



## VALUE CHINA A-SHARE ETF

Stock code: 03095 (HKD) | 83095 (RMB)

A Sub-Fund of Value Partners ETFs Trust

# 2019 SEMI-ANNUAL REPORT

For the six months ended 30 September 2019

**Value Partners Hong Kong Limited**

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*In the event of inconsistency, the English text of this Semi-Annual Report shall prevail over the Chinese text. This report shall not constitute an offer to sell or a solicitation of an offer to buy units in any of the funds. Subscriptions are to be made only on the basis of the information contained in the prospectus, as supplemented by the latest semi-annual and annual reports.*

## CONTENTS

	<i>Pages</i>
General information	2-3
Manager's report	4
Statement of financial position (unaudited)	5
Investment portfolio (unaudited)	6-7
Statement of movements in portfolio holdings (unaudited)	8
Performance record (unaudited)	9
Investment limitation and prohibitions under the SFC code (unaudited)	10

## VALUE CHINA A-SHARE ETF

A Sub-Fund of Value Partners ETFs Trust  
(A Hong Kong Umbrella Unit Trust)

### GENERAL INFORMATION

#### Manager and RQFII Holder

Value Partners Hong Kong Limited  
43rd Floor, The Center  
99 Queen's Road Central  
Hong Kong

#### Investment Advisor

Sensible Asset Management Hong Kong Limited  
43rd Floor, The Center  
99 Queen's Road Central  
Hong Kong

#### Directors of Manager and RQFII Holder

Dato' Seri Cheah Cheng Hye  
Mr. So Chun Ki Louis  
Mr. Ho Man Kei, Norman

#### Directors of the Investment Advisor

Mr. So Chun Ki Louis  
Dr. Au King Lun  
Mr. Quah Kung Beng David  
Mr. Cheung Kin Yan

#### Trustee and Registrar

HSBC Institutional Trust Services (Asia) Limited  
1 Queen's Road Central  
Hong Kong

#### Custodian

The Hongkong and Shanghai Banking  
Corporation Limited  
1 Queen's Road Central  
Hong Kong

#### PRC Custodian

HSBC Bank (China) Company Limited  
33/F, HSBC Building  
Shanghai IFC  
8 Century Avenue  
Pudong  
Shanghai 200120  
China

#### Legal Advisor

Simmons & Simmons  
30/F, One Taikoo Place  
979 King's Road  
Hong Kong

#### Auditor

Ernst & Young  
22/F, CITIC Tower  
1 Tim Mei Avenue  
Central  
Hong Kong

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**GENERAL INFORMATION (Continued)**

**Key awards**

<b>Corporate awards (ETF)</b>	
<b>2018</b>	<ul style="list-style-type: none"> <li><b>Benchmark Fund of the Year Awards 2018, Hong Kong</b>  <b>Commodity ETF House: Best-In-Class</b>  – <i>Benchmark</i></li> </ul>
<b>2017</b>	<ul style="list-style-type: none"> <li><b>Benchmark Fund of the Year Awards 2017, Hong Kong</b>  <b>House Award (ETF) – Commodity ETF (Outstanding Achiever)</b>  – <i>Benchmark</i></li> </ul>
<b>2016</b>	<ul style="list-style-type: none"> <li><b>ETF and Indexing Awards 2016</b>  – <b>Best ETF Launch</b>  – <b>Best Commodity ETF</b>  – <b>Best Smart Beta ETF</b>  – <i>Asia Asset Management &amp; ETFI Asia</i></li> </ul>
<b>Value China A-Share ETF</b>	
<b>2017</b>	<ul style="list-style-type: none"> <li><b>2017 HKCAMA – Bloomberg Offshore China Fund Awards</b>  <b>Best Tracking Error (ETF) – First Runner-up</b>  – <i>HKCAMA &amp; Bloomberg</i></li> </ul>

## VALUE CHINA A-SHARE ETF

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### MANAGER'S REPORT

Value China A-Share ETF ("the Sub-Fund") is an index-tracking exchange traded fund whose units are listed and traded on the Stock Exchange of Hong Kong Limited ("SEHK"). The Sub-Fund aims to provide investment results that, before fees and expenses, closely correspond to the performance of the FTSE Value-Stocks China A-Share Index ("the Index") by holding a portfolio of the constituent stocks of the Index. The Index comprises 50 value stocks amongst Chinese companies' shares listed on the Shanghai Stock Exchange and Shenzhen Stock Exchange.

As at 30 September 2019, the Net Asset Value ("NAV") per unit of the Sub-Fund was RMB6.5555, and 15,500,000 units were outstanding. The total size of the Sub-Fund was approximately RMB102 million.

A summary of the performance of the Index and the Sub-Fund is given below.

	<b>From 1 April 2019 to 30 September 2019</b>	<b>2019 YTD (as at 30 September)</b>	<b>Since inception</b>
FTSE Value-Stocks China A-Share Index	-2.2%	+19.1%	+11.2%
Value China A-Share ETF	-3.6%	+17.1%	+3.3%

The difference in performance between the FTSE Value-Stocks China A-Share Index and the Value China A-Share ETF is mainly attributed to fees and expenses, and security misweightings. The historical tracking error for the NAV of the Sub-Fund against the FTSE Value-Stocks China A-Share Index was at 126 basis points on an annualized basis since its inception on 20 March 2015.

### Value Partners Hong Kong Limited

20 November 2019

*All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in RMB, NAV to NAV with dividends reinvested, as at 30 September 2019. Performance data is net of all fees.*

*Investors should note that investment involve risk. The price of units may go down as well as up and past performance is not indicative of future results.*

**STATEMENT OF FINANCIAL POSITION (UNAUDITED)**

AS AT 30 SEPTEMBER 2019

	<b>30.9.2019</b>	<b>31.3.2019</b>
	<i>RMB</i>	<i>RMB</i>
<b>ASSETS</b>		
Financial assets at fair value through profit or loss	100,943,595	105,745,858
Prepayments and other receivables	52,739	18,059
Cash and cash equivalents	954,003	67,359
	101,950,337	105,831,276
<b>TOTAL ASSETS</b>	101,950,337	105,831,276
<b>LIABILITIES</b>		
Audit fees payable	78,647	151,876
Management fees payable	34,184	31,044
Trustee and registrar fees payable	8,769	8,293
Other payables	218,024	204,442
	339,624	395,655
<b>TOTAL LIABILITIES</b>	339,624	395,655
<b>TOTAL EQUITY</b>	101,610,713	105,435,621
<b>Represented by:</b>		
Net assets attributable to unitholders	101,610,713	105,435,621
<b>Net asset value per unit based on 15,500,000 (31.3.2019: 15,500,000) units outstanding</b>	6.5555	6.8023

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### INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2019

	Holdings	Fair value RMB	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
<b>Listed Equity Securities</b>			
<b>China</b>			
Agricultural Bank of China Ltd A Shrs	1,180,700	4,085,222	4.02
Aisino Corp A Shrs	31,000	649,450	0.64
Bank of Beijing Co Ltd A Shrs	391,400	2,097,904	2.06
Bank of China Ltd A Shrs	649,500	2,325,210	2.29
Bank of Communications Co Ltd A Shrs	616,900	3,362,105	3.31
Bank of Shanghai Co Ltd A Shrs	182,668	1,707,946	1.68
Baoshan Iron & Steel Co Ltd A Shrs	161,900	956,829	0.94
China CITIC Bank Corp Ltd A Shrs	83,900	473,196	0.47
China Construction Bank Corp A Shrs	277,400	1,939,026	1.91
China Merchants Bank Co Ltd A Shrs	298,000	10,355,500	10.19
China Merchants Securities Co Ltd A Shrs	54,600	898,170	0.88
China Pacific Insurance (Group) Co Ltd A Shrs	77,500	2,702,425	2.66
China Shenhua Energy Co Ltd A Shrs	61,000	1,145,580	1.13
China Vanke Co Ltd A Shrs	199,300	5,161,870	5.08
China Yangtze Power Co Ltd A Shrs	122,000	2,224,060	2.19
CITIC Securities Co Ltd A Shrs	239,500	5,383,960	5.30
CRRC Corp Ltd A Shrs	229,500	1,679,940	1.65
Dong-E-E-Jiao Co Ltd A Shrs	15,100	460,248	0.45
Fuyao Glass Industry Group Co Ltd A Shrs	41,400	889,272	0.88
Gemdale Corp A Shrs	87,600	1,011,780	1.00
Gree Electric Appliances Inc of Zhuhai A Shrs	131,100	7,512,030	7.39
Guangzhou Baiyunshan Pharmaceutical Holdings Co Ltd A Shrs	14,700	510,090	0.50
Guosen Securities Co Ltd A Shrs	37,900	465,412	0.46
Guotai Junan Securities Co Ltd A Shrs	101,900	1,790,383	1.76
Haitong Securities Co Ltd A Shrs	184,500	2,638,350	2.60
Henan Shuanghui Investment & Development Co Ltd A Shrs	26,200	647,140	0.64
Hengtong Optic-electric Co Ltd A Shrs	37,000	575,720	0.57
Huatai Securities Co Ltd A Shrs	108,800	2,076,992	2.04
Industrial & Commercial Bank of China Ltd A Shrs	664,700	3,675,791	3.62
Industrial Bank Co Ltd A Shrs	426,986	7,485,065	7.37
New China Life Insurance Co Ltd A Shrs	20,200	983,134	0.97
Ping An Bank Co Ltd A Shrs	222,260	3,465,033	3.41
SAIC Motor Corp Ltd A Shrs	83,460	1,984,679	1.95



## INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 SEPTEMBER 2019

	Holdings	Fair value RMB	% of net assets
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)</b>			
<b>Listed Equity Securities (Continued)</b>			
<i>China (Continued)</i>			
Sany Heavy Industry Co Ltd A Shrs	121,300	1,732,164	1.70
Seazen Holdings Co Ltd A Shrs	21,600	613,008	0.60
Shandong Hualu Hengsheng Chemical Co Ltd A Shrs	32,700	537,261	0.53
Shanghai Fosun Pharmaceutical (Group) Co Ltd A Shrs	31,000	783,370	0.77
Shanghai International Port (Group) Co Ltd A Shrs	92,900	528,601	0.52
Shanghai Pudong Development Bank Co Ltd A Shrs	443,188	5,247,346	5.16
Shenwan Hongyuan Group Co Ltd A Shrs	194,500	929,710	0.90
Sichuan Chuantou Energy Co Ltd A Shrs	67,842	677,063	0.67
TBEA Co Ltd A Shrs	91,100	592,150	0.58
Tungshu Optoelectronic Technology Co Ltd A Shrs	112,300	637,864	0.63
Weichai Power Co Ltd A Shrs	129,200	1,449,624	1.43
Xinjiang Goldwind Science & Technology Co Ltd A Shrs	67,485	844,912	0.83
Youngor Group Co Ltd A Shrs	85,000	544,850	0.54
Yunnan Baiyao Group Co Ltd A Shrs	10,000	760,500	0.75
Zhejiang Dahua Technology Co Ltd A Shrs	41,600	718,432	0.71
Zhejiang NHU Co Ltd A Shrs	23,200	496,248	0.49
Zhengzhou Yutong Bus Co Ltd A Shrs	38,200	530,980	0.52
<b>Total financial assets at fair value through profit or loss</b>		100,943,595	99.34
Cash and cash equivalents		954,003	0.94
Other net liabilities		(286,885)	(0.28)
<b>Total net assets</b>		<u>101,610,713</u>	<u>100.00</u>
<b>Total investments, at cost (inclusive of transaction cost)</b>		<u>97,878,637</u>	

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### STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019

	% of net assets	
	30.9.2019	31.3.2019
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>		
<b>Listed Equity Securities</b>		
China	<u>99.34</u>	<u>100.29</u>
<b>Total financial assets at fair value through profit or loss</b>	99.34	100.29
Cash and cash equivalents	0.94	0.06
Other net liabilities	<u>(0.28)</u>	<u>(0.35)</u>
<b>Total net assets</b>	<u><u>100.00</u></u>	<u><u>100.00</u></u>

**PERFORMANCE RECORD (UNAUDITED)**

*FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2019*

**Comparison of the scheme performance and the actual index performance**

The table below illustrates the comparison between the performance of the Index and the Sub-Fund during the following period:

	<b>From 1 April 2019 to 30 September 2019</b>	<b>From 1 April 2018 to 30 September 2018</b>
FTSE Value-Stocks China A-Share Index	-2.2%	-4.3%
Value China A-Share ETF	-3.6%	-5.4%

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### INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

AS AT 30 SEPTEMBER 2019

The Code on Unit Trusts and Mutual Funds issued by the Securities and Futures Commission of Hong Kong (the "SFC Code") allows the Sub-Fund to invest in constituent securities issued by a single issuer for more than 10% of the Sub-Fund's net asset value provided that:

- a) the investment is limited to any constituent securities that each accounts for more than 10% of the weighting of the index; and
- b) the Sub-Fund's holding of any such constituent securities may not exceed their respective weightings in the index, except where weightings are exceeded as a result of changes in the composition of the indices and the excess is only transitional and temporary in nature.

Constituent securities that account for more than 10% of the net asset value of the Sub-Fund as at 30 September 2019 and 31 March 2019 are as follows:

	<b>Respective weighting in the tracked index</b>	<b>Respective weighting in the Sub-Fund's net asset value</b>
<b>As at 30 September 2019</b>		
China Merchants Bank Co Ltd A Shrs	10.26%	10.19%
<b>As at 31 March 2019</b>		
China Merchants Bank Co Ltd A Shrs	10.22%	10.25%