

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)

DISTRIBUTION ANNOUNCEMENT

Further to the Announcement and Notice dated 14 November 2019 and titled “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” (the “**First Announcement**”), this Announcement and Notice is to inform Relevant Investors of the Distribution per Unit of each of the Sub-Funds as follows:

Sub-Fund	Distribution (in base currency)	Distribution (in HKD)	Distribution per Unit (in HKD) (Rounded to 4 Decimal Places)
Value Japan ETF	JPY751,020,532.00	HKD53,457,718.09	HKD13.8851
Value Korea ETF	KRW3,582,470,035.00	HKD23,995,271.47	HKD26.6614
Value Taiwan ETF	TWD134,588,185.91	HKD34,709,056.84	HKD46.2787

The Distribution for the Sub-Funds will be paid to the accounts maintained with CCASS of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held Units on 20 December 2019 (i.e. the Distribution Record Date). It is expected that the Relevant Investors will receive the Distribution on or shortly after 30 December 2019, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should therefore contact his stockbrokers or financial intermediaries in relation to the payment of the Distribution from them.

The Manager will also update investors by further announcements as and when appropriate in accordance with the applicable regulatory requirements, including: (i) (in the unlikely event there is a further distribution after the Distribution) an announcement by 15 January 2020 to inform investors about the date and amount per Unit of such further distribution; and (ii) an announcement on or around the Termination Date to inform investors about the Termination Date, the dates for the deauthorisation and the delisting.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement and Notice to their clients holding Units in the Sub-Funds, and inform them of the contents of this Announcement and Notice as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment of the Distribution from them. Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

Reference is made to the Announcement and Notice dated 14 November 2019 titled “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” (the “**First Announcement**”) issued by Sensible Asset Management Hong Kong Limited (the “**Manager**”), the manager of the Trust and the Sub-Funds.

Capitalised terms not defined in this Announcement and Notice shall have the same meanings as defined in the First Announcement.

The purpose of this Announcement and Notice is to inform the Relevant Investors of the Distribution. Relevant Investors, as defined in the First Announcement, mean those investors who remain invested in the Sub-Funds as of 20 December 2019, being the Distribution Record Date.

1. **Distribution amount**

As disclosed in the First Announcement, the Manager will, after having consulted the Trustee and the Sub-Funds' auditors, declare a Distribution for the Sub-Funds in respect of the Relevant Investors (i.e. those investors remain so as at the Distribution Record Date).

On the above basis, the Manager, after having consulted the Trustee and the Sub-Funds' auditors, has resolved to approve that Distribution of the following amount shall be paid in cash by the Sub-Funds in the form of a Distribution to the Relevant Investors of each of the Sub-Funds

Sub-Fund	Distribution	Distribution (in HKD)	Distribution per Unit (Rounded to 4 Decimal Places)
Value Japan ETF	JPY751,020,532.00	HKD53,457,718.09	HKD13.8851
Value Korea ETF	KRW3,582,470,035.00	HKD23,995,271.47	HKD26.6614
Value Taiwan ETF	TWD134,588,185.91	HKD34,709,056.84	HKD46.2787

The amount of Distribution equals 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.

The Distribution per Unit for the Sub-Funds was determined on the basis of the total amount of Distribution (as described above) and rounded to 4 decimal places. 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 the relevant Sub-Fund as at the Distribution Record Date.

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 on or before 15 January 2020.

2. **Distribution Payment**

The Distribution for the Sub-Funds will be paid to the accounts maintained with CCASS of the relevant financial intermediaries and stockbrokers through whom the Relevant Investors held Units on 20 December 2019 (i.e. the Distribution Record Date). It is expected that the Relevant Investors will receive the Distribution on or shortly after 30 December 2019, but the exact timing may vary between different stockbrokers and financial intermediaries. Each Relevant Investor should contact his stockbrokers or financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the Distribution from them.

Distribution 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.

IMPORTANT NOTES: Stockbrokers and financial intermediaries are urged to forward a copy of this Announcement and Notice to their clients holding Units in the Sub-Funds, and inform them of the contents of this Announcement and Notice as soon as possible. Relevant Investors should contact their stockbrokers and financial intermediaries in relation to the payment arrangements, including payment procedures and settlement date, of the Distribution from them.

Investors are strongly advised to read and consider the First Announcement together with the Prospectus, for further details in relation to the Sub-Funds, the termination, Deauthorisation and Delisting and the applicable risk factors and their implications to investors.

3. Net Asset Value of the Sub-Funds

Each of the Manager and the Trustee confirms that, the Net Asset Value and Net Asset Value per Unit of each of the Sub-Funds as at 23 December 2019 were as follows

Value Japan ETF

Net Asset Value of the Sub-Fund	Net Asset Value per Unit of the Sub-Fund
JPY751,020,532.00	JPY195.0703

Value Korea ETF

Net Asset Value of the Sub-Fund	Net Asset Value per Unit of the Sub-Fund
KRW3,582,470,035.00	KRW3,980.5223

Value Taiwan ETF

Net Asset Value of the Sub-Fund	Net Asset Value per Unit of the Sub-Fund
TWD134,588,185.91	TWD179.4509

A simple breakdown of the Net Asset Values of each Sub-Fund is as follows:

Value Japan ETF

	As at 23 December 2019
Assets	
Cash and cash equivalents	JPY752,905,939.00
Total assets	JPY752,905,939.00
Liabilities	
Accrued expenses and other payables	JPY1,885,407.00
Total liabilities	JPY1,885,407.00
Net Asset Value in JPY	JPY751,020,532.00
Net Asset Value in HKD*	HKD53,457,718.09
Number of Units in issue	3,850,000

Net Asset Value per Unit (rounded to 4 decimal places) HKD13.8851

**Distribution per Unit (i.e. Net Asset Value per Unit)
(rounded to 4 decimal places)** HKD13.8851

Value Korea ETF

As at 23 December 2019

Assets

Cash and cash equivalents KRW3,611,101,333.00
Total assets KRW3,611,101,333.00

Liabilities

Accrued expenses and other payables KRW28,631,298.00
Total liabilities KRW28,631,298.00

Net Asset Value in KRW KRW3,582,470,035.00

Net Asset Value in HKD* HKD23,995,271.47

Number of Units in issue 900,000

Net Asset Value per Unit (rounded to 4 decimal places) HKD26.6614

**Distribution per Unit (i.e. Net Asset Value per Unit)
(rounded to 4 decimal places)** HKD26.6614

Value Taiwan ETF

As at 23 December 2019

Assets

Cash and cash equivalents TWD135,108,574.79
Total assets TWD135,108,574.79

Liabilities

Accrued expenses and other payables TWD520,388.88
Total liabilities TWD520,388.88

Net Asset Value in TWD TWD134,588,185.91

Net Asset Value in HKD* HKD34,709,056.84

Number of Units in issue 750,000

Net Asset Value per Unit (rounded to 4 decimal places) HKD46.2787

**Distribution per Unit (i.e. Net Asset Value per Unit)
(rounded to 4 decimal places)** HKD46.2787

* The figure was converted from the Net Asset Value of the Sub-Fund in the base currency to HKD based on the bid market rate on 23 December 2019.

4. Expenses in relation to the Sub-Funds

On 14 November 2019, Provisions in the amounts as shown in the second column in the table below were set aside, to discharge part of the costs and expenses associated with the termination of each of the Sub-Funds:

Sub-Fund	Amount set aside	Actual Future Costs	Excess
Value Japan ETF	HKD200,000	HKD145,448.44	HKD54,551.56
Value Korea ETF	HKD300,000	HKD46,376.21	HKD253,623.79
Value Taiwan ETF	HKD200,000	HKD138,257.55	HKD61,742.45

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

As mentioned in the First Announcement, any Future Costs, i.e. 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 or make, during the period commencing immediately following publication of the First Announcement up to and including the Termination Date, in connection with or arising out of the ongoing maintenance of the Trust and the Sub-Funds, to the extent not covered by the Provision, 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. 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 actual Future Costs incurred and borne by the Sub-Funds during the period from the time after the First Announcement has been published up to 23 December 2019 are shown in the third column in the table above. Each of the Manager and the Trustee confirms that, as of 23 December 2019, all Future Costs in respect of the Sub-Funds (including the amount expected to be incurred up to the Termination Date) have been fully accounted for and there will be no further liabilities accruing to the Sub-Funds.

Taking into account the best interests of the Unitholders, the Manager has decided that the Provision in excess of the actual amount of Future Costs from the time after the First Announcement has been published up to 23 December 2019 (as shown in the last column in the table above) will be refunded to the Relevant Investors as part of the Distribution (rather than as part of a further distribution) in proportion to the Relevant Investor’s interests in the Sub-Funds as at the Distribution Record Date. The Trustee does not have any objection to such an arrangement.

In the unlikely event that there are additional Future Costs, the Manager will continue to bear the shortfall.

5. Further announcements

The Manager may also update investors by the following further announcements:

- (by 15 January 2020) in the unlikely event there is further distribution payable to the Relevant Investors, an announcement will be issued to inform the investors of the date and amount per Unit of such further distribution; and
- (on or around the Termination Date) an announcement will be issued to inform the investors of the Termination Date, dates for the deauthorisation and delisting of the Sub-Funds,

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

Investors should exercise caution and consult with their professional and financial advisers before dealing in the Units or otherwise deciding on the course of actions to be taken in relation to their Units.

6. **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>¹.

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

27 December 2019

¹ The website has not been reviewed by the SFC.