

**Important notes**

1. Value China A-Share ETF (the "Fund") is a physical index-tracking fund which aims to provide investment results, before fees and expenses, that closely correspond to the performance of the FTSE Value-Stocks China A-Share Index ("Index").
2. The Fund invests directly in A Shares included in the Index through the Renminbi Qualified Foreign Institutional Investors ("RQFII") investment quota granted to the Manager and the Shanghai-Hong Kong Stock Connect. Investors will be subject to certain risks including repatriation risk, custodial risk, broker risk, regulatory risk and risks associated with the Manager's RQFII status. In addition, the RQFII policy and rules are relatively new and there may be uncertainty in implementation and such policy and rules are subject to change. All these may adversely impact the Fund.
3. The Fund and its primary investments are denominated in RMB. RMB is currently not a freely convertible currency and is subject to foreign exchange control policies, as well as repatriation restrictions imposed by the PRC government. Investors whose base currencies of investments are not in RMB should take into account the potential risk of loss arising from fluctuations in value between such currencies and the RMB.
4. The Fund is subject to emerging market risks. Generally, investments in emerging markets are subject to a greater risk of loss than investments in a developed market due to greater political, economic, taxation and regulatory uncertainty and risks linked to volatility and market liquidity etc.
5. The Fund is also subject to concentration risk as a result of investing only in a single geographical region. Adverse development in such region may affect the value of the underlying securities in which the Fund invests.
6. The Fund has dual counter traded units which are traded and settled in both RMB and HKD on Stock Exchange of Hong Kong Limited ("SEHK"). The nature of the dual counter may make investment in the units of the Fund riskier than in single counter units or shares of an SEHK listed issuer. Investors without RMB accounts may buy and sell HKD traded units only.
7. There is no assurance that the Fund will pay dividends. The Manager may at its discretion pay dividends out of the capital of the Fund or pay dividend out of gross income while all or part of the fees and expenses of the Fund are charged to/paid out of the capital of the Fund. Dividends effectively paid out of capital amount to a return or withdrawal of part of an investor's original investment or from any capital gains attributable to that original investment. Such distribution involving payment of dividends out of the capital may result in an immediate reduction of the Fund's net asset value per unit.
8. The Index may experience periods of volatility and decline and the price of units of the Fund is likely to vary or decline accordingly. As the Fund is not actively managed, the Manager will not adopt a temporary defensive position against any market downturn. Investors may lose part or all of their investment.
9. The Fund is listed on the SEHK. Trading prices of Fund units on the SEHK are subject to market forces and the Fund units may trade at a substantial premium/discount to the net asset value of the Fund.
10. An affiliated company of the Manager and the Investment Adviser of the Fund assists with the compilation of the Index and accordingly potential conflicts of interests may arise.
11. You should not make investment decision on the basis of this material alone. Please read the prospectus for details and risk factors.

**[For Immediate Release]**

### **Value Partners launches Value China A-Share ETF**

**(Hong Kong Stock Code: HKD Counter – 3095, RMB Counter – 83095)**

**(Hong Kong, 24 March 2015) – Value Partners Group Limited** ("Value Partners", Hong Kong Stock Code: 806) is pleased to announce that its wholly-owned subsidiary, **Value Partners Hong Kong Limited**, has launched Value China A-Share ETF, the world's first-ever value-based Renminbi Qualified Foreign Institutional Investor ("RQFII") A-share ETF<sup>1</sup> that tracks a customized index and aims to deliver potential excess returns through Value Partners' proprietary stock screening process.

Listed on the Stock Exchange of Hong Kong on 24 March 2015 with a Hong Kong dollar ("HKD") and Renminbi ("RMB") dual counter arrangement, Value China A-Share ETF offers investors a simple and cost effective way to invest in the China A-share market. While most A-share ETFs in the market are passive funds that track the performance of market indices, Value China A-Share ETF tracks a customized index which adopts a robust screening model to identify undervalued stocks with good fundamental quality. Its constituent stocks are subjected to valuation, quality and contrarian screenings, with an aim to generate potential excess returns over the market. In addition, the customized index is rebalanced twice a year to tap value opportunities in the China A-share market in a timely manner.

Officiating the listing ceremony of Value China A-Share ETF today were Ms. Julia LEUNG, Executive Director of Investment Products Division of the Securities & Futures Commission, Ms. Christina CHOI, Senior Director of Investment Products Division of the Securities & Futures Commission, Dato' CHEAH Cheng Hye, Chairman and Co-Chief Investment Officer of Value Partners, as well as senior management of Value Partners.

**Dato' CHEAH Cheng Hye, Chairman and Co-Chief Investment Officer of Value Partners** said, "As China continues to open up its capital markets, we see increasing opportunities for A shares to be included in international indices, which will boost the inflow of capital in the long run. We foresee that this will lead in coming years to a significant expansion in the price-earnings multiples of Chinese stocks. Value China A-Share ETF is the seventh exchange-traded fund that we have established in Hong Kong. We hope that it will meet the needs of both institutional and individual investors who wish to find value in the China A-share market."

**Mr. William CHOW, Managing Director of ETF Business of Value Partners** said, "Value Partners has always strived to provide innovative products to our investors. Value China A-Share ETF tracks the customized FTSE Value-Stocks China A-Share Index which consists of 50 quality A-share companies listed on the Shanghai Stock Exchange and the Shenzhen Stock Exchange. Leveraging our proven track record in disciplined value investing and our persistence in ETF product innovation, the new ETF is a unique tool for investors to capture value opportunities in the China A-share market."

Launched in 2011, FTSE Value-Stocks China A-Share Index is calculated and maintained by FTSE Group. The Index has delivered a solid cumulative return of +551%<sup>2</sup> since its base date in May 2005. As of the end of February 2015, the Index recorded a gain of +67%<sup>3</sup> over the past year.

The newly launched Value China A-Share ETF further completes the suite of Value ETF Equity Series which includes Value China ETF (3046 HK), Value Japan ETF (3084 HK), Value Korea ETF (3041 HK) and Value Taiwan ETF (3060 HK). Members of the Value ETF Equity Series replicate their respective FTSE Value-Stocks indices in full to minimize tracking error, and unlike synthetic ETFs, they hold physical shares as underlying investments.

<b>Value China A-Share ETF</b>	
Stock code	3095 HK – HKD counter 83095 HK – RMB counter
Investment objective	Value China A-Share ETF seeks to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE Value-Stocks China A-Share Index.
Underlying index	FTSE Value-Stocks China A-Share Index
Manager and RQFII holder	Value Partners Hong Kong Limited
Listing date	24 March 2015
Trading lot size	500 units – HKD counter 500 units – RMB counter
Trading currency	Hong Kong dollars (HKD) – HKD counter Renminbi (RMB) – RMB counter
Distribution policy	Targeted semi-annually <small>See important note 7</small>
Ongoing charges over a year	Estimated to be 0.99% of Net Asset Value
Application unit size (only by or through Participating Dealers)	Minimum 500,000 Units (or multiples thereof)
Website	<a href="http://www.valueetf.com.hk">www.valueetf.com.hk</a>

<sup>1</sup>Source: Bloomberg, as of 19 March 2015.

<sup>2</sup>Source: Value Partners, data from 31 May 2005 to 28 February 2015. Index is a total return index.

<sup>3</sup>Source: Value Partners, data from 28 February 2014 to 28 February 2015. Index is a total return index.



From left: **Mr. Raymond TAM**, Deputy Chief Executive Officer and Head of Sales of Value Partners; **Mr. Louis SO**, Deputy Chairman and Co-Chief Investment Officer of Value Partners; **Mr. David QUAH**, Vice President, Product Development & Marketing, Cash Trading, Global Markets Division, Hong Kong Exchanges and Clearing Limited; **Ms. Julia LEUNG**, Executive Director, Investment Products Division, Securities & Futures Commission; **Dato' CHEAH Cheng Hye**, Chairman and Co-Chief Investment Officer of Value Partners; **Ms. Christina CHOI**, Senior Director, Investment Products Division, Securities & Futures Commission; **Mr. Timothy TSE**, Chief Executive Officer of Value Partners; **Mr. Norman HO**, Senior Investment Director of Value Partners and **Mr. William CHOW**, Managing Director of ETF Business of Value Partners.

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#### About Value Partners Group Limited

Value Partners Group is one of Asia's largest independent asset management firms that seeks to offer world class investment services and products. Assets under management of the firm increased to US\$14 billion as of 28 February 2015. Since its establishment in 1993, the firm has been a dedicated value investor in Asia and the world. In November 2007, Value Partners Group became the first asset management firm listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 806 HK). In addition to its Hong Kong headquarters, the firm operates in Shanghai, Beijing, Singapore, Taiwan and Chengdu. Value Partners manages absolute return long-biased funds, long-short hedge funds, fixed income products, exchange-traded funds, as well as quantitative products for institutional and individual clients in Asia Pacific, Europe and the United States.



**Media enquiries:**

**Value Partners Group Limited**

Teresa Yu  
Associate Director, Marketing and Communications  
Email: [teresayu@vp.com.hk](mailto:teresayu@vp.com.hk)  
Tel: (852) 2143 0320

Stephanie Tong  
Assistant Manager, Marketing and Communications  
Email: [stephanietong@vp.com.hk](mailto:stephanietong@vp.com.hk)  
Tel: (852) 2143 0459

Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the prospectus for details and risk factors in particular those associated with investment in emerging markets and the arrangement in the event that the Fund is delisted. Fund prospectus can be obtained from [www.valueetf.com.hk](http://www.valueetf.com.hk). Investors should also note that the Fund is different from typical retail investment funds, in particular, units in the Fund may only be created or redeemed directly by a participating dealer in large unit sizes.

This document has not been reviewed by the Securities and Futures Commission of Hong Kong. Issuer: Value Partners Hong Kong Limited.

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