

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 SHARES OF THE EXCHANGE TRADED FUND 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 shares in Value Partners EMQQ Emerging Markets Internet & Ecommerce 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 Company (as defined below) and the Sub-Fund (as defined below) nor does it guarantee the commercial merits of the Company and the Sub-Fund or their performance. It does not mean the Company and the Sub-Fund are suitable for all investors nor is it an endorsement of their suitability for any particular investor or class of investors.



Value Partners ETF Series OFC

(the “Company”)

a Hong Kong public umbrella open-ended fund company with variable capital, limited liability and segregated liability between sub-funds and authorised under section 104 of the Securities and Futures Ordinance (Cap. 571) of Hong Kong

Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF

(the “Sub-Fund”)

Stock Code: 03030

ANNOUNCEMENT AND NOTICE OF THE PROPOSED CESSATION OF TRADING, TERMINATION, VOLUNTARY DEAUTHORISATION AND DELISTING AND NON-APPLICABILITY OF 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 Prospectus of the Company and the Sub-Fund dated 15 July 2022 (the “Prospectus”).

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 shares of the Sub-Fund (the “Shares”) on the SEHK, proposed termination and proposed deauthorisation of the Sub-Fund, proposed delisting of the Sub-Fund from the SEHK and the non-applicability of certain provisions of the Code on Unit Trusts and Mutual Funds (the “Code”) for the period from 3 July 2024 (the “Trading Cessation Date” as defined in section 2.4 below) to the date of deauthorisation of the Sub-Fund (the “Deauthorisation Date”). In particular, investors should note that:

- taking into account the relevant factors, including, in particular, the relatively small net asset value of the Sub-Fund (the “Net Asset Value”) (see section 1 below), the Directors have decided to exercise its power under Clause 286(A) of the Instrument of Incorporation to terminate the Sub-Fund with effect from the Termination Date (as explained below) and gave notice in writing to the Custodian notifying the Custodian of its proposal to terminate the Sub-Fund;
- the Last Trading Day (as defined in section 2.4 below) of the Shares will be 2 July 2024. The investors may continue to buy or sell their shares on the SEHK on any trading day up to (and including) the Last Trading Day;
- the Shares will cease trading from the Trading Cessation Date, 3 July 2024;
- the Manager will aim to realise all of the assets of the Sub-Fund from the Trading Cessation Date. Accordingly, from the Trading Cessation Date onwards, (i) there will be no further trading of Shares on the SEHK and no further creation and redemption of Shares; (ii) the Manager will start to realise all the assets of the Sub-Fund and the Sub-Fund will therefore cease to track the performance of its Index and will not be able to meet its investment objective of tracking the performance of such Index; (iii) the Sub-Fund will no longer be marketed or offered to the public; (iv) the Sub-Fund will mainly hold cash; and (v) the Sub-Fund will only be operated in a limited manner;
- the Manager will bear all costs and expenses associated with the termination and deauthorisation of the Sub-Fund as well as the delisting of the Sub-Fund (other than transaction costs and any taxes relating to the realisation of assets of the Sub-Fund) from the date of this Announcement and Notice up to and including the Termination Date. As at the date of this Announcement and Notice, the Sub-Fund has unamortised establishment costs of HK\$1,213,596.78. Such unamortised establishment costs will be reimbursed by the Manager in full;
- the Manager will, after having consulted the Custodian and the Sub-Fund’s auditors (the “Auditors”), declare a Distribution (as defined in section 2.2 below) to the investors who remain so as at 17 July 2024 (the “Distribution Record Date”), and the Distribution is expected to be payable on or around 31 July 2024

(the “Distribution Date”). The amount of Distribution will equal the value of net proceeds from the realisation of the assets of the Sub-Fund as at 17 July 2024 excluding (i) any taxes payable; and (ii) any expenses payable;

- by the date when the Custodian and the Manager form an opinion that the Sub-Fund ceases to have any outstanding contingent or actual assets or liabilities, the Custodian and the Manager will commence the completion of the termination of the Sub-Fund (i.e. the Termination Date). The Manager expects the Termination Date will be on or around 7 November 2024 and the Manager will publish an announcement on or shortly before the Termination Date about the termination, deauthorisation and delisting of the Sub-Fund;
- from the Trading Cessation Date until the Termination Date, the Manager will maintain the Sub-Fund’s SFC authorisation status and SEHK listing status. Subject to the SEHK’s approval, delisting should 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. Any product documentation of the Sub-Fund previously issued to investors, including the Prospectus and the Product Key Facts Statement of the Sub-Fund (the “KFS”), should be retained for personal use only and not for public circulation; and
- investors should pay attention to the risk factors set out in section 5.1 below (including liquidity risk, Shares 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 Index risk and delay in distribution risk). Investors should exercise caution and consult their professional and financial advisers before dealing in the Shares or otherwise deciding on the course of actions to be taken in relation to their Shares.

Stockbrokers and financial intermediaries are urged to:

- forward a copy of this Announcement and Notice to their clients holding Shares in the Sub-Fund, and inform them of the contents of this Announcement and Notice as soon as possible;
- facilitate their clients who want to dispose of Shares on or before the Last Trading Day;
- 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 Shares; and
- inform their clients of the Distribution arrangements as set out in section 2.2 below and the possible impact in relation to such arrangements to their clients.

1. Proposed termination, cessation of trading and realisation of assets

1.1. Proposed termination

According to Clause 286(A) of the instrument of incorporation of the Company and the Sub-Fund effective as of 11 January 2022 (the “Instrument”), the Sub-Fund may be terminated

by the Directors in their absolute discretion in the event that the Net Asset Value of the Sub-Fund is less than HK\$150,000,000. The Instrument does not require investors' approval for terminating the Sub-Fund on the ground set out in Clause 286(A) of the Instrument.

As at 28 May 2024, the Net Asset Value and the Net Asset Value per Share of the Sub-Fund were HK\$90,994,926.40 and HK\$8.4255 respectively. Having taken into account the relevant factors including the interests of the investors as a whole, the current relatively small Net Asset Value of the Sub-Fund, the Directors are of the view that the proposed termination of the Sub-Fund would be in the best interests of the investors of the Sub-Fund.

Therefore, the Directors have decided to exercise their power under Clause 286(A) of the Instrument to terminate the Sub-Fund on the date on which the Custodian and the Manager form an opinion that the Sub-Fund ceases to have any outstanding contingent or actual assets or liabilities. The Directors have given written notice to the Custodian notifying the Custodian of its proposal to terminate the Sub-Fund and to voluntarily seek the deauthorisation and delisting of the Sub-Fund, and the Custodian does not object to such proposal and acknowledges the non-applicability of certain provisions of the Code as referred to in this Announcement and Notice for the period from and including the Trading Cessation Date to the date of the Sub-Fund's deauthorisation, subject to the specific conditions and requirements to be imposed by the SFC.

As required under Clause 288 of the Instrument, no less than one month's notice is hereby given to the investors, notifying them of the proposed termination of the Sub-Fund. As required under Chapter 10.11 of the SFC's Code on Open-Ended Fund Companies (the "**OFC Code**"), written notification to investors must be made prior to the termination of the Sub-Fund. Also, as required under Chapters 11.1A and 11.2 of the Code, no less than one month's notice is hereby given to the investors, notifying them that the Sub-Fund will cease to track the performance of its Index, and cease trading, from the Trading Cessation Date.

1.2. Proposed cessation of trading

The Manager will apply to SEHK to have the Shares cease trading on the SEHK with effect from 3 July 2024 (the "**Trading Cessation Date**"). The Manager will aim to realise all of the assets of the Sub-Fund effective from the Trading Cessation Date.

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

2 July 2024 will be the Last Trading Day when investors may buy or sell Shares on the SEHK in accordance with the usual trading arrangements currently in place, and no creation and redemption of Shares through Participating Dealers will be allowed after such date.

For the avoidance of doubt, creation and redemption of Shares by Participating Dealers will continue to be permitted until the Last Trading Day. Creations of Shares will be limited to the creation of Shares by Participating Dealers for market making activities of market makers to provide liquidity of the trading of the Shares on the SEHK. There will be no creation of Shares for other purposes after this Announcement and Notice has been published.

Investors should note that they cannot create or redeem Shares directly in the primary market. Only Participating Dealers may submit creation and redemption applications to the Manager. 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 Prospectus and in any event not later than the Last Trading Day. Investors are advised to check with the Participating Dealers as to the relevant timing deadlines and the client acceptance procedures and requirements.

1.3. Impact of the proposed realisation of the assets

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

2. What will happen on or before the Last Trading Day and from the Trading Cessation Date?

2.1 Trading on the SEHK 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 Shares 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 market makers of the Sub-Fund (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 Shares on the SEHK on investors, and a SFC transaction levy (at 0.0027% of the trading price of the Shares), an Accounting and Financial Reporting Council transaction levy (at 0.00015% of the trading price of the Shares) and a trading fee (at 0.00565% of the trading price of the Shares) will be payable by the buyer and the seller of the Shares.

No charge to stamp duty will arise in Hong Kong in respect of sale or purchase of Shares on the SEHK.

The trading price of Shares may be below or above the Net Asset Value per Share. Please see “Shares trading at a discount or premium and Market Makers’ inefficiency risk” in section 5.1 below.

Relevant Investors (as defined in section 2.2 below) 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 holding of Shares during the period from the Trading Cessation Date up till the date on which they cease to hold Shares.

2.2 Distribution(s)

For Relevant Investors who are still holding Shares after the Last Trading Day, the Manager will, after consulting the Custodian and the Auditors, declare a distribution in Hong Kong dollars (“**HKD**”) (the “**Distribution**”) in respect of those investors who remain invested in the Sub-Fund as of the Distribution Record Date (the “**Relevant Investors**”). Such Distribution is expected to be made on or around 31 July 2024 (the “**Distribution Date**”).

The amount of Distribution will equal the value of net proceeds from the realisation of the assets of the Sub-Fund as at 17 July 2024, excluding (i) any tax payables; and (ii) any expenses payables. Each Relevant Investor will be entitled to the amount of Distribution in proportion to the Relevant Investor’s Shares in the Sub-Fund as at the Distribution Record Date.

The Distribution payable to each Relevant Investor is expected to be paid on or around 31 July 2024, 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 Share in respect of the Sub-Fund at least five business days before the Distribution 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.

IMPORTANT NOTE: Investors should pay attention to the risk factors as set out in section 5.1 below and consult their professional and financial advisers before disposing of their Shares. If an investor disposes of its Shares 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 or further distribution (if any) in respect of any Shares so disposed. Investors should therefore exercise caution and consult their professional and financial advisers before dealing in their Shares or otherwise deciding on any course of actions to be taken in relation to their Shares.

2.3 Between the Trading Cessation Date and the Termination Date

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

During the period from the Trading Cessation Date until, at the earliest, the Termination Date, although the Sub-Fund will continue to have listing status on the SEHK and will remain authorised by the SFC, the Sub-Fund will no longer be marketed or offered to the public and will only be operated in a limited manner because there will be no dealing in the Shares in the primary market nor trading of Shares in the secondary market and the Sub-Fund will have no investment activities from the Trading Cessation Date onwards.

The deauthorisation and delisting of the Sub-Fund will take place either on the Termination Date or shortly after the Termination Date, subject to the SFC’s and SEHK’s respective approvals. The Manager expects that 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 4 below), discharge of all outstanding liabilities of the Sub-Fund, as well as the final approvals by the SFC and the SEHK, respectively.

Following deauthorisation, the Sub-Fund will no longer be subject to regulation by the SFC and will not be available for public distribution in Hong Kong. Any product documentation of the Sub-Fund previously issued to investors, including the Prospectus and the 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 Sub-Fund to the public in Hong Kong as this may be in breach of the Securities and Futures Ordinance 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 Sub-Fund will be as follows:

Dispatch of this Announcement and Notice	After market close on 31 May 2024 (Friday)
No further request for creation of Shares by investors in the primary market via Participating Dealers (other than by Participating Dealers for market making activities) after this Announcement and Notice has been published	3 June 2024 (Monday)
Last day on which requests for creation by Participating Dealers for market making activities and redemption of Shares in the primary market through Participating Dealers may be accepted Last day for dealings in the Shares on the SEHK (the " Last Trading Day ")	2 July 2024 (Tuesday)
No further requests for creation and redemption of Shares in the primary market will be accepted Cessation of trading in the Shares on the SEHK in the secondary market The date on which the Manager will start to realise all the investments of the Sub-Fund and the Sub-Fund will cease to track the performance of its Index The day from which the Sub-Fund shall no longer be marketed or offered to the public in Hong Kong (the " Trading Cessation Date ")	3 July 2024 (Wednesday)
Last valuation of the Sub-Fund to be conducted upon realisation of all assets (the " Last Valuation Date ")	17 July 2024 (Wednesday)
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 17 July 2024 (Wednesday)
Dispatch of announcement on Distribution and the amount of Distribution per Share after consultation with the Custodian and the Auditors	On or around 24 July 2024 (Wednesday), at least five business days before the Distribution Date
Distribution, after the Manager having consulted the Custodian and the Auditors, will be paid to the investors who are still holding Shares as at the Distribution Record Date (the " Distribution Date ")	On or around 31 July 2024 (Wednesday)
If any further distribution is payable to the Relevant Investors after the payment of the Distribution, dispatch of an announcement to inform investors of the Further	By 7 August 2024 (Wednesday), at least five business days

Distribution Date and the amount of further distribution per Share	before the Further Distribution Date
Payment of further distribution (if any) to the Relevant Investors as mentioned in the preceding paragraph (the “ Further Distribution Date ”)	On or around 14 August 2024 (Wednesday)
Termination of the Sub-Fund (the “ Termination Date ”)	Expected to be 7 November 2024 (Thursday)
Deauthorisation and delisting of the Sub-Fund The date of deauthorisation and delisting will be the date which the SFC and SEHK approve the deauthorisation and delisting respectively.	On or shortly after the Termination Date

The Manager will issue the following:

- (i) (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;
- (ii) (at least five business days before the Distribution Date) an announcement to inform the investors of the Distribution Date;
- (iii) (at least five business days before the Further Distribution Date) an announcement to inform the investors of the Further Distribution Date (if any); and
- (iv) (on or shortly before the Termination Date) an announcement informing investors about the Termination Date, Deauthorisation Date and the date for the delisting of the Sub-Fund,

in accordance with the applicable regulatory requirements.

If there is any change to the dates mentioned set out in the table above, the Manager will issue an announcement to inform the Relevant Investors of the revised dates.

3. Non-applicability of certain provisions of the Code

3.1 Background

As set out in section 2.3 above, while the Shares will cease trading from the Trading Cessation Date, because of certain outstanding actual or contingent assets or liabilities in relation to the Sub-Fund, the Sub-Fund will remain in existence after the Trading Cessation Date until the Termination Date. During such period, the Sub-Fund will remain authorised by the SFC and maintain its SEHK listing status, until the completion of the proposed termination, deauthorisation and delisting.

Given the Sub-Fund will no longer be marketed to the public and have limited operation when the Sub-Fund ceases trading, pursuant to Chapter 8.6(t) of the Code and question 13 of the Frequently Asked Questions on Exchange Traded Funds and Listed Funds issued by the SFC, the Sub-Fund may continue to maintain its authorisation status without strictly complying with certain provisions of the Code for the period from and including the Trading Cessation Date up until the Deauthorisation Date, provided that the specific conditions and requirements imposed by the SFC are met.

Such conditions and requirements are described in this section 3.

3.2 Updating of the Prospectus and KFS

Under Chapters 6.1 and 11.1B of the Code, the Prospectus and the KFS in respect of the Sub-Fund must be up-to-date and must be updated to incorporate any relevant changes to the Sub-Fund.

The Manager will continue to manage the Sub-Fund without updating the Prospectus and the KFS as required under Chapters 6.1 and 11.1B of the Code from the Trading Cessation Date to the Deauthorisation Date, subject to the following conditions and requirements imposed by the SFC and which the Manager has undertaken to meet:

- (i) the Manager shall promptly notify investors of any changes to the Sub-Fund or to the Prospectus or the KFS by means of publishing further announcement(s) on the Sub-Fund's website <https://www.vpemqq.com>¹ and the HKEX's website (each, a "**Relevant Future Announcement**"); and
- (ii) the Manager shall ensure that each Relevant Future Announcement shall include a statement to refer investors to read this Announcement and Notice together with the Prospectus, the KFS, and any other Relevant Future Announcement(s).

3.3 Provision of real time or near-real time indicative Net Asset Value per Share and last Net Asset Value

Under Chapter 8.6(u)(i) and (ii) of the Code, the Manager is required to provide real time or near-real time indicative Net Asset Value per Share (updated at least every 15 seconds during trading hours) and last Net Asset Value per Share and last Net Asset Value of the Sub-Fund (updated on a daily basis) on the Sub-Fund's website or such other channels as the SFC considers appropriate.

The Manager will continue to manage the Sub-Fund without strict compliance with Chapter 8.6(u)(i) and (ii) of the Code from the Trading Cessation Date to the Deauthorisation Date, subject to the following conditions and requirements imposed by the SFC and which the Manager has undertaken to meet:

- (i) the Manager shall ensure the Net Asset Value per Share as of 2 July 2024 (i.e. the Last Trading Day), which will be the latest Net Asset Value per Share, will be published on the Sub-Fund's website: <https://www.vpemqq.com>¹; and
- (ii) the Manager shall update the latest available Net Asset Value per Share on the Sub-Fund's website <https://www.vpemqq.com>¹ as soon as practicable should there be any other change to the Net Asset Value of the Sub-Fund, including but not limited to changes arising from (i) the Distribution (please see further in section 2.2 above); (ii) further distribution (if any); (iii) any deduction of transaction costs or taxes relating to the realisation of the assets of the Sub-Fund; and (iv) any change in market value of the scrip dividend receivable by the Sub-Fund (if any) of the underlying stocks.

3.4 Publication of suspension of dealing

Under Chapter 10.7 of the Code, the Manager is required to: (a) immediately notify the SFC if dealing in Shares ceases or is suspended; and (b) publish the fact that dealing is

¹ The website has not been reviewed by the SFC.

suspended immediately following the decision to suspend and at least once a month during the period of suspension in an appropriate manner.

The Manager will continue to manage the Sub-Fund without strict compliance with Chapter 10.7 of the Code 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 Sub-Fund's website <https://www.vpemq.com>¹ from the Trading Cessation Date to the Deauthorisation Date to notify investors that the Shares have ceased trading on SEHK from 3 July 2024, and draw investors' attention to this Announcement and Notice, the subsequent reminder announcements and all other relevant announcements.

As the Sub-Fund will maintain its listing status with SEHK during the period from and including the Trading Cessation Date up until the date of delisting and deauthorisation, investors may continue to access further announcements in relation to the Sub-Fund via the Sub-Fund's website <https://www.vpemq.com>¹ and HKEX's website during such period.

3.5 Other related matter

The Manager confirms that, save for the particular provisions of the Code set out in sections 3.2 to 3.4 above, the Manager will continue to comply with all the other applicable provisions of the Code, the applicable provisions in the Instrument, the OFC Code, the Securities and Futures (Open-ended Fund Companies) Rules, 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 Sub-Fund.

4. Costs

4.1 Trading on the SEHK

As indicated in section 2.1 above, stockbrokers or financial intermediaries may levy certain fees and charges for any orders to dispose of Shares on or before the Last Trading Day.

4.2 Creation and redemption by Participating Dealers

All creations and redemptions of Shares by Participating Dealers will be subject to the fees and costs as set out in the Prospectus. Participating Dealers may pass on to the investors of the Sub-Fund 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.

4.3 Ongoing charges of the Sub-Fund

The ongoing charges over a year* for the Sub-Fund as a percentage of Net Asset Value is 1.49%.

*The ongoing charges figure is based on the expenses for the Sub-Fund for the year ended 31 December 2023, expressed as a percentage of the sum of expenses over the average Net Asset Value of the Sub-Fund for the corresponding period. It does not include the swap fees. The Manager does not expect that the termination of the Sub-Fund will impact the figure disclosed above for ongoing charges percentage. The ongoing charges 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-Fund (which are borne by the Sub-Fund): (i) transaction costs and (ii) any taxes relating to the realisation of assets of the Sub-Fund.

The Sub-Fund does not have any contingent liabilities (such as outstanding litigation) as at the date of this Announcement and Notice.

4.4 Cost of termination, deauthorisation and delisting

The Manager will bear all costs and expenses associated with the termination and deauthorisation of the Sub-Fund as well as the delisting of the Sub-Fund (other than transaction costs and any taxes relating to the realisation of assets of the 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.

4.5 Unamortised establishment costs

As at the date of this Announcement and Notice, the Sub-Fund has unamortised establishment costs of HK\$1,213,596.78. Such unamortised establishment costs as at the date of this Announcement and Notice will be reimbursed by the Manager in full. Save for the unamortised establishment costs, the Sub-Fund does not have any contingent liabilities (such as outstanding litigation) as at the date of this Announcement and Notice.

5. Other matters

5.1 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 Shares on the SEHK, proposed termination and proposed deauthorisation of the Sub-Fund and the proposed delisting of the Sub-Fund from the SEHK, investors should note and consider the following risks:

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

Shares trading at a discount or premium and Market Makers' inefficiency risk – The Shares may trade at a discount or premium of its Net Asset Value. Although up to and including the Last Trading Day, the Market Makers will continue to perform their market making functions in respect of the Sub-Fund in accordance with the Trading Rules of the SEHK, Shares 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 Shares after the proposal to terminate the Sub-Fund has been announced but there may not be many investors in the market who are willing to purchase such Shares. On the other hand, it is also possible that the Shares may trade at a premium, and consequently the divergence between the supply of and demand for the Shares may be larger than usual. In particular, should there be a large demand for Shares 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 Shares on the SEHK in these extreme market situations. As a result, the price volatility of the Shares 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 – It is possible that the size of the Sub-Fund may drop drastically before the Last Trading Day. This may impair the Manager's ability to fulfil the investment objectives of the Sub-Fund and result in significant tracking error. In the extreme situation where the size of the Sub-Fund becomes so small that the Manager considers that it is not in the best interest of the Sub-Fund to continue to invest in the market, the Manager may

decide to convert the whole or part of the investments of the Sub-Fund into cash or deposits in order to protect the interest of the investors of the 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. Such market movements may result in substantial downward adjustment of the Net Asset Value per Share before the Last Trading Day;

Failure to track the Index risk – All assets of the Sub-Fund, to the extent possible, will be liquidated with effect from the Trading Cessation Date. Thereafter, the Sub-Fund's assets will mainly be cash. The Sub-Fund will only be operated in a limited manner. It therefore follows that, from the Trading Cessation Date, the Sub-Fund will cease to track the performance of its Index, and will not be able to meet its 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-Fund 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-Fund 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 risk factors disclosed in the Prospectus.

5.2 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 Sub-Fund is a collective investment scheme authorised under Section 104 of the SFO, profits of the Sub-Fund derived from realisation of its assets are exempt from Hong Kong profits tax. Notwithstanding that profits of the Sub-Fund derived from realisation of its assets are exempt from Hong Kong profits tax, the 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 Sub-Fund should generally not be subject to Hong Kong profits tax by investors in Hong Kong (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 Shares in the Sub-Fund 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 Shares are revenue assets of the investors.

The tax implications of the investors' shareholding as a consequence of the termination of the Sub-Fund may vary depending on the law and regulations of their country of residence, citizenship or domicile. Investors should consult their professional tax advisers for tax advice.

5.3 Connected party transaction

The following persons currently hold in aggregate 10,004,000 Shares in the Sub-Fund, accounting for 92.63% of the Net Asset Value of the Sub-Fund:

- Value Partners Limited, a fellow subsidiary of the Manager and Sub-Manager of the Company and the Sub-Fund; and

- Mr. HUI Kiu Tat, Director of the Company.

Other than as disclosed above, none of the Connected Persons of the Manager and/or the Custodian are party to any transaction in relation to the Sub-Fund, nor hold any interest in the Sub-Fund. Investors should note that the possible disposal of the interest held by the Connected Persons, either in whole or in part, may result in significant reduction in the fund size or significant tracking error of the Sub-Fund. Such a disposal may impair the Manager's ability to fulfill the investment objectives of the Sub-Fund and result in significant tracking error of the Sub-Fund. Please also see "Tracking errors during the period from the date of this Announcement and Notice to the Last Trading Day risk" in section 5.1 above.

6. Documents available for inspection

Copies of the following documents are available for inspection free of charge upon request at the Manager's office at 43/F, The Center, 99 Queen's Road Central, Hong Kong during normal business hours:

- the Instrument;
- the Prospectus and the KFS; and
- the audited annual report and unaudited semi-annual reports of the Sub-Fund.

7. 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 public holidays), or visiting the Sub-Fund's website <https://www.vpemqg.com>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 Company and the Sub-Fund
31 May 2024

² The website has not been reviewed by the SFC.