

THIS ANNOUNCEMENT AND NOTICE IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION AND DOES NOT CONSTITUTE AN INVITATION OR OFFER TO ACQUIRE, PURCHASE OR SUBSCRIBE FOR UNITS OF THE EXCHANGE TRADED FUNDS NAMED BELOW

If you are in any doubt about the contents of this Announcement and Notice or as to the action to be taken, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser.

If you have sold or transferred all your units in Value Japan ETF, Value Korea ETF and/or Value Taiwan ETF, you should at once hand this Announcement and Notice to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

IMPORTANT: *The Stock Exchange of Hong Kong Limited (the “SEHK”), the Hong Kong Exchanges and Clearing Limited (the “HKEX”), the Hong Kong Securities and Futures Commission (the “SFC”) and the Hong Kong Securities Clearing Company Limited (the “HKSCC”) take no responsibility for the contents of this Announcement and Notice, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this Announcement and Notice.*

Sensible Asset Management Hong Kong Limited (the “Manager”) accepts full responsibility for the accuracy of the information contained in this Announcement and Notice as at the date of publication, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief, as at the date of publication, there are no other facts the omission of which would make any statement misleading.

SFC authorisation is not a recommendation or an endorsement of the Trust (as defined below) and the Sub-Funds (as defined below) nor does it guarantee the commercial merits of the Trust and the Sub-Funds or their performance. It does not mean the Trust and the Sub-Funds are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.



VALUE ETFS TRUST

(the “Trust”)

a Hong Kong umbrella unit trust authorised under Section 104 of the Securities and Futures Ordinance (Cap. 571) of the laws of Hong Kong comprising three sub-funds

VALUE JAPAN ETF

VALUE KOREA ETF

VALUE TAIWAN ETF

(each a “Sub-Fund”, collectively the “Sub-Funds”)

Value Japan ETF (Stock Code: 3084)
Value Korea ETF (Stock Code: 3041)
Value Taiwan ETF (Stock Code: 3060)

ANNOUNCEMENT AND NOTICE OF THE PROPOSED CESSATION OF TRADING, TERMINATION, VOLUNTARY DEAUTHORISATION AND DELISTING AND WAIVER FROM STRICT COMPLIANCE WITH CERTAIN PROVISIONS OF THE CODE ON UNIT TRUSTS AND MUTUAL FUNDS

Terms not defined in this Announcement and Notice will have the meanings as are given to such terms in the prospectuses of the Trust and each of the Sub-Funds, each dated 21 May 2012 (as amended by the addenda thereto) (collectively the “**Prospectuses**”).

IMPORTANT: Investors are strongly advised to consider the contents of this Announcement and Notice. This Announcement and Notice is important and requires your immediate attention. It concerns the proposed cessation of trading of units of the Sub-Funds (the “Units”) on the SEHK, proposed termination and proposed deauthorisation of the Trust and the Sub-Funds, proposed delisting of the Sub-Funds from the SEHK and the waivers from strict compliance of certain provisions of the Code on Unit Trusts and Mutual Funds (the “Code”) for the period from 17 December 2019 (the “Trading Cessation Date”) to the date of deauthorisation (the “Deauthorisation Date”). In particular, investors should note that:

- **taking into account the relevant factors, including, in particular, the relatively small net asset value (“Net Asset Value”) of each of the Sub-Funds (see details of the factors in section 1 below), the Manager has, by means of a resolution of the board of directors of the Manager dated 8 November 2019, decided to exercise its power under Clause 35.6(A) of the trust deed dated 21 March 2012 governing the Trust and the Sub-Funds (the “Trust Deed”) to terminate the Trust (and therefore all the Sub-Funds) with effect from the Termination Date (as defined below). The Manager has given written notice to HSBC Institutional Trust Services (Asia) Limited (the “Trustee”) notifying the Trustee of its proposal to terminate the Trust and the Sub-Funds pursuant to Clause 35.6(A) of the Trust Deed and the Trustee does not object to this proposal;**
- **immediately after this Announcement and Notice has been published, a Provision (as defined and further explained in section 6.4 below) will be set aside for each Sub-Fund. These Provisions are to discharge any future costs, charges, expenses, claims and demands (including but not limited to any regulatory maintenance costs and the fees payable to any service provider to the Trust and the Sub-Funds, including the Trustee, but other than transaction costs and any taxes relating to the realisation of assets of the Sub-Funds) that the Trustee and the Manager may incur, during the period commencing immediately following publication of this Announcement and Notice up to and including the Termination Date, in connection with or arising out of the ongoing maintenance of the Trust and the Sub-Funds (together, the “Future Costs”);**
- **as a result of the setting aside of the Provisions immediately after this Announcement and Notice has been published, the Net Asset Value and Net Asset Value per Unit of each of the Sub-Funds will be reduced before the commencement of trading on the SEHK on 15 November 2019, details of which are as follows:**

	Before setting aside Provision		After setting aside Provision	
	NAV	NAV per Unit	NAV	NAV per Unit
Value Japan ETF	HK\$52,712,806.76	HK\$13.6916	HK\$52,512,806.76	HK\$13.6397
Value Korea ETF	HK\$23,120,057.33	HK\$25.6890	HK\$22,820,057.33	HK\$25.3556
Value Taiwan ETF	HK\$33,641,324.53	HK\$44.8551	HK\$33,441,324.53	HK\$44.5884

- where a Provision is insufficient to cover Future Costs until the Termination Date, any shortfall will be borne by the Manager. For the avoidance of doubt, the Future Costs do not include transaction costs and any taxes relating to the realisation of assets of the Sub-Funds. Subject to the Provision, the Manager will bear all costs and expenses associated with the termination of the Trust and each of the Sub-Funds (other than transaction costs and any taxes relating to the realisation of assets of the Sub-Funds) from the date of this Announcement and Notice up to and including the Termination Date. Conversely, where the Provision is in excess of the actual amount of Future Costs until the Termination Date, such excess will be refunded to the Relevant Investors (as defined in section 2.2 below) as part of the Distribution (as defined in section 2.2) or further distribution, if any. The Trustee has confirmed that it has no objection to the amount of the Provisions;
- the Last Trading Day (as defined in section 2.4) of the units in the Sub-Funds (“Units”) will be 16 December 2019, i.e. the last day on which investors may buy or sell Units on the SEHK and the last day for creation (by Participating Dealers for market making activities of the Market Makers to provide liquidity of the trading of the Units on the SEHK) and redemption of Units in accordance with the usual trading arrangements currently in place;
- the Units of the Sub-Funds will cease trading as from 17 December 2019 (the “Trading Cessation Date”); that means no further buying or selling of Units on the SEHK and no creation and redemption of Units will be possible from the Trading Cessation Date onwards;
- the Manager will aim to realise all of the assets of each of the Sub-Funds effective from the Trading Cessation Date. Accordingly, from the Trading Cessation Date onwards, (i) there will be no further trading of Units of each of the Sub-Funds and no further creation and redemption of Units of each of the Sub-Funds; (ii) the Manager will start to realise all the assets of each of the Sub-Funds and each of the Sub-Funds will therefore cease to track its respective Index and will not be able to meet its respective investment objective of tracking the performance of such Index; (iii) the Sub-Funds will no longer be marketed or offered to the public; (iv) the Sub-Funds will mainly hold cash; and (v) the Sub-Funds will only be operated in a limited manner;
- with a view to minimising further costs, fees and expenses in managing the Trust and the Sub-Funds following the Trading Cessation Date and in the best interest of investors, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the following provisions of the Code for the period from the Trading Cessation Date to the Deauthorisation Date:

- Chapter 10.7 (with regard to publishing suspension announcements);
- paragraphs 4, 17(a) and 17(b) of Appendix I (with regard to providing estimated Net Asset Value or R.U.P.V. (as defined in the Code and section 5.3) and last closing Net Asset Value on a real time or near-real time basis); and
- Chapters 6.1 and 11.1B (with regard to updating the Prospectuses and the product key facts statements in respect of the Sub-Funds (collectively the “KFS”)).

The details and the conditions on which such waiver is granted are as described in section 5 below;

- the Manager confirms that, save for the particular provisions of the Code set out in sections 5.2 to 5.4 below, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other applicable laws and regulations until the Deauthorisation Date;
- the Manager will, after having consulted the Trustee and the Sub-Funds’ auditors, declare a Distribution to the investors who remain so as at 20 December 2019 (the “Distribution Record Date”), and the Distribution is expected to be payable on or around 30 December 2019 (the “Distribution Date”). The amount of Distribution will equal the total net assets of each of the Sub-Funds as at 23 December 2019, which for the avoidance of doubt will exclude (i) the Provisions; (ii) any tax payables; and (iii) any expenses payables;
- by the date when the Trustee and the Manager form an opinion that the Trust and the Sub-Funds cease to have any respective outstanding contingent or actual assets or liabilities, the Trustee and the Manager will commence the completion of the termination of the Trust and the Sub-Funds (i.e. the Termination Date). The Manager expects the Termination Date will be on or around 17 February 2020. The Manager will publish an announcement on or around the Termination Date about the termination, deauthorisation and delisting of the Trust and the Sub-Funds;
- during the period from the Trading Cessation Date until, at least, the Termination Date, the Manager will maintain the Trust’s and the Sub-Funds’ SFC authorisation status and the Sub-Funds’ SEHK listed status, and, subject to the SEHK’s approval, expects the delisting to take effect at or around the same time as the deauthorisation;
- the Manager expects that the deauthorisation and the delisting will take place either on the Termination Date or shortly after the Termination Date (please note that any product documentation for the Trust and the Sub-Funds previously issued to investors, including the Prospectuses and the KFS, should be retained for personal use only and not for public circulation); and
- investors should pay attention to the risk factors as set out in section 7.1 below (including liquidity risk, Units trading at a discount or premium and market makers’ inefficiency risk, tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk, Net Asset

Value downward adjustment risk, failure to track the Indices risk and delay in distribution risk). Investors should exercise caution and consult their professional and financial advisers before dealing in the Units in the Sub-Funds or otherwise deciding on the course of actions to be taken in relation to their Units in the Sub-Funds.

Stockbrokers and financial intermediaries are urged to:

- **forward a copy of this Announcement and Notice to their clients holding Units in any or all of the Sub-Funds, and inform them of the contents of this Announcement and Notice as soon as possible;**
- **facilitate their clients who want to dispose of Units in any or all of the Sub-Funds on or before the Last Trading Day; and**
- **inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Units in the Sub-Funds.**

If investors are in doubt about the contents of this Announcement and Notice, they should contact their independent financial intermediaries or professional advisers to seek their professional advice, or direct their queries to the Manager (please refer to section 9 for further information).

The Manager will, until the Last Trading Day, issue reminder announcements on a weekly basis to investors informing and reminding them of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date. Also, further announcements will be made as and when appropriate in accordance with the applicable regulatory requirements, in due course to inform the investors of the Distribution Date, the further distribution date (if applicable), the Termination Date, the Deauthorisation Date and the date for the delisting.

The Manager accepts full responsibility for the accuracy of the contents of this Announcement and Notice, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

The Manager reserves its right to terminate the Trust (and therefore all the Sub-Funds) in its absolute discretion by notice in writing to the Trustee under Clause 35.6(A) of the Trust Deed if, after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Sub-Fund outstanding shall be less than HK\$150,000,000.

As at 1 November 2019, the aggregate Net Asset Value of all the Units in each of the Sub-Funds outstanding was less than HK\$150,000,000. The Manager therefore announces that it has, by means of a resolution of the board of directors of the Manager dated 8 November 2019, decided to terminate the Trust (and therefore all the Sub-Funds) and voluntarily seek deauthorisation of the Trust and the Sub-Funds and delisting of the Sub-Funds. The proposed termination, deauthorisation and delisting (the “**Proposal**”) will be subject to the final respective approval of the SFC and the SEHK, and will only be completed after the Trustee and the Manager have formed an opinion that the Trust and the Sub-Funds have no respective outstanding contingent or actual liabilities or assets.

Before the proposed termination, deauthorisation and delisting, the Units of each of the Sub-Funds will cease trading on the SEHK as from 17 December 2019, the Trading Cessation

Date. Accordingly, the last day on which the Units of the Sub-Funds can be traded on the SEHK will be 16 December 2019, the Last Trading Day, and from the Trading Cessation Date onwards, no trading of Units on the SEHK will be allowed, and no creation and redemption of Units in the Sub-Funds in the primary market through a Participating Dealer will be allowed.

As required under Clause 35.9 of the Trust Deed, no less than three months' notice is hereby given to the investors, notifying them of the proposed termination of the Trust and the Sub-Funds. Also, as required under Chapter 11.1A and 11.2 of the Code, no less than one month's notice is hereby given to the investors, notifying them that each of the Sub-Funds will cease to track its respective Index, and cease trading, from the Trading Cessation Date.

A Provision will be set aside for each Sub-Fund to any Future Costs (as defined in section 6.4) until the Termination Date. Please refer to section 6.4 for further details. The Trustee has no objection to the amount of Provisions.

Where the Provisions are insufficient to cover Future Costs until the Termination Date, any shortfall will be borne by the Manager. For the avoidance of doubt, the Future Costs do not include transaction costs and any taxes relating to the realisation of assets of the Sub-Funds. The Manager will bear all costs and expenses associated with the termination of the Trust and each Sub-Fund (other than transaction costs and any taxes relating to the realisation of assets of each Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date.

1. Proposed termination of the Trust and the Sub-Funds, cessation of trading and realisation of assets

1.1. Proposed termination of the Trust and the Sub-Funds

According to Clause 35.6(A) of the Trust Deed, the Trust (and therefore all the Sub-Funds) may be terminated by the Manager in its absolute discretion by notice in writing in the event that after one year from the date of the Trust Deed, the aggregate Net Asset Value of all the Units in each Sub-Fund outstanding shall be less than HK\$150,000,000. The Trust Deed does not require investors' approval for terminating the Trust and the Sub-Funds on the ground set out in Clause 35.6(A) of the Trust Deed.

As at 1 November 2019, the Net Asset Value and the Net Asset Value per Unit of each of the Sub-Funds were as follows:

Name	Net Asset Value	Net Asset Value per Unit
Value Japan ETF	JPY 727,010,487.00	JPY188.8339
Value Korea ETF	KRW 3,367,344,979.00	KRW 3,741.4944
Value Taiwan ETF	TWD 131,059,008.13	TWD174.7453

Having taken into account the relevant factors including the interests of the investors as a whole, the current relatively small Net Asset Value of each of the Sub-Funds, the Manager is of the view that the proposed termination of the Trust (and therefore all the Sub-Funds) would be in the best interests of the investors of the Sub-Funds. Therefore, the Manager has decided to exercise its power under Clause 35.6(A) of the Trust Deed to terminate the Trust and the Sub-Funds on the date on which the Trustee and the Manager form an opinion that the Trust and the Sub-Funds cease to have any respective contingent or actual assets or liabilities. The Manager has given written notice to the Trustee notifying the Trustee of its proposal to terminate the Trust and the Sub-Funds pursuant to Clause 35.6(A) of the Trust Deed, and the Trustee does not object to such proposal.

1.2. The proposed cessation of trading

The Manager will apply to SEHK to have the Units of the Sub-Funds cease trading on the SEHK with effect from 17 December 2019, the Trading Cessation Date. The Manager will aim to realise all of the assets of the Sub-Funds effective from the Trading Cessation Date in exercise of its investment powers under Clause 9.5 of the Trust Deed.

The realisation of assets of the Sub-Funds associated with the Proposal will not incur any additional cost on any of the Sub-Funds as compared to the costs associated with normal realisation of investments.

16 December 2019 will be the Last Trading Day when investors may buy or sell Units in the Sub-Funds on the SEHK in accordance with the usual trading arrangements currently in place, and no creation and redemption of Units in the Sub-Funds through Participating Dealers will be allowed after such date. Creation and redemption of Units in the Sub-Funds by Participating Dealers will continue to be permitted until the Last Trading Day. Creations of Units will be limited to the creation of Units by Participating Dealers for market making activities of market makers to provide liquidity of the trading of the Units on the SEHK. There will be no creation of Units for other purposes after this Announcement and Notice has been published.

Investors should note that they cannot create or redeem Units directly from the Sub-Funds in the primary market. Only Participating Dealers may submit creation and redemption applications to the Manager and the Participating Dealers may have their own application procedures for their clients and may set application cut-off times for their clients which are earlier than those set out in the Prospectuses. Investors are advised to check with the Participating Dealers as to the relevant timing deadlines and the client acceptance procedures and requirements.

1.3. Impacts on the proposed realisation of the assets of the Sub-Fund

After the realisation of the assets of each of the Sub-Funds (as described in section 1.2 above), each of the Sub-Funds will mainly hold cash (primarily consisting of the proceeds from the realisation of the assets of each of the Sub-Funds). It therefore follows that, from the Trading Cessation Date, each of the Sub-Funds will cease to track its respective Index, and will not be able to meet its respective investment objective of tracking the performance of such Index.

2. What will happen after the Trading Cessation Date?

2.1 Immediately from the Trading Cessation Date

Effective from the Trading Cessation Date, the Units of each of the Sub-Funds will cease trading on the SEHK and there will be no further creation and redemption of Units in the primary market. This means investors will only be allowed to buy or sell Units of the Sub-Funds on the SEHK until (and including) the Last Trading Day, which is 16 December 2019 and will not be allowed to do so from the Trading Cessation Date onwards.

2.2 Distribution and further distribution

The Manager will, after consulting the Trustee and the Sub-Funds' auditors, declare a distribution in Hong Kong Dollars (HKD) (the "**Distribution**") in respect of those investors who remain invested in the Sub-Funds as of the Distribution Record Date (the "**Relevant Investors**"). Such Distribution is expected to be made on or around 30 December 2019 (the "**Distribution Date**").

The amount of Distribution will equal the total assets of the Sub-Funds as at 23 December 2019, excluding (i) the Provisions; (ii) any tax payables; and (iii) any expenses payables, converted from Japanese Yen (JPY), South Korean Won (KRW) or New Taiwan Dollars (TWD) (as the case may be) to HKD based on the bid market rate on 23 December 2019. Such conversion will be consistent with the best execution standards.

The Manager does not expect or anticipate there will be a further distribution after the Distribution. However, in the unlikely event there is a further distribution after the Distribution, the Manager will issue an announcement informing the Relevant Investors.

2.3 During the period from the Trading Cessation Date until the Termination Date

Following the realisation of the assets and the Distribution and further distribution (if any), when the Manager and the Trustee are of the opinion that the Trust and the Sub-Funds cease to have any respective contingent or actual assets or liabilities (the “**Termination Date**”), the Manager and the Trustee will commence the completion of terminating the Sub-Funds.

During the period from the Trading Cessation Date until, at least, the Termination Date, the Sub-Funds will continue to have listing status on the SEHK and will remain authorised by the SFC, although the Sub-Funds will no longer be marketed or offered to the public and will only be operated in a limited manner (as described in section 4.2 below). The Manager has therefore applied to the SFC, and has been granted, waivers from strict compliance of certain provisions of the Code for the period from the Trading Cessation Date to the Deauthorisation Date. The details and the conditions on which such waiver is granted are as described in section 5 below.

The deauthorisation and delisting of the Sub-Funds will take place either on the Termination Date or shortly after the Termination Date, subject to the SFC’s and SEHK’s approvals respectively. The Manager expects, subject to the SEHK’s approval, that the delisting will only take place at or around the same time of the deauthorisation.

The proposed termination, deauthorisation and delisting will be subject to the payment of all outstanding fees and expenses (please refer to section 0 below for further information), discharge of all outstanding liabilities of the Trust and the Sub-Funds, as well as the final respective approvals by the SFC and the SEHK.

Following deauthorisation, the Trust and the Sub-Funds will no longer be subject to regulation by the SFC and will not be available for public distribution in Hong Kong. Any product documentation for the Trust and the Sub-Funds previously issued to investors, including the Prospectuses and any KFS, should be retained for personal use only and not for public circulation. Stockbrokers, financial intermediaries and investors must not circulate any marketing or other product information relating to the Trust and the Sub-Funds to the public in Hong Kong as this may be in breach of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the “**SFO**”).

2.4 Important dates

Subject to the SFC’s and the SEHK’s respective approvals for the proposed arrangements set out in this Announcement and Notice, it is anticipated that the expected important dates in respect of the Trust and the Sub-Funds will be as follows:

Dispatch of this Announcement and Notice and setting aside the Provisions immediately thereafter	14 November 2019 (Thursday)
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No further request for creation of Units in the Sub-Funds by investors in the primary market via the Participating Dealer (other than by Participating Dealers for market making activities) after this Announcement and Notice has been published	15 November 2019 (Friday)
Last day on which requests for creation by Participating Dealer for market making activities and redemption of Units in the Sub-Funds in the primary market may be accepted Last day for dealings in the Units of each of the Sub-Funds on the SEHK (the “ Last Trading Day ”)	16 December 2019 (Monday)
No further requests for creation and redemption of Units in the Sub-Funds in the primary market will be accepted Cessation of trading in the Units of the Sub-Funds on the SEHK in the secondary market The date on which the Manager will start to realise all the investments of the Sub-Funds and each of the Sub-Funds will cease to be able to track its respective Index The day from which the Sub-Funds shall no longer be marketed or offered to the public in Hong Kong (the “ Trading Cessation Date ”)	17 December 2019 (Tuesday)
Record date for determining the eligibility of entitlement for the Distribution and further distribution, if any (the “ Distribution Record Date ”)	By close of business on 20 December 2019 (Friday)
Dispatch of announcement on Distribution and the distribution rate per unit	On or around 27 December 2019 (Friday), at least one business day before the Distribution Date
Distribution, after the Manager having consulted the Trustee and the Sub-Funds’ auditors, will be paid to the investors who are still holding Units as at the Distribution Record Date (the “ Distribution Date ”)	On or around 30 December 2019 (Monday)
In the unlikely event there is any further distribution payable to the Relevant Investors as of the Distribution Record Date after the payment of the proceeds from the realisation of the assets of each of the Sub-Funds to such Relevant Investors, dispatch of an announcement to inform investors of the amount and payment date	By 15 January 2020 (Wednesday)
Payment of further distribution (if any) to the Relevant Investors as of the Distribution Record Date as mentioned in the preceding paragraph	On or around 21 January 2020 (Tuesday)
Termination of the Sub-Funds (the “ Termination Date ”)	Expected to be 17 February 2020 (Monday), when the

	Manager and the Trustee form an opinion that the Trust and the Sub-Funds cease to have any respective contingent or actual assets or liabilities
Deauthorisation and delisting of the Sub-Funds	On or shortly after the Termination Date, which is the date which the SFC and SEHK approve the deauthorisation and delisting respectively. The Manager expects that the deauthorisation and delisting will take place either on the Termination Date or immediately after the Termination Date

The Manager will issue the following:

- (on a weekly basis from the date of this Announcement and Notice to the Last Trading Day) reminder announcements informing and reminding investors of the Last Trading Day, the Trading Cessation Date and the Distribution Record Date;
- (in due course) an announcement to inform the investors of the Distribution Date, and further distribution date (if any); and
- (on or around the Termination Date) an announcement informing investors about the Termination Date, Deauthorisation Date and the date for the delisting of the Sub-Funds,

in accordance with the applicable regulatory requirements. If there is any change to the dates mentioned in this section, the Manager will issue an announcement to inform the Relevant Investors of the revised dates.

All stockbrokers and financial intermediaries are urged to forward a copy of this Announcement and Notice, together with any further announcements, to their clients investing in the Units of any or all of the Sub-Funds, and inform them of the contents of this Announcement and Notice and any further announcements, as soon as possible. They should assist their clients who want to dispose of the Units of the Sub-Funds on or before the Last Trading Day and inform their clients as soon as possible if any earlier dealing deadline, additional fees or charges, and/or other terms and conditions will be applicable in respect of the provision of their services in connection with any disposal of Units of the Sub-Funds.

3. Potential actions to be taken by investors on or before the Last Trading Day

3.1 Trading on the SEHK on any trading day up to and including the Last Trading Day

On any trading day up to (and including) the Last Trading Day, an investor may continue to buy or sell its Units in the Sub-Funds on the SEHK in accordance with the usual trading arrangements, during the trading hours of the SEHK and based on the prevailing market prices. The Manager expects that market makers of the Sub-Funds (collectively the “**Market Makers**”) will continue to perform its market making functions in accordance with the Trading Rules of the SEHK until the Trading Cessation Date.

Investors should note that stockbrokers or other financial intermediaries may impose brokerage fees on any sale of the Units of each of the Sub-Funds on the SEHK on investors, and a transaction levy (at 0.0027% of the price of the Units of each of the Sub-Funds) and a trading fee (at 0.005% of the price of the Units of each of the Sub-Funds) will be payable by the buyer and the seller of the Units.

No charge to stamp duty will arise in Hong Kong in respect of sale or purchase of Units of the Sub-Funds on the SEHK.

The trading price of Units of each of the Sub-Funds may be below or above the Net Asset Value per Unit. Please see the “Units trading at a discount or premium and Market Makers’ inefficiency risk” in section 7.1 below.

3.2 Holding Units after the Last Trading Day

For Relevant Investors who are still holding Units in the Sub-Fund after the Last Trading Day, the Manager will, after having consulted the Trustee and the Sub-Funds’ auditors, declare the Distribution in respect of such Relevant Investors. Each Relevant Investor will be entitled to a Distribution of an amount equal to the relevant Sub-Fund’s then Net Asset Value in proportion to the Relevant Investor’s interests in that Sub-Fund as at the Distribution Record Date. The Sub-Fund’s then Net Asset Value will be the total value of the net proceeds from the realisation of the assets of the relevant Sub-Fund (which exclude (i) the Provisions; (ii) any tax payables; and (iii) any expenses payable) as described in section 1.3 above.

The Distribution payable to each Relevant Investor is expected to be paid on or around 30 December 2019, to the accounts of its financial intermediary or stockbroker maintained with CCASS as at the Distribution Record Date. The Manager will issue a further announcement to inform the Relevant Investors of the exact day of payment of the Distribution, together with the amount of Distribution per Unit in respect of the relevant Sub-Fund in due course.

3.3 Further distribution

The Manager does not expect or anticipate there will be a further distribution after the Distribution. However, in the unlikely event there is a further distribution after the Distribution, the Manager will issue an announcement informing the Relevant Investors.

If there is any change to the dates mentioned in this paragraph, the Manager will issue an announcement of the revised dates.

IMPORTANT NOTE: Investors should pay attention to the risk factors as set out in section 7.1 below and consult their professional and financial advisers before disposing of the Units in the Sub-Funds. If an investor disposes of its Units in the Sub-Funds at any time on or before the Last Trading Day, such investor will not in any circumstances be entitled to any portion of the Distribution, further distribution (if any) or any further distribution in respect of any Units so disposed. Investors should therefore exercise caution and consult their professional and financial advisers before dealing in their Units in the Sub-Funds or otherwise deciding on any course of actions to be taken in relation to their Units in any of the Sub-Funds.

4. Consequences of the commencement of the cessation of trading

4.1 Continued existence of the Sub-Funds

Each of the Trust and the Sub-Funds will maintain their SFC authorisation status and each of the Sub-Funds will maintain its SEHK listing status, until the completion of the proposed termination, deauthorisation and delisting. Deauthorisation and delisting will follow as soon as possible after the termination of the Trust and the Sub-Funds.

When the Manager and the Trustee form an opinion that the Trust and the Sub-Funds cease to have any respective contingent or actual assets or liabilities, the Manager and the Trustee will complete the proposed termination process of the Sub-Funds in accordance with the Trust Deed, and the Manager will proceed with applying to the SFC for deauthorisation, and to the SEHK to complete the delisting.

4.2 Limited operation of the Sub-Funds

During the period from the Trading Cessation Date up until deauthorisation, each of the Sub-Funds will only be operated in a limited manner as there will not be any trading of Units of the Sub-Funds and the Sub-Funds will have no investment activities from 17 December 2019, the Trading Cessation Date onwards.

Investors are reminded to contact their stockbrokers or financial intermediaries to check whether there will be any fees or charges including custody fees that they may need to bear with regard to their unitholding in the Sub-Fund during the period from the Trading Cessation Date up till the date on which they cease to hold Units.

5. Waiver

5.1 Background

As set out in section 2.3 above, while the Units in each of the Sub-Funds will cease trading effective from the Trading Cessation Date, because of certain outstanding actual or contingent assets or liabilities in relation to the Trust and the Sub-Funds, the Trust and the Sub-Funds will remain in existence after the Trading Cessation Date until the Termination Date. During such period, each of the Trust and the Sub-Funds will maintain their SFC authorisation status, and each of the Sub-Funds will maintain its SEHK listed status, until the completion of the proposed termination, deauthorisation and delisting.

However, from the Trading Cessation Date onwards:

- (i) there will be no further trading of Units of the Sub-Funds and no further creation and redemption of Units of each of the Sub-Funds;
- (ii) the Manager will start to realise all the assets of the Sub-Funds and each of the Sub-Funds will therefore cease to track its respective Index and will not be able to meet its respective investment objective of tracking the performance of such Index;
- (iii) the Sub-Funds will no longer be marketed or offered to the public;
- (iv) the Sub-Funds will mainly hold cash; and
- (v) the Sub-Funds will only be operated in a limited manner.

Accordingly, with a view to minimising further costs, fees and expenses in managing the Trust and the Sub-Funds following the Trading Cessation Date and in the best interest of

investors, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with certain provisions of the Code for the period from the Trading Cessation Date to the Deauthorisation Date.

The details of the waiver granted and the conditions on which such waiver was granted are set out in this section 5.

5.2 Publication of the suspension of dealing

Under Chapter 10.7 of the Code, the Manager is required to: (a) immediately notify the SFC if dealing in Units ceases or is suspended; and (b) publish the fact that dealing is suspended immediately following the decision to suspend and at least once a month during the period of suspension in an appropriate manner (the requirements under (b) are referred to as the “Investor Notification Requirements”).

The Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the Investor Notification Requirements under Chapter 10.7 of the Code (for the period from the Trading Cessation Date to the Deauthorisation Date), subject to the condition that a statement shall be posted in a prominent position of the Manager’s website from the Trading Cessation Date until the Deauthorisation Date to notify investors that the Units of the Sub-Funds have ceased trading on the SEHK from 17 December 2019 and draw investors’ attention to this Announcement and Notice and all other relevant announcements.

Because each of the Sub-Funds will maintain its SEHK listing status after the Last Trading Day (16 December 2019) until the Deauthorisation Date, investors may continue to access further announcements in relation to the Trust and the Sub-Funds via the HKEX’s website and the Manager’s website during such period.

5.3 Provision of estimated Net Asset Value or R.U.P.V.¹ and last closing Net Asset Value on a real time or near real time basis

Under Paragraphs 4, 17(a) and 17(b) of Appendix I to the Code, the Manager is required to provide estimated Net Asset Value or R.U.P.V. and last closing Net Asset Value of each of the Sub-Funds to the public on a real time or near-real time basis unless otherwise waived, via any suitable channels in paragraph 18 of Appendix I of the Code (which include the Sub-Funds’ own website).

From the Trading Cessation Date onwards, there will be no further trading of Units in the Sub-Funds on the SEHK and no further creation and redemption of Units in the Sub-Funds, and each of the Sub-Funds will mainly hold cash and only be operated in a limited manner. The Manager proposes and the Trustee consents that the Net Asset Value per Unit of each of the Sub-Funds will be updated on the Manager’s website only when there is any event which causes the Net Asset Value to change. The Manager and the Trustee expect that the events which will cause the Net Asset Value per Unit of the Sub-Funds to change are: (i) the Distribution (please see section 2.2 above); (ii) further distribution (if any); (iii) any change in market value of the scrip dividend receivable by the Sub-Funds (if any) of the underlying stocks and (iv) any deduction of transaction costs or taxes relating to the realisation of assets of the Sub-Funds.

Accordingly, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the above-mentioned requirements under Paragraphs 4, 17(a) and 17(b) of Appendix I to the Code (for the period from the Trading Cessation Date to the Deauthorisation Date), subject to the following conditions:

¹ R.U.P.V. stands for “Reference Underlying Portfolio Value” which is updated at 15-second intervals during trading hours.

- (i) the Net Asset Value per Unit of each of the Sub-Funds as of 16 December 2019 (i.e. the Last Trading Day), which will be the latest available Net Asset Value per Unit of the relevant Sub-Fund, will be published on the Manager's website; and
- (ii) the Manager shall update the latest available Net Asset Value per Unit of each of the Sub-Funds on the Manager's website as soon as practicable should there be any other change to the Net Asset Value of the Sub-Funds, including but not limited to changes arising from (i) the Distribution (please see section 2.2 above); (ii) further distribution (if any); (iii) any change in market value of the scrip dividend receivable by the Sub-Funds (if any) of the underlying stocks and (iv) any deduction of transaction costs or taxes relating to the realisation of assets of the Sub-Funds.

5.4 Updating of the Prospectuses and KFS

Under Chapters 6.1 and 11.1B of the Code, the Prospectuses and the KFS must be up-to-date and must be updated to incorporate any relevant changes to the Trust or the Sub-Funds.

In view of the cessation of trading of Units of the Sub-Funds from the Trading Cessation Date, and there being no further creation or redemption of Units of the Sub-Funds, the Manager considers that it is not necessary to update the Prospectuses or the KFS (which by their nature are offering documents) to reflect any future changes to the Trust or the Sub-Funds prior to the Deauthorisation Date.

As such, the Manager has applied to the SFC for, and has been granted, a waiver from strict compliance with the above-mentioned requirements under Chapters 6.1 and 11.1B of the Code so that the Prospectuses and the KFS need not be updated in respect of disclosure affecting the Trust or the Sub-Funds only from the Trading Cessation Date.

Without prejudice to the other obligations of the Manager under Chapter 11.1B of the Code, the Manager has undertaken and confirmed with the SFC that it shall:

- (i) promptly notify investors of any changes to the Trust or the Sub-Funds or to the Prospectuses or the KFS by means of publishing further announcement(s) on the website <https://www.valueetf.com.hk>² and the HKEX's website (each, a "**Relevant Future Announcement**"); and
- (ii) ensure that each Relevant Future Announcement shall include a statement to refer investors to read this Announcement and Notice together with the Prospectuses, the KFS of the Sub-Funds, and any other Relevant Future Announcement(s).

5.5 Other related matter

The Manager confirms that, save for the particular provisions of the Code set out in sections 5.2 to 5.4 above, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Trust Deed, the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and other applicable laws and regulations in respect of the Trust and the Sub-Funds.

² The website has not been reviewed by the SFC.

6. Costs

6.1 Trading on the SEHK

As indicated in section 3.1 above, stockbrokers or financial intermediaries may levy certain fees and charges for any orders to dispose of Units of the Sub-Funds on or before the Last Trading Day.

6.2 Creation and redemption by Participating Dealers

All creations and redemptions of Units of the Sub-Funds by Participating Dealers will be subject to the fees and costs as set out in the Prospectuses. Participating Dealers may pass on to the Relevant Investors such fees and costs, and may also impose fees and charges in handling creation and redemption requests which would increase the cost of creation and redemption. Investors are advised to check with Participating Dealers as to their relevant fees, costs and charges.

6.3 Cost of termination, deauthorisation and delisting

Where a Provision is insufficient to cover Future Costs until the Termination Date, any shortfall will be borne by the Manager. For the avoidance of doubt, the Future Costs do not include transaction costs and any taxes relating to the realisation of assets of the Sub-Funds. Subject to the Provision, the Manager will bear all costs and expenses associated with the termination and deauthorisation of the Trust and the Sub-Funds as well as the delisting of each Sub-Fund (other than transaction costs and any taxes relating to the realisation of assets of a Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date. The Manager will continue to charge a management fee up to and including the Last Trading Date.

6.4 Ongoing charges of the Sub-Funds and provision of costs and expenses

For your information, the ongoing charges over a year* for the Sub-Funds are:

Value Japan ETF: 2.18%;
Value Korea ETF: 3.66%; and
Value Taiwan ETF: 3.39%.

* The ongoing charges figures are annualised figures based on expenses reported in the Sub-Funds' audited annual report for the year ended 31 March 2019, expressed as a percentage of each Sub-Fund's average Net Asset Value over the same period.

The Manager does not expect that the termination of the Sub-Funds will impact the figures disclosed above for ongoing charges. Please note for completeness the ongoing charges figures shown above are calculated in accordance with the guidance under the relevant SFC circular, and exclude the following costs and expenses associated with the termination of the Sub-Funds (which are to be borne by each relevant Sub-Fund): (i) transaction costs and (ii) any taxes relating to the realisation of assets of the Sub-Funds.

Immediately after this Announcement and Notice has been published, the following amount will be set aside for each Sub-Fund:

Name	Amount of Provision to be set aside	Percentage of the Net Asset Value of the Sub-Fund
Value Japan ETF	HK\$200,000	0.38%
Value Korea ETF	HK\$300,000	1.30%
Value Taiwan ETF	HK\$200,000	0.59%

(each a “**Provision**”, collectively the “**Provisions**”)

These Provisions are to discharge any future costs, charges, expenses, claims and demands (including but not limited to any regulatory maintenance costs and the fees payable to any service provider to the Sub-Funds, including the Trustee) that the Trustee and the Manager may incur, during the period commencing immediately following publication of this Announcement and Notice up to and including the Termination Date, in connection with or arising out of the ongoing maintenance of the Trust and the Sub-Fund (together, the “**Future Costs**”). The Trustee has confirmed that it has no objection to the amount of the Provisions.

As a result of the setting aside of the Provisions immediately after this Announcement and Notice has been published, the Net Asset Value and Net Asset Value per Unit of each of the Sub-Funds will be reduced before the commencement of trading on the SEHK on 15 November 2019, as follows:

	Before setting aside Provision		After setting aside Provision	
	NAV	NAV per Unit	NAV	NAV per Unit
Value Japan ETF	HK\$52,712,806.76	HK\$13.6916	HK\$52,512,806.76	HK\$13.6397
Value Korea ETF	HK\$23,120,057.33	HK\$25.6890	HK\$22,820,057.33	HK\$25.3556
Value Taiwan ETF	HK\$33,641,324.53	HK\$44.8551	HK\$33,441,324.53	HK\$44.5884

Please refer to “Net Asset Value downward adjustment risk” in section 7.1 below.

Where a Provision is insufficient to cover Future Costs until the Termination Date, any shortfall will be borne by the Manager.

Conversely, where the Provision is in excess of the actual amount of Future Costs until the Termination Date, such excess will be refunded to the Relevant Investors as part of a further distribution in proportion to the Relevant Investor’s interests in the Sub-Funds as at the Distribution Record Date.

Each of the Sub-Funds does not have any unamortised preliminary expenses and contingent liabilities (such as outstanding litigation) as at the date of this Announcement and Notice.

7. Other matters

7.1 **Other implications of the proposed cessation of trading, the proposed termination, deauthorisation and delisting**

In consequence of this Announcement and Notice and the proposed cessation of trading of the Units on the SEHK, proposed termination and proposed deauthorisation of the Trust and the Sub-Funds and the proposed delisting of the Sub-Funds from the SEHK, investors should note and consider the following risks:

Liquidity risk – Trading of Units in each of the Sub-Funds on the SEHK from the date of this Announcement and Notice may become less liquid;

Units trading at a discount or premium and Market Makers' inefficiency risk – The Units of the Sub-Funds may trade at a discount or premium of its Net Asset Value. Although the Manager expects that, up to (and including) the Last Trading Day, the Market Makers will continue to perform their market making functions in respect of the Sub-Funds in accordance with the Trading Rules of the SEHK, Units in each of the Sub-Funds may trade at a discount compared to their Net Asset Value in extreme market situations. This is because many investors may want to sell their Units in the Sub-Funds after the Proposal has been announced but there may not be many investors in the market who are willing to purchase such Units. On the other hand, it is also possible that the Units of each of the Sub-Funds may trade at a premium, and consequently the divergence between the supply of and demand for the Units of the Sub-Funds may be larger than usual. In particular, should there be a large demand for Units before the Trading Cessation Date, the Market Makers may not be able to effectively perform its market making activities to provide liquidity of the trading of Units of each Sub-Fund on the SEHK in these extreme market situations. As a result, the price volatility of the Units of each Sub-Fund may be higher than usual from the date of this Announcement and Notice up to (and including) the Last Trading Day;

Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk – The setting aside of the Provisions (immediately after this Announcement and Notice has been published) will adversely affect the Net Asset Value per Unit. This reduction of Net Asset Value per Unit will cause the Sub-Funds' return to substantially deviate from the performance of their respective Indices so the Sub-Funds may not be able to properly track the performance of their respective Indices during the period from the date of this Announcement and Notice to the Last Trading Day and thus triggering significant tracking error. It is possible that the size of the relevant Sub-Fund may drop drastically before the Last Trading Day. This may impair the Manager's ability to fulfill the investment objectives of the Sub-Funds and result in significant tracking error. In the extreme situation where the size of the relevant Sub-Fund becomes so small that the Manager considers that it is not in the best interest of the relevant Sub-Fund to continue to invest in the market, the Manager may decide to convert the whole or part of the investments of the relevant Sub-Fund into cash or deposits in order to protect the interest of the investors of that Sub-Fund;

Net Asset Value downward adjustment risk – Changes in economic environment, consumption pattern and investors' expectations may have significant impact on the value of the investments and there may be significant drop in value of the investments. Also, the Net Asset Value of the Sub-Funds may be reduced as the Sub-Funds will set aside the Provisions immediately after publication of this Announcement and Notice. Such market movements and the setting aside of the Provisions may result in substantial downward adjustment of the Net Asset Value per Unit before the Last Trading Day;

Failure to track the Indices – All assets of the Sub-Funds, to the extent possible, will be liquidated with effect from the Trading Cessation Date. Thereafter, the Sub-Funds' assets will mainly be cash. The Sub-Funds will only be operated in a limited manner. It therefore follows that, from the Trading Cessation Date, each of the Sub-Funds will cease to track its respective Index, and will not be able to meet its respective investment objective of tracking the performance of such Index; and

Delay in distribution risk – The Manager will aim to realise all of the assets of the Sub-Funds and proceed with the Distribution and further distribution (if any) as soon as practicable. However, the Manager may not be able to realise all the assets of the Sub-Funds in a timely manner during certain periods of time, for example, when trading on the relevant stock exchanges is restricted or suspended or when the official clearing and settlement depository of the relevant market is closed. In this case, the payment of Distribution or further distribution (if any) may be delayed.

Investor attention is also drawn to the risks disclosed in the Prospectuses.

7.2 Tax implications

Based on the Manager's understanding of the law and practice in force at the date of this Announcement and Notice, as the Trust and the Sub-Funds are collective investment schemes authorised under Section 104 of the SFO, profits of the Trust and the Sub-Funds derived from realisation of their assets are exempt from Hong Kong profits tax. Notwithstanding that profits of the Trust and each Sub-Fund derived from realisation of their assets are exempt from Hong Kong profits tax, the Trust and each Sub-Fund may be subject to tax in certain jurisdictions where investments are made, on income or capital gains derived from such investments.

Distribution or further distribution (if any) to the extent of distribution of profits and/or capital of the Trust and the Sub-Funds should generally not be subject to Hong Kong profits tax by investors (whether by way of withholding or otherwise). For investors carrying on a trade, profession or business in Hong Kong, profits derived in redemption or disposal of Units in the Sub-Funds may be subject to Hong Kong profits tax if the profits in question arise in or are derived from such trade, profession or business, sourced in Hong Kong, as well as the Units of the Sub-Funds are revenue assets of the investors.

Investors should consult their professional tax advisers for tax advice.

7.3 Connected party transaction

The following persons currently hold Units in each of the Sub-Funds:

- Dato' Seri Cheah Cheng Hye, a director of Value Partners Hong Kong Limited, the Sub-Manager of each of the Sub-Funds; and
- Value Partners Limited, a subsidiary of the Sub-Manager.

Other than as disclosed above, none of the Connected Persons of the Manager and/or the Trustee are party to any transaction in relation to the Sub-Funds, nor hold any interest in any of the Sub-Funds.

8. Documents available for inspection

Copies of the following documents are available for inspection free of charge upon request at the Manager's registered office during normal business hours:

- the Trust Deed;
- the Participation Agreements;
- the Service Agreements;
- the most recent annual report and accounts of the Trust and the Sub-Funds and the most recent interim report of the Trust and the Sub-Funds; and
- the Prospectuses and the KFS.

Copies of the above documents may be obtained from the Manager at a cost of HK\$150 per set of copy documents (other than the most recent annual report and accounts, most recent interim report and the Prospectuses and KFS which may be obtained free of charge).

9. Enquiries

If you have any questions in relation to the contents of this Announcement and Notice, please direct them to your stockbrokers or financial intermediaries or contact the Manager by calling (852) 2143 0628 during office hours which are from 9:00 a.m. to 6:00 p.m. (except Hong Kong statutory holidays), or visiting the website <https://www.valueetf.com.hk>².

The Manager accepts full responsibility for the accuracy of the contents of this Announcement and Notice, and confirms, having made all reasonable enquiries, that to the best of its knowledge and belief there are no other facts the omission of which would make any statement misleading.

Sensible Asset Management Hong Kong Limited
as Manager of the Trust and the Sub-Funds

14 November 2019

² The website has not been reviewed by the SFC.