



VALUE CHINA A-SHARE ETF

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

A Sub-Fund of Value Partners ETFs Trust

2020 SEMI-ANNUAL REPORT

For the six months ended 30 September 2020

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 shares 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.

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(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 Adviser

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 Adviser

Mr. So Chun Ki Louis
Mr. Cheung Kin Yan
Dr. Au King Lun
(resigned on 27 April 2020)

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 and achievements

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

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MANAGER'S REPORT

Pursuant to the announcement dated 24 July 2020, Value Partners Hong Kong Limited (the "Manager") has notified to all its existing investors regarding its liquidation plan of the Value China A-Share ETF ("the Sub-Fund").

The last trading day of the units of the Sub-Fund on the Stock Exchange of Hong Kong Limited (the "SEHK") was 26 August 2020 (the "Last Trading Day"). No dealings of the units on the SEHK and redemption of units were permitted from 27 August 2020 (the "Trading Cessation Date"). The Sub-Fund started to liquidate all investments and ceased to be able to track the underlying index on the Trading Cessation Date.

On 24 September 2020, the Manager declared the Sub-Fund's distribution to the investors who were recorded as holding units in the Sub-Fund as at close of business on 31 August 2020 (the distribution record date). The distribution was paid on 25 September 2020.

On 22 December 2020, the Sub-Fund is expected to be terminated and delisted on the SEHK.

Value Partners Hong Kong Limited

23 November 2020

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 SEPTEMBER 2020

	30.9.2020	31.3.2020
	<i>RMB</i>	<i>RMB</i>
ASSETS		
Financial assets at fair value through profit or loss	–	67,559,333
Due from the Manager	10,350	3,450
Prepayments and other receivables	–	167,121
Cash and cash equivalents	553,249	86,342
	<u>563,599</u>	<u>67,816,246</u>
TOTAL ASSETS	<u>563,599</u>	<u>67,816,246</u>
LIABILITIES		
Audit fees payable	155,732	75,169
Management fees payable	–	6,128
Trustee and registrar fees payable	–	6,128
Other payables	407,867	113,658
	<u>407,867</u>	<u>113,658</u>
TOTAL LIABILITIES	<u>407,867</u>	<u>113,658</u>
TOTAL EQUITY	<u>–</u>	<u>67,615,163</u>
Represented by:		
Net assets attributable to unitholders	<u>–</u>	<u>67,615,163</u>
Net asset value per unit based on 8,000,000 (31.3.2020: 11,500,000) units outstanding	<u>–</u>	<u>5.8796</u>

Note: The semi-annual report have not been prepared on a going concern basis as the Sub-Fund cease trading on 27 August 2020 (the "Trading Cessation Date"). The Sub-Fund started to liquidate all investments and ceased to be able to track the underlying index on the Trading Cessation Date. As such, the financial information has been prepared on a liquidation basis whereby the Sub-Fund's assets have been measured at their net realisable values and liabilities have been recognised at their contractual settlement amounts, which approximates carrying value. Hence, there has been no impact of using the liquidation basis of accounting in the current period. Please see the Announcement and Notice dated 24 July 2020 regarding further details. Except the above, the semi-annual report of the Sub-Fund have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2020.

VALUE CHINA A-SHARE ETF

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STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	30.9.2020	30.9.2019
	<i>RMB</i>	<i>RMB</i>
Dividend income	1,878,118	3,275,929
Interest income	12,786	2,052
Net gains/(losses) from financial assets at fair value through profit or loss	12,900,295	(5,966,892)
Net foreign exchange gains/(losses)	13,501	(17,679)
Other income	71,107	1,778
Net investment income/(loss)	<u>14,875,807</u>	<u>(2,704,812)</u>
Management fees ^{Note 2}	27,780	52,185
Trustee and registrar fees ^{Note 1}	28,717	52,185
Transaction fees	279,070	181,868
Auditor's remuneration	157,625	80,989
Legal and professional fees ^{Note 1}	525,993	88,784
Bank charges ^{Note 1}	26,404	1,589
Listing fee	10,244	6,727
Information service fee	146,923	176,334
Other operating expenses	129,006	151,644
Operating expenses	<u>1,331,762</u>	<u>792,305</u>
Profit/(loss) before taxation	13,544,045	(3,497,117)
Withholding tax	(187,858)	(327,791)
Profit/(loss) after taxation and total comprehensive income for the period	<u>13,356,187</u>	<u>(3,824,908)</u>

Note 1 During the period ended 30 September 2020 and 2019, other than trustee and registrar fees, bank charges that paid to the Trustee or their connected persons, other respective amounts paid to the Trustee or their connected persons were as follows:

	30.9.2020	30.9.2019
	<i>RMB</i>	<i>RMB</i>
Legal and professional fees	8,103	1,778

Note 2 During the period ended 30 September 2020 and 2019, other than management fees that paid to Manager, no other amounts paid to the Manager or their connected persons.

STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	30.9.2020	30.9.2019
	<i>RMB</i>	<i>RMB</i>
BALANCE AT THE BEGINNING OF THE PERIOD	67,615,163	105,435,621
Redemption of redeemable units	(23,814,550)	—
Net decrease from unit transactions	(23,814,550)	—
Distributions to unitholders*	(57,156,800)	—
TOTAL TRANSACTIONS WITH UNITHOLDERS	(80,971,350)	—
PROFIT/(LOSS) AFTER TAXATION AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	13,356,187	(3,824,908)
BALANCE AT THE END OF THE PERIOD	—	101,610,713

The movement of number of units in issue during the period was as follows:

	Number of units	
	30.9.2020	30.9.2019
At the beginning of the period	11,500,000	15,500,000
Redemption of redeemable units	(3,500,000)	—
At the end of the period	8,000,000	15,500,000

* The distribution to unitholders was RMB7.1446 per unit and paid on 25 September 2020.

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STATEMENT OF CASH FLOWS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	30.9.2020	30.9.2019
	RMB	RMB
OPERATING ACTIVITIES		
Dividends received	1,878,118	3,275,929
Interest income received	12,797	2,042
Proceeds from sales of investments	113,786,971	48,540,700
Purchase of investments	(33,327,343)	(49,705,330)
Operating expenses paid	(724,428)	(898,906)
Withholding tax paid	(187,858)	(327,791)
	<u>81,438,257</u>	<u>886,644</u>
CASH FLOWS FROM OPERATING ACTIVITIES	81,438,257	886,644
FINANCING ACTIVITIES		
Payments on redemption of redeemable units	(23,814,550)	–
Distributions paid to unitholders	(57,156,800)	–
	<u>(80,971,350)</u>	<u>–</u>
CASH FLOWS USED IN FINANCING ACTIVITIES	(80,971,350)	–
NET INCREASE IN CASH AND CASH EQUIVALENTS	466,907	886,644
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	86,342	67,359
	<u>553,249</u>	<u>954,003</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	553,249	954,003
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash at banks	<u>553,249</u>	<u>954,003</u>

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2020

	Fair value <i>RMB</i>	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Total financial assets at fair value through profit or loss	—	—
Cash and cash equivalents	553,249	—
Other net liabilities	(553,249)	—
Total net assets	—	—
Total investments, at cost	—	

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STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

	% of net assets	
	30.9.2020	31.3.2020
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Listed equity securities		
China	—	99.91
Total financial assets at fair value through profit or loss	—	99.91
Cash and cash equivalents	—	0.13
Other net liabilities	—	(0.04)
Total net assets	—	100.00

PERFORMANCE RECORD (UNAUDITED)
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

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:

	From 1 April 2020 to 30 September 2020	From 1 April 2019 to 30 September 2019
FTSE Value-Stocks China A-Share Index	–	-2.2%
Value China A-Share ETF	–	-3.6%

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INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

AS AT 30 SEPTEMBER 2020

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.

There are no any constituent securities that account for more than 10% of the net asset value of the Sub-Fund as at 30 September 2020. Constituent securities that account for more than 10% of the net asset value of the Sub-Fund as at 31 March 2020 are as follows:

	Respective weighting in the tracked index	Respective weighting in the Sub-Fund's net asset value
As at 31 March 2020		
China Merchants Bank Co Ltd A Shrs	10.07%	10.07%