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The Manager accepts full responsibility for the accuracy of the information contained in this announcement and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief at the date hereof, there are no other facts the omission of which would make any statement misleading and that opinions expressed in this announcement have been arrived at after due and careful consideration.

Investments involve risks, including the loss of principal. You are advised to consider your investment objectives and circumstances in determining the suitability of an investment in the Trust. An investment in the Trust may not be suitable for everyone.

SFC authorisation is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.



VALUE GOLD ETF

(A Hong Kong unit trust, authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong)

(the “Trust”)

HKD Counter Stock Code: 03081

RMB Counter Stock Code: 83081

ANNOUNCEMENT

Addition of USD Counter, Updated Disclosures on Liquidity Risk Management, Automatic Exchange of Financial Account Information and Change of Directors of the Manager

This announcement is important and requires your immediate attention. If you are in any doubt about the contents of this announcement, you should consult your stockbroker, bank manager, solicitor, accountant or other financial adviser for independent professional advice.

All capitalised terms in this announcement shall have the same meaning as in the Prospectus of the Trust dated 24 October 2015 (as amended or supplemented) unless otherwise stated.

Dear Unitholders,

A. Addition of USD Counter

The Units are currently denominated in Hong Kong dollars (“HKD”) and traded in HKD and Renminbi Yuan (“RMB”). The Manager has been granted approval by the SEHK for the Units to be available for trading on the SEHK and deposit, clearing and settlement in the Central Clearing and Settlement System (“CCASS”) under a Multi-Counter arrangement with the addition of a USD counter from 31 March 2017 (the “Effective Date”) onwards. As such, Units will, from the Effective Date, be traded on the SEHK in HKD, RMB and USD.

Multi-Counter model

Investors should note that Units are denominated in the Base Currency of the Trust, which is HKD, and the creation of new Units and redemption of Units in the primary market are settled in the Base Currency. By virtue of the Multi-Counter arrangement, the Trust will offer three trading counters on the SEHK (i.e. HKD counter, RMB counter and USD counter) to investors for secondary trading purposes. Units traded in HKD counter will be settled in HKD; Units traded in RMB counter will be settled in RMB; and Units traded in USD counter will be settled in USD. Apart from settlement in different currencies, the trading prices of Units in different counters may be different as each counter is a distinct and separate market.

Units created and issued pursuant to a Creation Application may be deposited in CCASS as HKD traded Units, RMB traded Units or USD traded Units initially. A Participating Dealer may, subject to arrangement with the Manager, elect to CCASS to have Units deposited in any of the three counters. Similarly, Units redeemed pursuant to a Redemption Application may be withdrawn from any trading counter (i.e. HKD, RMB or USD trading counter). Units of all three counters may be redeemed by way of Redemption Application through a Participating Dealer.

Notwithstanding a Multi-Counter being adopted, (a) Units traded on all three counters are of the same class with the same rights attached thereto and all Unitholders of all these counters are treated equally; (b) all cash Creation Applications must be made in the Base Currency; and (c) any cash proceeds received by a Participating Dealer in a cash Redemption Application shall be paid only in the Base Currency. In specie creations and redemptions are still available in the manner described in the Prospectus and will be unaffected by the Multi-Counter arrangement.

The board lot size and Application Unit size for each counter are the same, being 100 Units and 300,000 Units respectively.

No distributions of dividends are presently made by the Trust. This policy will be unaffected by the Multi-Counter arrangement adopted in respect of the Units.

Stock codes and stock short names

The stock codes, stock short names and ISIN numbers of the existing HKD and RMB counters will remain unchanged. The USD counter will, from the Effective Date, have a stock code, a stock short name and an ISIN number as HK0000331790, VALUEGOLD ETF-U and 09081 respectively.

Inter-counter transfer

Normally, investors can buy and sell Units traded in the same counter or alternatively buy in one counter and sell in another counter provided their brokers provide HKD, RMB and/or USD trading services at the same time and offer inter-counter transfer services to support Multi-Counter trading. Inter-counter buy and sell is permissible even if the trades take places within the same

trading day. However, investors should note that the trading price of Units traded in different counters may be different and may not always maintain a close relationship depending on factors such as market demand and supply and liquidity in each counter.

Investors should consult their brokers if they have any questions concerning fees, timing, procedures and the operation of the Multi-Counter arrangement, including inter-counter transfers.

Market making

As with all exchange traded funds listed on the SEHK, the Manager will ensure that there is at all times at least one market maker for each of the HKD and RMB counters and, from the Effective Date, one market maker the USD counter as well (although this may be the same Market Maker). The Manager will seek to ensure that at least one market maker per counter is required to give not less than three months' prior notice to terminate the relevant market making arrangement.

For a list of the market makers for each counter, please refer to the website https://www.hkex.com.hk/eng/etfrc/SMMList/SMM_List.htm.

Multi-counter related risks

Multi-counter risks

The SEHK's Multi-Counter model in Hong Kong is relatively recent. It makes investment in the Units riskier than in single counter units or shares of an SEHK listed issuer, for example, where for some reason there is a settlement failure on an inter-counter transfer if the Units of one counter are delivered to CCASS at the last settlement on a trading day, leaving insufficient time to transfer the Units to the other counter for settlement on the same day.

In addition, where there is a suspension of the inter-counter transfers of Units between different counter due to, for example, operational or systems interruption, Unitholders will only be able to trade their Units in the currency of the relevant counter. Accordingly it should be noted that the inter-counter transfers may not always be available.

There is a risk that the market price on the SEHK of Units traded in one counter may deviate significantly from the market price on the SEHK of Units traded in another counter due to market liquidity, supply and demand in each counter and exchange rate fluctuations (and, in respect of the exchange rate between HKD and RMB, this includes the rates in both the onshore and offshore markets). The trading price of Units in each Counter is determined by market forces and so will not be the same as the trading price of Units multiplied by the prevailing rate of foreign exchange. Accordingly when selling or buying Units traded in one counter, an investor may receive less or pay more than the equivalent amount in the currency of another counter if the trade of the relevant Units took place on another counter. There can be no assurance that the price of Units in each counter will be equivalent.

Investors without RMB or USD accounts may buy and sell HKD traded Units only. Such investors will not be able to buy or sell RMB or USD traded Units.

It is possible that some brokers and CCASS participants may not be familiar with and may not be able to (i) buy Units in one counter and to sell Units in another, (ii) carry out inter-counter transfers of Units, or (iii) trade Units in different counters at the same time. In such a case, another broker or CCASS participant may need to be used. Accordingly, this may inhibit or delay an investor dealing in the HKD, RMB and USD traded Units and may mean that an investor may only be able to sell their Units in one currency. Investors are recommended to check the readiness of their brokers in respect of the Multi-Counter trading and inter-counter transfer and should fully understand the services which the relevant broker is able to provide (as well as any associated fees).

Investors should also refer to the Prospectus of the Trust for further risks associated with the Multi-Counter arrangement.

SEHK approval

The SEHK has granted its approval for admission for trading of the Units to the USD counter with effect from the Effective Date.

Stamp duty

No Hong Kong stamp duty is payable by an investor in relation to an issue of Units (HKD, RMB or USD traded Units) to him or her or the redemption of Units (HKD, RMB or USD traded Units) by him or her or on the sale and purchase of Units (HKD, RMB or USD traded Units) by him or her in the secondary market.

Information on website

From the Effective Date, the website of the Manager in respect of the Trust www.valueetf.com.hk/valueGoldETF/eng/index.php (which has not been reviewed by the SFC) will be updated. In particular the near real-time Net Asset Value per Unit throughout each dealing day and the last closing Net Asset Value per Unit will also be provided in USD (in addition to HKD and RMB). The previous day's closing Net Asset Value will continue to be provided in respect of Units in HKD only.

Please note that the near real time estimated Net Asset Value per Unit in RMB and USD and the last closing Net Asset Value per Unit in RMB and USD are for reference only.

The near real time estimated Net Asset Value per Unit in RMB and USD are calculated by Interactive Data Hong Kong Limited using the near real time estimated Net Asset Value per Unit in HKD multiplied by near real time HKD:RMB (CNH) and HKD:USD foreign exchange rates quoted by Interactive Data Hong Kong Limited respectively. The near real time estimated Net Asset Value per Unit in HKD, RMB and USD, as well as the exchange rates for offshore RMB (CNH) and USD will only be updated during the trading hours of the SEHK. The last closing Net Asset Value per Unit in RMB and USD are calculated using the last closing Net Asset Value in HKD multiplied by the HKD:RMB (CNH) and HKD:USD foreign exchange rates quoted by Thomson Reuters at 11:00 a.m. (London time) as of the same Dealing Day. The daily closing Net Asset Value per Unit in HKD, RMB and USD, as well as the exchange rates will only be updated when both the SEHK is open for normal trading and LBMA Gold Price is available.

**Please note 11:00 a.m. (London time) (i) during British Summer Time is equivalent to 6:00 p.m. Hong Kong Time and (ii) otherwise is equivalent to 7:00 p.m. Hong Kong Time.*

The Trustee of the Trust, HSBC Institutional Trust Services (Asia) Limited, has no objection to the above changes.

The costs incurred in connection with the changes (including the costs of preparing the updated Prospectus and Product Key Facts Statement ("KFS") as well as the legal fees in relation to the foregoing) will be borne by the Trust.

B. Updated disclosures regarding liquidity risk management

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

C. Automatic exchange of financial account information

The Inland Revenue (Amendment) (No.3) Ordinance (the "Ordinance") came into force on 30 June 2016. This is the legislative framework for the implementation in Hong Kong of the Standard for Automatic Exchange of Financial Account Information ("AEOI"). The AEOI requires financial institutions ("FIs") in Hong Kong to collect certain required information relating to non-Hong Kong

tax residents holding financial accounts with the FIs, and report such information to the Hong Kong Inland Revenue Department (“IRD”) for the purpose of AEOI exchange. Generally, the information will be reported and automatically exchanged in respect of account holders that are tax residents in an AEOI partner jurisdiction(s) with which Hong Kong has a Competent Authority Agreement (“CAA”) in force; however, the Trust and/or its agents may further collect information relating to residents of other jurisdictions.

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

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

D. Change of directors of the Manager

Mr. Roger Anthony Hepper and Dr. King Au were appointed as directors of the Manager with effect from 1 March 2017 and 20 March 2017 respectively. Mr. William Chow ceased to be a director of the Manager with effect from 1 March 2017.

E. General

The Prospectus and KFS of the Trust will be updated on the Effective Date to reflect the above changes, including disclosure of the relevant risks. The revised Prospectus and KFS will be uploaded on the Manager’s website at www.valueetf.com.hk/valueGoldETF/eng/index.php (this website has not been reviewed by the SFC) and the website of the SEHK on or around the Effective Date.

If you have any queries concerning the above, please contact the Manager at (852) 2143 0688 during office hours which are from 9:00 a.m. to 6:00 p.m.

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

Sensible Asset Management Hong Kong Limited
24 March 2017