Securities**"). The former uses the official daily CNY fixing rate as published by the People's Bank of China whereas the latter uses the CNH rate for the purposes of interest and principal payments. The CNH rate is generally more volatile than the CNY fixing rate. Although CNH and CNY are the same currency, they trade at different rates. The CNH rate may be at a premium or discount to the CNY rate and there may be a significant bid and offer spread. Any divergence between CNH and CNY may adversely impact investors.

The interest and principal payments on Synthetic RMB Debt Securities will normally be subject to the exchange rate between CNY and the foreign currency ("**settlement currency**") in which the Synthetic RMB Debt Securities are settled. If the CNY appreciates against the settlement currency, the value of principal and interest payments denominated in the settlement currency will increase accordingly, meaning that the amount that the Fund will receive in such settlement currency would increase. On the other hand if the CNY depreciates against the settlement currency, the amount of the principal and interest that the Fund will receive in such settlement current would decrease accordingly.

"Dim Sum" bond (i.e. bonds issued outside of the PRC but denominated in RMB) market risk

The Fund intends to invest up to 30% of its latest Net Asset Value in the "Dim Sum" bonds. However, the quantity of "Dim Sum" bonds that are available to the Fund is currently limited, and the remaining duration of such instruments may be short. In the absence of available RMB instruments, or when such instruments held are at maturity, the Fund may not have exposure to RMB denominated debt securities as it intended.

The "Dim Sum" bond market is still a relatively small market which is more susceptible to volatility and illiquidity. The operation of the "Dim Sum" bond market as well as new issuances could be disrupted causing a fall in the Net Asset Value of the Fund should there be any promulgation of new rules which limit or restrict the ability of issuers to raise RMB by way of bond issuances and/or reversal or suspension of the liberalization of the CNH market by the relevant regulator(s).

Liquidity Risk associated with RMB denominated debt securities

Further, the RMB denominated debt securities market is at a developing stage and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume in the RMB denominated debt securities market may result in significant fluctuations in prices of debt securities traded on such markets and high bid-offer spreads which may affect the volatility of the Fund's Net Asset Value.

Risk relating to Dividends paid out of Capital

To the extent that the net income generated by the Fund is insufficient to pay a distribution which is declared, the Manager may at its discretion determine such dividends may be paid from capital of the Fund. This would require the Manager to sell assets of the Fund to make such distributions as opposed to paying out net income received by the Fund.

In respect of the Distribution Classes, payment of dividends out of capital amounts to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to the original investment. Any such distributions may result in an immediate reduction of the Net Asset Value per Participating Share of the Fund.

The distribution amount and Net Asset Value of the hedged share classes may be adversely affected by differences in the interest rates of the reference currency of the hedged share classes and the Fund's base currency (i.e. US dollars), resulting in an increase in the amount of distribution that is paid out of capital and hence a greater erosion of capital than other non-hedged classes.

The Manager may amend this policy subject to the SFC's prior approval and by giving not less than one month's prior notice to investors.

Dividends and Distributions

The Manager currently intends to pay dividends on a monthly basis in respect of the Distribution Classes (as defined under the section "DISTRIBUTIONS" below). However, there is no guarantee that such dividends will be made nor will there be a target level of dividend payout. If there is a change to this policy, prior approval will be sought from the SFC and affected investors will receive at least one month's prior written notification. A high distribution yield does not imply a positive or high return.

The Manager currently does not intend to pay dividends in respect of the Accumulation Classes (as defined under the section "DISTRIBUTIONS" below). Accordingly, an investment in these Classes of Participating Shares may not be suitable for investors seeking income returns for financial or tax planning purposes.

Interest Rates Risk

Investment in the Fund is subject to interest rates risks. Changes in market interest rates will affect the value of debt securities held by the Fund. In general, the prices of debt securities rise when interest rates fall, whilst their prices fall when interest rates rise. The Fund's Net Asset Value generally moves in the same direction as the market value of the debt securities in the Fund's portfolio. Therefore, if interest rates rise, investors should expect the Fund's Net Asset Value to fall, and if interest rates fall, investors should expect the Fund's Net Asset Value to rise. Long-term debt securities are generally more sensitive to changes in interest rates and, therefore, are subject to a greater degree of market price volatility. To the extent the Fund holds long-term debt securities, its Net Asset Value will be subject to a greater degree of fluctuation than if it held debt securities of a shorter duration.

Market and Price Volatility

The Fund may be exposed to significant fluctuations in the prices of securities traded, and the value of the Participating Shares (or any class thereof) may be accordingly adversely affected. The risk also exists that an emergency situation may arise in the market or large price fluctuation may exist in the market as a result of which trading of securities may be temporarily suspended.

Counterparty Risk

The Manager may, on behalf of the Fund, enter into transaction(s) with one or more counterparties which may expose the Fund to the credit risk of the counterparties.

In the event of a bankruptcy or insolvency of the counterparties, the Fund could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Fund seeks to enforce its rights, inability to redeem any gains on its investment during such period and fees and expenses incurred in enforcing its rights.

The Manager intends that the counterparties with which it deals on behalf of the Fund must have reasonable financial soundness at the time of entering into the relevant transaction.

There is also a possibility that the above transactions will be terminated due, for instance, to bankruptcy, supervening illegality or change in the tax or accounting laws relative to those at the time the agreement was originated.

Deposits of securities or cash with a custodian, bank or financial institution ("custodian or depository") will also carry counterparty risk as the custodian or depository may be unable to perform their obligations due to credit-related and other events like insolvency of or default by them. In these circumstances, the Fund may be required to unwind certain transactions and may encounter delays of some years and difficulties with respect to court procedures in seeking recovery of the Fund's assets. In most cases, the Fund's assets will be maintained by the custodian or depository in segregated accounts and would be protected in the event of the insolvency of the custodian or depository.

Emerging Markets Risk

The Fund may invest in or have exposure to debt securities of companies in Greater China which are generally considered as emerging markets. Such securities may involve a high degree of risk and may be considered speculative. Risks include (i) greater risk of expropriation, confiscatory taxation, nationalization, and social, political and economic stability; (ii) the small current size of the markets for securities of emerging markets issuers and the currently low or non-existent volume of trading, resulting in lack of liquidity and in price volatility, (iii) certain national policies which may restrict the Fund's investment opportunities including restrictions on investing in issuers or industries deemed sensitive to relevant national interests; (iv) the absence of developed legal structures governing private or foreign investment and private property; (v) the legal infrastructure and accounting, auditing and reporting standards in emerging markets may not provide the same degree of shareholder protection or information to investors as would generally apply internationally; (vi) potentially a greater risk regarding the ownership and custody of securities i.e. in certain countries, ownership is evidenced by entries in the books of a company or its registrar. In such instances, no certificates representing ownership of companies will be held by the Custodian or any of its local correspondents or in an effective central depository system. The Fund does not currently hold such investments but in the event that such investment is made, the Manager will take all reasonable actions to ensure that investments in such countries will be recorded or evidenced in accordance with the market practice in those countries; and (vii) emerging markets may experienced significant adverse economic developments, including substantial depreciation in currency exchange rates or unstable currency fluctuations, increased interest rates, or reduced economic growth rates than investments in securities of issuers based in developed countries.

The economies of emerging markets in which the Fund may invest may differ favourably or unfavourably from the economies of industrialised countries. The economies of developing countries are generally heavily dependant on international trade and have been and may continue to be adversely affected by trade barriers, exchange controls, managed adjustments in relative currency values and other protectionist measures imposed or negotiated by the countries with which they trade. In addition, the governments of certain emerging markets may impose limitations or restrictions on foreign ownership or holdings. In such circumstances, the Fund may be required to make investments in the relevant markets directly or indirectly. In either case, legal and regulatory restrictions or limitations may have an adverse effect on the liquidity and performance of such investments due to factors such as limitations on fund repatriation, dealing restrictions, adverse tax treatments, higher commission costs, regulatory reporting requirements and reliance on services of local custodians and service providers.

Investments in or exposure to emerging markets entail(s) risks which include the possibility of political or social instability, adverse changes in investment or exchange control regulations, expropriation and withholding of dividends at source. In addition, such securities may trade with less frequency and volume than securities of companies and governments of developed, stable nations and there is also a possibility that redemption of shares/units following a redemption request may be delayed due to the illiquid nature of such investments.

China Market Risk

Investing in the China market is subject to the risks of investing in emerging markets generally and the risks specific to the China market. The Fund invests in the China market which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

Since 1978, the Chinese government has implemented economic reform measures which emphasise decentralisation and the utilisation of market forces in the development of the Chinese economy, moving from the previous planned economy system. However, many of the economic measures are experimental or unprecedented and may be subject to adjustment and modification. Any significant change in mainland China's political, social or economic policies may have a negative impact on investments in the China market.

The regulatory and legal framework for capital markets and joint stock companies in mainland China may not be as well developed as those of developed countries. Chinese accounting standards and practices may deviate significantly from international accounting standards. The settlement and clearing systems of the Chinese securities markets may not be well tested and may be subject to increased risks of error or inefficiency.

The Chinese government's control of currency conversion and movements in RMB exchange rates may adversely affect the operations and financial results of companies in mainland China. Insofar as the Fund's assets are invested in mainland China, it will be subject to the risk of the mainland China government's imposition of restrictions on the repatriation of funds or other assets out of the country, limiting the ability of the Fund to satisfy payments to investors. In addition, the value of the Fund may be adversely affected in the event of RMB depreciation. Investors may lose money in such circumstances.

Various tax reform policies have been implemented by the mainland China government in recent years, and existing tax laws and regulations may be revised or amended in the future. There is a possibility that the current tax laws, regulations and practice in mainland China will be changed with retrospective effect in the future and any such change may have an adverse effect on the asset value of the Fund. Moreover, there is no assurance that tax incentives currently offered to foreign companies, if any, will not be abolished and the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may reduce the after-tax profits of the companies in mainland China in which the Fund may invest, thereby reducing the income from, and/or value of the Participating Shares.

Investors should also be aware that changes in mainland China taxation legislation could affect the amount of income which may be derived, and the amount of capital returned, from the investments of the Fund. Laws governing taxation are likely to continue to change and may contain conflicts and ambiguities.

Taiwan Market Risks

The Fund invests in the Taiwan market which may involve increased risks and special considerations not typically associated with investment in more developed markets, such as liquidity risks, currency risks/control, political and economic uncertainties, legal and taxation risks, settlement risks, custody risk and the likelihood of a high degree of volatility.

The securities market of Taiwan is undergoing a period of growth and change which may lead to difficulties in the settlement and recording of transactions and in interpreting and applying the relevant regulations. To the extent that the assets of the Fund are invested in Taiwanese securities, the income of the Fund will be received in New Taiwan Dollars. There is a limited forward market in Taiwan for the purchase of US Dollars and the Fund expects to be limited in its ability to hedge against any declines in New Taiwan Dollars.

Accounting, auditing and financial reporting standards, practice and disclosure requirements applicable to Taiwanese companies are less rigorous than those in more developed countries. As a result, there may be less or less reliable information available publicly to investors in Taiwanese companies than to investors in comparable securities in more developed countries. There may be a lower level of government supervision and enforcement activity in the regulation of Taiwanese securities markets and the participants in those markets than in comparable markets in more developed countries.

The Fund may be subject to controls on foreign investment, including those related to the level of foreign ownership, which may include the risk of expropriation, nationalisation and confiscation of assets, together with possible limitations on repatriation of invested capital. The value of the Fund's assets may be affected by uncertainties such as changes in the government in Taiwan or its policies regarding inward investment, taxation and the restrictions on currency repatriation and other developments in the laws and regulations of Taiwan. There may be more substantial government intervention in the economy, including restrictions on investing in companies or industries deemed sensitive to relevant national interests. Each of the governments in both Taiwan and the PRC claims to be the only legitimate government for the whole of China. There can be no guarantee that the PRC will not use forcible means, which it has indicated not to forego, to gain control of Taiwan. In addition the Fund's assets in Taiwan may be affected by other political or diplomatic uncertainty or developments, social instability, higher inflation and other considerations.

Change of Laws/regulations, Political and Economic Conditions

The performance of the Fund and its ability to pay redemption proceeds may be affected by changes in economic conditions and uncertainties such as change in political conditions including strikes and curfew and government policies, the imposition of restrictions on the transfer of capital and changes in laws or regulatory requirements.

General Economic Conditions

The success of any investment activity is affected by general economic conditions, which may affect the level of volatility of interest rates and the extent and timing of investor participation in the equity markets. Unexpected volatility or illiquidity in the markets to which the portfolio is exposed could impair the Fund's ability to carry out its business or cause the portfolio to incur losses.

Settlement Risks

The Fund will be exposed to a credit risk on parties with whom it trades and will also bear the risk of settlement default. Market practices in certain emerging markets in relation to the settlement of securities transactions and custody of assets may increase such risk. Although a number of emerging markets have grown rapidly over the last few years, the clearing, settlement and registration systems available to effect trades on such markets may be significantly less developed than those in more mature world markets which can result in delays and other material difficulties in settling trades and in registering transfers of securities. Problems of settlement in these markets may affect the value and liquidity of the Fund.

Geographical Concentration Risk

The Fund's investments are concentrated in the Greater China region. The value of the Fund may be more volatile than that of a fund having a more diverse portfolio of investments, such as a global income fund. The value of the Fund may be more susceptible to adverse economic, political, policy, foreign exchange, liquidity, tax, legal or regulatory event affecting the Greater China region.

Foreign Exchange Risk

The Fund may issue Classes designated in a currency other than the Base Currency of the Fund. In addition, the underlying investments of the Fund may be denominated in a currency other than the Base Currency of the Fund or the relevant Class Currency. Accordingly, the Net Asset Value of the Fund may be affected unfavourably by fluctuations in the exchange rates between these currencies and the Base Currency and by changes in exchange rate controls.

The Fund may, in part, seek to offset the risks associated with such exposure through foreign exchange transactions. The markets in which foreign exchange transactions are effected are highly volatile, highly specialised and highly technical. Significant changes, including changes in liquidity and prices, can occur in such markets within very short periods of time, often within minutes. Foreign exchange trading risks include, but are not limited to, exchange rate risk, interest rate risk and potential interference by foreign governments through regulation of local exchange markets, foreign investment, or particular transactions in foreign currency.

Any changes in exchange control regulations may cause difficulties in the repatriation of funds. Dealings in the Fund may be suspended if the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Participating Shares. For further details on suspension of dealings in the Fund, please refer to the section headed "Suspension" below.

Further, the Fund may also invest in RMB denominated debt securities. Please refer to the risk factor on "Renminbi exchange risk" above.

Risks relating to Currency Hedging and the Currency Hedged Classes

The Manager may (but is not obliged to) enter into certain currency related transactions in order to hedge the currency exposure of the assets of the Fund attributable to a particular Class into the Class Currency of the relevant Class. Any financial instruments used to implement such strategies with respect to one or more Classes shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant Class(es) and the gains/losses on and the costs of the relevant financial instruments will accrue solely to the relevant Class. Where a Class of Shares is to be hedged ("**Currency Hedged Class**") this will be disclosed in this Explanatory Memorandum. Any currency exposure of a Class may not be combined with, or offset against, that of any other Class of the Fund. The currency exposure of the assets attributable to a Class may not be allocated to other Classes.

Where the Manager seeks to hedge against currency fluctuations, while not intended, this could result in over-hedged or under-hedged positions due to external factors outside the control of the Manager. Investors in the Currency Hedged Classes may have exposure to currencies other than the currency of that Currency Hedged Class. Investors should also be aware that the hedging strategy may substantially limit the benefits of any potential increase in value of a Currency Hedged Class expressed in the Class Currency, if the Currency Hedged Class' denominating currency falls against the Base Currency.

The Manager may also, at its absolute discretion, seek to fully or partially hedge currency exposures arising from some or all of the Fund's underlying assets to the Base Currency. Investors whose base currency is different (or not in a currency linked to the Base Currency or the currency of that Currency Hedged Class) may be exposed to additional currency risk.

The precise hedging strategy applied to a particular Currency Hedged Class may vary. In addition, there is no guarantee that the desired hedging instruments will be available or hedging strategy will achieve its desired result. In such circumstances, investors of the Currency Hedged Class may still be subject to the currency exchange risk on an unhedged basis (which means that, for example, if the hedging strategy in respect of the Class A AUD Hedged MDis Shares is ineffective, depending on the exchange rate movements of AUD relative to the Base Currency, and/or other currency(ies) of the non-AUD denominated underlying investment of the Fund, (i) investors may still suffer losses even if there are gains or no losses in the value of the non-AUD denominated underlying investments; or (ii) investors may suffer additional losses if the non-AUD denominated underlying investments of the Fund fall in value).

If the counterparties of the instruments used for hedging purposes default, investors of the Currency Hedged Classes may be exposed to the currency exchange risk on an unhedged basis and may therefore suffer further losses.

The Fund currently offers different Currency Hedged Classes as disclosed in this Explanatory Memorandum which are primarily targeted for investors whose base currencies of investment are the currencies of the Currency Hedged Classes.

Each Currency Hedged Class may hedge the Fund's denominated currency back to its currency of denomination, with an aim to provide a return on investment which correlates with the return of the Class which is denominated in the Base Currency by reducing the effect of exchange rate fluctuations between the Base Currency and the Class Currency of the Currency Hedged Classes whilst taking into account practical considerations such as transaction costs. However, the return of the Currency Hedged Classes will never correlate perfectly to the Class which is denominated in the Base Currency due to various factors, including but not limited to short-term interest rate differentials, unrealized gains/losses on currency forward positions not being invested until the gains/losses are realised and transaction costs attributable to the hedging activity. Investors should also note that the distribution amount and/or rate of the Currency Hedged Classes may be more than or less than such amount and/or rate of the Class which is denominated in the Base Currency due to various factors, including but not limited to short-term interest rate differentials. Where the Currency Hedged Class is subject to a performance fee, it should be noted that any divergence in the performance of different Classes (for the reasons stated above), or different launch dates of different Classes, could result in any such performance fees becoming chargeable at different points in time, as different Classes reach their high watermark at different points in time. Accordingly the performance fee may adversely impact the correlation between different Classes.

Consequently, a Currency Hedged Class is not recommended for investors whose base currency of investment is not in the same currency of such Currency Hedged Class. Investors who choose to convert other currencies into such base currency to invest in such Currency Hedged Class should understand that they may be exposed to higher currency risks and may suffer a higher loss as a result of exchange rate fluctuations than an investor whose base currency of investment is in the same currency of the Currency Hedged Class.

To the extent that hedging is successful for a particular Currency Hedged Class, the performance of the Currency Hedged Class is likely to move in line with the performance of the underlying assets with the result that investors in that Currency Hedged Class will not gain if the Class Currency falls against the Base Currency.

It is intended that the currency hedging strategy which will be employed will be based on the most up-to-date information in relation to the Net Asset Value of the Fund, and will also take into account future transactions relating to Shareholder activity that will be processed through each Class of Shares in the Fund as at the relevant valuation point. The currency hedging strategy will be monitored and adjusted in line with the valuation cycle at which investors are able to subscribe to and redeem from the Fund.

Futures, forwards, options and contracts for difference may be used to hedge against downward movements in the value of the Fund's portfolio, either by reference to specific securities or markets to which the Fund may be exposed.

Forward foreign exchange contracts are also used more specifically to hedge the value of certain Classes of Shares in the Fund against changes in the exchange rate between the Class Currency of the Class of Shares and the Base Currency.

Derivatives

Derivatives include instruments and contracts the value of which is related to one or more underlying securities, financial benchmarks or indices. Derivatives allow an investor to hedge or speculate upon the price movements of a particular security, financial benchmark or index at a fraction of the cost of investing in the underlying asset. The value of a derivative depends largely upon price movements in the underlying asset. Therefore, many of the risks applicable to trading the underlying asset are also applicable to derivatives trading. However, there are a number of other risks associated with derivatives trading, including counterparty/credit risk, liquidity risk, valuation risk, volatility risk and over-the counter transaction risk. Also, the leverage element/ component of a derivative and adverse changes in the value or level of the underlying asset, rate or index can result in a loss significantly greater than the amount invested in the derivative itself. The prices of derivatives can be very volatile. The Fund's losses may be greater if it invests in such derivatives than if it invests only in conventional securities such as shares and debt securities. There can be no assurance that derivatives that the Fund wishes to acquire will be available at any particular times, on satisfactory terms or at all. Exposure to derivatives may lead to a high risk of significant loss by the Fund.

The Fund may enter into derivatives transactions (such as swaps and forwards) in over-the-counter markets that expose it to the credit risk of its counterparties and their ability to satisfy the terms of such contracts. If a counterparty to the derivatives transaction becomes insolvent or defaults on its obligations to perform under the relevant contract, the Fund may incur significant losses. There is also a possibility that ongoing derivative transactions may be terminated unexpectedly as a result of events outside the control of the Fund, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

Derivatives may not be listed and are subject to the terms and conditions imposed by their issuer. There is no active market in these derivatives and therefore such investments can be illiquid. In order to meet redemption requests, the Fund relies upon the issuer of the derivatives to quote a price to unwind any part of the derivatives that will reflect the market liquidity conditions and the size of the transaction. An investment in the derivatives does not entitle the derivatives holder to the beneficial interest in the shares nor to make any claim against the company issuing the underlying securities. There can be no assurance that the price of the derivatives will equal the underlying value of the company or securities market that it may seek to replicate.

The exposure of the Fund to derivatives is subject to the applicable investment restrictions set out in this Explanatory Memorandum.

Limitations of Hedging Techniques

The Fund may in certain cases employ various hedging techniques to reduce the risk of investment positions. A substantial risk remains, nonetheless, that such techniques will not always be available and when available, will not always be effective in limiting losses. In some circumstances, the Fund may take substantial unhedged positions.

Borrowing Risks

The Fund may borrow subject to the limit set out in Schedule 1 to the Explanatory Memorandum and the Articles for various reasons, such as facilitating redemptions or to acquire investments for the account of the Fund. Borrowing involves an increased degree of financial risk and may increase the exposure of the Fund to factors such as rising interest rates, downturns in the economy or deterioration in the conditions of the assets underlying its investments. There can be no assurance that the Fund will be able to borrow on favourable terms, or that the Fund's indebtedness will be accessible or be able to be refinanced by the Fund at any time.

Liquidity of Investment Portfolio

The debt securities in the Greater China region may be subject to higher volatility and lower liquidity compared to more developed markets. The prices of securities traded in such markets may be subject to fluctuations. The bid and offer spreads of the price of such securities may be large and the Fund may incur significant trading costs.

It may not always be possible to execute a buy or sell order at the desired price or to liquidate an open position. Investment of the Fund's assets in illiquid securities may restrict the ability of the Fund to dispose of its investments at a price and time that it wishes to do so. The sale of these investments may be made at substantial discounts, delayed or impossible. This may be either due to market conditions or due to restrictions on the transferability of the securities held by the Fund, such as the minimum holding period that is applicable prior to the Fund's reselling a particular security. It is also possible that an exchange or governmental authority may suspend or restrict trading on an exchange or in particular securities or other instruments traded on the exchange. Illiquid securities may be difficult to value. The risk of illiquidity also arises in the case of over-the-counter transactions such as those contemplated for hedging purposes. There is no regulated market in such contracts, and the bid and offer prices will be established solely by dealers in these contracts.

The debt securities in which the Fund invests may not be listed on a stock exchange or a securities market where trading is conducted on a regular basis. Even if the debt securities are listed, the market for such securities may be inactive and the trading volume may be low. In the absence of an active secondary market, the Fund may need to hold the debt securities until their maturity date. If sizeable redemption requests are received, the Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Fund may suffer losses in trading such securities.

In addition, the Fund's investment in RMB denominated debt securities may be subject to additional liquidity risk. The RMB denominated debt securities market is at a developing stage and the market capitalisation and trading volume may be lower than those of the more developed markets. Market volatility and potential lack of liquidity due to low trading volume in the RMB denominated debt securities market may result in prices of debt securities traded on such markets fluctuating significantly and may affect the volatility of the Fund's Net Asset Value. Further, there is no guarantee that market making arrangements will be in place to make a market and quote a price for all RMB denominated debt securities. In the absence of an active secondary market, the Fund may need to hold the relevant RMB denominated debt securities until their maturity date. If sizeable redemption requests are received, the Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Fund may suffer losses in trading such instruments. Even if a secondary market exists for any RMB denominated debt securities, the price at which such instruments are traded on the secondary market may be higher or lower than the initial subscription price due to many factors including the prevailing interest rates.

Risks associated with Collateral Management and Re-investment of Cash Collateral

Where the Fund enters into an over-the-counter ("**OTC**") derivative transaction, collateral may be received from or provided to the relevant counterparty. Notwithstanding that the Fund may only accept non-cash collateral which is highly liquid, the Fund is subject to the risk that it will be unable to liquidate collateral provided to it to cover a counterparty default. The Fund is also subject to the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.

The Fund may re-invest its cash collateral. Investors should note that there are risks associated with the re-investment of cash collateral. If the Fund reinvests cash collateral, such re-investment is subject to investment risks including the potential loss of principal.

Where collateral is provided by the Fund to the relevant counterparty, in the event of the insolvency of the counterparty, the Fund may become subject to the risk that it may not receive the return of its collateral or that the collateral may take some time to return if the collateral becomes available to the creditors of the relevant counterparty.

Cash collateral received by the Fund may be reinvested in order to generate additional income. In both circumstances, the Fund will be exposed to market risk in respect of any such investments and may incur a loss in reinvesting the financing charges and cash collateral it receives. Such a loss may arise due to a decline in the value of the investment made. A decline in the value of investment of the cash collateral would reduce the amount of collateral available to be returned by the Fund to the counterparty. The Fund would be required to cover the difference in value between the collateral originally received and the amount available to be returned to the counterparty, thereby resulting in a loss to the Fund.

China Tax Considerations

The tax laws, regulations and practice in the PRC are constantly changing, and they may be changed with retrospective effect. Any increased tax liabilities on the Fund may adversely affect the Fund's value.

The Manager will assess the tax provisioning approach on an on-going basis. Should the PRC tax policies change, the Manager may decide to set aside a provision to meet any potential tax liability in the future.

For further details on the risks and effects of PRC taxation on the Fund, please refer to the section titled "PRC" under the heading "TAXATION AND REGULATORY REQUIREMENTS" in the Explanatory Memorandum.

Suspension of Trading on a Securities Exchange

A securities exchange typically has the right to suspend or limit trading in an instrument traded on that exchange. A suspension could render it impossible for the Manager to liquidate positions and thereby expose the Fund to losses.

Effect of Substantial Redemptions

Substantial redemptions by Shareholders within a short period of time could require the Fund to liquidate securities and other positions more rapidly than would otherwise be desirable, possibly reducing the value of its assets and/or disrupting its investment strategy. Further, it may be impossible to liquidate a sufficient amount of securities to meet redemptions because a significant part of the portfolio at any given time may be invested in securities for which the market is or has become illiquid. Reduction in the size of the Fund could make it more difficult to generate a positive return or to recoup losses due to, among other things, reductions in the Fund's ability to take advantage of particular investment opportunities or decreases in the ratio of its income to its expenses.

Effect of Redemptions

Where a redemption request is accepted, the Participating Shares will be treated as having been redeemed with effect from the relevant Redemption Day irrespective of whether or not such redeeming Shareholder has been removed from the Fund's register of Shareholders or the Redemption Price has been determined or remitted. Accordingly, on and from the relevant Redemption Day, Shareholders in their capacity as such will not be entitled to or be capable of exercising any rights arising under the Articles with respect to Participating Shares being redeemed (including any right to receive notice of, attend or vote at any meeting of the Fund) save the right to receive the Redemption Price and any dividend which has been declared prior to the relevant Redemption Day but not yet paid (in each case with respect to the Participating Shares being redeemed). Such redeemed Shareholders will be creditors of the Fund with respect to the Redemption Price. In an insolvent liquidation, redeemed Shareholders will rank behind ordinary creditors but ahead of Shareholders.

Subscription Monies

Where a subscription for Participating Shares is accepted, the Participating Shares will be treated as having been issued with effect from the relevant Subscription Day notwithstanding that the subscriber for those Participating Shares may not be entered in the Fund's register of Shareholders until after the relevant Subscription Day. The subscription monies paid by a subscriber for Participating Shares will accordingly be subject to investment risk in the Fund from the relevant Subscription Day.

Reliance on Management

Although the Directors have the ultimate authority and responsibility for the management of the Fund, all decisions relating to the day-to-day investment of the Fund's assets have been delegated to, and will be made by, the Manager. The Fund's performance is therefore largely dependent on the continuation of the agreements with the Manager, and the services and skills of their respective officers and employees. The loss of the Manager's services (or of one of their key personnel) could materially and negatively impact the value of the Fund.

Lack of Independent Representatives

The Manager has consulted with counsel, accountants and other experts regarding the formation of the Fund. Such personnel are accountable to the Fund only and not to the Shareholders themselves. Each prospective investor should consult his own legal, tax and financial advisers regarding the desirability of an investment in the Fund.

Past Performance Information

Market conditions and trading approaches are continually changing and the fact that any trading adviser or investment manager happened to be successful in the past may largely be irrelevant to its prospects for future profitability. PAST RESULTS ARE NOT NECESSARILY INDICATIVE OF FUTURE PERFORMANCE. NO ASSURANCE CAN BE GIVEN THAT PROFITS WILL BE ACHIEVED OR THAT SUBSTANTIAL LOSSES WILL NOT BE INCURRED.

Conflicts of Interest; Other Activities of the Manager

Various potential and actual conflicts of interest may arise from the overall investment activities of the Manager and its affiliates for their own accounts and the accounts of others. The Manager and its affiliates may invest for their own accounts and for the accounts of clients in various instruments that have interests different from or adverse to the instruments that are owned by the Fund. For more information, please refer to "Conflicts of Interest".

Involuntary Redemption Risk

The Directors have the power to require the redemption or transfer of Participating Shares held by any person in circumstances which might result in the Fund, any Shareholder or any Service Provider of the Fund incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund, any Shareholder or any Service Provider of the Fund might not otherwise have incurred or suffered (provided that in the case of Service Providers, such disadvantage impacts the ability, willingness or the terms on which such Service Providers provide services to the Fund which may negatively impact the interests of existing Shareholders of the Fund).

Cross-Class Liability

Multiple Classes of Participating Shares may be issued in relation to the Fund, with particular assets and liabilities of the Fund attributable to particular Classes. Where the liabilities of a particular Class exceed the assets pertaining to that Class, creditors pertaining to one Class may have recourse to the assets attributable to other Classes. Although for the purposes of internal accounting, a separate account will be established for each Class, in the event of an insolvency or termination of the Fund (i.e., when the assets of the Fund are insufficient to meet its liabilities), all assets will be used to meet the Fund's liabilities, not just the amount standing to the credit of any individual Class.

Auditor's Cap on Liability

PricewaterhouseCoopers (the "Auditors") has been retained as the independent auditors of the Fund and will file the Fund's financial reports with CIMA. The terms of engagement of the Auditors provide that, except where finally determined to have resulted from the wilful or intentional neglect or misconduct or fraudulent behaviour of the Auditors, the Auditors' maximum liability to the Fund for any reason relating to their services is limited to three times the fees paid by the Fund to the auditors for the services or work product giving rise to liability.

Broad Indemnification

The various agreements and other documents referenced herein contain various provisions limiting the liability of the Manager and other parties and provide broad indemnification. Various laws (including U.S. federal and state securities laws) may impose liabilities under certain circumstances on persons that cannot be waived by contract, other agreements or documents. Therefore, nothing in those agreements should be deemed, or be construed in a manner that purports, to waive or limit any right to the extent such waiver or limitation is prohibited by applicable law. For the avoidance of doubt, the Administrator, the Custodian, the Manager and the Directors cannot be exempted from any liability to Shareholders imposed under the laws of Hong Kong or the Cayman Islands or breaches of trust through fraud or negligence, nor may they be indemnified against such liability by Shareholders or at Shareholders' expense.

Valuation and Accounting

The recent market turmoil has demonstrated that it is possible that there may be no liquidity, or no bid or offer prices, or no reliable bid or offer prices quoted for debt securities of the type in which the Fund may invest. Unexpected volatility or illiquidity could impair the Fund's profitability or result in losses.

Valuation of the Fund's investments may involve uncertainties and judgmental determinations. If such valuation turns out to be incorrect, this may affect the Net Asset Value calculation of the Fund.

It may be difficult to determine the appropriate valuation of such investments under such conditions. Notwithstanding the Directors will determine the Net Asset Value according to the Articles, the Manager may also give advice to the Directors in determining the Net Asset Value. While the management fee payable to the Manager is dependent on the Net Asset Value of the Participating Shares, conflicts of interest will occur. The Manager will endeavour to resolve the conflicts fairly.

Furthermore, under current market conditions, it may often be the case that the bid-offer spread for debt instruments invested in by the Fund will be very wide, although such spread may be expected to narrow over time. One consequence of this is that, to the extent the Fund values its portfolio by reference to bid prices, it will incur an immediate diminution in the Net Asset Value of the Fund on the purchase of such debt instruments.

The Fund adopts the IFRS in drawing up the annual reports of the Fund, and interim reports will apply the same accounting policies and method of computation as are applied in the annual reports of the Fund. However, investors should note that the calculation of the Net Asset Value in the manner described below in the section headed "Calculation of Net Asset Value" (which the Fund intends to adopt for the purpose of determining Subscription Prices and Redemption Prices and for the purpose of the calculation of various fees as described in this Explanatory Memorandum) may not necessarily be in compliance with the IFRS. Accordingly, investors should note that the Net Asset Value as described in this Explanatory Memorandum may not necessarily be the same as the net asset value to be reported in the annual reports as the Directors may make necessary adjustments in the annual reports to comply with IFRS.

Early Termination Risk

Although investment in the Fund should be regarded as medium to long term in nature, investment in the Fund is also subject to the risk of early termination of the Fund by a special resolution of the holders of the Participating Shares, or by compulsory redemption of all outstanding Participating Shares by the Directors if the Net Asset Value of the Fund falls below US$8,000,000 or such other amounts as the Directors may determine and notify to Shareholders from time to time (see the section below headed "General Information – Articles of Association – Termination"). In the event of the early termination of the Fund, the Fund would have to distribute to the Shareholders their pro rata interest in the assets of the Fund. It is possible that at the time of sale or distribution, certain investments held by the Fund may be worth less than the initial cost of such investments, resulting in a substantial loss to the Shareholders. Moreover, any organisational expenses with regard to the Fund that had not yet become fully amortised would be debited against the Fund's capital at that time.

Risk of Fraud

Although the Fund intends to employ reasonable diligence in evaluating portfolio securities, no amount of diligence can eliminate the possibility that one or more issuers of such portfolio securities may engage in improper or fraudulent conduct, including improper accounting practices and unsupportable valuations of assets.

Custody Risk

Custodians or sub-custodians may be appointed in local markets for purpose of safekeeping assets in those markets. Where the Fund invests in markets where custodial and/or settlement systems are not fully developed, the assets of the Fund may be exposed to custodial risk. In case of liquidation, bankruptcy or insolvency of a custodian or sub-custodian, the Fund may take a longer time to recover its assets. In extreme circumstances such as the retroactive application of legislation and fraud or improper registration of title, the Fund may even be unable to recover all of its assets. The costs borne by the Fund in investing and holding investments in such markets will be generally higher than in organised securities markets.

Liquidity Risk

Liquidity risk exists if sizeable redemption requests are received as the Fund may need to liquidate its investments at a substantial discount in order to satisfy such requests and the Fund may suffer losses in trading such investments.

Foreign Account Tax Compliance Act

Under Sections 1471 – 1474 of the IRS Code (referred to as "**FATCA**"), unless a "foreign financial institution" as defined in the IRS Code and U.S. Treasury Regulations, timely agrees to collect and disclose to the U.S. Treasury certain information with respect to its investors and its investors' investments, or collects and discloses such information to a foreign government pursuant to an applicable intergovernmental agreement between the U.S. and that foreign government, and meets certain other conditions, certain payments to that foreign financial institution of dividends, interest, and certain other categories of investment income from sources within the U.S. will generally, assuming certain other conditions are met, be subject to a 30% U.S. federal withholding tax. While such withholding would have applied also to payments of gross proceeds from the sale or other disposition on or after 1 January 2019 of property of a type which can produce U.S. source dividends and interest, recently proposed U.S. Treasury regulations eliminate such withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed U.S. Treasury regulations until final U.S. Treasury regulations are issued.

Pursuant to the US IGA, the Fund will generally be relieved from FATCA withholding tax on payments it receives, as well as the obligation to withhold tax on payments made to its investors, provided that it complies with the AEOI Regulations (discussed below), which give effect to the US IGA. Pursuant to the AEOI Regulations reporting is made annually in respect of the previous calendar year.

The Fund will endeavour to satisfy the requirements imposed under FATCA and the US IGA and the AEOI Regulations to avoid any withholding tax. In particular, the Fund has been registered with the IRS with Global Intermediary Identification Number BIW3LB.99999.SL.136. In the event that the Fund is not able to comply with the requirements imposed by FATCA, the US IGA or related Cayman Islands law, and the Fund suffers US withholding tax on its investments as a result of non-compliance, the Net Asset Value of the Fund may be adversely affected and the Fund may suffer significant losses as a result. In addition, prospective investors should note that underlying collective investment schemes in which the Fund invests may be required to satisfy their own FATCA compliance obligations, and failure by any underlying collective investment scheme to fully comply with its FATCA obligations may have an adverse impact on the Net Asset Value of the Fund.

To the extent that the Fund suffers withholding tax on its investments as a result of FATCA, the Fund may, after completing due process to ascertain and confirm that a Shareholder has failed to cooperate and provide the required information, bring legal action against such Shareholder for losses suffered by the Fund as a result of such withholding tax.

Each Shareholder and prospective investor should consult with his/her own tax adviser as to the potential impact of FATCA in his/her own tax situation.

Disclaimer language - Maples and Calder

Maples and Calder, PO Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands, acts as Cayman Islands legal counsel to the Fund. In connection with the Fund's offering of Participating Shares and subsequent advice to the Fund, Maples and Calder will not be representing Shareholders. No independent legal counsel has been retained to represent the Shareholders. Maples and Calder's representation of the Fund is limited to specific matters as to which it has been consulted by the Fund. There may exist other matters that could have a bearing on the Fund as to which Maples and Calder has not been consulted. In addition, Maples and Calder does not undertake to monitor compliance by the Manager and its affiliates with the investment program, valuation procedures and other guidelines set forth herein, nor does Maples and Calder monitor ongoing compliance with applicable laws. In connection with the preparation of this Explanatory Memorandum, Maples and Calder's responsibility is limited to matters of Cayman Islands law and it does not accept responsibility in relation to any other matters referred to or disclosed in this Explanatory Memorandum. In the course of advising the Fund, there are times when the interests of Shareholders may differ from those of the Fund. Maples and Calder does not represent the Shareholders' interests in resolving these issues. In reviewing this Explanatory Memorandum, Maples and Calder has relied upon information furnished to it by the Fund and has not investigated or verified the accuracy and completeness of information set forth herein concerning the Fund.

Modification of Rights

The Articles provide that, subject to the Companies Law, all or any of the special rights for the time being attached to any Class of Shares for the time being issued (unless otherwise provided by the terms of issue of the Shares of that Class) may from time to time (whether or not the Fund is being wound up) be altered or abrogated with the consent in writing of the holders of not less than two-thirds of the issued Shares of that Class or with the sanction of a resolution passed with a two-thirds majority at a separate meeting of the holders of such Shares on the register of Shareholders at the date on which notice of such separate meeting is given. To any such separate meeting all the provisions of the Articles as to general meetings of the Fund shall mutatis mutandis apply, but so that any holder of Shares of the Class present in person or by proxy may demand a poll. For such purposes the Directors may treat all the Classes of Shares as forming one Class if the Directors consider that all such Classes would be affected in the same way by the proposals under consideration but in any other case shall treat them as separate Classes.

Other Risks

The Fund must comply with various legal requirements, including securities laws and tax laws as imposed by the jurisdictions under which it operates. Should any of those laws change over the life of the Fund, the legal requirements to which the Fund and its Shareholders may be subject to could differ materially from current requirements. Accordingly, changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Manager's business, investments and results of operations and those of the Fund.

CALCULATION OF NET ASSET VALUE

Calculation of Net Asset Value

The Administrator is responsible for calculating the Net Asset Value of the Fund.

The Net Asset Value of the Fund will be calculated by valuing the assets of the Fund and deducting the liabilities (including all outgoings and accounts payable, fees, charges and expenses) of the Fund in accordance with the terms of the Articles.

The value of the assets of the Fund will be determined by the Manager, in consultation with the Custodian, as at the Valuation Point on each Valuation Day in accordance with the Articles, which in substance, provide (inter alia) that:-

(a) investments (other than a commodity, futures contract or an interest in an unlisted collective investment scheme) that are quoted, listed, traded or dealt in on any securities market will be valued by reference to the price appearing to the Manager to be the last traded price or "exchange close" price as calculated and published by the relevant exchange of that market in accordance with its local rules and customs, provided that: (i) if an investment is quoted, listed, traded or dealt in on more than one such market, the price adopted shall be the last traded price or the exchange close price as published by the market in accordance with its local rules and customs which, in the opinion of the Manager, provides the principal market for such investment, provided that if the Manager considers that the prices published on a securities market other than the principal market for such investment provides, in all circumstances, a fairer criterion of value in relation to any such investment, such prices may be adopted; (ii) if prices on such market are not available at the relevant time, the value of the investment shall be certified by such firm or institution making a market in such investment or, if the Custodian so requires, by the Manager after consultation with the Custodian; (iii) interest accrued on any interest-bearing investments shall be taken into account up to (and including) the date as at which the valuation is made, unless such interest is included in the quoted or listed price; and (iv) the Administrator and the Manager shall be entitled to use and rely on electronically transmitted data from such source or sources or pricing systems as they may from time to time think fit with regard to the valuation of investments and the prices provided by any such source or pricing system shall be deemed to be the last traded prices for the purposes of valuation;

(b) the value of any investment (other than a commodity, futures contract or an interest in a collective investment scheme) which is not quoted, listed, traded or ordinarily dealt in on any securities market shall initially be the value equal to the amount expended on behalf of the Fund in the acquisition of such investment (including, in each case the amount of stamp duties, commissions and other acquisition expenses), and thereafter the value as assessed by the Administrator on the latest revaluation thereof, provided that a revaluation shall be made on each Valuation Day by reference to the latest bid price, asked price or mean thereof, as the Administrator and the Manager consider appropriate, quoted by a person, firm or institution making a market in such investments or otherwise approved by the Custodian as qualified to value such investments (which may, if the Custodian agrees, be the Manager);

(c) cash, deposits and similar investments shall be valued at their face value (together with accrued interest) unless, in the opinion of the Manager in consultation with the Custodian, any adjustment should be made to reflect the value thereof;

(d) the value of any commodity or futures contract shall be ascertained in such manner as the Manager, in consultation with the Custodian, shall think fit, but so that:

(i) if a commodity or futures contract is dealt in any recognised commodities market, then regard shall be had to the latest ascertainable price ruling or officially fixed on such recognised commodities market or (if there shall be more than one such recognised commodities market) on such recognised commodities market as the Manager, in consultation with the Custodian, shall consider appropriate;

(ii) if any such price as referred to in (i) is not, in the opinion of the Manager, reasonably up-to-date or is not ascertainable at any relevant time, then regard shall be had to any certificate as to the value of such commodity or futures contract provided by a firm or institution making a market in such commodity or futures contract;

(iii) the value of any futures contract (the "relevant Contract"), to the extent that it is not determined in accordance with (i) or (ii), shall be valued (1) where the relevant Contract is for the sale of a commodity, by subtracting, from the contract value of the relevant Contract, the sum of the amount determined by the Manager (based on the latest available price) to be the contract value of such futures contract as would be required to be entered into by the Manager for the account of the Fund in order to close the relevant Contract and the amount expended out of the Fund in entering into the relevant Contract (including the amount of all stamp duties, commissions and other expenses but excluding any deposit or margin provided in connection therewith); and (2) where the relevant Contract is for the purchase of a commodity, by subtracting, from the amount determined by the Manager (based on the latest available price) to be the contract value of such futures contract as would be required to be entered into by the Manager for the account of the Fund in order to close the relevant Contract, the sum of the contract value of the relevant Contract and the amount expended out of the Fund in entering into the relevant Contract (including the amount of all stamp duties, commissions and other expenses but excluding any deposit or margin provided in connection therewith); and

(iv) if the provisions of (i) and (ii) do not apply to the relevant commodity or futures contract, then the value shall be determined in accordance with (b) above as if such commodity or futures contract were an unquoted investment;

(e) the value of each unit, share or interest in any collective investment scheme (other than an interest in a listed collective investment scheme) which is valued as at the same day as the Fund shall be the net asset value per unit, share or other interest in such collective investment scheme calculated as at that day or, if the Manager so determines, if such collective investment scheme is not valued as at the same day as the Fund, shall be the last published net asset value per unit, share or other interest in such collective investment scheme, provided that if no net asset value is available, the value thereof shall be determined from time to time in such manner as the Manager shall determine in consultation with the Custodian;

(f) notwithstanding paragraphs (a) to (e) above, the Manager may, in consultation with the Custodian, adjust the value of any investment or permit some other method of valuation to be used if, having regard to relevant circumstances, the Manager considers that such adjustment is required to reflect the fair value of the investment; and

(g) the value of any investment (whether of a borrowing or other liability or an investment or cash) in a currency other than the Base Currency of the Fund or the Class Currency of the relevant Class will be converted into the Base Currency or the Class Currency of such Class (as the case may be) at the rate (whether official or otherwise) which the Manager shall deem appropriate in the circumstances having regard to any premium or discount which may be relevant and to costs of exchange.

The Fund will prepare its annual reports in accordance with IFRS. To the extent that the valuation basis adopted by the Fund deviates from IFRS, the Directors will make necessary adjustments in the annual reports for compliance with IFRS.

In calculating the Net Asset Value of the Fund or any Class of Participating Shares, the Administrator may rely upon, and will not be responsible for the accuracy of, financial data furnished to it by third parties including automatic processing services, brokers, market makers or intermediaries, the Manager, and any administrator or valuations agent of other collective investments into which the Fund invests. If and to the extent that the Manager is responsible for or otherwise involved in the pricing of any of the Fund's assets, the Administrator may accept, use and rely on such prices, without verification, in determining the Net Asset Value of the Fund and shall not be liable to the Fund, any Shareholder or any other person in doing so.

Suspension

The Articles provide that the Directors may, after consultation with the Custodian, having regard to the best interests of Shareholders, declare a suspension of the determination of the Net Asset Value of the Fund, the allotment or issue of Participating Shares, conversion and/or the redemption of Participating Shares (which for the avoidance of doubt, includes the payment of redemption moneys) by the number of days comprised in, the whole or any part of a period:-

(a) during which any stock exchange, commodities exchange or futures exchange or over-the-counter market on which any significant portion of the investments of the Fund is listed, quoted, traded or dealt in is closed (other than customary weekend and holiday closing) or trading on any such exchange or market is restricted or suspended; or

(b) when circumstances exist as a result of which in the opinion of the Directors it is not reasonably practicable for the Fund to dispose of investments or as a result of which any such disposal would be materially prejudicial to Shareholders; or

(c) when a breakdown occurs in any of the means normally employed in ascertaining the value of a substantial part of investments or the Net Asset Value or the Subscription Price or Redemption Price per Participating Share of any Class or when for any other reason the value of a substantial part of the investments or other assets of the Fund or the Net Asset Value or the Subscription Price or the Redemption Price per Participating Share of any Class cannot in the opinion of the Directors reasonably or fairly be ascertained; or

(d) during which the Fund is unable to repatriate funds for the purpose of making payments on the redemption of Participating Shares or during which any transfer of funds involved in the realisation or acquisition of the Fund's investments or payments due on redemption of Participating Shares cannot in the opinion of the Directors be effected at normal rates of exchange; or

(e) during which the business operations of the Manager, the Administrator or their respective delegates (including the Administrator's Delegate) in respect of the Fund are substantially interrupted or closed as a result of or arising from pestilence, acts of war, terrorism, insurrection, revolution, civil unrest, riot, strikes, or acts of God; or

(f) when in the opinion of the Directors such suspension, delay or extension is required by law or applicable legal process; or

(g) where a significant portion of the assets of the Fund is invested in one or more managed funds, and the redemption of interests in a relevant managed fund is suspended or restricted.

(h) when such other circumstances exist as a result of which in the opinion of the Directors it would be in the best interests of the holders of Participating Shares to invoke a suspension under the Articles.

If the Directors declare a suspension in any of the circumstances set out above, during such a period of suspension –

(A) where the suspension is in respect of the determination of the Net Asset Value, there shall be no determination of the Net Asset Value (although an estimated Net Asset Value may be calculated and published) and any applicable issue or request for conversion or redemption of Participating Shares shall be similarly suspended. If a request for subscription, conversion or redemption of Participating Shares are received by the Administrator's Delegate during a period of suspension and not withdrawn, such request shall be treated as if it were received in time to be dealt with on the Subscription Day or the Redemption Day, as the case may be, next following the end of the said suspension and dealt with accordingly;

(B) where the suspension is in respect of the allotment or issue, conversion and/or the redemption of Participating Shares, there shall be no allotment, issue, conversion and/or redemption of Participating Shares. For the avoidance of doubt, the allotment, issue, conversion or redemption of Participating Shares may be suspended without suspending the determination of the Net Asset Value.

Whenever the Directors declare such suspension, a notice shall be posted on the Manager's website www.valuepartners-group.com as soon as practicable thereafter and at least once a month during the period of such suspension. Investors should note that the aforesaid website has not been reviewed or authorised by the SFC. In addition, the Manager must immediately notify the SFC if a declaration of a suspension is made.

Calculation of Subscription Price and Redemption Price

The Net Asset Value of each Class of Participating Shares as at any Valuation Point shall be calculated by:

(A) allocating among each Class the Net Asset Value of the Fund pro rata in accordance with the Net Asset Value of each Class prior to the relevant Valuation Point;

(B) deducting from the Net Asset Value of the Class in question the fees, costs, expenses or other liabilities attributable to that Class not already deducted in ascertaining the Net Asset Value of the Fund and adding to the Net Asset Value, assets specifically attributable to that Class in order to arrive at the Net Asset Value of that relevant Class.

The Subscription Price or Redemption Price of each Participating Share of a particular Class for any relevant Subscription Day or Redemption Day, as the case may be, will, subject as provided below, be determined by dividing the Net Asset Value of such Class as at the Valuation Point relating to that Subscription Day or Redemption Day by the number of Participating Shares of the relevant Class then in issue, the resulting amount being rounded to the nearest cent (0.5 of a cent being rounded up).

The Directors have the power, in determining the Subscription Price of a Participating Share, to add to the Net Asset Value per Participating Share of the relevant Class (before making any rounding adjustment) an amount, for the account of the Fund which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the Fund and the latest available asked price of such investments, (b) all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees and registration fees which would be incurred for the account of the Fund in investing an amount equal to that Net Asset Value per Participating Share of the relevant Class.

Similarly, the Directors may, when determining the Redemption Price of a Participating Share, deduct for the account of the Fund from the Net Asset Value per Participating Share of the relevant Class (before making any rounding adjustment) an amount which they consider to be an appropriate allowance to reflect (a) the difference between the last traded price (or the mean between the last available bid and asked prices) of the investments of the Fund and the latest available bid price of such investments, and (b) all stamp and other duties, taxes, governmental charges, brokerage, bank charges, transfer fees and registration fees which would be incurred for the account of the Fund in realising assets or closing out positions to provide funds to meet any redemption request.

The Directors will only adjust the Subscription Price and the Redemption Price with a view to protecting the interests of Shareholders under exceptional circumstances as determined by the Directors from time to time. Where necessary the Directors will consult the Custodian prior to any adjustment in the Subscription Price or Redemption Price and such adjustment would only be made where the Custodian has no objection to it. Examples of such exceptional circumstances for adjusting the Subscription Price or Redemption Price may include (a) the aggregate net transactions (either net subscriptions or net redemptions) in Participating Shares having exceeded a pre-determined threshold set by the Directors from time to time; and/or (b) extreme market conditions which may have an unfavourable impact on the interests of existing Shareholders. In such circumstances, the Net Asset Value per Participating Share of the relevant Class may be adjusted by an amount (normally not exceeding 3% of that Net Asset Value) which reflects the dealing costs that may be incurred by the Fund and the estimated bid/offer spread of the assets in which the Fund invests. Under extreme market conditions (such as market crash or global financial crisis), the Directors may increase such amount to protect interests of the Shareholders. Any such additional amount will be retained by the Fund and will form part of the assets of the Fund.

For the avoidance of doubt,

(a) the Subscription Price and Redemption Price, prior to any adjustment, will be determined with reference to the same Net Asset Value per Participating Share of the relevant Class; and

(b) it is not the intention of the Directors to adjust the Subscription Price upwards and the Redemption Price downwards for the same Subscription Day or Redemption Day (as applicable); and

(c) any adjustment in the Subscription Price or Redemption Price must be made on a fair and equitable basis.

Further, the Directors may arrange for a revaluation of Participating Shares if they consider that the Subscription Price or Redemption Price calculated in relation to any Subscription Day or Redemption Day, as the case may be, does not accurately reflect the fair and true value of the Participating Shares of the relevant class. Any revaluation must be made on a fair and equitable basis. The Directors will consult the Custodian prior to any revaluation of Participating Shares and such revaluation would only be made where the Custodian has no objection to it.

DISTRIBUTIONS

The Fund offers Classes of Participating Share that accumulate income or pay regular dividends out of net current income or on occasion make payments out of capital.

Accumulation Classes

The Manager currently does not intend to pay dividends with respect to Class A HKD Hedged Acc Shares, Class A AUD Hedged Acc Shares, Class A CAD Hedged Acc Shares, Class A EUR Hedged Acc Shares, Class A GBP Hedged Acc Shares, Class A JPY Hedged Acc Shares, Class A NZD Hedged Acc Shares, Class z USD Acc Shares, Class z EUR Acc Shares, Class z EUR Hedged Acc Shares, Class P USD Acc Shares, Class P HKD Acc Shares, Class P SGD Hedged Acc Shares and Class X USD Acc Shares (collectively referred to as the "**Accumulation Classes**"). Therefore, any net income and net realized profits attributable to the Participating Shares of the Accumulation Classes will be reflected in their respective Net Asset Values.

Distribution Classes

For Class A HKD Hedged MDis Shares, Class A AUD Hedged MDis Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged MDis Shares, Class A JPY Hedged MDis Shares, Class A NZD Hedged MDis Shares, Class z USD MDis Shares, Class z EUR MDis Shares, Class z EUR Hedged MDis Shares, Class P USD MDis Shares, Class P HKD MDis Shares and Class P SGD Hedged MDis Shares (collectively referred to as the "**Distribution Classes**"), the Manager intends to declare and pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. Dividends will be declared on the last Business Day of each calendar month or on such date as may be determined by the Manager, or such other time or frequency as the Manager considers appropriate. The Manager will also have the discretion to determine if and to what extent dividends paid include realized capital gains and/or are paid out of share premium attributable to the relevant Distribution Class. Such dividends will be paid in cash. However, the dividends will not be paid in cash and will be applied to subscribe for additional Participating Shares in the relevant Distribution Class of the Fund if the amount of dividends for the relevant Shareholder is less than US$100 (or its equivalent amount in AUD, CAD, EUR, GBP, JPY, NZD or SGD as the case may be), and HK$800 for Class A HKD Hedged MDis Shares and Class P HKD MDis Shares respectively or such other amount determined by the Manager from time to time.

For Shareholders of Distribution Classes who receive dividends in cash, payment will normally be made by telegraphic transfer to their pre-designated bank accounts, net of bank charges. Dividends will generally be paid in the Class Currency of the relevant Distribution Class. With the prior consent of the Manager, arrangements can be made for dividends to be paid in any major currency other than the Class Currency of the relevant Distribution Class. Dividends (if any) will not be paid to any person other than the relevant registered Shareholder(s).

In the event that the net income attributable to the relevant Distribution Class during the relevant period is insufficient to pay dividends as declared, the Manager may in its discretion determine such dividends be paid from capital. Investors should note that where the payment of dividends are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount originally invested (excluding par value) or capital gains attributable to that, and may result in an immediate decrease in the value of the Participating Shares of the relevant Distribution Class and will reduce any capital appreciation for the Shareholders of such Distribution Class. Any such payments out of capital will only be made to seek to maintain, so far as is reasonable, a stable payment per Participating Share of the relevant Distribution Class but the payment per Participating Share of a Distribution Class is not fixed and will vary according to economic and other circumstances and the ability of the Fund to support stable monthly payments without a long-term positive or negative impact on capital.

The Fund is managed in the interests of all Shareholders in line with the stated investment objective and is not managed to maintain a stable payment per Participating Share of any particular Distribution Class. To the extent that net income attributable to these Distribution Classes exceeds the amount declared payable, the excess amount will be reflected in the respective Net Asset Value of the Participating Shares of such Distribution Classes. Alternatively, the amount of dividend may exceed the net income attributable to these Distribution Classes. Accordingly, the level of dividend does not necessarily indicate the total return of the Fund. In order to assess the total return of the Fund, both the Net Asset Value movement (including dividend) and the dividend distribution should be considered. The Net Asset Value of relevant Classes will be adjusted by such amount of dividend on the ex-date.

Dividends of a Distribution Class declared, if any, shall be distributed among the Shareholders of the relevant Distribution Class rateably in accordance with the number of Participating Shares held by them on the record date as determined by the Manager in respect of the corresponding distribution. For the avoidance of doubt, only Shareholders whose names are entered on the register of Shareholders on such record date shall be entitled to the distribution declared in respect of the corresponding distribution. Any payment of distributions will be made in the Class Currency of the relevant Class of Participating Shares on a monthly basis.

Where dividends of a Distribution Class comprise amounts from both income and capital, the composition of the latest dividends (i.e. the relative amounts paid out of net distributable income and capital) for the last 12 months are available by the Manager on request and also on the Manager's website www.valuepartners-group.com. Investors should note that the aforesaid website has not been reviewed or authorised by the SFC.

The Manager may amend the dividend policy subject to obtaining the SFC's prior approval and by giving not less than one month's prior notice to Shareholders.

CHARGES AND EXPENSES

Manager's Fee

Pursuant to the Management Agreement the Manager will be entitled to receive management fees in respect of each Class of Participating at the following rates:

Class	Management Fee (% per annum)
Class A Shares	1.5%
Class z Shares	1.0%
Class P Shares	1.5%

The management fees will accrue as at each Valuation Point and calculated on the basis of the Net Asset Value of the Fund attributable to the relevant Class, and payable monthly in arrears, subject to a maximum rate of 3% per annum of the Net Asset Value of the Fund attributable to the relevant Class. Any increase of management fee from the current level up to the maximum level will only be implemented after giving at least one month's prior notice (or such prior notice as agreed with the SFC) to the Shareholders. No management fee will be charged on Class X Shares.

The Manager may, at its discretion, receive the Initial Charge.

The Manager reserves the right to waive the Initial Charge, whether in part or in full and whether in respect of particular investors or generally.

Distribution Fee

The Manager may pay a distribution fee to any distributor or sub-distributors of the Fund out of the management fees it receives from the Fund. A distributor may re-allocate an amount of the distribution fee to the sub-distributors.

Administrator's and Custodian's Fee

The Fund will pay fees for administration and custody services at such rates or amounts as agreed with the Administrator and the Custodian from time to time. The Administrator and the Custodian will also be entitled to recover out-of-pocket expenses in performing its services (including any sub-custody charges) together with certain transaction costs. The Administrator and the Administrator's Delegate will share the fees payable for administrator services.

Currently, the Custodian and the Administrator are entitled to receive from the Fund custody fee and administration fee at the following rates subject to a maximum rate of 1% per annum of the Net Asset Value of the Fund:

Net Asset Value	**Annual rate (as a percentage of Net Asset Value)**
First US$400 million	0.17%
Next US$400 million	0.15%
Portion on top of US$800 million	0.13%

The custody fee and the administration fee accrues monthly and is payable monthly in arrears. The custody fee and administration fee is subject to a monthly minimum fee of US$5,000.

Any increase of the Administrator's fee and the Custodian's fee from the current level up to the maximum level will only be implemented after giving at least one month's prior notice (or such prior notice as agreed with the SFC) to the Shareholders.

General Expenses

Expenses of the Fund (and/or any Class thereof) may include but are not limited to the cost of all brokerage (if any) payable on the purchase or sale of investments, interest on borrowings and fees in respect thereof, fees payable in the Cayman Islands on increases in the share capital of the Fund, the annual company registration fee payable in the Cayman Islands and any jurisdiction where the Fund is registered or authorized, the fees and expenses of the auditors and legal advisers to the Fund, fees for company secretarial services, fees for maintaining the registered office of the Fund, Directors' fees and expenses, the cost of any liability insurance taken out by the Fund in respect of the Directors, the cost of printing and distributing the annual reports, notices and statements and all other operating and administrative expenses[1]. In addition, the Fund will bear all costs (including without limitation the costs incurred in amending any material contracts and revising this Explanatory Memorandum) in connection with registering and/or authorising the Fund for sale of the Participating Shares to the public in any jurisdiction or obtaining a listing on any stock exchange.

[1] Please note that under Ch.6.18 of the Code, expenses arising out of advertising and promotional activities may not be charged to the Fund. Further, commissions payable to sales agent arising out of any dealing in shares of the Fund may not be charged out of the Fund's property.

The Directors will determine the reasonable remuneration payable to each Director, subject to a maximum aggregate amount of US$6,000 per annum for each Director or such other amount as the Directors may determine from time to time from the assets of the Fund. The Fund will also pay reasonable expenses incurred by the Directors in the conduct of the Fund's business including travel and other expenses, from the assets of the Fund. None of the Directors currently has a service contract with the Fund.

Establishment costs

The preliminary expenses of the Fund (including fees in connection with the incorporation of the Fund in the Cayman Islands), the costs incurred in connection with the preparation and execution of the material contracts referred to herein, the preparation of this Explanatory Memorandum and all initial legal and printing costs, which are estimated to amount to approximately US$120,000, will be borne by the Fund and expensed immediately.

TAXATION AND REGULATORY REQUIREMENTS

Investors should consult their professional advisers on the potential tax consequences of subscribing for, purchasing, holding or redeeming Participating Shares under the laws of their country of citizenship, domicile or residence.

As is the case with any investment, there can be no guarantee that the tax position or proposed tax position prevailing at the time an investment in the Fund is made will endure indefinitely. The following is based on the law and practice currently in force in the Cayman Islands and Hong Kong and, accordingly, is subject to changes therein.

Hong Kong

Profits tax

The Fund, as a collective investment scheme authorised under Section 104 of the SFO, is exempted from Hong Kong profits tax.

No tax will be payable by Shareholders in Hong Kong in respect of dividends or other income distributions of the Fund or in respect of any capital gains arising on a sale, redemption or other disposal of Shares, except that Hong Kong profits tax may arise where such transactions form part of a trade, profession or business carried on in Hong Kong.

Stamp duty

The sale or purchase of Hong Kong stocks by the Fund will be subject to stamp duty in Hong Kong at the current rate of HK$1 per HK$1,000 or part thereof of the price or market value of the stocks, whichever is higher, unless specific exemptions apply.

If the register of Shareholders of the Fund is maintained outside Hong Kong, no Hong Kong stamp duty will be payable by the Shareholders on the issue or transfer of Shares in the Fund.

If the register of Shareholders of the Fund is maintained in Hong Kong, no Hong Kong stamp duty will be payable by the Shareholders on the issue of Shares in the Fund. However, the transfer by Shareholders of Shares in the Fund may be subject to stamp duty in Hong Kong, depending on the mode and circumstances of the transfer. The current rate of Hong Kong stamp duty if applicable is HK$1 per HK$1,000 or part thereof of the price or market value of the Shares, whichever is higher.

Currently, the register of the Fund is located outside of Hong Kong and therefore the aforesaid fixed rate stamp duty and ad valorem stamp duty are being exempted.

PRC

By investing in securities (including China B-Shares, H-Shares and debt instruments) issued by PRC tax resident enterprises, irrespective of whether such securities are issued or distributed onshore or offshore ("**PRC Securities**"), the Fund may be subject to PRC taxes. The income (including interest income and capital gains) derived from the Fund's investments in debt securities issued by non-PRC issuers outside China should not be subject to PRC taxes. The PRC government has implemented a number of tax reform policies in recent years. The current tax laws and regulations may be revised or amended in the future. Any revision or amendment in tax laws and regulations may affect the after-taxation profit of PRC companies and foreign investors in such companies.

Corporate Income Tax ("CIT")

If the Fund is considered as a tax resident enterprise of the PRC, it will be subject to CIT at 25% on its worldwide taxable income. If the Fund is considered a non-tax resident enterprise with an establishment or place of business ("**E&P**") in the PRC, the profits and gains attributable to that E&P would be subject to PRC CIT at 25%.

If the Fund is considered as a non-tax resident enterprise without an E&P in the PRC, it will be subject to CIT on a withholding basis ("**WIT**"), generally at a rate of 10%, to the extent it directly derives the PRC sourced passive income, unless a specific exemption or reduction is available under current PRC tax laws and regulations or relevant tax treaties.

The Manager intends to manage and operate the Fund in such a manner that the Fund should not be treated as tax resident enterprises of the PRC or non-tax resident enterprises with E&P in the PRC for CIT purposes, although this cannot be guaranteed. As such, it is expected that the Fund should not be subject to CIT on an assessment basis and would only be subject to WIT to the extent that the Fund directly derives PRC sourced income in respect of its investments in PRC Securities.

Interest/dividend

The Fund's income from interests, dividends and profit distributions from PRC tax enterprise received by the Fund is generally subject to PRC WIT at a rate of 10%, unless such WIT is subject to reduction or exemption in accordance with PRC tax laws and regulations or an applicable tax treaty signed with the PRC.

In respect of interests, under the PRC CIT Law and regulations, interest derived from government bonds issued by the State Council's finance departments and/or local government bonds approved by the State Council is exempt from PRC income tax.

Further, under the Arrangement between the Mainland of China and the Hong Kong Special Administrative Region for the Avoidance of Double Taxation and Prevention of Fiscal Evasion with respect to Taxes on Income (the "**Mainland China-HK Arrangement**"), if a Hong Kong tax resident receives interest income from PRC tax resident enterprises, the WIT rate can be reduced to 7% provided that the Hong Kong tax resident is the beneficial owner of the interest income under the Mainland China-HK Arrangement and other relevant conditions are satisfied, subject to the agreement from the PRC tax authorities. In practice, due to the practical difficulties in demonstrating that an investment fund is the beneficial owner of the interest income received, such investment fund is generally not entitled to the reduced WIT rate of 7%. In general, the prevailing rate of 10% should be applicable to the Fund.

In respect of dividends, under the Mainland China-HK Arrangement, dividends distributed by a PRC tax resident to a Hong Kong tax resident would be subject to a reduced PRC WIT rate of 5% provided (i) the Hong Kong tax resident is the beneficial owner of the dividend; (ii) the Hong Kong tax resident holds at least 25% of the equity of the PRC tax resident; and (iii) the relevant treaty conditions are satisfied. Due to the Fund's investment restriction, the Fund would not hold more than 10% of the ordinary shares issued by any single PRC issuer. In this connection, the Fund would not be able to enjoy the reduced WIT rate of 5% provided under the Mainland China-HK Arrangement.

On 22 November, 2018, the Ministry of Finance ("**MOF**") and State Administration for Taxation ("**SAT**") issued Caishui [2018] No.108 ("**Circular 108**"), which stipulated that foreign institutional investors are exempted from PRC WIT and Value Added Tax ("**VAT**") in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the PRC bond market.

Capital gains

(i) Capital gains realised from trading of China B-Shares and H-Shares

Under current PRC tax law, there are no specific rules or regulations governing the taxation of the disposal of these securities by foreign investors. Hence, the tax treatment for investment in China B-Shares and H-Shares is governed by the general taxing provisions of the CIT Law. Under such general taxing provision, the Fund could be technically subject to 10% WIT on the PRC sourced capital gains, unless exempt or reduced under relevant double tax treaties.

Having said that, for China B-Shares and H-Shares invested by the Fund directly, there may be practical difficulty for the PRC tax authorities to impose and collect WIT on such capital gains. In practice, the 10% WIT has not been strictly enforced by the PRC tax authorities on capital gains derived by non-PRC tax resident enterprises from the trading of these securities with sales and purchase effected through stock exchanges.

Having consulted professional and independent tax adviser, the Manager has not made and currently has no intention to make provision in respect of WIT on gross realised and unrealised capital gains on trading of China B-Shares and H-Shares. The Manager will monitor the situation and if, in the opinion of the Manager, a provision is warranted, the change will be implemented by the Manager and Shareholders will be notified of the change.

(ii) Capital gains realised from the trading of PRC debt securities issued or listed offshore by PRC issuers

There are currently no specific tax rules or regulations governing the taxation of capital gains realised by foreign investors on the disposal of these securities. In the absence of specific rules, the general tax provisions under PRC CIT Law should apply and such general tax provisions stipulate that a non-resident enterprise with no place of effective management, establishment or place of business in the PRC would generally be subject to WIT at the rate of 10% on its PRC-sourced income, unless exempt or reduced under current PRC tax laws and regulations or relevant tax treaties. Based on the current interpretation of the SAT and the local PRC tax authorities, capital gains derived by foreign investors from investment in PRC debt securities should not be treated as PRC sourced income and thus should not be subject to PRC WIT. There are no written tax regulations issued by the PRC tax authorities to confirm that interpretation. However, as a matter of practice, such 10% PRC WIT on capital gains realised by non-PRC tax resident enterprises from the trading of PRC debt securities has not been strictly enforced by the PRC tax authorities.

Having consulted professional and independent tax adviser, the Manager will not make WIT provisions for the Fund on the gross realised and unrealised capital gains derived from PRC debt securities issued or listed offshore by PRC issuers. The implication of this is that if the Fund is liable to pay such withholding and other taxes, this may result in an unfavourable impact on the Net Asset Value of the Fund.

(iii) Tax provision

It should be noted that the existing tax laws, regulations and practices may be revised or amended in the future, with the possibility that such changes will be applied with retrospective effect. In order to meet any potential tax liability for capital gains or income, the Manager reserves the right to provide for WIT on such gains or income and withhold the tax for the account of the Fund.

As such, if it transpires that the Fund is subject to actual tax liabilities, in respect of which the Manager had not made any provision, investors should note that the Net Asset Value of the Fund may be lowered, as the Fund will ultimately have to bear the full amount of tax liabilities. It should also be noted that the level of provision (if any) may be inadequate or excessive to meet actual PRC tax liabilities on investments made by the Fund. Consequently, Shareholders may be disadvantaged or advantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Shares. If the actual tax levied by the SAT is higher than that provided for by the Manager so that there is a shortfall in the tax provision amount (or if the Manager did not make any tax provision), investors should note that the Net Asset Value of the Fund may be adversely affected, as the Fund will ultimately have to bear the full amount of tax liabilities. In this case, the additional tax liabilities will only impact Shares in issue at the relevant time, and the then existing Shareholders and subsequent Shareholders will be disadvantaged as such Shareholders will bear, through the Fund, a disproportionately higher amount of tax liabilities as compared to that borne by persons who have already redeemed their Shares in the Fund. On the other hand, the actual tax liabilities may be lower than the tax provision made. In that case, those persons who have already redeemed their Shares before the actual tax liabilities are determined will not be entitled or have any right to claim any part of such overprovision and as such may be disadvantaged.

Upon the availability of a definitive tax assessment or the issue of announcements or regulations by the competent authorities promulgating definitive tax assessment rules, the Manager will, as soon as practicable, make relevant adjustments to the amount of tax provision as it considers necessary.

VAT and other surtaxes

The MOF and SAT issued the "Notice on the Comprehensive Roll-out of the B2V Transformation Pilot Program ("**B2V Pilot Program**") (Caishui [2016] No. 36) ("**Notice No. 36**") on 23 March 2016. The Notice No. 36 sets out that the B2V Pilot Program covers all the remaining industries of the program, including financial services. The Notice No. 36 has taken effect from 1 May 2016, unless otherwise stipulated therein.

The Notice No. 36 provides that VAT at 6% shall be levied on the difference between the selling and buying prices of those marketable securities, e.g. China A-Shares and RMB denominated debt securities issued by PRC issuers.

Based on the prevailing VAT regulations, capital gains derived by (i) QFIIs / RQFIIs on trading of marketable securities and (ii) foreign investors via the Shanghai-Hong Kong Stock Connect and the Shenzhen-Hong Kong Stock Connect are exempted from VAT. Therefore, to the extent any investments are conducted through these channels, the capital gains should be exempted from VAT. In addition, deposit interest income and interest received from government bonds and local government bonds are also exempt from VAT.

The current VAT regulations do not provide VAT exemption on capital gains derived from trading of China B-Shares. Having said that, the PRC tax authorities have not actively collected VAT from non-PRC tax resident enterprises on gains realized from China B-Shares in practice. Where capital gains are derived from trading of H-Shares, VAT in general is not imposed as the purchase and disposal are often concluded and completed outside PRC.

The prevailing VAT regulations do not specifically exempt VAT on interest received by foreign investors (including QFIIs and RQFIIs). Interest income on non-government bonds (including corporate bonds) should technically be subject to 6% VAT.

Dividend income or profit distributions on equity investment derived from PRC are not included in the taxable scope of VAT.

Circular 108 stipulated that foreign institutional investors are exempted from PRC WIT and VAT in respect of bond interest income received from 7 November 2018 to 6 November 2021 from investments in the PRC bond market.

In addition, urban maintenance and construction tax (currently at the rate ranging from 1% to 7%), educational surcharge (currently at the rate of 3%) and local educational surcharge (currently at the rate of 2%) are imposed based on the VAT liabilities. The applicable levies depend on the location where VAT filing (if required) is done.

Stamp Duty

Stamp Duty under the PRC laws generally applies to the execution and receipt of all taxable documents listed in the PRC's Provisional Rules on Stamp Duty. Stamp Duty is levied on certain taxable documents executed or received in the PRC, including the contracts for the sale of China B-Shares traded on the PRC stock exchanges. In the case of contracts for sale of China B-Shares, such stamp duty is currently imposed on the seller but not on the purchaser, at the rate of 0.1%.

It is unclear whether PRC Stamp Duty that is imposed on the transfer of shares of PRC companies under the PRC Stamp Duty regulations would similarly apply to the acquisition and disposal of H-Shares by non-PRC investors outside the PRC. That said, PRC Stamp Duty is generally not imposed for trading of H-Shares in practice.

No PRC Stamp Duty is expected to be imposed on non-tax resident holders of government and corporate bonds, either upon issuance or upon a subsequent transfer of such bonds.

Further, no PRC Stamp Duty is expected to be imposed on non-tax resident holders of fund shares, either upon subscription or upon a subsequent redemption of such fund shares.

General

It should also be noted that the actual applicable tax rates imposed by the SAT may change from time to time. There is a possibility of the PRC tax rules, regulations and practice being changed and taxes being applied retrospectively. As such, any provision for taxation made by the Manager may be excessive or inadequate to meet final PRC tax liabilities. Consequently, Shareholders may be advantaged or disadvantaged depending upon the final tax liabilities, the level of provision and when they subscribed and/or redeemed their Participating Shares.

If the actual applicable tax rate levied by SAT is higher than that provided for by the Manager so that there is a shortfall in the tax provision amount, investors should note that the Net Asset Value of the Fund may suffer more than the tax provision amount as the Fund will ultimately have to bear the additional tax liabilities. In this case, the then existing and new Shareholders will be disadvantaged. On the other hand, if the actual applicable tax rate levied by SAT is lower than that provided for by the Manager so that there is an excess in the tax provision amount, Shareholders who have redeemed their Participating Shares before SAT's ruling, decision or guidance in this respect will be disadvantaged as they would have borne the loss from the Manager's overprovision. In this case, the then existing and new Shareholders may benefit if the difference between the tax provision and the actual taxation liability under that lower tax rate can be returned to the account of the Fund as assets thereof. Notwithstanding the above provisions, Shareholders who have already redeemed their Shares in the Fund before the return of any overprovision to the account of the Fund will not be entitled or have any right to claim any part of such overprovision.

Shareholders should seek their own tax advice on their tax position with regard to their investment in the Fund.

It is possible that the current tax laws, regulations and practice in the PRC will change, including the possibility of taxes being applied retrospectively, and that such changes may result in higher taxation on PRC investments than currently contemplated.

Cayman Islands

The Fund has received from the Financial Secretary of the Cayman Islands an undertaking that, in accordance with section 6 of the Tax Concessions Law (2018 Revision) and for a period of 20 years from the date of the undertaking, no laws of the Cayman Islands enacted thereafter imposing any tax on profits, income, gains or appreciations shall apply to the Fund or its operations and that no tax in the nature of estate duty or inheritance tax shall be payable on the shares, debentures or other obligations of the Fund or by way of the withholding in whole or in part of a payment of a dividend or other distribution of income or capital by the Fund to its Shareholders or a payment of principal or interest or other sums due under a debenture or other obligation of the Fund.

Under current Cayman Islands law no tax will be charged in the Cayman Islands on income, corporate or capital gains tax, estate duty, inheritance tax, gift tax or withholding tax upon the Fund or the Shareholders. No stamp duty is levied in the Cayman Islands on the transfer or redemption of Shares. An annual registration fee will be payable by the Fund in the Cayman Islands which will be calculated by reference to the nominal amount of its authorised share capital. The Cayman Islands is not party to a double tax treaty with any country that is applicable to any payments made to or by the Fund.

There is, at the date of this Explanatory Memorandum, no exchange control in the Cayman Islands.

Automatic Exchange of Financial Account Information

In addition to the US IGA, the Cayman Islands has also signed, along with over 100 other countries, a multilateral competent authority agreement to implement the OECD Standard for Automatic Exchange of Financial Account Information – Common Reporting Standard ("**CRS**").

Cayman Islands regulations have been issued to give effect to the US IGA, and CRS (collectively, the "**AEOI Regulations**"). Pursuant to the AEOI Regulations, the Cayman Islands Tax Information Authority (the "**TIA**") has published guidance notes on the application of the US IGA and CRS.

All Cayman Islands "**Financial Institutions**" (as defined in the relevant AEOI Regulations) are required to comply with the registration, due diligence and reporting requirements of the AEOI Regulations, unless they are able to rely on an exemption that allows them to become a "**Non-Reporting Financial Institution**" (as defined in the relevant AEOI Regulations) with respect to one or more of the AEOI regimes, in which case only the registration requirement would apply under CRS. The Fund does not propose to rely on any Non-Reporting Financial Institution exemption and therefore intends to comply with all of the requirements of the AEOI Regulations.

The Fund is required, amongst other things to (i) register with the IRS to obtain a Global Intermediary Identification Number (in the context of the US IGA only), (ii) register with the TIA, and thereby notify the TIA of its status as a "**Reporting Financial Institution**", (iii) adopt and implement written policies and procedures setting out how it will address its obligations under CRS, (iv) conduct due diligence on its accounts to identify whether any such accounts are considered "**Reportable Accounts**", and (v) report information on such Reportable Accounts to the TIA. The TIA will transmit the information reported to it to the overseas fiscal authority relevant to a reportable account (e.g. the IRS in the case of a US Reportable Account) annually on an automatic basis.

For information on any potential withholding tax that may be levied against the Fund, see also the risk factor "***Foreign Account Tax Compliance Act***".

By investing in the Fund and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that further information may need to be provided to the Fund, the Fund's compliance with the AEOI Regulations may result in the disclosure of investor information, and investor information may be exchanged with overseas fiscal authorities. Where an investor fails to provide any requested information (regardless of the consequences), the Fund may be obliged, and/or reserves the right, to take any action and/or pursue all remedies at its disposal, in good faith and on reasonable grounds, including, without limitation, compulsory redemption of the investor concerned, to the extent permitted by applicable laws and the Fund's constitutive documents and/or closure of the investor's account. In accordance with TIA issued guidance, the Fund is required to close an investor's account if a self-certification is not obtained within 90 days of account opening.

Each Shareholder and prospective investor should consult its own professional adviser(s) on the administrative and substantive implications of AEOI on its current or proposed investment in the Fund through financial institutions in Hong Kong.

China

Investors should also refer to the "China Tax Considerations" under the section headed "Risk Factors" to inform themselves of possible tax consequences under PRC laws.

Regulation of the Fund in the Cayman Islands

The Fund falls within the definition of a "regulated mutual fund" under the Mutual Funds Law (as amended) of the Cayman Islands and, accordingly, will be registered with CIMA. CIMA has supervisory and enforcement powers to ensure compliance with the Mutual Funds Law. As a regulated mutual fund, the Fund will be required to file prescribed details of this Explanatory Memorandum (and any changes thereto) with CIMA and to file annual reports with CIMA on an annual basis.

The Directors must give CIMA access to or provide at any reasonable time all records relating to the Fund and CIMA may copy or take an extract of a record it is given access to. As a regulated mutual fund, CIMA may at any time instruct the Fund to have its accounts audited and to submit them to CIMA within such time as CIMA specifies. Failure to comply with these requests by CIMA may result in substantial fines on the part of the Directors and may result in CIMA applying to the court to have the Fund wound up.

The Fund will not be subject to supervision in respect of its investment activities or the constitution of the Fund's portfolio by CIMA or any other governmental authority in the Cayman Islands, although CIMA does have power to investigate the activities of the Fund in certain circumstances.

CIMA may take certain actions if it is satisfied that (a) a regulated mutual fund is or is likely to become unable to meet its obligations as they fall due, (b) a regulated mutual fund is carrying on or is attempting to carry on business or is winding up its business voluntarily in a manner that is prejudicial to its investors or creditors, (c) the direction and management of a regulated mutual fund has not been conducted in a fit and proper manner, or (d) a person holding a position as a director, manager or officer of a regulated mutual fund is not a fit and proper person to hold the respective position. The powers of CIMA include, inter alia, the power to require the substitution of Directors, to appoint a person to advise the Fund on the proper conduct of its affairs, and to appoint a person to assume control of the affairs of the Fund. There are other remedies available to CIMA including the ability to apply to court for approval of other actions.

Neither CIMA nor any other governmental authority in the Cayman Islands has commented upon or approved the terms or merits of this Explanatory Memorandum. There is no investment compensation scheme available to investors in the Cayman Islands. Save for compliance with the registration requirements under this law, nothing in the contents of this Explanatory Memorandum shall be taken to construe or imply approval of the contents of this Explanatory Memorandum or the Fund or any determination of suitability of investment in Shares for any person by any governmental body or agency in the Cayman Islands.

Sanctions

The Fund is subject to laws that restrict it from dealing with entities, individuals, organisations and/or investments which are subject to applicable sanctions regimes.

Accordingly, the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), the Custodian, their agents, affiliates, subsidiaries or associates (as the case may be) on the Fund's behalf, will require the subscriber to represent and warrant, on a continuing basis, that it is not, and that to the best of its knowledge or belief its beneficial owners, controllers or authorised persons ("**Related Persons**") (if any) are not; (i) named on, or deal with third parties named on, a list of prohibited entities and individuals maintained by the US Treasury Department's Office of Foreign Assets Control or under the European Union ("**EU**") and United Kingdom ("**UK**") Regulations (as extended to the Cayman Islands by statutory instrument), (ii) operationally based or domiciled in a country or territory in relation to which current sanctions have been issued by the United Nations, OFAC, the EU and/or the UK apply, or (iii) otherwise subject to sanctions imposed by the United Nations, OFAC, the EU or the UK (including as the latter are extended to the Cayman Islands by statutory instrument) (collectively, a "**Sanctions Subject**").

Where the subscriber or a Related Person is or becomes a Sanctions Subject, the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), the Custodian, their agents, affiliates, subsidiaries or associates (as the case may be) on the Fund's behalf, may be required immediately and without notice to the subscriber or the Related Person to cease any further dealings with the subscriber and/or the subscriber's Participating Shares in the Fund until the subscriber ceases to be a Sanctions Subject, or a licence is obtained under applicable law to continue such dealings (a "**Sanctioned Persons Event**"). The Fund, the Directors, the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), the Custodian, their agents, affiliates, subsidiaries or associates (as the case may be) shall have no liability whatsoever for any liabilities, costs, expenses, damages and/or losses (including but not limited to any direct, indirect or consequential losses, loss of profit, loss of revenue, loss of reputation and all interest, penalties and legal costs and all other professional costs and expenses) incurred by the subscriber as a result of a Sanctioned Persons Event.

In addition, should any investment made on behalf of the Fund subsequently become subject to applicable sanctions, the Fund, the Manager, the Administrator (and/or the Administrator's Delegate), the Custodian, their agents, affiliates, subsidiaries or associates (as the case may be) on the Fund's behalf, may immediately and without notice to the subscriber cease any further dealings with that investment until the applicable sanctions are lifted or a licence is obtained under applicable law to continue such dealings (a "**Sanctioned Investment Event**").

GENERAL INFORMATION

Financial Reports

The Fund's annual reports will be prepared in accordance with IFRS, and the interim reports will apply the same accounting policies and method of computation as applied in the annual reports. All investments are classified as "financial assets at fair value through profit or loss" where they are initially recognised at fair value and are subsequently re-measured at fair value.

The Fund's year-end is 31 December in each calendar year and annual reports will be made available to Shareholders within four months of the end of each financial year. Half-yearly unaudited interim reports will be made available to Shareholders in the Fund within two months of the period which they cover.

Shareholders should note that printed copies of the annual reports and half-yearly unaudited interim reports will not be distributed, but will be made available (in printed and electronic forms) and will be posted on the Manager's website www.valuepartners-group.com. Investors should note that the aforesaid website has not been reviewed or authorised by the SFC. The Manager will notify all Shareholders when such reports become available and within the time period stipulated above. In any event, printed copies of such reports may be provided to Shareholders, free of charge, upon request to the Manager. In the event of any change to the mode of distributing the aforesaid reports, not less than one month's prior notice will be given to all Shareholders.

The annual reports and half-yearly unaudited interim reports will be available in English only.

To the extent that the valuation basis adopted by the Fund deviates from IFRS, the Fund may be required to include a reconciliation note in the annual reports of the Fund to reconcile values arrived at by applying the Fund's valuation rules. If the Net Asset Value of the Fund is not adjusted in preparation of the annual reports, non-compliance with IFRS may result in the auditors qualifying their opinion on those annual reports depending on the nature and level of materiality of the non-compliance.

Price Publication

The latest Subscription Price and Redemption Price for each Class will be available on each Business Day on the Manager's website www.valuepartners-group.com. Investors should note that the aforesaid website has not been reviewed or authorised by the SFC.

Conflicts of Interest

It is possible that the Custodian, the Manager, the investment delegate (if any) or their respective Connected Persons, may, in the course of their business, have potential conflicts of interest in relation to the Fund. The Manager will take all reasonable steps to identify, prevent, manage and monitor any actual or potential conflicts of interest including conducting all transactions in good faith at arm's length and in the best interests of the Fund on normal commercial terms. If such conflicts arise, the Manager will, at all times, have regard in such event to its obligations to the Fund and the investors and will endeavour to ensure that such conflicts are resolved fairly. The Manager has put in place measures and safeguards to mitigate any potential conflicts of interest, including: (i) all transactions and dealings between the Manager or its Connected Person in relation to the Fund will be dealt with on arm's length basis; and (ii) where the Manager has a material interest in a transaction in relation to the Fund which would give rise to an actual or potential conflict of interest in such transaction, the Manager will not deal in such transaction unless it has taken reasonable steps to ensure that the Shareholders are treated fairly.

No person may be allowed to enter on behalf of the Fund into any underwriting or sub-underwriting contracts without the prior consent of the Custodian and unless the Fund or the Manager provides in writing that all commissions and fees payable to the Manager under such contracts, and all investments acquired pursuant to such contracts, will form part of the Fund's assets.

Associated companies or directors of the Manager or other investment delegates may provide investment management and/or advisory services to other clients (including other funds). Pursuant to the Management Agreement, the Manager or its Connected Persons will be free to render services similar to those which the Manager is providing to the Fund to other clients (including other funds) so long as the Manager's services to the Fund are not thereby materially impaired. Further, the Manager or its Connected Persons may receive commission, brokerage and other charges in relation to the sale or purchase of any investment by the Fund.

At present, the Manager is also the investment manager of several funds whose investment objectives, investment approach and investment restrictions are similar to those of the Fund. The Manager or any of its Connected Persons may invest in, directly or indirectly, or manage or advise other investment funds or accounts which invest in assets which may also be purchased or sold by the Fund. Neither the Manager nor its Connected Persons is under any obligation to offer investment opportunities of which any of them become aware to the Fund or to account to the Fund in respect of (or share with the Fund or to inform the Fund of) any such transactions or any benefit received by any of them from any such transaction, but will allocate such opportunities on an equitable basis between the Fund and other clients. Where the Manager invests the Fund in shares or units of a collective investment scheme managed by the Manager or any of its Connected Persons, the manager of the scheme in which the investment is being made by the Fund must waive any preliminary or initial charge and redemption charge which it is entitled to charge for its own account in relation to the acquisition or redemption (as the case may be) of shares or units and there must be no increase in the overall total of annual management fees (or other costs and charges payable to the Manager or any Connected Person of the Manager) borne by the Fund.

The Manager reserves the right for itself and its Connected Persons to co-invest on its own or for other funds and/or other clients with the Fund, although any such co-investment must be made on terms no better than those in which the Fund is investing. Further, the Manager and any of its Connected Persons may hold and deal in Participating Shares or in investments held by the Fund either for their own account or for the account of their clients.

Subject to the restrictions and requirements applicable from time to time, the Manager, any investment delegates as may be appointed by the Manager or any of their respective Connected Persons may deal with the Fund as principal provided that dealings are carried out in good faith and effected on best available terms negotiated on an arm's length basis and in the best interests of the Shareholders of the Fund. Any transactions between the Fund and the Manager, investment delegates as may be appointed by the Manager, the Directors or any of their Connected Persons as principal may only be made with the prior written consent of the Custodian. All such transactions must be disclosed in the Fund's annual report.

The Manager or any of its Connected Persons may have banking or other financial relationships with any company or party which is the issuer of securities, financial instruments or investment products held by the Fund.

If cash forming part of the Fund's assets is deposited with the Custodian, the Manager, any investment delegate or any of their respective Connected Persons (being an institution licensed to accept deposits), such cash deposit shall be maintained in a manner that is in the best interests of the Shareholders of the Fund, having regard to the prevailing commercial rate for a deposit of similar type, size and term negotiated at arm's length in accordance with ordinary and normal course of business.

Money can be borrowed from the Custodian, the Manager, any investment delegate as may be appointed by the Manager or any of their Connected Persons (being a bank) so long as that bank charges interest at no higher rate, and any fee for arranging or terminating the loan is of no greater amount than is in accordance with its normal banking practice, the commercial rate for a loan of a similar size and nature negotiated at arm's length.

In transacting with brokers or dealers connected to the Manager, any investment delegates as may be appointed by the Manager, the Custodian, the Directors or any of their Connected Persons, the Manager must ensure that:

(a) such transaction are on arm's length terms;

(b) the Manager has used due care in the selection of such persons and has ensured that they are suitably qualified in the circumstances;

(c) transaction execution is consistent with applicable best execution standards;

(d) the fee or commission paid to any such persons in respect of a transaction is not greater than that which is payable at the prevailing market rate for a transaction of that size and nature;

(e) the Manager must monitor such transactions to ensure compliance with its obligations; and

(f) the nature of such transactions and the total commissions and other quantifiable benefits received by such persons shall be disclosed in the Fund's annual reports.

Neither the Manager, any investment delegate as may be appointed by the Manager, nor any of their respective Connected Persons may retain cash or other rebates from a broker or dealer in consideration of directing transactions in Fund's property to the broker or dealer save that soft dollar benefits (such as goods and services) may be retained if (a) the goods or services are of demonstrable benefit to the Shareholders of the Fund; (b) the availability of the soft dollar benefits is not the sole or primary purpose to perform or arrange transaction with such persons; and (c) transaction execution is consistent with best execution standards and brokerage rates are not in excess of customary institutional full-service brokerage rates. A statement describing the soft dollar policies and practices of the Manager or the investment delegates (if any), including a description of the goods and services received by them (if any) will be disclosed in the Fund's annual report. Goods and services falling within (a) above may include: research and advisory services; economic and political analysis; portfolio analysis, including valuation and performance measurement; market analysis, data and quotation services; computer hardware and software incidental to the above goods and services; clearing and custodian services and investment-related publications. Such goods and services may not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employee salaries, or direct money payments.

The Manager may enter into trades for the account of the Fund with the accounts of other clients of the Manager or its Connected Persons (including other collective investment schemes managed by the Manager or its Connected Persons) ("cross trades"). Such cross trades will only be undertaken where the sale and purchase decisions are in the best interests of both clients and fall within the investment objectives, restrictions and policies of both clients, the cross trades are executed on arm's length terms at current market value, and the reasons for such cross trades are documented prior to execution. Cross trades may also be entered into between house accounts (i.e. accounts owned by the Manager or any of its Connected Persons over which it can exercise control and influence) and client accounts in accordance with applicable laws and regulations.

Memorandum of Association

The Memorandum of Association of the Fund provides that the Fund's objects are unrestricted and the Fund shall have full power and authority to carry out any object not prohibited by any law of the Cayman Islands.

The objects of the Fund are set out in Clause 3 of its Memorandum of Association.

Articles of Association

The Fund's Articles provide, inter alia, as follows:-

1. Termination

The Fund may be wound up by a special resolution of the holders of the Participating Shares provided that (i) the winding-up of the Fund shall comply with the requirements of the Code; and (ii) the confirmation from the Custodian that it has no objection to such winding-up shall be obtained prior to such winding-up. On a winding up, the general assets of the Fund not attributable to the Fund will be paid to the holder of the Administrative Shares until such holder has received an amount equal to the par value of the Administrative Shares (currently being a total amount of US$100) and the balance, if any, will be transferred to the Fund. The net assets of the Fund will then be allocated between the different Classes of Participating Shares in the same manner as when determining the Net Asset Value per Participating Share of each Class and the amount attributable to each Class of Participating Shares will be paid to the holders of each such class pro rata in relation to the number of Participating Shares of the relevant Class held.

The Directors may resolve to compulsorily redeem all outstanding Participating Shares in the Fund if the Net Asset Value of the Fund falls below US$8,000,000 or such other amounts as the Directors may determine and notify to Shareholders from time to time provided that so long as the Fund is authorized pursuant to section 104 of the SFO, where necessary the Directors will seek the view of the Custodian prior to making a compulsory redemption and such compulsory redemption would only be made where the Custodian has no objection to it.

Any unclaimed proceeds or other cash held by the Custodian upon liquidation of the Fund or the redemption by the Fund of a class of Participating Shares, as the case may be, shall at the expiration of twelve months following dissolution of the Fund be paid to the Cayman Islands Government, subject to the right of the Custodian to deduct therefrom any expenses it may incur in making such payment.

2. Quorum; Voting rights

(i) Except where there is only one holder of Participating Shares in the Fund carrying an entitlement to vote at the relevant meeting, at least two Shareholders present in person or by proxy who are entitled to vote and are registered as the holders of, in aggregate, not less than 10% of Participating Shares in the Fund then in issue shall be a quorum for all purposes at any general meeting of the Fund, except that for the purposes of considering a resolution which is to be proposed as a special resolution at least two Shareholders present in person or by proxy who are entitled to vote and are registered as the holders of, in aggregate, not less than 25% of the Participating Shares in the Fund then in issue shall be a quorum.

(ii) Subject to any special terms as to voting upon which any Shares in the Fund may be issued or may for the time being be held (of which there are none at present), at any general meeting on a show of hands every holder of a Participating Share carrying an entitlement to vote at the relevant meeting who is present in person shall have one vote for every such Participating Share (or fraction thereof) held by him and on a poll every member who is present in person or by proxy shall have one vote (or the corresponding fraction of a vote) for every such Participating Share (or fraction thereof) held by him. Administrative Shares do not carry any right to vote except where there are no Participating Shares in issue and outstanding, and except as otherwise provided in the Articles. Notwithstanding the aforesaid, for so long as the Fund is authorised pursuant to section 104 of the SFO then, except as otherwise agreed by the SFC, any resolution put to vote in a general meeting shall be decided on a poll.

(iii) To be passed, resolutions (other than special resolutions) of the Fund in general meeting require a simple majority of the votes cast at the meeting at which the resolution is proposed. A special resolution is a resolution which is passed by not less than three-quarters of the votes of those Shareholders present, in person or by proxy, at any general meeting of which notice specifying the intention to propose such resolution as a special resolution has been duly given.

The instrument appointing a proxy shall be delivered at the registered office of the Fund in person, by registered mail or by any other method as approved by the Directors on a case-by-case basis.

Nothing in the Articles excludes the jurisdiction of the courts of Hong Kong to entertain an action concerning the Fund.

Share Capital

The authorised share capital of the Fund is US$5,000,000 divided into 100 Administrative Shares which have a nominal or par value of US$1.00 each and 4,999,900,000 Participating Shares which have a nominal or par value of US$0.001 each.

The Administrative Shares may only be issued to the Manager, and are issued for the purpose of enabling all the Participating Shares to be redeemed without liquidating the Fund. The Administrative Shares carry a return of the nominal amount paid up thereon on the winding up of the Fund.

All of the 100 Administrative Shares are issued, fully paid and held by the Manager.

Prospective investors should note that there are no provisions under the laws of the Cayman Islands or under the Articles conferring pre-emption rights on Shareholders. The Articles provide that the unissued Participating Shares are at the disposal of the Directors who may offer, allot, issue, grant options over or otherwise dispose of them to such persons, at such times, for such consideration and on such terms and conditions as the Directors think fit.

The Fund may by ordinary resolution increase its share capital, consolidate its shares or subdivide any of them into shares of a smaller amount or cancel authorised but unissued shares.

Holders of the affected class of Participating Shares may by special resolution alter or abrogate all or any of the special rights for the time being attached to such class of Participating Shares.

Subject to the provisions of Cayman Islands law and the rights of any holders of any class of Participating Shares, the Fund may by special resolution reduce its share capital or any capital redemption reserve or share premium account.

Transfer of Participating Shares

Participating Shares are transferable by instrument in writing signed by (or, in the case of a transfer by a body corporate, signed on behalf of or sealed by) the transferor and the transferee and registered in the register of Shareholders of the Fund. All forms for the transfer of Participating Shares sent to the Administrator's Delegate by fax or other written or electronic means specified by the Manager and the Administrator's Delegate must be followed by the duly signed original forms and the transfer of Participating Shares will only be effected upon receipt of the original executed transfer forms. The Directors may decline to register any transfer of Participating Shares over which the Fund has a lien or which will result in the Participating Shares to become held or owned by a non-qualified person (as defined in the following paragraph). The Directors may also decline to recognise any instrument of transfer unless it is deposited with the Administrator's Delegate or at such other place or places as the Directors may from time to time determine. The Directors may suspend the registration of transfers for not more than a total of 30 days in any year. In the case of the death of any one of joint Shareholders, the survivor or survivors will be the only person or persons recognised by the Fund as having any title to the interest of the deceased joint Shareholder in the Participating Shares registered in the names of such joint Shareholders.

Restriction on Shareholders

The Directors have power to impose such restrictions as they may think necessary for the purpose of ensuring that no Participating Shares are held by any person that may (i) cause a breach of any applicable law or requirement in any jurisdiction or be harmful or injurious to the business reputation of the Fund or any Service Provider; or (ii) prejudice the tax status or residence of the Fund or any of its Shareholders or any of its Service Providers; or (iii) cause the Fund or any of its Shareholders or any of its Service Providers to suffer any pecuniary, fiscal or regulatory disadvantage (provided that in the case of the Service Providers, such disadvantage impacts the ability, willingness or the terms on which the Service Providers provide services to the Fund which may negatively impact the interests of existing Shareholders of the Fund); or (iv) cause the Fund, any Shareholder, the Manager, the Administrator or the Custodian or any of their delegates appointed to provide services to the Fund to be required to comply with any registration or filing requirements in any jurisdiction with which it would not otherwise be required to comply (a "non-qualified person"). A person who becomes aware that he is holding or owning Participating Shares in the Fund in breach of any such restriction is required either to deliver to the Fund a written request for redemption for his Participating Shares in accordance with the Articles or to transfer the same to a person who would not thereby be a non-qualified person. If it comes to the notice of the Directors that any Participating Shares are so held by any non-qualified person the Directors may give notice to such person requiring the redemption or transfer of such Participating Shares in accordance with the provisions of the Articles.

Applicable Law and Jurisdiction

Statements made in this Explanatory Memorandum are based on the laws and practice in force as at the date of publication of this Explanatory Memorandum in the Cayman Islands.

All matters relating to the Fund shall be construed and enforced in accordance with the laws of the Cayman Islands. The Fund, the Shareholders, and all other relevant parties shall submit to the non-exclusive jurisdiction of the courts of the Cayman Islands for these purposes.

Certification for Compliance with FATCA or Other Applicable Laws

Each Shareholder (i) shall be required to, upon demand by the Fund, the Manager, the Administrator or the Administrator's Delegate, provide any form, certification or other information reasonably requested by and acceptable to the Fund, the Manager, the Administrator or the Administrator's Delegate that is necessary for the Fund (A) to avoid withholding (including, without limitation, any withholding taxes required under FATCA) or qualify for a reduced rate of withholding or backup withholding in any jurisdiction from or through which the Fund receives payments and/or (B) to satisfy due diligence, reporting or other obligations under the IRS Code and the United States Treasury Regulations promulgated under the IRS Code, or to satisfy any obligations relating to any applicable law, regulation or any agreement with any tax or fiscal authority in any jurisdiction, (ii) will update or replace such form, certification or other information in accordance with its terms or subsequent amendments or when such form, certificate or other information is no longer accurate, and (iii) will otherwise comply with any registration, due diligence and reporting obligations imposed by the United States, Hong Kong, the Cayman Islands or any other jurisdiction (including but not limited to any law, rule and requirement relating to AEOI), including such obligations that may be imposed by future legislation.

For the purposes herein, "AEOI" means one or more of the following as the context requires:

(a) FATCA;

(b) the OECD Standard for Automatic Exchange of Financial Account Information in Tax Matters – the Common Reporting Standards and any associated guidance;

(c) any intergovernmental agreement, treaty, guidance, standard or other agreement between the Cayman Islands government (or any government body in the Cayman Islands) and any other jurisdiction (including any government bodies in such jurisdiction), entered into in order to comply with, facilitate, supplement or implement the legislation, regulations, guidance or standards described in paragraphs (a) and (b) above; and

(d) any legislation, regulations or guidance in the Cayman Islands that give effect to the matters outlined in the preceding paragraphs (a) to (c) above.

Power to Disclose Information to Tax Authorities

Subject to applicable laws and regulations in the Cayman Islands and Hong Kong, the Fund, the Manager, the Administrator, the Administrator's Delegate or any of their authorised persons (as permissible under applicable law or regulation) may be required to report or disclose to any government agency, regulatory authority or tax or fiscal authority in any jurisdictions (including but not limited to the US IRS, the TIA and the Hong Kong Inland Revenue Department), certain information in relation to a Shareholder, including but not limited to the Shareholder's name, address, jurisdiction of birth, tax residence, tax identification number (if any), social security number (if any) and certain information relating to the Shareholder's holdings, account balance/value, and income or sale or redemption proceeds, to enable the Fund to comply with any applicable law or regulation or any agreement with a tax authority (including, but not limited to, any applicable law (including any law, rule and requirement relating to AEOI), regulation or agreement under FATCA).

Beneficial Ownership Regime

The Fund is regulated as a mutual fund under the Mutual Funds Law with registration number 601226 and, accordingly, does not fall within the scope of the primary obligations under Part XVIIA of the Companies Law (the "**Beneficial Ownership Regime**"). The Fund is therefore not required to maintain a beneficial ownership register. The Fund may, however, be required from time to time to provide, on request, certain particulars to other Cayman Islands entities which are within the scope of the Beneficial Ownership Regime and which are therefore required to maintain beneficial ownership registers under the Beneficial Ownership Regime. It is anticipated that such particulars will generally be limited to the identity and certain related particulars of (i) any person holding (or controlling through a joint arrangement) a majority of the voting rights in respect of the Fund; (ii) any person who is a member of the Fund and who has the right to appoint and remove a majority of the board of the Fund; and (iii) any person who has the right to exercise, or actually exercises, dominant direct influence or control over the Fund.

Requests for Information

The Fund, or any Directors or agents domiciled in the Cayman Islands, may be compelled to provide information, including, but not limited to, information relating to the subscriber, and where applicable the subscriber's beneficial owners and controllers, subject to a request for information made by a regulatory or governmental authority or agency under applicable law; e.g. by the CIMA, either for itself or for a recognised overseas regulatory authority, under the Monetary Authority Law (2018 Revision), or by the TIA, under the Tax Information Authority Law (2017 Revision) or Reporting of Savings Income Information (European Union) Law (2014 Revision) and associated regulations, agreements, arrangements and memoranda of understanding. Disclosure of confidential information under such laws shall not be regarded as a breach of any duty of confidentiality and, in certain circumstances, the Fund, Director or agent, may be prohibited from disclosing that the request has been made.

Material Contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by the Fund and are, or may be, material:-

(i) agreement between the Fund and the Manager dated 5 March 2012 (as amended and supplemented from time to time) pursuant to which the Manager was appointed, subject to the overall supervision of the Directors, to manage the investments and affairs of the Fund, with powers of delegation, and to provide certain administrative services to the Fund;

(ii) agreements between the Fund and the Administrator dated 6 March 2012 (as amended and supplemented from time to time) pursuant to which the Administrator was appointed to act as the administrator of the Fund;

(iii) agreements between the Fund and the Custodian dated 6 March 2012 (as amended and supplemented from time to time) pursuant to which the Custodian was appointed to act as custodian of the assets of the Fund.

Personal Data

Pursuant to the provisions of the Personal Data (Privacy) Ordinance (Chapter 486 of the Laws of Hong Kong, "**PDPO**"), the Administrator, the Manager, or any of their respective delegates (each a "**Data User**") may collect, hold, use personal data of individual investors in the Fund only for the purposes for which such data was collected and shall comply with personal data protection principles and requirements as set out in the PDPO and any applicable regulations and rules governing personal data use in Hong Kong from time to time. Accordingly, each Data User shall take all practicable steps to ensure that personal data collected, held and processed by them are protected against unauthorized or accidental access, processing, erasure or other use.

Cayman Islands Data Protection

The Cayman Islands Government enacted the Data Protection Law, 2017 (the "**DPL**") on 18 May 2017. The DPL introduces legal requirements for the Fund based on internationally accepted principles of data privacy.

The Fund has prepared a document outlining the Fund's data protection obligations and the data protection rights of investors (and individuals connected with investors) under the DPL (the "**Fund Privacy Notice**"). The Fund Privacy Notice is provided with the Subscription Form and is available to existing investors by contacting the Manager.

Prospective investors should note that, by virtue of making investments in the Fund and the associated interactions with the Fund and its affiliates and/or delegates (including completing the Subscription Form, and including the recording of electronic communications or phone calls where applicable), or by virtue of providing the Fund with personal information on individuals connected with the investor (for example directors, trustees, employees, representatives, shareholders, investors, clients, beneficial owners or agents) such individuals will be providing the Fund and its affiliates and/or delegates (including, without limitation, the Administrator and the Manager) with certain personal information which constitutes personal data within the meaning of the DPL.

The Fund shall act as a data controller in respect of this personal data and its affiliates and/or delegates, such as the Administrator and the Manager, may act as data processors (or data controllers in their own right in some circumstances).

By investing in and/or continuing to invest in the Fund, investors shall be deemed to acknowledge that they have read in detail and understood the Fund Privacy Notice and that the Fund Privacy Notice provides an outline of their data protection rights and obligations as they relate to the investment in the Fund. The Subscription Form contains relevant representations and warranties.

Oversight of the DPL is the responsibility of the Ombudsman's office of the Cayman Islands. Breach of the DPL by the Fund could lead to enforcement action by the Ombudsman, including the imposition of remediation orders, monetary penalties or referral for criminal prosecution.

Inspection of Documents

Copies of the following documents are available for inspection free of charge at any time during normal business hours on any day (excluding Saturday, Sundays and public holidays) at the offices of the Manager and copies thereof may be obtained from the Manager at that address on payment of reasonable fees:-

(i) the Memorandum and Articles of Association of the Fund;

(ii) the agreements referred to in the section above headed "Material Contracts";

(iii) the Companies Law (as amended) of the Cayman Islands; and

(iv) the Mutual Funds Law (as amended) of the Cayman Islands.

Copies of the Explanatory Memorandum, Product Key Facts Statement and latest financial reports of the Fund may be obtained from the offices of the Manager free of charge.

Enquiries

Investors may contact the Fund Investor Services team of the Manager by the following means if they have any enquiries or complaints in relation to the Fund:-

- By writing to the Manager's address at 43rd Floor, The Center, 99 Queen's Road Central, Hong Kong; or
- By calling the hotline of the Fund Investor Services team of the Manager at (852) 2143 0688.

The Manager will respond to any queries or complaints in a timely manner.

SCHEDULE 1 - INVESTMENT AND BORROWING RESTRICTIONS

Investment Restrictions

Unless otherwise approved by the SFC, the following principal investment restrictions apply to the Fund:

(a) the aggregate value of the Fund's investments in, or exposure to, any single entity (other than Government and other public securities) through the following may not exceed 10% of the latest available Net Asset Value of the Fund:

(1) investments in securities issued by such entity;

(2) exposure to such entity through underlying assets of financial derivative instruments ("**FDIs**"); and

(3) net counterparty exposure to such entity arising from transactions of over-the-counter FDIs;

(b) subject to (a) above and Chapter 7.28(c) of the Code and unless otherwise approved by the SFC, the aggregate value of the Fund's investments in, or exposure to, entities within the same group through the following may not exceed 20% of the latest available Net Asset Value of the Fund:

(1) investments in securities issued by such entities;

(2) exposure to such entities through underlying assets of FDIs; and

(3) net counterparty exposure to such entities arising from transactions of over-the-counter FDIs;

(c) unless otherwise approved by the SFC, the value of the Fund's cash deposits made with the same entity or entities within the same group may not exceed 20% of the latest available Net Asset Value of the Fund, unless:

(1) the cash is held before the launch of the Fund and for a reasonable period thereafter prior to the initial subscription proceeds being fully invested, or

(2) the cash is proceeds from liquidation of investments prior to the merger or termination of the Fund, whereby the placing of cash deposits with various financial institutions would not be in the best interest of investors; or

(3) the cash is proceeds received from subscriptions pending investments and held for the settlement of redemption and other payment obligations, whereby the placing of cash deposits with various financial institutions is unduly burdensome and the cash deposits arrangement would not compromise investors' interests;

For the purposes of this paragraph, "cash deposits" generally refers to those that are repayable on demand or have the right to be withdrawn by the Fund and not referable to provision of property or services.

(d) ordinary shares issued by a single entity held for the account of the Fund may not exceed 10% of the nominal amount of the ordinary shares issued by the same entity;

(e) not more than 15% of the latest available Net Asset Value of the Fund may be invested in securities and other financial products or instruments that are neither listed, quoted nor dealt in on a stock exchange, over-the-counter market or other organised securities market which is open to the international public and on which such securities are regularly traded;

(f) notwithstanding (a), (b) and (d), not more than 30% of the latest available Net Asset Value of the Fund may be invested in Government and other public securities of the same issue;

(g) subject to (f), the Fund may fully invest in Government and other public securities in at least six different issues; Government and other public securities will be regarded as being of a different issue if, even though they are issued by the same person, they are issued on different terms whether as to repayment dates, interest rates, the identity of the guarantor, or otherwise;

(h) unless otherwise approved by the SFC on a case-by-case basis taking into account the liquidity of the physical commodities concerned and availability of sufficient and appropriate additional safeguards where necessary, the Fund may not invest in physical commodities;

(i) unless otherwise provided under the Code, the spread requirements under paragraphs (a), (b), (d) and (e) do not apply to investments in other collective investment schemes by the Fund and for the avoidance of doubt, exchange traded funds that are:

(1) authorised by the SFC under Chapter 8.6 or 8.10 of the Code; or

(2) listed and regularly traded on internationally recognised stock exchanges open to the public (nominal listing not accepted) and:

- the principal objective of which is to track, replicate or correspond to a financial index or benchmark, which complies with the applicable requirements under Chapter 8.6 of the Code; or

- the investment objective, policy, underlying investments and product features of which are substantially in line with or comparable with those set out under Chapter 8.10 of the Code,

may either be considered and treated as (i) listed securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above; or (ii) collective investment schemes for the purposes of and subject to the requirements in paragraph (j)(1), (j)(2), provisos of (i) to (iii) of paragraph (j) below. However, the investments in exchange traded funds shall be subject to paragraph (e) above and, unless otherwise specified in this Explanatory Memorandum, investment by the Fund in exchange traded funds is considered and treated as listed securities for the purposes of and subject to the requirements in paragraphs (a), (b) and (d) above;

(j) where the Fund invests in shares or units of other collective investment schemes ("**underlying schemes**"),

(1) the value of the Fund's investment in units or shares in underlying schemes which are non-eligible schemes (as determined by the SFC) and not authorised by the SFC, may not in aggregate exceed 10% of the latest available Net Asset Value of the Fund; and

(2) the Fund may invest in one or more underlying schemes which are either authorised by the SFC or eligible schemes (as determined by the SFC), but the value of the Fund's investment in units or shares in each such underlying scheme may not exceed 30% of the latest available Net Asset Value of the Fund, unless the underlying scheme is authorised by the SFC and its name and key investment information are disclosed in this Explanatory Memorandum,

provided that in respect of (1) and (2) above:

(i) the objective of each underlying scheme may not be to invest primarily in any investment prohibited by Chapter 7 of the Code, and where that underlying scheme's objective is to invest primarily in investments restricted by Chapter 7 of the Code, such investments may not be in contravention of the relevant limitation prescribed by Chapter 7 of the Code. For the avoidance of doubt, the Fund may invest in scheme(s) authorised by the SFC under Chapter 8 of the Code (except for hedge funds under Chapter 8.7 of the Code), eligible scheme(s) (as determined by the SFC) of which the net derivative exposure (as defined in the Code) does not exceed 100% of its latest available net asset value, and exchange traded funds satisfying the requirements in paragraph (i) above in compliance with paragraph (j)(1) and (j)(2);

(ii) where the underlying schemes are managed by the Manager or by other companies within the same group that the Manager belongs to, then paragraphs (a), (b), (d) and (e) above are also applicable to the investments of the underlying scheme;

(iii) the objective of the underlying schemes may not be to invest primarily in other collective investment scheme(s);

(iv) where an investment is made in any underlying scheme(s) managed by the Manager or any of its Connected Persons, all initial charges and redemption charges on the underlying scheme (s) must be waived; and

(v) the Manager or any person acting on behalf of the Fund or the Manager may not obtain a rebate on any fees or charges levied by an underlying scheme or the management company of a underlying scheme, or quantifiable monetary benefits in connection with investments in any underlying scheme;

(k) in the case of investments in shares in real estate companies and interests in REITs, the Fund shall comply with the requirements under paragraphs (a), (b), (d), (e) and (j)(1) above where applicable. Where investments are made in listed REITs, the requirements under paragraphs (a), (b) and (d) above apply and where investments are made in unlisted REITs, which are either companies or collective investment schemes, then the requirements under paragraphs (e) and (j)(1) above apply respectively;

(l) if the name of the Fund indicates a particular objective, investment strategy, geographic region or market, the Fund should, under normal market circumstances, invest at least 70% of its latest available Net Asset Value in securities and other investments to reflect the particular objective, investment strategy or geographic region or market which the Fund represents; and

(m) notwithstanding paragraphs (a), (b), (d) and (e) above, where direct investment by the Fund in a market is not in the best interests of investors, the Fund may invest through a wholly-owned subsidiary company established solely for the purpose of making direct investments in such market. In this case:

(1) the underlying investments of the subsidiary, together with the direct investments made by the Fund, must in aggregate comply with the requirements of Chapter 7 of the Code;

(2) any increase in the overall fees and charges directly or indirectly borne by the Shareholders or the Fund as a result must be clearly disclosed in this Explanatory Memorandum; and

(3) the Fund must produce the reports required by Chapter 5.10(b) of the Code in a consolidated form to include the assets (including investment portfolio) and liabilities of the subsidiary company as part of those of the Fund.

The Fund shall not:

(A) invest in a security of any class in any company or body if any director or officer of the Manager individually owns more than 0.5% of the total nominal amount of all the issued securities of that class or collectively the directors and officers of the Manager own more than 5% of those securities;

(B) invest in any type of real estate (including buildings) or interests in real estate (including options or rights, but excluding shares in real estate companies and interests in REITs);

(C) make short sales if as a result the Fund would be required to deliver securities exceeding 10% of the latest available Net Asset Value of the Fund (and for this purpose (i) securities sold short must be actively traded on a market where short selling is permitted; and (ii) short selling is carried out in accordance with all applicable laws and regulations);

(D) carry out any naked or uncovered short sale of securities;

(E) lend or make a loan out of the assets of the Fund, except to the extent that, in either case, the acquisition of bonds or the making of a deposit (within the applicable investment restrictions) might constitute a loan;

(F) subject to Chapter 7.3 of the Code, assume, guarantee, endorse or otherwise become directly or contingently liable for or in connection with any obligation or indebtedness of any person, save and except for reverse repurchase transactions in compliance with the Code;

(G) enter into any obligation in respect of the Fund or acquire any asset or engage in any transaction for the account of the Fund which involves the assumption of any liability which is unlimited. For the avoidance of doubt, the liability of Shareholders must be limited to their investments in the Fund; or

(H) apply any part of the Fund in the acquisition of any investments which are for the time being nil paid or partly paid in respect of which a call is due to be made for any sum unpaid on such investments unless such call could be met in full out of cash or near cash forming part of the Fund whereby such amount of cash or near cash has not been segregated to cover a future or contingent commitment arising from transactions in FDIs for the purposes of Chapter 7.29 and 7.30 of the Code.

Borrowing restrictions

The maximum borrowing of the Fund shall not exceed 10% of its latest available Net Asset Value. Where the Manager so determines, the Fund's permitted borrowing level may be a lower percentage. In determining for the purpose of these borrowing limits, back-to-back loans do not count as borrowing. The assets of the Fund may be charged or pledged as security for any such borrowings in accordance with the provisions of the Articles.

Although the Fund currently does not engage in securities financing transactions, for the avoidance of doubt, securities lending transactions and sale and repurchase transactions in compliance with the requirements of the Code are not subject to the limitations in this section.

Financial derivative instruments

Subject always to the provisions of the Articles, the Code and the "Investment Objective and Policies" section above, the Manager may on behalf of the Fund enter into any transactions in relation to swaps or other FDIs, for hedging or non-hedging (investment) purposes:

Hedging purposes

The Fund may acquire FDIs for hedging purposes. FDIs are considered as being acquired for hedging purposes if they meet all of the following criteria:

(a) they are not aimed at generating any investment return;

(b) they are solely intended for the purpose of limiting, offsetting or eliminating the probability of loss of risks arising from the investments being hedged;

(c) although they may not necessarily reference to the same underlying assets, they should relate to the same asset class with high correlation in terms of risks and return, and involve taking opposite positions, in respect of the investments being hedged; and

(d) they exhibit price movements with high negative correlation with the investments being hedged under normal market conditions.

The Manager, where it deems necessary, shall cause hedging arrangement to be adjusted or re-positioned with due consideration on the fees, expenses and costs, to enable the Fund to meet its hedging objective in stressed or extreme market conditions.

Non-hedging (investment) purposes

Subject to the provisions under the "Investment Objective and Policies" section above, the Fund may acquire FDIs for non-hedging purposes ("**investment purposes**"), subject to the limit that the Fund's net exposure relating to these FDIs ("**net derivative exposure**") does not exceed 50% of its latest available Net Asset Value, provided that this limit may be exceeded in such circumstances as permitted under the Code, handbook, code and/or guideline issued by the SFC from time to time or permitted by the SFC from time to time. In this regard:

(a) for the purpose of calculating net derivative exposure, the positions of FDIs acquired by the Fund for investment purposes are converted into the equivalent position in the underlying assets of the FDIs, taking into account the prevailing market value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions;

(b) the net derivative exposure should be calculated in accordance with the requirements and guidance issued by the SFC which may be updated from time to time; and

(c) for the avoidance of doubt, FDIs acquired for hedging purposes will not be counted towards the 50% limit referred to in this paragraph so long as there is no residual derivative exposure arising from such hedging arrangement.

The actual level of leverage may be higher than such expected level in exceptional circumstances, for example when there are sudden movements in markets and/or investment prices.

Restrictions applicable to FDIs

The FDIs invested by the Fund shall be either listed or quoted on a stock exchange, or dealt in over-the-counter market and comply with the following provisions:

(a) the underlying assets consist solely of shares in companies, debt securities, money market instruments, units/shares of collective investment schemes, deposits with substantial financial institutions, Government and other public securities, highly liquid physical commodities (including gold, silver, platinum and crude oil), financial indices, interest rates, foreign exchange rates, currencies or other asset classes acceptable to the SFC, in which the Fund may invest according to its investment objectives and policies.

(b) where the Fund invests in index-based FDIs, the underlying assets of such FDIs are not required to be aggregated for the purposes of the investment restrictions set out in paragraphs (a), (b), (c) and (f) of the section headed "Investment Restrictions" above provided that the index is in compliance with the relevant requirements under Chapter 8.6 of the Code;

(c) the counterparties to over-the-counter FDI transactions or their guarantors are substantial financial institutions or such other entity acceptable to the SFC;

(d) subject to paragraphs (a) and (b) under the section entitled "Investment Restrictions" above, the Fund's net counterparty exposure to a single entity arising from transactions of the over-the-counter FDIs may not exceed 10% of the latest available Net Asset Value of the Fund, provided that the exposure of the Fund to a counterparty of over-the-counter FDIs may be lowered by the collateral received (if applicable) by the Fund and shall be calculated with reference to the value of collateral and positive mark to market value of the over-the-counter FDIs with that counterparty, if applicable; and

(e) the valuation of the FDIs is marked-to-market daily, subject to regular, reliable and verifiable valuation conducted by the Manager or the Custodian or their nominees, agents or delegates independent of the issuer of the FDIs through measures such as the establishment of a valuation committee or engagement of third party services. The FDIs can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the initiative of the Fund. Further, the Administrator should be adequately equipped with the necessary resources to conduct independent marked-to-market valuation and to verify the valuation of the FDIs on a regular basis.

For the avoidance of doubt, restrictions and limitations on counterparty as set out in paragraphs (a) and (b) under the section entitled "Investment Restrictions" above and paragraph (d) of this section will not apply to FDIs that are:

(A) transacted on an exchange where the clearing house performs a central counterparty role; and

(B) marked-to-market daily in the valuation of their financial derivative instrument positions and subject to margining requirements at least on a daily basis.

Subject to the above, the Fund may invest in FDIs provided that the exposure to the underlying assets of the FDIs, together with the other investments of the Fund, may not in aggregate exceed the corresponding investment restrictions or limitations applicable to such underlying assets as set out in the paragraphs (a), (b), (c), (f), (g), (j)(1), (j)(2), provisos of (i) to (iii) of paragraph (j), (k) and (B) under the section entitled "Investment Restrictions" above.

The Fund shall at all times be capable of meeting all its payment and delivery obligations incurred under transactions in FDIs (whether for hedging or for investment purposes). The Manager shall, as part of its risk management process, monitor to ensure that the transactions in FDIs are adequately covered on an ongoing basis. For such purposes, assets that are used to cover the Fund's payment and delivery obligations incurred under transactions in FDIs should be free from any liens and encumbrances, exclude any cash or near cash for the purpose of meeting a call on any sum unpaid on a security, and cannot be applied for any other purposes.

A transaction in FDIs which gives rise to a future commitment or contingent commitment of the Fund should also be covered as follows:

(a) in the case of FDIs transactions which will, or may at the discretion of the Custodian or the Manager, be cash settled, the Fund should at all times hold sufficient assets that can be liquidated within a short timeframe to meet the payment obligation; and

(b) in the case of FDIs transactions which will, or may at the counterparty's discretion, require physical delivery of the underlying assets, the Fund should hold the underlying assets in sufficient quantity at all times to meet the delivery obligation. If the Manager considers the underlying assets to be liquid and tradable, the Fund may hold other alternative assets in sufficient quantity as cover, provided that such assets may be readily converted into the underlying assets at any time to meet the delivery obligation.

In the case of holding alternative assets as cover, the Fund shall apply safeguard measures, such as to apply haircut where appropriate, to ensure that such alternative assets held are sufficient to meet its future obligations.

The above policies relating to FDIs apply to financial instruments which embeds a financial derivative as well.

Collateral valuation and management policy

The Manager employs a collateral management policy in relation to collateral received in respect of over-the-counter (OTC) FDI transactions entered into in respect of the Fund.

The Fund may receive collateral from a counterparty to an OTC FDI transaction, so as to reduce its counterparty risk exposure as set out in paragraph (d) under the section entitled "Restrictions applicable to FDIs" above, provided that the collateral complies with the requirements set out below:

- Nature and quality of collateral – unless otherwise agreed by the Manager, eligible collateral include:
    - cash;
    - government or other public securities including debt securities;
    - certificates of deposit;
    - letters of credit which are unconditional and irrevocable and which have a credit rating of A1/P1 or better; and
    - certificates issued by securities exchange clearing systems;
- Selection of counterparties – The Manager has counterparty selection policies and control measures to manage the credit risks of counterparties of OTC FDI transactions. In particular, the counterparties for OTC FDI transactions will be entities with legal personality typically located in Organisation for Economic Co-operation and Development (OECD) jurisdictions (but may also be located outside such jurisdictions), and be subject to ongoing supervision by a regulatory authority;

- Liquidity – collateral must be sufficiently liquid and tradable that it can be sold quickly at a robust price that is close to pre-sale valuation. Collateral should normally trade in a deep and liquid marketplace with transparent pricing. Regular stress tests are carried out under normal and exceptional liquidity conditions to enable an adequate assessment of the liquidity risks attached to the collateral;

- Valuation – collateral should be marked-to-market daily by using independent pricing source;

- Issuer credit quality – asset used as collateral must be of high credit quality and should be replaced immediately as soon as the credit quality of the collateral or the issuer of the asset being used as collateral has deteriorated to such a degree that it would undermine the effectiveness of the collateral;

- Haircut – a haircut is a discount applied to the value of a collateral asset to account for the fact that its valuation, or liquidity profile, may deteriorate over time. Collateral should be subject to prudent haircut policy, which should be based on the market risks of the assets used as collateral in order to cover potential maximum expected decline in collateral values during liquidation before a transaction can be closed out with due consideration on stress period and volatile markets:

    - the haircut policy takes into account the price volatility of the asset used as collateral and, where appropriate, other specific characteristics of the collateral, including, among others, asset types, issuer creditworthiness, residual maturity, price sensitivity, optionality, expected liquidity in stressed period, impact from foreign exchange, and correlation between securities accepted as collateral and the securities involved in the transactions; and

    - the haircut policy applied to posted collateral will be negotiated on a counterparty basis and will vary depending on the class of asset received by the Fund. Further details of the applicable haircut arrangement for each asset class is available from the Manager upon request;

- Diversification – collateral must be appropriately diversified to avoid concentrated exposure to any single entity and/or entities within the same group and the Fund's exposure to issuer(s) of the collateral should be taken into account in compliance with the corresponding investment restrictions and limitations set out in the paragraphs (a), (b), (c), (f), (g), (j)(1), (j)(2), provisos of (i) to (iii) of paragraph (j), (k) and (B) under the section entitled "Investment Restrictions" above;

- Correlation – the value of the collateral should not have any significant correlation with the creditworthiness of the counterparty or the issuer of the FDIs in such a way that it would undermine the effectiveness of the collateral. As such, securities issued by the counterparty or the issuer of the FDIs or any of their related entities should not be used as collateral;

- Management of operational and legal risks – the Manager shall have appropriate systems, operational capabilities and legal expertise for proper collateral management;

- Independent custody – collateral must be held by the Custodian of the Fund;

- Safe-keeping of collateral –

    - o any non-cash assets received by the Fund from a counterparty on a title transfer basis (in respect of an OTC FDI transaction) shall be held by the Custodian, or a nominee, agent or delegate appointed in relation the assets of the Fund. This is not applicable in the event that there is no title transfer and, in which case, the collateral will be held by a third party custodian which is unrelated to the provider of the collateral; and

    - o assets provided by the Fund on a title transfer basis shall no longer belong to the Fund. The counterparty may use those assets at its absolute discretion. Assets provided to a counter party other than on a title transfer basis shall be held by the Custodian or a nominee, agent or delegate appointed in relation the assets of the Fund;

- Enforceability – collateral must be readily accessible/enforceable by the Custodian without further recourse to the issuer of the FDIs;

- Re-investment of collateral – cash collateral received may only be reinvested in short-term deposits, high quality money market instruments and money market funds authorised under Chapter 8.2 of the Code or regulated in a manner generally comparable with the requirements of the SFC and acceptable to the SFC, and subject to corresponding investment restrictions or limitations applicable to such investments or exposure as set out in Chapter 7 of the Code and the following restrictions:

    - o non-cash collateral received may not be sold, re-invested or pledged;

- the portfolio of assets from re-investment of cash collateral shall comply with the requirements as set out in Chapter 8.2 (f) and 8.2(n) of the Code;
- cash collateral received is not allowed to be further engaged in any securities financing transactions;
- when the cash collateral received is reinvested into other investment(s), such investment(s) is/are not allowed to be engaged in any securities financing transactions; and
- up to 100% of the cash collateral received by the Fund may be reinvested.

For the purposes of re-investment of cash collateral received, "money market instruments" refer to securities normally dealt in on the money markets, including government bills, certificates of deposit, commercial papers, short-term notes and bankers' acceptances, etc. In assessing whether a money market instrument is of high quality, at a minimum, the credit quality and the liquidity profile of the money market instruments will be taken into account;

- Encumbrances - collateral should be free of prior encumbrances; and
- Collateral generally should not include (i) structured products whose payouts rely on embedded FDIs or synthetic instruments; (ii) securities issued by special purpose vehicles, special investment vehicles or similar entities; (iii) securitised products; or (iv) unlisted collective investment schemes.

The requirements under paragraphs (a) and (b) under the section entitled "Investment Restrictions" above will also apply in the case of the "diversification" and "re-investment of collateral" requirements of this section.

A description of holdings of collateral (including but not limited to a description of the nature of collateral, identity of the counterparty providing the collateral, value of the Fund (by percentage) secured/covered by collateral with breakdown by asset class/nature and credit rating (if applicable)) will be disclosed in the Fund's annual and interim reports for the relevant period.

Breach of Investment and Borrowing Restrictions

If any of the restrictions or limitations set out above is breached, the Manager will, as a priority objective, take all necessary steps within a reasonable period of time to remedy such breach, taking due account the interests of the Shareholders.

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Value Partners
Investing through discipline

VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND (the "Fund")

FIRST ADDENDUM

Important

*If you are in doubt about the contents of this First Addendum, you should seek independent professional advice. This First Addendum supplements, forms part of and should be read in conjunction with the Explanatory Memorandum of the Fund dated January 2020 ("**Explanatory Memorandum**").*

The changes made to the Explanatory Memorandum by this First Addendum shall take effect on 15 June 2020, unless otherwise stated herein.

All capitalised terms used in this First Addendum have the same meaning as in the Explanatory Memorandum, unless otherwise defined herein. The Directors of the Fund and Value Partners Hong Kong Limited, the Manager of the Fund, accept full responsibility for the accuracy of the information contained in this First Addendum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this First Addendum misleading as at the date of publication.

The following amendments shall be made to the Explanatory Memorandum:

A. Change of Directors of the Fund

1. The information regarding the Directors of the Fund under the heading "**Directory**" on page 10 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "Ms. CHEUNG Hor Yee Patricia
   Mr. LAM Wai Sing Wilson
   Ms. WONG Ngai Sze"

2. The profiles of Mr. Roger Anthony HEPPER and Ms. NG Chit Sze under the sub-heading "**Directors**" under the heading "**Management and Administration**" on pages 27 to 28 of the Explanatory Memorandum shall be deleted in their entirety and replaced with the following:

   "***CHEUNG Hor Yee Patricia***

   Ms. CHEUNG Hor Yee Patricia is Chief Operating Officer ("**COO**") of Value Partners Group Limited ("Value Partners"), where she oversees the firm's business operations.

   Ms. CHEUNG first joined the group as a Chief Administrative Officer in August 2018, and was appointed as Co-Chief Operating Officer in July 2019. She was appointed as the group's COO in May 2020.

   Ms. CHEUNG has nearly 20 years' of experience in the financial sector, holding senior positions in investment banking, central counterparty, and asset management businesses.

   Prior to joining Value Partners, she was most recently the Group Treasurer at Hong Kong Exchanges and Clearing Limited, where she oversaw US$20 billion equivalent of liquidity portfolio. Before that, she was Managing Director and COO at Zheng He Capital Management Limited and Senior Advisor to Lufax, the largest online wealth manager in China incubated by Ping An Group. Other roles she held including Managing Director and Asia Treasurer for Morgan Stanley Asia Limited, Head of Treasury, Asia Pacific at Newedge Group, and Executive Director at Goldman Sachs Asia Limited.

Ms. CHEUNG graduated from The Wharton School, University of Pennsylvania with a Bachelor of Science in Economics. She has completed a FinTech certificate course by Massachusetts Institute of Technology, and is an active mentor to various FinTech innovation ventures in Asia.

LAM Wai Sing Wilson

Mr. LAM Wai Sing Wilson is Director, Fund Operations of Value Partners, where he oversees the fund administration function including trade settlement and portfolio valuations. He is also responsible for developing fund service solutions, setting policies and procedures, monitoring operations and services delivery.

Mr. LAM has over 20 years' experience in the financial services industry. He has solid experience in operating with long/short equity funds, hedge funds, fund of funds and private equity funds across different investment strategies and a range of fund structures. Mr. LAM started his career at Value Partners in February 1999. He has participated in the development of operation flow for Value Partners' fund trading system, and was promoted to the current role in 2019.

WONG Ngai Sze

Ms. WONG Ngai Sze serves a dual role as Chief Financial Officer and Chief Administrative Officer of Value Partners. She leads the group's financial and administrative functions, and is also responsible for the group's investor relations.

Ms. WONG has broad experience in the asset management industry, particularly with regard to financial and operational management. She first joined Value Partners in 2008 as a Finance Manager and was promoted over the years to oversee the finance division. She was appointed Chief Financial Officer in 2017 and was promoted to Chief Financial Officer and Chief Administrative Officer in May 2020.

Prior to joining Value Partners, Ms. WONG worked at Ernst & Young and PricewaterhouseCoopers, covering the assurance and advisory business service.

Ms. WONG graduated with a Bachelor's degree in Commerce, Accounting and Finance from the University of New South Wales in Australia. She is a member of the Hong Kong Institute of Certified Public Accountants and a holder of Financial Risk Manager."

B. Creation of new Classes of Participating Shares

1. The first paragraph under the sub-heading "**Classes of Participating Shares**" under the heading "**Investing in the Fund**" on page 36 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"The Fund currently has the following Classes of Participating Shares:-

Class	Class Currency
Class A HKD Hedged Acc Share	HK$
Class A HKD Hedged MDis Share	HK$
Class A AUD Hedged Acc Share	AUD
Class A AUD Hedged MDis Share	AUD
Class A CAD Hedged Acc Share	CAD
Class A CAD Hedged MDis Share	CAD
Class A EUR Hedged Acc Share	EUR

Class A EUR Hedged MDis Share	EUR
Class A GBP Hedged Acc Share	GBP
Class A GBP Hedged MDis Share	GBP
Class A JPY Hedged Acc Share	JPY
Class A JPY Hedged MDis Share	JPY
Class A NZD Hedged Acc Share	NZD
Class A NZD Hedged MDis Share	NZD
Class z USD Acc Share	US$
Class z USD MDis Share	US$
Class z EUR Acc Share	EUR
Class z EUR Hedged Acc Share	EUR
Class z EUR MDis Share	EUR
Class z EUR Hedged MDis Share	EUR
Class z RMB Acc Share	RMB
Class z RMB Hedged Acc Share	RMB
Class z RMB MDis Share	RMB
Class z RMB Hedged MDis Share	RMB
Class P USD Acc Share	US$
Class P USD MDis Share	US$
Class P HKD Acc Share	HK$
Class P HKD MDis Share	HK$
Class P SGD Hedged Acc Share	SGD
Class P SGD Hedged MDis Share	SGD
Class X USD Acc Share	US$
Class I USD Acc Share	US$
Class I USD MDis Share	US$
Class I EUR Acc Share	EUR
Class I EUR Hedged Acc Share	EUR
Class I EUR MDis Share	EUR
Class I EUR Hedged MDis Share	EUR
Class I RMB Acc Share	RMB
Class I RMB Hedged Acc Share	RMB
Class I RMB MDis Share	RMB
Class I RMB Hedged MDis Share	RMB

"

2. The third paragraph under the sub-heading "**Classes of Participating Shares**" under the heading "**Investing in the Fund**" on page 37 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "Class z USD Acc Shares, Class z USD MDis Shares, Class z EUR Acc Shares, Class z EUR Hedged Acc Shares, Class z EUR MDis Shares, Class z EUR Hedged MDis Shares, Class z RMB Acc Shares, Class z RMB Hedged Acc Shares, Class z RMB MDis Shares and Class z RMB Hedged MDis Shares are collectively referred to as "**Class z Shares**"."

3. The following paragraph is inserted immediately after the fifth paragraph under the sub-heading "**Classes of Participating Shares**" under the heading "**Investing in the Fund**" on page 37 of the Explanatory Memorandum:

   "Class I USD Acc Share, Class I USD MDis Share, Class I EUR Acc Share, Class I EUR Hedged Acc Share, Class I EUR MDis Share, Class I EUR Hedged MDis Share, Class I RMB Acc Share, Class I RMB Hedged Acc Share, Class I RMB MDis Share and Class I RMB Hedged MDis Share are collectively referred to as "**Class I Shares**"."

4. The following paragraph is inserted immediately after the eighth paragraph under the sub-heading "**Classes of Participating Shares**" under the heading "**Investing in the Fund**" on page 37 of the Explanatory Memorandum:

   "Class I Shares are only available for subscription by institutional investors who will set up a direct investment account with the Manager and subscribe to the Fund directly. For the avoidance of doubt, Class I Shares are not available for subscription through intermediaries. The costs for the management of Class I Shares to be charged to investors are set out under separate agreements."

5. The ninth paragraph under the sub-heading "**Classes of Participating Shares**" under the heading "**Investing in the Fund**" on page 37 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "The Fund reserves the right to establish and issue further Classes of Participating Shares from time to time. Each such Class may have differing investment parameters such as currency hedged or unhedged classes, fee structures and other features such as different class currency denominations, minimum subscription and holding amount, or distribution policies. Except for the features described in this Explanatory Memorandum and save as otherwise provided in the Articles, Class A Shares, Class z Shares, Class P Shares, Class X Shares and Class I Shares shall have equal ranking with, and the same rights as, each other."

6. The first paragraph under the sub-heading "**Initial Issue**" under the heading "**Investing in the Fund**" on page 38 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "Class A Shares (save for Class A AUD Hedged MDis Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged Acc Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged MDis Shares and Class A NZD Hedged MDis Shares which are being offered on an on-going basis), Class z Shares (save for Class z USD Acc Shares, Class z USD MDis Shares, Class z EUR Acc Shares, Class z EUR Hedged Acc Shares, Class z EUR MDis Shares and Class z EUR Hedged MDis Shares which are being offered on an on-going basis), Class P SGD Hedged Acc Shares and Class I Shares will be offered to investors during the Initial Offer Period of such Class at the following Initial Offer Prices (exclusive of the Initial Charge):-

Class	**Initial Offer Price**
Class A HKD Hedged Acc Share	HK$10
Class A HKD Hedged MDis Share	HK$10
Class A AUD Hedged Acc Share	AUD10
Class A AUD Hedged MDis Share	AUD10
Class A CAD Hedged Acc Share	CAD10
Class A CAD Hedged MDis Share	CAD10
Class A EUR Hedged Acc Share	EUR10
Class A EUR Hedged MDis Share	EUR10
Class A GBP Hedged Acc Share	GBP10
Class A GBP Hedged MDis Share	GBP10
Class A JPY Hedged Acc Share	JPY10
Class A JPY Hedged MDis Share	JPY10
Class A NZD Hedged Acc Share	NZD10
Class A NZD Hedged MDis Share	NZD10
Class z USD Acc Share	US$10
Class z USD MDis Share	US$10
Class z EUR Acc Share	EUR10
Class z EUR Hedged Acc Share	EUR10

Class z EUR MDis Share	EUR10
Class z EUR Hedged MDis Share	EUR10
Class z RMB Acc Share	RMB10
Class z RMB Hedged Acc Share	RMB10
Class z RMB MDis Share	RMB10
Class z RMB Hedged MDis Share	RMB10
Class P USD Acc Share	US$10
Class P USD MDis Share	US$10
Class P HKD Acc Share	HK$10
Class P HKD MDis Share	HK$10
Class P SGD Hedged Acc Share	SGD10
Class P SGD Hedged MDis Share	SGD10
Class X USD Acc Share	US$10
Class I USD Acc Share	US$10
Class I USD MDis Share	US$10
Class I EUR Acc Share	EUR10
Class I EUR Hedged Acc Share	EUR10
Class I EUR MDis Share	EUR10
Class I EUR Hedged MDis Share	EUR10
Class I RMB Acc Share	RMB10
Class I RMB Hedged Acc Share	RMB10
Class I RMB MDis Share	RMB10
Class I RMB Hedged MDis Share	RMB10

"

7. The second and third paragraphs under the sub-heading "**Initial Issue**" under the heading "**Investing in the Fund**" on page 39 of the Explanatory Memorandum shall be deleted in their entirety and replaced with the following:

   "In relation to Class z RMB Acc Shares, Class z RMB Hedged Acc Shares, Class z RMB MDis Shares and Class z RMB Hedged MDis Shares, the Initial Offer Period shall be from 9:00 a.m. (Hong Kong time) on 16 June 2020 to 6:00 p.m. (Hong Kong time) on 16 June 2020, or such other period as may be specified by the Manager.

   In relation to Class I Shares, the Initial Offer Period shall be from 9:00 a.m. (Hong Kong time) on 16 June 2020 to 6:00 p.m. (Hong Kong time) on 16 June 2020, or such other period as may be specified by the Manager.

   Subscription application forms ("**Subscription Applications**") should be sent to the Administrator's Delegate. In respect of Subscription Applications and application moneys in cleared funds which are received on or before 6:00 p.m. (Hong Kong time) on the closing date of the Initial Offer Period, the relevant Participating Shares will be issued immediately following the close of the Initial Offer Period."

8. The first paragraph under the sub-heading "**Subsequent Issues**" under the heading "**Investing in the Fund**" on page 39 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "Following the close of the relevant Initial Offer Period, the relevant Classes of Participating Shares will be available for issue on each Subscription Day at the relevant Subscription Price. Where a Class of Participating Shares is fully redeemed and subsequently re-launched, such Class will be issued at the Initial Offer Price (exclusive of the Initial Charge) during such re-launch, and thereafter, will be issued at the relevant Subscription Price."

9. The first paragraph under the sub-heading "**Initial Charge**" under the heading "**Investing in the Fund**" on page 42 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "Unless otherwise waived by the Manager (either in whole or in part and whether generally or in a particular case), the Manager has the power to levy an initial charge of up to 5% of the Initial Offer Price or the Subscription Price in the case of Class A Shares and Class P Shares, and an initial charge of up to 3% of the Initial Offer Price or the Subscription Price in the case of Class z Shares, as the case may be ("**Initial Charge**"). No initial charge will be levied on Class X Shares and Class I Shares."

10. The first paragraph under the sub-heading "**Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount**" under the heading "**Investing in the Fund**" on pages 42 to 43 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

    "The Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount, inclusive of any Initial Charge, for each Class of Participating Shares are set out below:

Class	**Minimum Initial Subscription Amount**	**Minimum Subsequent Subscription Amount**
Class A HKD Hedged Acc Share	HK$80,000	HK$40,000
Class A HKD Hedged MDis Share	HK$80,000	HK$40,000
Class A AUD Hedged Acc Share	US$10,000*	US$5,000*
Class A AUD Hedged MDis Share	US$10,000*	US$5,000*
Class A CAD Hedged Acc Share	US$10,000*	US$5,000*
Class A CAD Hedged MDis Share	US$10,000*	US$5,000*
Class A EUR Hedged Acc Share	US$10,000*	US$5,000*
Class A EUR Hedged MDis Share	US$10,000*	US$5,000*
Class A GBP Hedged Acc Share	US$10,000*	US$5,000*
Class A GBP Hedged MDis Share	US$10,000*	US$5,000*
Class A JPY Hedged Acc Share	US$10,000*	US$5,000*
Class A JPY Hedged MDis Share	US$10,000*	US$5,000*
Class A NZD Hedged Acc Share	US$10,000*	US$5,000*
Class A NZD Hedged MDis Share	US$10,000*	US$5,000*
Class z USD Acc Share	US$1,000,000	US$500,000
Class z USD MDis Share	US$1,000,000	US$500,000
Class z EUR Acc Share	US$1,000,000*	US$500,000*
Class z EUR Hedged Acc Share	US$1,000,000*	US$500,000*
Class z EUR MDis Share	US$1,000,000*	US$500,000*
Class z EUR Hedged MDis Share	US$1,000,000*	US$500,000*
Class z RMB Acc Share	US$1,000,000*	US$500,000*
Class z RMB Hedged Acc Share	US$1,000,000*	US$500,000*
Class z RMB MDis Share	US$1,000,000*	US$500,000*
Class z RMB Hedged MDis Share	US$1,000,000*	US$500,000*
Class P USD Acc Share	US$10,000	US$5,000
Class P USD MDis Share	US$10,000	US$5,000
Class P HKD Acc Share	HK$80,000	HK$40,000
Class P HKD MDis Share	HK$80,000	HK$40,000
Class P SGD Hedged Acc Share	US$10,000*	US$5,000*
Class P SGD Hedged MDis Share	US$10,000*	US$5,000*
Class X USD Acc Share	Nil	Nil
Class I USD Acc Share	US$10,000,000	US$10,000,000

Class I USD MDis Share	US$10,000,000	US$10,000,000
Class I EUR Acc Share	US$10,000,000*	US$10,000,000*
Class I EUR Hedged Acc Share	US$10,000,000*	US$10,000,000*
Class I EUR MDis Share	US$10,000,000*	US$10,000,000*
Class I EUR Hedged MDis Share	US$10,000,000*	US$10,000,000*
Class I RMB Acc Share	US$10,000,000*	US$10,000,000*
Class I RMB Hedged Acc Share	US$10,000,000*	US$10,000,000*
Class I RMB MDis Share	US$10,000,000*	US$10,000,000*
Class I RMB Hedged MDis Share	US$10,000,000*	US$10,000,000*

* An equivalent amount in AUD, CAD, EUR, GBP, JPY, NZD, RMB or SGD"

11. The first paragraph under the sub-heading "**Minimum Redemption Amount and Minimum Holding Amount"** under the heading "**Investing in the Fund**" on pages 49 to 50 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"The Minimum Redemption Amount and Minimum Holding Amount of each Class of Participating Shares are as set out below:-

Class	**Minimum Redemption Amount**	**Minimum Holding Amount**
Class A HKD Hedged Acc Share	Nil	HK$80,000
Class A HKD Hedged MDis Share	Nil	HK$80,000
Class A AUD Hedged Acc Share	Nil	US$10,000*
Class A AUD Hedged MDis Share	Nil	US$10,000*
Class A CAD Hedged Acc Share	Nil	US$10,000*
Class A CAD Hedged MDis Share	Nil	US$10,000*
Class A EUR Hedged Acc Share	Nil	US$10,000*
Class A EUR Hedged MDis Share	Nil	US$10,000*
Class A GBP Hedged Acc Share	Nil	US$10,000*
Class A GBP Hedged MDis Share	Nil	US$10,000*
Class A JPY Hedged Acc Share	Nil	US$10,000*
Class A JPY Hedged MDis Share	Nil	US$10,000*
Class A NZD Hedged Acc Share	Nil	US$10,000*
Class A NZD Hedged MDis Share	Nil	US$10,000*
Class z USD Acc Share	Nil	US$1,000,000
Class z USD MDis Share	Nil	US$1,000,000
Class z EUR Acc Share	Nil	US$1,000,000*
Class z EUR Hedged Acc Share	Nil	US$1,000,000*
Class z EUR MDis Share	Nil	US$1,000,000*
Class z EUR Hedged MDis Share	Nil	US$1,000,000*
Class z RMB Acc Share	Nil	US$1,000,000*
Class z RMB Hedged Acc Share	Nil	US$1,000,000*
Class z RMB MDis Share	Nil	US$1,000,000*
Class z RMB Hedged MDis Share	Nil	US$1,000,000*
Class P USD Acc Share	Nil	US$10,000
Class P USD MDis Share	Nil	US$10,000
Class P HKD Acc Share	Nil	HK$80,000
Class P HKD MDis Share	Nil	HK$80,000
Class P SGD Hedged Acc Share	Nil	US$10,000*
Class P SGD Hedged MDis Share	Nil	US$10,000*
Class X USD Acc Share	Nil	Nil

Class I USD Acc Share	Nil	US$10,000,000
Class I USD MDis Share	Nil	US$10,000,000
Class I EUR Acc Share	Nil	US$10,000,000*
Class I EUR Hedged Acc Share	Nil	US$10,000,000*
Class I EUR MDis Share	Nil	US$10,000,000*
Class I EUR Hedged MDis Share	Nil	US$10,000,000*
Class I RMB Acc Share	Nil	US$10,000,000*
Class I RMB Hedged Acc Share	Nil	US$10,000,000*
Class I RMB MDis Share	Nil	US$10,000,000*
Class I RMB Hedged MDis Share	Nil	US$10,000,000*

* An equivalent amount in AUD, CAD, EUR, GBP, JPY, NZD, RMB or SGD"

12. The first paragraph under the sub-heading "**Accumulation Classes**" under the heading "**Distributions**" on page 97 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

    "The Manager currently does not intend to pay dividends with respect to Class A HKD Hedged Acc Shares, Class A AUD Hedged Acc Shares, Class A CAD Hedged Acc Shares, Class A EUR Hedged Acc Shares, Class A GBP Hedged Acc Shares, Class A JPY Hedged Acc Shares, Class A NZD Hedged Acc Shares, Class z USD Acc Shares, Class z EUR Acc Shares, Class z EUR Hedged Acc Shares, Class z RMB Acc Shares, Class z RMB Hedged Acc Shares, Class P USD Acc Shares, Class P HKD Acc Shares, Class P SGD Hedged Acc Shares, Class X USD Acc Shares, Class I USD Acc Shares, Class I EUR Acc Shares, Class I EUR Hedged Acc Shares, Class I RMB Acc Shares and Class I RMB Hedged Acc Shares (collectively referred to as the "**Accumulation Classes**"). Therefore, any net income and net realized profits attributable to the Participating Shares of the Accumulation Classes will be reflected in their respective Net Asset Values."

13. The first paragraph under the sub-heading "**Distribution Classes**" under the heading "**Distributions**" on page 97 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

    "For Class A HKD Hedged MDis Shares, Class A AUD Hedged MDis Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged MDis Shares, Class A JPY Hedged MDis Shares, Class A NZD Hedged MDis Shares, Class z USD MDis Shares, Class z EUR MDis Shares, Class z EUR Hedged MDis Shares, Class z RMB MDis Shares, Class z RMB Hedged MDis Shares, Class P USD MDis Shares, Class P HKD MDis Shares, Class P SGD Hedged MDis Shares, Class I USD MDis Shares, Class I EUR MDis Shares, Class I EUR Hedged MDis Shares, Class I RMB MDis Shares and Class I RMB Hedged MDis Shares (collectively referred to as the "**Distribution Classes**"), the Manager intends to declare and pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. Dividends will be declared on the last Business Day of each calendar month or on such date as may be determined by the Manager, or such other time or frequency as the Manager considers appropriate. The Manager will also have the discretion to determine if and to what extent dividends paid include realized capital gains and/or are paid out of share premium attributable to the relevant Distribution Class. Such dividends will be paid in cash. However, the dividends will not be paid in cash and will be applied to subscribe for additional Participating Shares in the relevant Distribution Class of the Fund if the amount of dividends for the relevant Shareholder is less than US$100 (or its equivalent amount in AUD, CAD, EUR, GBP, JPY, NZD, SGD or RMB as the case may be), and HK$800 for Class A HKD Hedged MDis Shares and Class P HKD MDis Shares respectively or such other amount determined by the Manager from time to time."

14. The first paragraph under the sub-heading "**Manager's Fee**" under the heading "**Charges and Expenses**" on page 100 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"Pursuant to the Management Agreement the Manager will be entitled to receive management fees in respect of each Class of Participating at the following rates:

Class	**Management Fee (% per annum)**
Class A Shares	1.5%
Class z Shares	1.0%
Class P Shares	1.5%
Class I Shares	Up to 0.7%

"

15 June 2020

Value Partners
Investing through discipline

VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND (the "Fund")

SECOND ADDENDUM

Important

*If you are in doubt about the contents of this Addendum, you should seek independent professional advice. This Addendum supplements, forms part of and should be read in conjunction with the Explanatory Memorandum of the Fund dated January 2020 and the First Addendum dated 15 June 2020 (collectively, the "**Explanatory Memorandum**").The changes made to the Explanatory Memorandum by this Addendum shall take effect on 30 April 2021.*

All capitalised terms used in this Addendum have the same meaning as in the Explanatory Memorandum, unless otherwise defined herein. The Directors of the Fund and Value Partners Hong Kong Limited, the Manager of the Fund, accept full responsibility for the accuracy of the information contained in this Addendum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Addendum misleading as at the date of publication.

The Explanatory Memorandum will hereby be amended as follows:

1. Change of Auditors' address

The Auditors' address under the heading "**Directory**" on page 11 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"**PricewaterhouseCoopers**
P.O. Box 258
18 Forum Lane
Camana Bay
Grand Cayman
KY1-1104
Cayman Islands"

2. Change of Directors

(a) The information regarding the Directors of the Fund under the heading "**Directory**" on page 10 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"Mr. LAM Wai Sing Wilson
Ms. WONG Ngai Sze"

(b) The sub-section "**Directors**" under the heading "**Management and Administration**" on pages 27 and 28 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"**Directors**

The Directors of the Fund are as follows:

WONG Ngai Sze

Ms. WONG Ngai Sze serves a dual role as Chief Financial Officer and Chief Administrative Officer of Value Partners. She leads the group's financial, investor relations and administrative functions. In addition, she also oversees the business operations of the group.

Ms. WONG has over 18 years of experience in the asset management and financial services industry, particularly with regard to financial management, corporate management and operation. She joined Value Partners in 2008 as a Finance Manager and was promoted over the years to oversee the finance division. She was appointed Chief Financial Officer in 2017 and was promoted to Chief Financial Officer and Chief Administrative Officer in May 2020.

Prior to joining Value Partners, Ms. WONG worked at Ernst & Young and PricewaterhouseCoopers, covering the assurance and advisory business service.

Ms. WONG graduated with a Bachelor's degree in Commerce, Accounting and Finance from the University of New South Wales in Australia. She is a member of the Hong Kong Institute of Certified Public Accountants and a holder of Financial Risk Manager.

LAM Wai Sing Wilson

Mr. LAM Wai Sing Wilson is Senior Director, Fund Operations of Value Partners, where he oversees the fund administration function including trade settlement and portfolio valuations. He is also responsible for developing fund service solutions, setting policies and procedures, monitoring operations and services delivery.

Mr. LAM has over 20 years' experience in the financial services industry. He has solid experience in operating with long/short equity funds, hedge funds, fund of funds and private equity funds across different investment strategies and a range of fund structures. Mr. LAM started his career at Value Partners in February 1999. He has participated in the development of operation flow for Value Partners' fund trading system, and was promoted to the current role in 2021."

3. Amendment to the custody fee and administration fee

The sub-section "**Administrator's and Custodian's Fee**" under the heading "**Charges and Expenses**" on pages 100 and 101 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"The Fund will pay fees for administration and custody services at such rates or amounts as agreed with the Administrator and the Custodian from time to time. The Administrator and the Custodian will also be entitled to recover out-of-pocket expenses in performing its services (including any sub-custody charges) together with certain transaction costs. The Administrator and the Administrator's Delegate will share the fees payable for administrator services.

Currently, the Custodian and the Administrator are entitled to receive from the Fund custody fee and administration fee at the following rates subject to a maximum rate of 1% per annum of the Net Asset Value of the Fund:

Net Asset Value	**Annual rate (as a percentage of Net Asset Value)**
First US$150 million	0.135%
Next US$650 million	0.13%
Portion on top of US$800 million	0.125%

The custody fee and the administration fee accrues monthly and is payable monthly in arrears. The custody fee and administration fee is subject to a monthly minimum fee of US$4,500.

Any increase of the Administrator's fee and the Custodian's fee from the current level up to the maximum level will only be implemented after giving at least one month's prior notice (or such prior notice as agreed with the SFC) to the Shareholders."

30 April 2021

Value Partners
Investing through discipline

VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND (the "Fund")

THIRD ADDENDUM

Important

*If you are in doubt about the contents of this Addendum, you should seek independent professional advice. This Addendum supplements, forms part of and should be read in conjunction with the Explanatory Memorandum of the Fund dated January 2020, the First Addendum dated 15 June 2020 and the Second Addendum dated 30 April 2021 (collectively, the "**Explanatory Memorandum**").The changes made to the Explanatory Memorandum by this Addendum shall take effect on 1 November 2021, unless otherwise stated herein.*

All capitalised terms used in this Addendum have the same meaning as in the Explanatory Memorandum, unless otherwise defined herein. The Directors of the Fund and Value Partners Hong Kong Limited, the Manager of the Fund, accept full responsibility for the accuracy of the information contained in this Addendum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Addendum misleading as at the date of publication.

The Explanatory Memorandum will hereby be amended as follows:

1. Update of preliminary information

The preliminary information under the heading "**PRELIMINARY**" on page 5 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"**Important: If you are in any doubt about the contents of this Explanatory Memorandum, you should seek independent professional financial advice.**

Unless otherwise stated, all capitalised terms used herein shall have the meaning ascribed to them in the section "Definitions". References to singular terms shall include the plural and vice- versa, as necessary.

The Directors, whose names appear under the section below headed "Management and Administration - Directors" and the Manager accept full responsibility for the accuracy of the information contained in this Explanatory Memorandum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement misleading. This Explanatory Memorandum may from time to time be updated.

Distribution of this Explanatory Memorandum must be accompanied by the Product Key Facts Statement and a copy of the latest published annual report of the Fund and any subsequent interim report. Participating Shares are offered on the basis only of the information contained in this Explanatory Memorandum, the Product Key Facts Statement and (where applicable) the above mentioned annual reports and interim reports.

The selling restrictions in this Explanatory Memorandum describe restrictions on offers and sales of the Participating Shares in particular jurisdictions however the jurisdictions mentioned are not exhaustive and the distribution of this Explanatory Memorandum and the offers and sales of Participating Shares in other jurisdictions not specified in this Explanatory Memorandum may be prohibited or restricted. No persons receiving a copy of this Explanatory Memorandum or the Subscription Application (as defined below) in any such jurisdiction may treat this Explanatory Memorandum or such Subscription Application as constituting an invitation to them to subscribe for Participating Shares, nor should they in any event use this Explanatory Memorandum or such Subscription Application, unless in the relevant jurisdiction such an invitation could lawfully be made

to them and such Subscription Application could lawfully be used by them without compliance with any registration or other legal requirements.

This Explanatory Memorandum or the Subscription Application does not constitute an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not lawful or in which the person making such offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make such offer or solicitation.

It is the responsibility of any persons in possession of this Explanatory Memorandum and any persons wishing to apply for Participating Shares pursuant to this Explanatory Memorandum to inform themselves of, and to observe, all laws and regulations applicable to them.

Australia

This Explanatory Memorandum is not a prospectus or product disclosure statement under the Corporations Act 2001 (Cth) (the "**Corporations Act**") and does not constitute a recommendation to acquire, an invitation to apply for, an offer to apply for or buy, an offer to arrange the issue or sale of, or an offer for issue or sale of, any securities in Australia except as set out below. The Fund has not authorised nor taken any action to prepare or lodge with the Australian Securities & Investments Commission an Australian law compliant prospectus or product disclosure statement. Accordingly, this Explanatory Memorandum may not be issued or distributed in Australia and the Participating Shares in the Fund may not be offered, issued, sold or distributed in Australia by the Manager, or any other person, under this Explanatory Memorandum other than by way of or pursuant to an offer or invitation that does not need disclosure to investors under Part 6D.2 or Part 7.9 of the Corporations Act, whether by reason of the investor being a "wholesale client" (as defined in section 761G of the Corporations Act and applicable regulations) or otherwise.

This Explanatory Memorandum does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of Participating Shares to a "retail client" (as defined in section 761G of the Corporations Act and applicable regulations) in Australia.

Brunei

This Explanatory Memorandum relates to a foreign collective investment scheme under the Securities Markets Order, 2013 (the "**Order**") which is not subject to any form of domestic regulations by the Autoriti Monetari Brunei Darussalam (the "**Authority**") and further, it relates to a private collective investment scheme under the Order and is intended for distribution only to specific classes of investors such as an accredited investor, an expert investor or an institutional as specified in the Order at their request and must not, therefore, be delivered to, or relied on by, a retail client. The Authority is not responsible for reviewing or verifying any prospectus or other documents in connection with this collective investment scheme. The Authority has not approved this Explanatory Memorandum or any other associated documents nor taken any steps to verify the information set out in this Explanatory Memorandum, and has no responsibility for it.

The Participating Shares to which this Explanatory Memorandum relates may be illiquid or subject to restrictions on their resale. Prospective purchasers of the Participating Shares offered should conduct their own due diligence on the Participating Shares. If you do not understand the contents of this document you should consult your legal adviser.

Cayman Islands

This Explanatory Memorandum does not constitute, and shall not be construed as, an offer or invitation to the public in the Cayman Islands to subscribe for Participating Shares. No offer or invitation to subscribe for Participating Shares may be made to the public in the Cayman Islands.

A MUTUAL FUND LICENCE ISSUED OR A FUND REGISTERED BY THE CAYMAN ISLANDS MONETARY AUTHORITY DOES NOT CONSTITUTE AN OBLIGATION OF THE AUTHORITY TO ANY INVESTOR AS TO THE PERFORMANCE OR CREDITWORTHINESS OF THE FUND.

FURTHERMORE, IN ISSUING SUCH A LICENCE OR IN REGISTERING A FUND, THE AUTHORITY SHALL NOT BE LIABLE FOR ANY LOSSES OR DEFAULT OF THE FUND OR FOR THE CORRECTNESS OF ANY OPINIONS OR STATEMENTS EXPRESSED IN ANY PROSPECTUS OR OFFERING DOCUMENT.

People's Republic of China

This Explanatory Memorandum may not be circulated or distributed to the public in the People's Republic of China ("**PRC**") (which, for such purposes, does not include the Hong Kong or Macau Special Administrative Regions or Taiwan) and no invitations of advertisements or other documents relating to the Participating Shares which are directed at, or the contents of which are likely to be addressed or read by the public in the PRC may be issued by any person. Information contained herein may not be wholly or partially reproduced, distributed, circulated, disseminated or published within the PRC in any form by any recipient for any purpose without the prior written consent of the Manager.

Unless any entity recipient of this Explanatory Memorandum can satisfy itself as to the full compliance of the applicable PRC laws and regulations with all necessary government approvals and licenses (including any investor qualification requirements) in connection with its overseas investment, such entity recipient cannot be the subject of any offers in any Participating Shares in the Fund within the PRC. If the PRC law or regulatory approach changes to provide otherwise, the updated PRC law or regulatory approach shall prevail.

The information relating to Participating Shares contained in this Explanatory Memorandum has not been, and will not be, submitted to or approved/verified by or registered with the China Securities Regulatory Commission nor any other relevant governmental authority in the PRC, and may not be supplied to the public in the PRC or used in connection with any offer for the subscription or sale of Participating Shares to the public in the PRC. This Explanatory Memorandum does not constitute an offer to sell or the solicitation of an offer to buy any securities by the public in the PRC. Unless an investor has obtained the licenses/approvals from the competent PRC governmental and regulatory authorities to make offshore investment into the eligible securities and/or financial instruments launched and offered outside the PRC, including the Participating Shares of the type being offered or sold, it cannot be the recipient of an offer to sell or the solicitation of an offer to buy any securities within the PRC. If the PRC law or regulatory approach changes to provide otherwise, the updated PRC law or regulatory approach shall prevail.

If applicable, potential PRC investors are responsible for obtaining all relevant licenses/approvals from the relevant government authorities in the PRC, including but not limited to the China Securities Regulatory Commission, the State Administration of Foreign Exchange and complying with all relevant PRC regulations, including but not limited to all relevant foreign exchange regulations and/or foreign investment regulations, before purchasing the Participating Shares.

Hong Kong

The Fund has been authorised by the Securities and Futures Commission in Hong Kong ("**SFC**"). The SFC's authorisation is not a recommendation or endorsement of the Fund nor does it guarantee the commercial merits of the Fund or its performance. It does not mean that the Fund is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

India

This Explanatory Memorandum will not be registered as a prospectus with the Registrar of Companies in India, nor has the Registrar of Companies in India circulated or distributed nor will it circulate or distribute this Explanatory Memorandum or any other offering document or material relating to the offering, directly or indirectly, to the public or any members of the public in India. This Explanatory Memorandum does not constitute an offer to the public generally to subscribe for or otherwise acquire the securities and is for the exclusive use of the recipient where the recipient obtained this Explanatory Memorandum on its own or pursuant to a reverse inquiry.

Indonesia

The offering of the Participating Shares is not registered under the Indonesian Capital Markets Law and its implementing regulations and is not intended to become a public offering of shares under the Indonesian Capital Markets Law and regulations. This Explanatory Memorandum does not constitute an offer to sell nor a solicitation to buy securities within Indonesia.

Japan

Investors should note that no public offering of Participating Shares in the Fund may be made in Japan unless a securities registration statement pursuant to Articles 4 and 5 of the Securities and Exchange Law of Japan has been filed with the Director of Kanto Local Finance Bureau of the Ministry of Finance of Japan and a registration pursuant to the Law concerning Investment Trusts and Investment Corporations of Japan as amended has been filed with the Commissioner of the Financial Services Agency of Japan. The Manager has not filed, and has no intention to file, such securities registration statements for a public offering in Japan.

Malaysia

As the recognition or approval by the Malaysian Securities Commission pursuant to Section 212 of the Malaysian Capital Markets and Services Act 2007 has not been / will not be obtained, and as this Explanatory Memorandum and other related documents have not been / will not be lodged or registered with or delivered to the Malaysian Securities Commission, no offer or invitation for subscription or purchase of Participating Shares shall be made within Malaysia and this Explanatory Memorandum and any other document or material in connection therewith shall not be distributed, caused to be distributed or circulated within Malaysia.

New Zealand

Participating Shares in the Fund are not offered in New Zealand other than to “wholesale investors” within the meaning of clause 3(2) of Schedule 1 to the Financial Markets Conduct Act 2013 (“**FMCA**”). If you are a New Zealand investor, and apply for Participating Shares in the Fund, you warrant that you are such a “wholesale investor” and agree that you will not sell the Participating Shares in the Fund within 12 months after they are issued, in circumstances where disclosure would be required under Part 3 of the FMCA.

Philippines

The securities being offered or sold herein are being offered pursuant to exempt transactions under 10.1 (l) of the Securities Regulation Code and have not been registered with the Securities and Exchange Commission under the Securities Regulation Code. Any future offer or sale of the securities is subject to the registration requirements under the Securities Regulation Code unless such offer or sale qualifies as an exempt transaction.

By a purchase of a security, the investor will be deemed to acknowledge that the issue of, offer for subscription or purchase of, or invitation to subscribe for or purchase, such security was made outside the Philippines.

Singapore

The Fund has been entered onto the list of restricted schemes maintained by the Monetary Authority of Singapore ("**MAS**") pursuant to section 305 of the Securities and Futures Act Cap 289 ("**SFA**").

The offer or invitation of the Participating Shares of the Fund, which is the subject of this Explanatory Memorandum, are not authorised or recognised by the MAS and the Fund's Participating Shares are not allowed to be offered to the retail public. Neither this Explanatory Memorandum and any other document nor material issued in connection with the offer or sale is a prospectus as defined in the SFA. Accordingly statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you in light of your own personal circumstances.

This Explanatory Memorandum has not been registered as a prospectus with the MAS. Accordingly, this Explanatory Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Participating Shares may not be circulated or distributed, nor may such Participating Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in Section 4A(1)(c) of the SFA) (each an "**Institutional Investor**"), (ii) to a relevant person as defined in Section 305 of the SFA or any person pursuant to an offer referred to in Section 305(2) of the SFA (each a "**Relevant Investor**"), and in accordance with the conditions specified in Section 305 of the SFA, or (iii) pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Subject to all other restrictions on transferability imposed by the Fund, recipients of this Explanatory Memorandum represent and warrant that where the Participating Shares are initially acquired pursuant to an offer made in reliance on an exemption under:

(a) Section 304 of the SFA by an Institutional Investor, subsequent sales of the Participating Shares may only be made to another Institutional Investor; and

(b) Section 305 of the SFA by a Relevant Investor, subsequent sales of the Participating Shares may only be made to an Institutional Investor or another Relevant Investor.

In addition, it should be noted that where the Participating Shares are initially subscribed or purchased in Singapore under Section 305 of the SFA by:

(1) a corporation referred to in Section 305A(2) of the SFA (a "Relevant Corporation"), the securities of the Relevant Corporation shall not be transferred within 6 months after the Relevant Corporation has acquired any Participating Shares unless the transfer is in accordance with the conditions of Section 305A(2) of the SFA; or

(2) a trust referred to in Section 305A(3) of the SFA (a "Relevant Trust"), the rights and interest (howsoever described) of the beneficiaries thereof in the Relevant Trust shall not be transferred within 6 months after any Participating Shares have been acquired for the Relevant Trust unless the transfer is in accordance with the conditions of Section 305A(3) of the SFA.

Investors are required to ensure that any of their own transfer arrangements in relation to the Participating Shares of the Fund comply with the above restrictions and should seek legal advice to ensure compliance with the same.

Solely for the purposes of its obligations pursuant to Section 309B of the SFA, the Fund has determined, and hereby notifies all relevant persons (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 ("**CMP Regulations 2018**")), that the interests are

capital markets products other than prescribed capital markets products (as defined in Section 309B of the SFA).

This Explanatory Memorandum does not constitute an offer or solicitation by anyone in any jurisdiction in which such an offer or solicitation is not authorised or to any person to whom it is unlawful to make such an offer or solicitation.

Investors in Singapore should note that if they wish to obtain information on the past performance and a copy of the annual report of the Fund they should contact the relevant distributors to obtain such information.

Taiwan

The Participating Shares are being made available (i) to Taiwan resident investors outside Taiwan for purchase by such investors outside Taiwan; (ii) to the offshore banking units (as defined in the Taiwan Offshore Banking Act) of Taiwan banks, the offshore securities units (as defined in the Taiwan Offshore Banking Act) of Taiwan securities firms or the offshore insurance units (as defined in the Taiwan Offshore Banking Act) of Taiwan insurance companies purchasing the Participating Shares either for their proprietary account or for the accounts of their non-Taiwan clients; and (iii) in Taiwan only to banks, bills houses, trust enterprises, financial holding companies and other qualified entities or institutions (collectively, "**Qualified Institutions**") and other entities and individuals meeting specific criteria ("**Other Qualified Investors**") to the extent permitted under the Taiwan Rules Governing Offshore Funds, but may not be otherwise be offered, sold or resold in Taiwan. Taiwan purchasers of the Participating Shares may not sell or otherwise dispose of their holdings except by redemption, transfer to a Qualified Institution or Other Qualified Investor, transfer by operation of law or other means approved by the Taiwan Financial Supervisory Commission. No other offer or sale of the Participating Shares in Taiwan is permitted.

Thailand

This Explanatory Memorandum has not been approved by the Securities and Exchange Commission Thailand which takes no responsibility for its contents. No offer to the public to purchase the Participating Shares will be made in Thailand and this Explanatory Memorandum is intended to be read by the addressee only and must not be passed to, issued to, or shown to the public generally.

United Arab Emirates

This Explanatory Memorandum, and the information contained herein, does not constitute, and is not intended to constitute, a public offer of securities in the United Arab Emirates ("**UAE**") and accordingly should not be construed as such.

The marketing of the Participating Shares in the UAE requires the prior approval of the Securities and Commodities Authority ("**SCA**") unless the exemptions to the regulations relating to promotion or offering of units in foreign funds or foreign shares (SCA Board of Directors Decision no 3/RM of 2017 concerning the organization of promotion and introduction, as further revised and updated) apply. Consequently, based on the mentioned exemptions, the Participating Shares are only being offered to (A) a limited number of investors in the UAE who (a) are willing and able to conduct an independent investigation of the risks involved in an investment in such Participating Shares, (b) upon their specific request, and (c) on a cross-border basis (an "**unsolicited request**"); or (B) to a limited number of exempt investors in the UAE who fall under one of the following categories of Exempt Qualified Investors: (1) an investor which is able to manage its investments on its own (unless such person wishes to be classified as a retail investor), namely: (a) the federal government, local governments, and governmental entities, institutions and authorities, or companies wholly-owned by any such entities; (b) foreign governments, their respective entities, institutions and authorities or companies wholly owned by any such entities; (c) international entities and organisations; (d) entities licensed by the SCA or a regulatory authority that is an ordinary or

associate member of the International Organisation of Securities Commissions (a "**Counterpart Authority**"); or (e) any legal person who fulfils on the date of the last financial statements at least two of the following requirements: (i) total assets of AED 75 million; (ii) net revenues or annual income of AED 150 million; or (iii) net equities or paid capital of AED 7 million; or (2) a natural person licensed by the SCA or a Counterpart Authority to carry out any of the functions related to financial activities or services (each an "**Exempt Qualified Investor**").

The Participating Shares have not been approved by or licensed or registered with the UAE Central Bank, the SCA, the Dubai Financial Services Authority, the Financial Services Regulatory Authority or any other relevant licensing authorities or governmental agencies in the UAE (the "**Authorities**"). The Authorities assume no liability for any investment that the named addressee makes as an Exempt Qualified Investor.

The Explanatory Memorandum is for the use of the named addressee only, and in case the Participating Shares are being offered on unsolicited request basis, the named addressee has specifically requested it, on a cross-border basis, without a promotion effected by Value Partners Hong Kong Limited, its promoters or the distributors of the Participating Shares. The Explanatory Memorandum should not be given or shown to any other person (other than employees, agents or consultants in connection with the addressee's consideration thereof).

In relation to Participating Shares being offered to Exempt Qualified Investors, no transaction will be concluded in the UAE and any enquiries regarding the Participating Shares should be made to the Manager.

United States

The Participating Shares have not been and will not be registered under the United States Securities Act of 1933 ("**Securities Act**") or the securities laws of any state thereof and may not be offered or sold in the United States or to U.S. Persons (as defined in this Explanatory Memorandum), other than distributors, unless the Participating Shares are registered under the Securities Act, or an exemption from the registration requirements of the Securities Act is available. Hedging transactions with respect to Participating Shares are permitted to the extent consistent with the Securities Act. Furthermore, the Fund has not been registered as an investment company under the United States Investment Company Act of 1940 (the "**Investment Company Act**"). The Participating Shares may not be transferred or sold to any U.S. Person without the prior written consent of the Directors, which consent may be conditioned, granted or withheld in their sole discretion. It is anticipated that such transfer or sales will not generally be permitted. In addition to the foregoing, the Participating Shares may not be transferred or sold unless such transfer or sale complies with or is exempt from the registration requirements of the Securities Act. Neither the Fund nor the Participating Shares have been approved or disapproved by any U.S. federal or state securities commission or regulatory authority or the regulatory authorities of any other jurisdiction, and the foregoing authorities have not passed upon or endorsed the merits of this offering or the accuracy of these offering materials. Any representation to the contrary is unlawful.

General

The Articles of Association of the Fund give powers to the Directors to effect the compulsory redemption of Participating Shares issued to, or decline to register any transfer of Participating Shares to, or held for the benefit of, any person who is not a Qualified Holder or who may, either alone or together with others, in the sole and conclusive opinion of the Directors might cause a breach of any applicable law or requirement in any jurisdiction or result in the Fund, any Shareholder or any of its Service Providers (as defined below) incurring any liability to taxation or suffering any other pecuniary disadvantage which the Fund, any Shareholder or any Service Provider might not otherwise have incurred or suffered or which might subject the Fund, any Shareholder or any Service Provider to regulation or a requirement to register or obtain any form of licence or approval in any jurisdiction (provided that in the case of the Service Providers, such disadvantage impacts the ability, willingness or the terms on which the Service Providers provide

services to the Fund which may negatively impact the interests of existing Shareholders of the Fund).

The Directors also have power to compulsorily redeem a Shareholder's Participating Shares in accordance with the Articles, including to settle any amount due from the Shareholder to the Fund, the Manager or any service provider to the Fund. If the Net Asset Value of the Fund is at any time below US$8,000,000 (or such other amounts as the Directors may determine and notify to Shareholders from time to time) and if the Directors at such time so resolve, all Participating Shares become compulsorily redeemable.

Participating Shares are offered on the basis only of the information contained in this Explanatory Memorandum, the Product Key Facts Statement and (where applicable) the annual reports of the Fund and subsequent interim reports. Any information given or representations made by any dealer, salesman or other person and (in either case) not contained herein should be regarded as unauthorised and accordingly must not be relied upon.

Potential applicants for Participating Shares should inform themselves as to (a) the possible tax consequences; (b) the legal requirements; and (c) any foreign exchange restrictions or exchange control requirements which they might encounter under the laws of the countries of their incorporation, citizenship, residence or domicile and which might be relevant to the subscription, holding or disposal of Participating Shares.

Investors should seek professional advice from their tax consultants to determine the possible tax consequences of an investment in the Fund. In particular, any distributions may be reduced if any tax, duty or levy fee or any other cost is payable by the Fund as a result of any action taken by the relevant taxing authority or court of competent jurisdiction. No representation or warranty is made, or should be implied, by the Manager, the Directors or the Fund as to the availability of taxation deductions or any other taxation implications in relation to the Fund or in respect of the receipt by the Shareholders of any distributions.

Investment in the Participating Shares is speculative and involves significant risk. Potential subscribers should understand such risks and have the financial ability and willingness to accept them for an extended period of time. An investment should form only a part of a complete investment program and potential subscribers must be able to bear the loss of its entire investment. Investors should refer to the section headed "Risks Factors" below.

The Fund is subject to Anti-Money Laundering and Counter Terrorist Financing regulations in multiple jurisdictions. Under such regulations, the Fund is required to implement an internal Anti-Money Laundering Compliance program. Any information obtained as part of the Fund's Anti-Money Laundering and Counter Terrorist Financing procedures (including records of the Fund) may be required to be disclosed to the relevant Anti-Money Laundering and Counter Terrorist Financing authorities in such jurisdictions.

November 2021"

2. Change of Directors

(a) The information regarding the Directors of the Fund under the heading "**Directory**" on page 10 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"Ms. LAM Mei Kuen Winnie
Mr. LAM Wai Sing Wilson
Mr. Kee Chong LI Kwong Wing"

(b) The sub-section "**Directors**" under the heading "**Management and Administration**" on pages 27 and 28 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"**Directors**

The Directors of the Fund are as follows:

LAM Mei Kuen Winnie

Ms. LAM Mei Kuen Winnie is Managing Director, COO Office of Value Partners. She oversees the group's overall operations and back office functions, covering finance, information technology, fund operations, product development, as well as administration across the group's Hong Kong headquarters and overseas offices.

Ms. LAM joined Value Partners in July 2021. She is an esteemed industry veteran with more than 30 years of experience in the fund management and financial services industry across Asia. Most recently, she spent 14 years as the Head of Operations, Asia at First Sentier Investors (formerly known as First State Investments), based in Hong Kong. Before this, she was Head of Settlement and Fund Administration at Lloyd George Management, and headed up the teams on operations control and data management at J.P. Morgan Securities. Before that, Ms. LAM has held various senior positions in fund management companies, investment banks and financial services firms, including Kerry Investment Management, Kerry Securities and American Express.

Ms. LAM graduated from the University of South Australia with a Master's degree in Business Administration, and obtained a Bachelor's degree in Business Studies from City University of Hong Kong. She is a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Association of Chartered Certified Accountants ("ACCA").

LAM Wai Sing Wilson

Mr. LAM Wai Sing Wilson is Senior Director, Fund Operations of Value Partners, where he oversees the fund administration function including trade settlement and portfolio valuations. He is also responsible for developing fund service solutions, setting policies and procedures, monitoring operations and services delivery.

Mr. LAM has over 20 years' experience in the financial services industry. He has solid experience in operating with long/short equity funds, hedge funds, fund of funds and private equity funds across different investment strategies and a range of fund structures. Mr. LAM started his career at Value Partners in February 1999. He has participated in the development of operation flow for Value Partners' fund trading system, and was promoted to the current role in 2021.

Kee Chong LI Kwong Wing

Mr. Kee Chong LI Kwong Wing holds a Masters degree (LLM) in International Tax Law from St Thomas University School of Law, Florida, USA and a B.Sc. (Econ) from the London School of Economics. He started his professional career in 1974 as a Lecturer in Public Finance at the University of Mauritius. Afterwards, he held different prominent positions including Advisor to the Minister of Finance and Chairman of the Stock Exchange Commission. In 1992, Mr. LI started his own private consulting firm and served as Consultant to the United Nations Economic Commission for Africa (UNECA) and the U.N. Industrial Development Organization (UNIDO). He is currently the CEO of The Mauritius International Trust Co. Ltd (MITCO), a professional firm founded by him in 1993 which provides international tax and investment advisory services in Mauritius. He also sits on the Board of Directors of several emerging markets funds. He is also a Member of the Parliament of Mauritius."

3. Change of Provider of Registered and Principal Office and Company Secretarial Services of the Fund

(a) The item "Registered and Principal Office" under the heading "**Directory**" on page 10 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"**Registered Office** **c/o Maples Corporate Services Limited**
P O Box 309
Ugland House
Grand Cayman
KY1-1104
Cayman Islands

Principal Office *Up to 30 December 2021:*
c/o HSBC Trustee (Cayman) Limited
Strathvale House, 90 North Church Street
George Town
Grand Cayman
Cayman Islands

With effect from 31 December 2021:
c/o Maples Fund Services (Cayman) Limited
P.O. Box 1093
Boundary Hall
Cricket Square
Grand Cayman
KY1-1102
Cayman Islands"

(b) The first paragraph under the sub-section "**Administrator and Administrator's Delegate**" under the heading "**Management and Administration**" on page 31 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"Pursuant to the Administration Agreement, HSBC Trustee (Cayman) Limited has been appointed as the Administrator of the Fund. The Administrator is responsible for, inter alia, the general administration of the Fund, which includes keeping the register of Shareholders of the Fund, the proper book-keeping of the Fund, arranging for the issue and redemption of Participating Shares, and calculating the Net Asset Value of the Fund in accordance with the method set out in the section headed "Calculation of Net Asset Value" below and the Articles."

4. Investment policies enhancement

The sub-section "**Financial derivative instruments and other investments**" under the heading "**Investment Objective, Investment Policies and Investment and Borrowing Restrictions**" on page 24 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"The Fund currently may use financial derivative instruments (such as futures contracts, options and warrants) for hedging and investment purposes. The Fund may invest in index and currency swaps and currency forwards (which are normally traded over-the-counter) for hedging purposes only.

Currently, the Fund does not intend to (i) invest in structured products and mortgaged-backed securities; and (ii) engage in securities lending transactions, sale and repurchase transactions and reverse repurchase transactions. The Fund also does not intend to engage in any over-the-counter transactions other than index and currency swaps and currency forwards. If required under the

Code, prior approval of the SFC will be sought and not less than one month's prior notice will be given to the Shareholders in the event the Manager wishes to invest in the aforesaid instruments or engage in any of the aforesaid transactions. In such circumstance, the Explanatory Memorandum and the Product Key Facts Statement will be updated to reflect such change as soon as reasonably practicable.

Subject to the above investment strategy and the investment restrictions (as set out below under the section headed "Investment Restrictions"), the Fund may also, invest in commodity-based investments, depository receipts, currencies and interest rates instruments. Currently, the Fund does not intend to invest more than 10% of its latest Net Asset Value in such instruments. The Fund may invest up to 20% of its latest Net Asset Value in units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme (including those managed by the Manager or its Connected Persons).

The Fund's portfolio may also temporarily include cash and cash equivalents, up to 100% of its latest Net Asset Value, under exceptional circumstances (such as in the event of market crashes, major crisis or to mitigate the risk of potential sharp reversals and falls in the equity or bond markets) for cash flow management or for reducing market exposure.

The aggregate value of the Fund's investments in securities issued by a single entity (other than a collective investment scheme) may not exceed 10% of its latest Net Asset Value provided that the total Net Asset Value of securities (other than units in any unit trust or shares in any mutual fund corporation or any other collective investment scheme (including those managed by the Manager or its Connected Persons)) held in the issuing entities in each of which it invests more than 5% of its Net Asset Value is less than 40% of its latest Net Asset Value."

5. Miscellaneous updates

(a) The section headed "**Introduction**" on page 21 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"Value Partners Greater China High Yield Income Fund is an exempted open-ended investment company incorporated on 3 February 2012 in the Cayman Islands with limited liability and for an unlimited duration. The Fund will be terminated, wound up and dissolved in accordance with the Articles or otherwise pursuant to a formal liquidation under the Companies Act or any other applicable bankruptcy or insolvency regime."

(b) The first paragraph of the sub-section "**Custodian**" on page 32 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"HSBC Institutional Trust Services (Asia) Limited ("HTHK") has been appointed by the Fund to act as Custodian. HTHK is a registered trust company under the Trustee Ordinance (Chapter 29 of the Laws of Hong Kong) and approved by the Mandatory Provident Fund Schemes Authority as trustee of registered Mandatory Provident Fund schemes under the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). The Custodian's main business activity is providing custodial and trustee services."

(c) The following paragraphs under the sub-section "**Initial Issue**" under the heading "**Investing in the Fund**" on page 39 of the Explanatory Memorandum shall be deleted in their entirety:

"In relation to Class z RMB Acc Shares, Class z RMB Hedged Acc Shares, Class z RMB MDis Shares and Class z RMB Hedged MDis Shares, the Initial Offer Period shall be from 9:00 a.m. (Hong Kong time) on 16 June 2020 to 6:00 p.m. (Hong Kong time) on 16 June 2020, or such other period as may be specified by the Manager.

In relation to Class I Shares, the Initial Offer Period shall be from 9:00 a.m. (Hong Kong time) on 16 June 2020 to 6:00 p.m. (Hong Kong time) on 16 June 2020, or such other period as may be specified by the Manager."

(d) The third paragraph under the sub-section "**Payment Procedure**" under the heading "**Investing in the Fund**" on page 44 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"**Please note that for cleared funds to be received in Hong Kong before 6.00 p.m. on the closing date of the Initial Offer Period or any subsequent Payment Deadline, payment must be made for value at least one business day in New York (for US dollars) or one Business Day in Hong Kong (for Hong Kong dollars) preceding such close or Payment Deadline, as the case may be.**"

(e) The risk factor "**Investment Risks**" under the heading "**Risk Factors**" on page 59 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"Investments of the Fund will be subject to market fluctuations and risks inherent in all investments and might also be affected by external factors such as global economic recession or the occurrence of any *force majeure* events which are beyond the control of the Manager and/or the Directors. There can be no assurance that the Fund will achieve its investment objective.

The Fund's investment portfolio may fall in value due to any of the key risk factors below and therefore your investment in the Fund may suffer losses. The income of the Fund and its Net Asset Value may be adversely affected. There is no guarantee of the repayment of principal.

It is possible that a serious pandemic (such as the COVID-19 outbreak in 2020) or a natural disaster may cause severe disruption on the global economy, and may have an adverse impact on the operation of the Fund. The continued spread of COVID-19 or an outbreak of other pandemics or any natural disaster or the measures taken by the governments of affected countries may have an adverse effect on global or regional economic conditions and may adversely affect the ability of the Fund to accurately determine the value of its underlying investments."

(f) The following new risk factor "**Handling of mail**" shall be inserted immediately after the risk factor "**Cross-Class Liability**" under the heading "**Risk Factors**" on page 83 of the Explanatory Memorandum:

"**Handling of mail**

Mail addressed to the Fund and received at its registered office will be forwarded unopened to the forwarding address supplied by the Fund to be dealt with. None of the Fund, its Directors, officers, advisors or service providers (including the organisation which provides registered office services in the Cayman Islands) will bear any responsibility for any delay howsoever caused in mail reaching the forwarding address. In particular the Directors will only receive, open or deal directly with mail which is addressed to them personally (as opposed to mail which is addressed just to the Fund)."

1 November 2021

Value Partners
Investing through discipline

VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND (the "Fund")

FOURTH ADDENDUM

Important

*If you are in doubt about the contents of this Addendum, you should seek independent professional advice. This Addendum supplements, forms part of and should be read in conjunction with the Explanatory Memorandum of the Fund dated January 2020, the First Addendum dated 15 June 2020, the Second Addendum dated 30 April 2021 and the Third Addendum dated 1 November 2021 (collectively, the "**Explanatory Memorandum**").The changes made to the Explanatory Memorandum by this Addendum shall take effect on 11 April 2022.*

All capitalised terms used in this Addendum have the same meaning as in the Explanatory Memorandum, unless otherwise defined herein. The Directors of the Fund and Value Partners Hong Kong Limited, the Manager of the Fund, accept full responsibility for the accuracy of the information contained in this Addendum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Addendum misleading as at the date of publication.

The Explanatory Memorandum will hereby be amended as follows:

A. Fractions of Participating Shares That May Be Issued

1. The sixth paragraph under the sub-section "Subsequent Issues" under the section headed "**Investing in the Fund**" on page 41 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "Fractions of not less than 1/10000th of a Participating Share will be issued unless otherwise determined by the Directors. Application moneys representing a smaller fraction of a Participating Share will be retained for the benefit of the Fund."

2. The fifth paragraph under the sub-section "**Conversion of Participating Shares**" under the section headed "**Investing in the Fund**" on page 57 of the Explanatory Memorandum shall be deleted in its entirely and replaced with the following:

   "If the number of Participating Shares of the Subsequent Class so produced shall include any fraction of less than 1/10000th of a Participating Share of such Class (or such other fraction as the Manager otherwise determines generally or in any particular case), such fraction shall be ignored and any moneys arising from the redemption of the Participating Shares of the Initial Class and giving rise to such fraction shall be forfeited and retained as part of the Subsequent Class PROVIDED THAT if there is, at any time during the period from the time as at which that Redemption Price is calculated up to the time at which any necessary transfer of funds from the Initial Class to the Subsequent Class takes place, an officially announced devaluation of any currency in which any investment of the Initial Class is denominated or normally traded, that Redemption Price shall be reduced as the Manager considers appropriate to take account of the effect of that devaluation and the number of Participating Shares of the Subsequent Class to be allotted to that applicant pursuant to his Conversion Notice shall be recalculated in accordance with the formula set out above as if that reduced Redemption Price had been the Redemption Price on the relevant Redemption Day."

B. Offering of RMB Share Classes to Retail Investors

1. The first paragraph under the sub-heading "**Classes of Participating Shares**" under the heading "**Investing in the Fund**" on page 36 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "The Fund currently has the following Classes of Participating Shares:

Class	Class Currency
Class A HKD Hedged Acc Share	HK$
Class A HKD Hedged MDis Share	HK$
Class A AUD Hedged Acc Share	AUD
Class A AUD Hedged MDis Share	AUD
Class A CAD Hedged Acc Share	CAD
Class A CAD Hedged MDis Share	CAD
Class A EUR Hedged Acc Share	EUR
Class A EUR Hedged MDis Share	EUR
Class A GBP Hedged Acc Share	GBP
Class A GBP Hedged MDis Share	GBP
Class A JPY Hedged Acc Share	JPY
Class A JPY Hedged MDis Share	JPY
Class A NZD Hedged Acc Share	NZD
Class A NZD Hedged MDis Share	NZD
Class A RMB Acc Share	RMB
Class A RMB Hedged Acc Share	RMB
Class A RMB MDis Share	RMB
Class A RMB Hedged MDis Share	RMB
Class z USD Acc Share	US$
Class z USD MDis Share	US$
Class z EUR Acc Share	EUR
Class z EUR Hedged Acc Share	EUR
Class z EUR MDis Share	EUR
Class z EUR Hedged MDis Share	EUR
Class z RMB Acc Share	RMB
Class z RMB Hedged Acc Share	RMB
Class z RMB MDis Share	RMB
Class z RMB Hedged MDis Share	RMB
Class P USD Acc Share	US$
Class P USD MDis Share	US$
Class P HKD Acc Share	HK$
Class P HKD MDis Share	HK$
Class P SGD Hedged Acc Share	SGD
Class P SGD Hedged MDis Share	SGD
Class X USD Acc Share	US$
Class I USD Acc Share	US$
Class I USD MDis Share	US$
Class I EUR Acc Share	EUR
Class I EUR Hedged Acc Share	EUR
Class I EUR MDis Share	EUR
Class I EUR Hedged MDis Share	EUR
Class I RMB Acc Share	RMB
Class I RMB Hedged Acc Share	RMB
Class I RMB MDis Share	RMB
Class I RMB Hedged MDis Share	RMB

"

2. The second paragraph under the sub-heading "**Classes of Participating Shares**" under the heading "**Investing in the Fund**" on page 37 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"Class A HKD Hedged Acc Shares, Class A HKD Hedged MDis Shares, Class A AUD Hedged Acc Shares, Class A AUD Hedged MDis Shares, Class A CAD Hedged Acc Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged Acc Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged Acc Shares, Class A GBP Hedged MDis Shares, Class A JPY Hedged Acc Shares, Class A JPY Hedged MDis Shares, Class A NZD Hedged Acc Shares, Class A NZD Hedged MDis Shares, Class A RMB Acc Shares, Class A RMB Hedged Acc Shares, Class A RMB

MDis Shares and Class A RMB Hedged MDis Shares are collectively referred to as "**Class A Shares**"."

3. The first paragraph under the sub-heading "**Initial Issue**" under the heading "**Investing in the Fund**" on page 38 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"Class A Shares (save for Class A AUD Hedged MDis Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged Acc Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged MDis Shares, Class A NZD Hedged MDis Shares, Class A RMB Hedged Acc Shares, Class A RMB MDis Shares and Class A RMB Hedged MDis Shares which are being offered on an on-going basis), Class z Shares (save for Class z USD Acc Shares and Class z USD MDis Shares which are being offered on an on-going basis), Class P SGD Hedged Acc Shares and Class I Shares will be offered to investors during the Initial Offer Period of such Class at the following Initial Offer Prices (exclusive of the Initial Charge):-

Class	**Initial Offer Price**
Class A HKD Hedged Acc Share	HK$10
Class A HKD Hedged MDis Share	HK$10
Class A AUD Hedged Acc Share	AUD10
Class A AUD Hedged MDis Share	AUD10
Class A CAD Hedged Acc Share	CAD10
Class A CAD Hedged MDis Share	CAD10
Class A EUR Hedged Acc Share	EUR10
Class A EUR Hedged MDis Share	EUR10
Class A GBP Hedged Acc Share	GBP10
Class A GBP Hedged MDis Share	GBP10
Class A JPY Hedged Acc Share	JPY10
Class A JPY Hedged MDis Share	JPY10
Class A NZD Hedged Acc Share	NZD10
Class A NZD Hedged MDis Share	NZD10
Class A RMB Acc Share	RMB10
Class A RMB Hedged Acc Share	RMB10
Class A RMB MDis Share	RMB10
Class A RMB Hedged MDis Share	RMB10
Class z USD Acc Share	US$10
Class z USD MDis Share	US$10
Class z EUR Acc Share	EUR10
Class z EUR Hedged Acc Share	EUR10
Class z EUR MDis Share	EUR10
Class z EUR Hedged MDis Share	EUR10
Class z RMB Acc Share	RMB10
Class z RMB Hedged Acc Share	RMB10
Class z RMB MDis Share	RMB10
Class z RMB Hedged MDis Share	RMB10
Class P USD Acc Share	US$10
Class P USD MDis Share	US$10
Class P HKD Acc Share	HK$10
Class P HKD MDis Share	HK$10
Class P SGD Hedged Acc Share	SGD10
Class P SGD Hedged MDis Share	SGD10
Class X USD Acc Share	US$10
Class I USD Acc Share	US$10
Class I USD MDis Share	US$10
Class I EUR Acc Share	EUR10
Class I EUR Hedged Acc Share	EUR10
Class I EUR MDis Share	EUR10
Class I EUR Hedged MDis Share	EUR10
Class I RMB Acc Share	RMB10

Class I RMB Hedged Acc Share	RMB10
Class I RMB MDis Share	RMB10
Class I RMB Hedged MDis Share	RMB10

"

4. The first paragraph under the sub-heading "**Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount**" under the heading "**Investing in the Fund**" on pages 42 to 43 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"The Minimum Initial Subscription Amount and Minimum Subsequent Subscription Amount, inclusive of any Initial Charge, for each Class of Participating Shares are set out below:

Class	**Minimum Initial Subscription Amount**	**Minimum Subsequent Subscription Amount**
Class A HKD Hedged Acc Share	HK$80,000	HK$40,000
Class A HKD Hedged MDis Share	HK$80,000	HK$40,000
Class A AUD Hedged Acc Share	US$10,000*	US$5,000*
Class A AUD Hedged MDis Share	US$10,000*	US$5,000*
Class A CAD Hedged Acc Share	US$10,000*	US$5,000*
Class A CAD Hedged MDis Share	US$10,000*	US$5,000*
Class A EUR Hedged Acc Share	US$10,000*	US$5,000*
Class A EUR Hedged MDis Share	US$10,000*	US$5,000*
Class A GBP Hedged Acc Share	US$10,000*	US$5,000*
Class A GBP Hedged MDis Share	US$10,000*	US$5,000*
Class A JPY Hedged Acc Share	US$10,000*	US$5,000*
Class A JPY Hedged MDis Share	US$10,000*	US$5,000*
Class A NZD Hedged Acc Share	US$10,000*	US$5,000*
Class A NZD Hedged MDis Share	US$10,000*	US$5,000*
Class A RMB Acc Share	RMB60,000	RMB30,000
Class A RMB Hedged Acc Share	RMB60,000	RMB30,000
Class A RMB MDis Share	RMB60,000	RMB30,000
Class A RMB Hedged MDis Share	RMB60,000	RMB30,000
Class z USD Acc Share	US$1,000,000	US$500,000
Class z USD MDis Share	US$1,000,000	US$500,000
Class z EUR Acc Share	US$1,000,000*	US$500,000*
Class z EUR Hedged Acc Share	US$1,000,000*	US$500,000*
Class z EUR MDis Share	US$1,000,000*	US$500,000*
Class z EUR Hedged MDis Share	US$1,000,000*	US$500,000*
Class z RMB Acc Share	US$1,000,000*	US$500,000*
Class z RMB Hedged Acc Share	US$1,000,000*	US$500,000*
Class z RMB MDis Share	US$1,000,000*	US$500,000*
Class z RMB Hedged MDis Share	US$1,000,000*	US$500,000*
Class P USD Acc Share	US$10,000	US$5,000
Class P USD MDis Share	US$10,000	US$5,000
Class P HKD Acc Share	HK$80,000	HK$40,000
Class P HKD MDis Share	HK$80,000	HK$40,000
Class P SGD Hedged Acc Share	US$10,000*	US$5,000*
Class P SGD Hedged MDis Share	US$10,000*	US$5,000*
Class X USD Acc Share	Nil	Nil
Class I USD Acc Share	US$10,000,000	US$10,000,000
Class I USD MDis Share	US$10,000,000	US$10,000,000
Class I EUR Acc Share	US$10,000,000*	US$10,000,000*
Class I EUR Hedged Acc Share	US$10,000,000*	US$10,000,000*
Class I EUR MDis Share	US$10,000,000*	US$10,000,000*
Class I EUR Hedged MDis Share	US$10,000,000*	US$10,000,000*
Class I RMB Acc Share	US$10,000,000*	US$10,000,000*

Class I RMB Hedged Acc Share	US$10,000,000*	US$10,000,000*
Class I RMB MDis Share	US$10,000,000*	US$10,000,000*
Class I RMB Hedged MDis Share	US$10,000,000*	US$10,000,000*

* An equivalent amount in AUD, CAD, EUR, GBP, JPY, NZD, RMB or SGD"

5. The first paragraph under the sub-heading "**Minimum Redemption Amount and Minimum Holding Amount**" under the heading "**Investing in the Fund**" on pages 49 to 50 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"The Minimum Redemption Amount and Minimum Holding Amount of each Class of Participating Shares are set out below:

Class	**Minimum Redemption Amount**	**Minimum Holding Amount**
Class A HKD Hedged Acc Share	Nil	HK$80,000
Class A HKD Hedged MDis Share	Nil	HK$80,000
Class A AUD Hedged Acc Share	Nil	US$10,000*
Class A AUD Hedged MDis Share	Nil	US$10,000*
Class A CAD Hedged Acc Share	Nil	US$10,000*
Class A CAD Hedged MDis Share	Nil	US$10,000*
Class A EUR Hedged Acc Share	Nil	US$10,000*
Class A EUR Hedged MDis Share	Nil	US$10,000*
Class A GBP Hedged Acc Share	Nil	US$10,000*
Class A GBP Hedged MDis Share	Nil	US$10,000*
Class A JPY Hedged Acc Share	Nil	US$10,000*
Class A JPY Hedged MDis Share	Nil	US$10,000*
Class A NZD Hedged Acc Share	Nil	US$10,000*
Class A NZD Hedged MDis Share	Nil	US$10,000*
Class A RMB Acc Share	Nil	RMB60,000
Class A RMB Hedged Acc Share	Nil	RMB60,000
Class A RMB MDis Share	Nil	RMB60,000
Class A RMB Hedged MDis Share	Nil	RMB60,000
Class z USD Acc Share	Nil	US$1,000,000
Class z USD MDis Share	Nil	US$1,000,000
Class z EUR Acc Share	Nil	US$1,000,000*
Class z EUR Hedged Acc Share	Nil	US$1,000,000*
Class z EUR MDis Share	Nil	US$1,000,000*
Class z EUR Hedged MDis Share	Nil	US$1,000,000*
Class z RMB Acc Share	Nil	US$1,000,000*
Class z RMB Hedged Acc Share	Nil	US$1,000,000*
Class z RMB MDis Share	Nil	US$1,000,000*
Class z RMB Hedged MDis Share	Nil	US$1,000,000*
Class P USD Acc Share	Nil	US$10,000
Class P USD MDis Share	Nil	US$10,000
Class P HKD Acc Share	Nil	HK$80,000
Class P HKD MDis Share	Nil	HK$80,000
Class P SGD Hedged Acc Share	Nil	US$10,000*
Class P SGD Hedged MDis Share	Nil	US$10,000*
Class X USD Acc Share	Nil	Nil
Class I USD Acc Share	Nil	US$10,000,000
Class I USD MDis Share	Nil	US$10,000,000
Class I EUR Acc Share	Nil	US$10,000,000*
Class I EUR Hedged Acc Share	Nil	US$10,000,000*
Class I EUR MDis Share	Nil	US$10,000,000*
Class I EUR Hedged MDis Share	Nil	US$10,000,000*
Class I RMB Acc Share	Nil	US$10,000,000*

Class I RMB Hedged Acc Share	Nil	US$10,000,000*
Class I RMB MDis Share	Nil	US$10,000,000*
Class I RMB Hedged MDis Share	Nil	US$10,000,000*

* An equivalent amount in AUD, CAD, EUR, GBP, JPY, NZD, RMB or SGD"

6. The first paragraph under the sub-heading "**Accumulation Classes**" under the heading "**Distributions**" on page 97 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "The Manager currently does not intend to pay dividends with respect to Class A HKD Hedged Acc Shares, Class A AUD Hedged Acc Shares, Class A CAD Hedged Acc Shares, Class A EUR Hedged Acc Shares, Class A GBP Hedged Acc Shares, Class A JPY Hedged Acc Shares, Class A NZD Hedged Acc Shares, Class A RMB Acc Shares, Class A RMB Hedged Acc Shares, Class z USD Acc Shares, Class z EUR Acc Shares, Class z EUR Hedged Acc Shares, Class z RMB Acc Shares, Class z RMB Hedged Acc Shares, Class P USD Acc Shares, Class P HKD Acc Shares, Class P SGD Hedged Acc Shares, Class X USD Acc Shares, Class I USD Acc Shares, Class I EUR Acc Shares, Class I EUR Hedged Acc Shares, Class I RMB Acc Shares and Class I RMB Hedged Acc Shares (collectively referred to as the "**Accumulation Classes**"). Therefore, any net income and net realized profits attributable to the Participating Shares of the Accumulation Classes will be reflected in their respective Net Asset Values."

7. The first paragraph under the sub-heading "**Distribution Classes**" under the heading "**Distributions**" on page 97 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "For Class A HKD Hedged MDis Shares, Class A AUD Hedged MDis Shares, Class A CAD Hedged MDis Shares, Class A EUR Hedged MDis Shares, Class A GBP Hedged MDis Shares, Class A JPY Hedged MDis Shares, Class A NZD Hedged MDis Shares, Class A RMB MDis Shares, Class A RMB Hedged MDis Shares, Class z USD MDis Shares, Class z EUR MDis Shares, Class z EUR Hedged MDis Shares, Class z RMB MDis Shares, Class z RMB Hedged MDis Shares, Class P USD MDis Shares, Class P HKD MDis Shares, Class P SGD Hedged MDis Shares, Class I USD MDis Shares, Class I EUR MDis Shares, Class I EUR Hedged MDis Shares, Class I RMB MDis Shares and Class I RMB Hedged MDis Shares (collectively referred to as the "**Distribution Classes**"), the Manager intends to declare and pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. Dividends will be declared on the last Business Day of each calendar month or on such date as may be determined by the Manager, or such other time or frequency as the Manager considers appropriate. The Manager will also have the discretion to determine if and to what extent dividends paid include realized capital gains and/or are paid out of share premium attributable to the relevant Distribution Class. Such dividends will be paid in cash. However, the dividends will not be paid in cash and will be applied to subscribe for additional Participating Shares in the relevant Distribution Class of the Fund if the amount of dividends for the relevant Shareholder is less than US$100 (or its equivalent amount in AUD, CAD, EUR, GBP, JPY, NZD, SGD or RMB as the case may be), and HK$800 for Class A HKD Hedged MDis Shares and Class P HKD MDis Shares respectively or such other amount determined by the Manager from time to time."

8. The following risk factor "**Risk relating to RMB Denominated Share Classes**" shall be inserted immediately after the risk factor "**Offshore RMB Market risk**" under the heading "**Risk Factors**" on page 66 of the Explanatory Memorandum:

   "The Base Currency of the Fund is in USD and the RMB denominated share classes are denominated in RMB. The PRC government's policies on exchange control and repatriation restrictions are subject to change, which may adversely impact the holders of RMB denominated share classes.

   Furthermore, as a result of the restrictions by the PRC government on cross-border RMB fund flows, the availability of RMB outside of the PRC is limited. Although it is expected that the Offshore

RMB Market will continue to grow in depth and size, its growth is subject to many constraints as a result of PRC laws and regulations on foreign exchange. There is no assurance that new PRC regulations will not be promulgated or the settlement agreement on the clearing of RMB business between the People's Bank of China and Bank of China (Hong Kong) Limited will not be terminated or amended in the future which will have the effect of restricting availability of CNH. The limited availability of CNH may affect and/or cause delays in the Fund's ability to pay dividends and/or redemption proceeds in RMB to holders of RMB denominated share classes. To the extent the Manager is required to source CNH to pay to holders of RMB denominated share classes, there is no assurance that it will be able to source such RMB on satisfactory terms, if at all."

9. The following paragraphs shall be inserted immediately after the ninth paragraph under the sub-heading "**Classes of Participating Shares**" under the heading "**Investing in the Fund**" on page 37 of the Explanatory Memorandum:

   "The Subscription Price for RMB denominated share classes are calculated and quoted in RMB. Accordingly, an investor applying for RMB denominated share classes will be required to pay the subscription monies in RMB. As such, an investor may need to have an RMB account as the investor will need to accumulate sufficient RMB to pay the subscription monies, or if an application is not successful or is successful only in part, the whole or appropriate portion of the monies paid will need to be returned to the investor by crediting such amount into its RMB account.

   Following the expansion of the RMB trade settlement scheme, there are no longer any restrictions on banks in Hong Kong in establishing RMB accounts. However, different banks may have different and/or additional restrictions. There may be additional rules, regulations and restrictions under contemplation or to be issued by the relevant Hong Kong authorities that may be relevant to investments in the Fund. Investors should check with their own banks or professional advisers for updates and details."

C. Ancillary and Miscellaneous Changes and Updates

1. The sub-heading "**Stamp duty**" under the sub-heading "**Hong Kong**" under the heading "**Taxation and Regulatory Requirements**" on page 103 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

   "The sale or purchase of Hong Kong stocks by the Fund will be subject to stamp duty in Hong Kong at the prevailing rate or part thereof of the price or market value of the stocks, whichever is higher, unless specific exemptions apply.

   If the register of Shareholders of the Fund is maintained outside Hong Kong, no Hong Kong stamp duty will be payable by the Shareholders on the issue or transfer of Shares in the Fund.

   If the register of Shareholders of the Fund is maintained in Hong Kong, no Hong Kong stamp duty will be payable by the Shareholders on the issue of Shares in the Fund. However, the transfer by Shareholders of Shares in the Fund may be subject to stamp duty in Hong Kong, depending on the mode and circumstances of the transfer.

   Currently, the register of the Fund is located outside of Hong Kong and therefore the aforesaid fixed rate stamp duty and ad valorem stamp duty are being exempted."

11 April 2022

VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND (the "Fund")

FIFTH ADDENDUM

Important

*If you are in doubt about the contents of this Addendum, you should seek independent professional advice. This Addendum forms part of and should be read in conjunction with the Explanatory Memorandum of the Fund dated January 2020, the First Addendum dated 15 June 2020, the Second Addendum dated 30 April 2021, the Third Addendum dated 1 November 2021 and the Fourth Addendum dated 11 April 2022 (collectively, the "**Explanatory Memorandum**"). The changes made to the Explanatory Memorandum by this Addendum shall take effect on 25 March 2026.*

All capitalised terms used in this Addendum have the same meaning as in the Explanatory Memorandum, unless otherwise defined herein. The Directors of the Fund and Value Partners Hong Kong Limited, the Manager of the Fund, accept full responsibility for the accuracy of the information contained in this Addendum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Addendum misleading as at the date of issuance.

The Explanatory Memorandum will hereby be amended as follows:

A. Streamline of notification regarding availability of the financial reports and update on the mode of distribution of financial reports

The third paragraph under the sub-section "**Financial Reports**" under the section "**GENERAL INFORMATION**" on page 115 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

"Once issued, annual reports and half-yearly unaudited interim reports will be available in softcopy from the website, www.valuepartners-group.com and in hardcopy for inspection at the Manager's office free of charge during normal working hours (hardcopies are also available for Shareholders to take away free of charge upon request). Investors should note that the aforesaid website has not been reviewed or authorised by the SFC.

At least one month's prior notice will be provided to Shareholders if there will be any change to the mode of distribution of financial reports described above."

B. Change of Directors of the Fund and change of directors of the Manager

(a) The information regarding the Directors of the Fund the the heading "**Directory**" on page 10 of the Explanatory Memorandum shall be deleted in their entirety and replaced with the following:

"Mr. TUNG Ka Yan
Mr. TSANG Ho Ming (alternate Director to Mr. TUNG Ka Yan)
Mr. Nigel David STEAD
Mr. Kee Chong LI Kwong Wing"

(b) The sub-section "**Directors**" under the heading "**MANAGEMENT AND ADMINISTRATION**" on pages 27 to 28 of the Explanatory Memorandum shall be deleted in their entirety and replaced with the following:

“**Directors**

The Directors of the Fund are as follows:

TUNG Ka Yan

Mr. TUNG Kan Yan has over two decades of experience in the financial services industry, with deep expertise in investment operations, fund administration, and audit.

Prior to joining Value Partners, Mr. TUNG served as Head of Investment Operations at Hang Seng Investment Management Limited, where he led a wide range of functions including trade and settlement, cash management, ETF operations, NAV production, client and regulatory reporting, and fund financial reporting.

Before joining Hang Seng Investment Management, Mr. TUNG spent over 16 years at HSBC Institutional Trust Services (Asia) Limited, where he held various senior roles including Associate Director of Fund Administration for the ETF sector and Senior Vice President of Alternative Products.

Mr. TUNG began his career at KPMG as an Assistant Manager in Audit, where he managed audit engagements for listed companies and participated in due diligence and IPO projects.

Mr. TUNG holds a Bachelor of Arts in Accountancy with First Class Honours from The Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a holder of the CFA Institute Certificate in ESG Investing.

Nigel David STEAD

Mr. Nigel David STEAD has been serving as an independent non-executive director of Asia Pacific focused investment funds and management companies since 2005. From 1995 – 2005 he was Managing Director and Head of Global Fund Services at HSBC Institutional Trust Services (Singapore) Limited (formerly Bermuda Trust (Singapore) Limited) which provided Trustee, Custody, and Fund Administration Services to some 500 investment vehicles and funds with an AUM of US$50 billion including Retail Unit Trusts, Pension Plans, REITs, Hedge Funds, Fund of Funds, and Private Equity Funds. From 1985 to 1995 he held senior positions at the Bank of Bermuda in the Global Fund Services division firstly in Bermuda, then Luxembourg and finally in Hong Kong before relocating to Singapore. Prior to joining the Bank of Bermuda he held various positions in the accountancy profession in England and Africa. He has a degree in Management Sciences from University of Manchester Institute of Science and Technology in England, he is a Fellow of the Institute of Chartered Accountants in England and Wales, a Chartered Financial Analyst charterholder, and a Certified Investment Fund Director.

Kee Chong LI Kwong Wing

Mr. Kee Chong LI Kwong Wing holds a Masters degree (LLM) in International Tax Law from St Thomas University School of Law, Florida, USA and a B.Sc. (Econ) from the London School of Economics. He started his professional career in 1974 as a Lecturer in Public Finance at the University of Mauritius. Afterwards, he held different prominent positions including Advisor to the Minister of Finance and Chairman of the Stock Exchange Commission. In 1992, Mr. LI started his own

private consulting firm and served as Consultant to the United Nations Economic Commission for Africa (UNECA) and the U.N. Industrial Development Organization (UNIDO). He is currently the CEO of The Mauritius International Trust Co. Ltd (MITCO), a professional firm founded by him in 1993 which provides international tax and investment advisory services in Mauritius. He also sits on the Board of Directors of several emerging markets funds. He is also a Member of the Parliament of Mauritius.

Alternate Director

TSANG Ho Ming (alternate Director to Mr. Tung Ka Yan)

Mr. TSANG Ho Ming is a Director, Fund Operations of Value Partners. He oversees the firm's fund investor services function, and is responsible for managing the day-to-day dealing services and communications for fund investors. He has over 20 years of experience in the financial services industry. Mr. TSANG joined Value Partners in 2015. Prior to joining Value Partners, he was Assistant Vice President, Transfer Agency at HSBC Institutional Trust Services (Asia) Limited. Mr. TSANG graduated from The University of Bedfordshire in England with a Bachelor's degree in Business Management."

(c) The fifth paragraph and the biographies of the Manager's directors under the sub-section "**Manager**" under the heading "**MANAGEMENT AND ADMINISTRATION**" on pages 28-30 of the Explanatory Memorandum shall be deleted in their entirety and replaced with the following:

"The directors of the Manager are Mr. HO Man Kei, Norman, Mr. IP Ho Wah Gordon and Ms. NG Chuk Fa.

HO Man Kei, Norman

Mr. HO Man Kei, Norman is a Senior Investment Director of Value Partners Group Limited ("Value Partners"), where he is a leader in Value Partners' investment process, with a high degree of responsibility over portfolio management. Mr. HO served as an Executive Director of the Board of Directors of Value Partners during the period from 26 July 2019 to 23 August 2024, and is also a director of certain subsidiaries of the Group.

Mr. HO has extensive experience in the fund management and investment industry, with a focus on research and portfolio management. Mr. HO joined Value Partners in November 1995. He was promoted to the roles of Investment Director and Senior Investment Director in 2010 and January 2014, respectively. Prior to joining Value Partners, he was an Executive with Dao Heng Securities Limited and had started his career with Ernst & Young.

Mr. HO graduated with a Bachelor's degree in Social Sciences (majoring in Management Studies) from The University of Hong Kong. He is a CFA charterholder.

IP Ho Wah, Gordon

Mr. IP Ho Wah, Gordon is the Chief Investment Officer, Fixed Income of Value Partners. He oversees the Value Partners' credit and fixed income investments and portfolio management. He started his career since June 1994 and has extensive of experience investing across fixed income sectors.

Mr. IP joined Value Partners in August 2009 as a Fund Manager and was promoted

to the roles of Senior Fund Manager and Investment Director in 2015 and 2016, respectively. He was promoted to Chief Investment Officer in July 2017. Over the years, he has received numerous industry accolades, including the CIO of the Year (Fixed Income) in the regional category and the market awards (Hong Kong) category, respectively, by Insights & Mandates Professional Investment Awards 2020, Fund Manager of the Year – Fixed Income High Yield (Greater China) by The Asset Triple A Awards 2019, Manager of the Year (High Yield Fixed Income) by Benchmark's Fund of the Year Awards 2018 and 2017. In addition, he was selected as one of the highly commended Astute Investors in Asian G3 bonds in Hong Kong, awarded by The Asset Benchmark Research Awards 2019. He was ranked among The Top Astute Investors in the same category since 2014.

Prior to joining Value Partners, Mr. IP was a Director at HSBC Private Bank in Hong Kong, overseeing its fixed income advisory business. He had also spent four years at Prudential Fixed Income Management in the United States, specializing in relative value and credit analysis of securitized products. Before joining Prudential, he was a Vice President in Fixed Income Research at Salomon Smith Barney in New York. He began his career as an Analyst at Goldman Sachs' fixed income, currency and commodity division in Hong Kong in 1995. Mr. IP graduated with a Master's degree in Financial Mathematics from the University of Chicago and a Master's degree in Engineering from Cornell University in the United States. He is a CFA charterholder.

NG Chuk Fa

Ms. NG Chuk Fa is the Chief Financial Officer, Head of Corporate Services, and Executive Director of Value Partners.

Ms. NG is responsible for overseeing Value Partners finance function. She possesses broad experience in the financial services industry, with a particular focus in financial reporting, internal control assessment and corporate transactions, combined with strong regulatory knowledge. She joined Value Partners in July 2021 as Director, Finance and oversee the finance division. She was appointed Chief Financial Officer in 2023 and was promoted to Chief Financial Officer and Head of Corporate Services in August 2024.

Before joining Value Partners, Ms. NG was the Financial Controller at Fortress Investment Group & Mount Kellett Capital, a multi-strategy investment firm, for 8 years overseeing its corporate and fund accounting. Prior to that, she worked at a family fund private equity firm for 4 years, served as a finance head for an asset management portfolio company regulated by the China Banking Regulatory Commission and involved in other investment projects. She started her career as an Auditor at PricewaterhouseCooper Hong Kong. Ms. NG graduated with a Bachelor's degree in Professional Accountancy from The Chinese University of Hong Kong."

25 March 2026

VALUE PARTNERS GREATER CHINA HIGH YIELD INCOME FUND (the "Fund")

SIXTH ADDENDUM

Important

*If you are in doubt about the contents of this Addendum, you should seek independent professional advice. This Addendum forms part of and should be read in conjunction with the Explanatory Memorandum of the Fund dated January 2020, the First Addendum dated 15 June 2020, the Second Addendum dated 30 April 2021, the Third Addendum dated 1 November 2021 ,the Fourth Addendum dated 11 April 2022 and the Fifth Addendum dated 25 March 2026 (collectively, the "**Explanatory Memorandum**"). The changes made to the Explanatory Memorandum by this Addendum shall take effect on 2 October 2026.*

All capitalised terms used in this Addendum have the same meaning as in the Explanatory Memorandum, unless otherwise defined herein. The Directors of the Fund and Value Partners Hong Kong Limited, the Manager of the Fund, accept full responsibility for the accuracy of the information contained in this Addendum and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement in this Addendum misleading as at the date of issuance.

The Explanatory Memorandum will hereby be amended as follows:

A. Change of Directors of the Fund and change of directors of the Manager

(a) The information regarding the Directors of the Fund the the heading "**Directory**" on page 10 of the Explanatory Memorandum shall be deleted in their entirety and replaced with the following:

"Mr. TUNG Ka Yan
Mr. TSANG Ho Ming (alternate Director to Mr. TUNG Ka Yan)
Mr. CHEUNG Kwong Chi
Dr. RUI Meng"

(b) The sub-section "**Directors**" under the heading "**MANAGEMENT AND ADMINISTRATION**" on pages 27 to 28 of the Explanatory Memorandum shall be deleted in their entirety and replaced with the following:

"**Directors**

The Directors of the Fund are as follows:

TUNG Ka Yan

Mr. TUNG Kan Yan has over 20 years of experience in the financial services industry, with particular expertise in investment operations, fund administration, fund accounting, audit and operational oversight .

Mr. TUNG is currently responsible for investment operations and related functions at Value Partners Group. Prior to joining Value Partners, Mr. TUNG served as Head of Investment Operations at Hang Seng Investment Management Limited, where he led a wide range of functions including trade and settlement, cash management, ETF operations, NAV production, client and regulatory reporting, and fund financial reporting.

Before joining Hang Seng Investment Management, Mr. TUNG spent over 16

years at HSBC Institutional Trust Services (Asia) Limited, where he held various senior positions including Associate Director of Fund Administration for the ETF business and Senior Vice President of Alternative Products.

Mr. TUNG began his career with KPMG as an Assistant Manager in Audit, where he worked on audit engagements for listed companies and participated in IPO and due diligence assignments.

Mr. TUNG holds a Bachelor of Arts in Accountancy with First Class Honours from The Hong Kong Polytechnic University. He is a member of the Hong Kong Institute of Certified Public Accountants (HKICPA) and a holder of the CFA Institute Certificate in ESG Investing.

CHEUNG Kwong Chi

Mr. CHEUNG Kwong Chi has over 25 years of experience in corporate governance, regulatory compliance and board advisory matters across Hong Kong listed companies and investment management businesses.

Prior to his retirement, Mr. Cheung served for more than 15 years as Company Secretary of Value Partners Group Limited, a Hong Kong listed asset management group. In that capacity, he supported the board and its committees on governance, strategic transactions and corporate oversight matters.

Throughout his career, Mr. Cheung has also held senior governance and company secretarial positions at several prominent Hong Kong listed companies, including Global Brands Group Limited, Melco International Development Limited, Hong Kong Construction (Holdings) Limited, Shun Tak Holdings Limited and Cheung Kong (Holdings) Limited.

Mr. Cheung has extensive experience in corporate governance, regulatory matters, board operations, mergers and acquisitions, capital markets transactions and offshore corporate structures. His experience spans investment management, consumer brands, property development, hospitality and infrastructure sectors.

Mr. Cheung holds a Master of Arts in Professional Accounting and Information Systems and a Bachelor of Business Administration. He is an Associate Member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.

RUI Meng

Dr. Rui Meng is a finance and corporate governance professional with extensive experience in academic, risk management and board governance. He is currently Professor of Finance and Accounting, Parkland Chair Professor of Finance, Associate Dean and Director of the PhD Programme at China Europe International Business School (CEIBS). He is a Chartered Financial Analyst (CFA) and Chartered Risk Manager (CRM).

Dr. Rui has extensive experience serving on the boards of listed companies and currently holds independent directorships in a number of Hong Kong listed and overseas companies, including Country Garden Services, China Education Group and Dexin Services Group. He has also previously served as an independent director of various listed companies in Hong Kong and Mainland China.

In addition to his board experience, Dr. Rui currently serves as a member of the Risk Management Committee of the Shanghai Clearing House and as Vice

President of the Hong Kong Financial Engineers Association. His professional experience spans corporate finance, risk management, ESG, corporate governance and wealth management.

Prior to joining CEIBS, Dr. Rui held academic and leadership positions at The Chinese University of Hong Kong and The Hong Kong Polytechnic University, including serving as a tenured professor at The Chinese University of Hong Kong."

Alternate Director

TSANG Ho Ming (alternate Director to Mr. Tung Ka Yan)

Mr. TSANG Ho Ming is a Director, Fund Operations of Value Partners. He oversees the firm's fund investor services function, and is responsible for managing the day-to-day dealing services and communications for fund investors. He has over 20 years of experience in the financial services industry. Mr. TSANG joined Value Partners in 2015. Prior to joining Value Partners, he was Assistant Vice President, Transfer Agency at HSBC Institutional Trust Services (Asia) Limited. Mr. TSANG graduated from The University of Bedfordshire in England with a Bachelor's degree in Business Management."

(c) The fifth paragraph and the biographies of the Manager's directors under the sub-section "**Manager**" under the heading "**MANAGEMENT AND ADMINISTRATION**" on pages 28-30 of the Explanatory Memorandum shall be deleted in their entirety and replaced with the following:

"The directors of the Manager are Mr. HO Man Kei, Norman, Mr. CHING Wing Tat, Vincent, Mr. LUO Jing, Ms. NG Chuk Fa and Dr. JIANG Ron.

HO Man Kei, Norman

Mr. HO Man Kei, Norman is a Senior Investment Director of Value Partners Group Limited ("Value Partners"), where he is a leader in Value Partners' investment process, with a high degree of responsibility over portfolio management. Mr. HO served as an Executive Director of the Board of Directors of Value Partners during the period from 26 July 2019 to 23 August 2024, and is also a director of certain subsidiaries of the Group.

Mr. HO has extensive experience in the fund management and investment industry, with a focus on research and portfolio management. Mr. HO joined Value Partners in November 1995. He was promoted to the roles of Investment Director and Senior Investment Director in 2010 and January 2014, respectively. Prior to joining Value Partners, he was an Executive with Dao Heng Securities Limited and had started his career with Ernst & Young.

Mr. HO graduated with a Bachelor's degree in Social Sciences (majoring in Management Studies) from The University of Hong Kong. He is a CFA charterholder.

CHING Wing Tat, Vincent

Mr. CHING Wing Tat, Vincent is the Head of Intermediary Business at the Group, where he oversees the strategic management and development of the Group's fund distribution business. He has over 20 years experience in the asset management and finance industry. In addition to his executive role, Mr. Ching serves as a member of the Group's Leadership Committee and contributes to the Risk Management Committee, supporting the Group's governance and risk

oversight framework.

Mr. CHING joined the Group in March 2015 as Associate Director of Intermediary Business. He was promoted to Head of Hong Kong, Retail Distribution in 2019 and appointed to his current role in 2022. Prior to joining the Group, he worked for BlackRock Asset Management North Asia, where he was responsible for fund distribution in Hong Kong and North Asia. He also had stints with First State Investments.

Mr. CHING currently serves on the Executive Committee of the Hong Kong Investment Funds Association. Mr. CHING holds both a Master's and a Bachelor's degree in Commerce from the University of Wollongong in Australia.

LUO Jing

Mr. LUO Jing is an Investment Director of Value Partners and a member of the Group's Research and Portfolio Management Team. He began his career in 2005 and has extensive experience in Asian markets. He joined the Group in June 2017 as Fund Manager and was subsequently re-positioned as Senior Fund Manager. He was promoted to his current role in January 2023.

Prior to joining the Group, he held buy-side roles at HSBC Global Asset Management (HK) as Associate Director focusing on China investments, and at Bosera Asset Management as Portfolio Manager managing A-share mandates for institutional clients. Earlier in his career, he worked in sell-side research at CICC, Guotai Junan International and First Shanghai Securities. He was ranked among the top three banking analysts by New Fortune magazine from 2008 to 2012. During the same period, his team at CICC was also named Asia's best China banking coverage team by Asiamoney.

Mr. LUO holds a Master's degree in Economics from Sun Yat-Sen University in China and a Bachelor's degree in Arts from Guangdong University of Foreign Studies. He is a CFA charterholder.

NG Chuk Fa, Nikita

Ms. NG Chuk Fa, Nikita is the Chief Financial Officer, Head of Corporate Services, and Executive Director of Value Partners.

Ms. NG is responsible for overseeing Value Partners finance function. She possesses broad experience in the financial services industry, with a particular focus in financial reporting, internal control assessment and corporate transactions, combined with strong regulatory knowledge. She joined Value Partners in July 2021 as Director, Finance and oversee the finance division. She was appointed Chief Financial Officer in 2023 and was promoted to Chief Financial Officer and Head of Corporate Services in August 2024.

Before joining Value Partners, Ms. NG was the Financial Controller at Fortress Investment Group & Mount Kellett Capital, a multi-strategy investment firm, for 8 years overseeing its corporate and fund accounting. Prior to that, she worked at a family fund private equity firm for 4 years, served as a finance head for an asset management portfolio company regulated by the China Banking Regulatory Commission and involved in other investment projects. She started her career as an Auditor at PricewaterhouseCooper Hong Kong. Ms. NG graduated with a Bachelor's degree in Professional Accountancy from The Chinese University of Hong Kong.

JIANG Ron

Dr. JIANG Ron is the Chief Operating Officer of Value Partners. He oversees the Group's Fund Operations and IT departments, managing daily operations and ensuring efficient resource management and process optimization to support the Group's strategic goals. He joined the Group in April 2025. Started his career in 2000, he is an esteemed industry veteran with 25 years of experience in the fund management and financial services industry.

Before joining the Group, Dr. JIANG spent over 7 years with Guangfa Securities, first as a Managing Director and Head of IT Department, and later as the Deputy General Manager and Chief Information Officer and interim Chief Risk Officer at Guangfa Securities Asset Management (Guangdong) Company overseeing IT, central trading, operations, fund valuation/cash management, and risk management. Before that, he also spent 10 years at Wellington Management in Boston as an IT Managing Director and Principal overseeing development of quantitative risk analytics, investor and portfolio technology; and 7 years at FFTW/BnP Asset Management as a Development Lead in New York, with hands-on role in trading connectivity and STP processing of middle/back office workflows, where he led rollout of the world's first automated trade matching connection to DTC-CTM via FIX4.4. Since 2017, Dr. JIANG is an external advisor to the China Securities Industry's Fintech R&D Center at Shenzhen Stock Exchange.

Dr. JIANG graduated from Columbia University with a Doctoral degree in Genetics & Development, and a Bachelor's degree in Environmental Biology from Nanjing University. He is a CFA charter holder."

2 October 2026