

# **Value Partners**

*Investing through discipline*

No copy of this Addendum shall be distributed without the latest Explanatory Memorandum (and the latest financial reports of the Chinese Mainland Focus Fund) and the two documents shall be read, and together construed, as one document.

## **CHINESE MAINLAND FOCUS FUND**

**a class of units in**

**VALUE PARTNERS INTELLIGENT FUNDS (the “Trust”)**

### **Addendum to Explanatory Memorandum**

#### **FOR SINGAPORE PROSPECTIVE INVESTORS**

The offer or invitation which is the subject of this document is only allowed to certain relevant persons and not to the retail public in Singapore. Moreover, this document is not a prospectus as defined in the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”). Accordingly, statutory liability under the SFA in relation to the content of prospectuses would not apply. You should consider carefully whether the investment is suitable for you. This document and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of Units may not be circulated or distributed, nor may Units be offered or sold, or be made the subject of an invitation for subscription or purchase, transfer or deliver, whether directly or indirectly, to the public or any member of the public in Singapore other than (i) to a relevant person pursuant to section 305(1), or any person pursuant to Section 305(2) of the SFA, and in accordance with the conditions specified in Section 305 of the SFA; or (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

## Chinese Mainland Focus Fund

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**Chinese Mainland Focus Fund (the “Sub-Fund”)** is constituted as a sub-fund of Value Partners Intelligent Funds (the “Trust”). Investment in the Sub-Fund is subject to the provisions herein as well as the provisions of the Trust Deed dated 21 June 2000, as amended from time to time (collectively the “Trust Deed”) constituting the Trust and the latest Explanatory Memorandum relating to the Trust. Investors should, therefore, review the information relating to both the Trust and the Sub-Fund before applying to invest in the Sub-Fund. Copies of the Trust Deed are available for inspection at the office of the Manager during normal business hours free of charge and copies may be purchased at a reasonable charge.

The Sub-Fund has been authorised by the Securities and Futures Commission in Hong Kong (the “SFC”) under Section 104 of the Hong Kong Securities and Futures Ordinance. In giving such authorisation the SFC does not take responsibility for the financial soundness of the Sub-Fund or for the correctness of any statements made or opinions expressed in this regard.

### Units

The main features of Units in the Sub-Fund are summarised in the table below:

Minimum Initial Subscription	US\$10,000 (inclusive of the initial charge)
Minimum Subsequent Subscription	US\$5,000 (inclusive of the initial charge)
Minimum Holding	US\$10,000
Initial Charge on Subscription of Units	5 per cent. of the issue price
Realisation Charge on Realisation of Units	Realisation of Units within 1 year of subscription: 2 per cent. of the realisation proceeds Realisation of Units within 2 years of subscription: 1 per cent. of the realisation proceeds Realisation of Units held for more than 2 years: No realisation charge
Annual Management Fee	1.25 per cent. per annum of the Net Asset Value of the Sub-Fund
Annual Performance Fee	15 per cent. of the increase in Net Asset Value per Unit in the relevant accounting period over the relevant hurdle, calculated on a “high-on-high basis” and more particularly described on page 11

The initial offer period (the “**Initial Offer Period**”) for Units will open at 9:00 am (Hong Kong Time) on 17 November 2003 and will close at 5:00 pm (Hong Kong time) on 26 November 2003. Units in the Sub-Fund will be offered at the initial offer price of US\$10 per Unit (exclusive of any initial charge) during the Initial Offer Period. Thereafter they will be available for subscription at the prevailing Net Asset Value per Unit, rounded to the nearest two decimal places (or US cent).

### **Investment Objective and Policy**

The investment objective of the Sub-Fund is to achieve medium to long-term capital appreciation (in US dollar terms) by investing primarily in investments which are related to the mainland of the People’s Republic of China (“**PRC**”) and investments whose value the Manager believes would be boosted by a Renminbi (“**RMB**”) appreciation. Although the Manager believes that the RMB appreciation will take place at some point, the Manager will also invest in investments whose value the Manager believes would increase even if the RMB exchange rate remains unchanged.

The Sub-Fund will be managed based on a value-oriented investment strategy. In doing so, the Manager will invest in assets which are considered to be undervalued, compared to their intrinsic value.

The investment targets of the Sub-Fund may include RMB-denominated corporate and government bonds, listed or unlisted shares issued by companies whose assets and/or revenues are principally denominated in RMB and/or whose costs or liabilities are principally denominated in US dollars. Investment targets may also include A shares, B shares and H shares. It is the Manager’s intention as at the date of this Addendum that between 0 per cent. and 20 per cent. of the Sub-Fund’s non-cash assets will be invested in A shares, between 0 per cent. and 35 per cent. in B shares and between 0 per cent. and 40 per cent. in H Shares although this may change after the date of this Addendum from time to time. A shares and B shares are listed on the Shanghai Securities Exchange and the Shenzhen Stock Exchange in the PRC. A shares are quoted in RMB and B shares are quoted in US dollars and Hong Kong dollars. H shares are listed on the Hong Kong Stock Exchange and are quoted in Hong Kong dollars. Shares of companies listed in Hong Kong or on stock exchanges elsewhere whose shares may not be denominated in RMB but whose business is closely linked with the mainland of the PRC (in that they are considered by the Manager to be companies which have the majority of their assets situated in, or the majority of their income derived from operations in, the mainland of the PRC) may also be investment targets. The Sub-Fund may invest in the above investment targets through equity linked notes or other derivative instruments.

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In terms of geographical area, the Sub-Fund will focus primarily on the mainland of the PRC and at least 70 per cent. of the Sub-Fund's non-cash assets will be related to the mainland of the PRC at all times. This will not preclude the Sub-Fund from investing in other markets where opportunities can be identified.

Subject to the investment restrictions set out in the Explanatory Memorandum in respect of the Trust, the Manager may apply any investment strategy (including hedging, leveraging, short-selling and other strategies) it deems appropriate under the prevailing economic and market conditions in order to achieve the investment objective of the Sub-Fund.

In addition, the Manager may hold cash, deposits, short-term papers such as treasury bills, certificates of deposit, bankers' acceptances, short-term commercial papers and other fixed income instruments for the account of the Sub-Fund. The Manager may also invest in commodities, futures, forwards, swaps, options, warrants and any other financial instruments.

**It should be appreciated that since the value of Units, and income from them (if any), is based on investments in underlying securities, their value may fall as well as rise.**

### **PRC Foreign Investment Regulations and Exchange Controls**

The investment in A shares and other investment products through qualified foreign institutional investors ("QFIIs") who have been approved, and are subject to restrictions imposed, by the China Securities Regulatory Commission ("CSRC") will fall under the QFII (Qualified Foreign Institutional Investors) measures and will be affected by the QFII scheme regulations and the Sub-Fund's arrangements with the selected QFII. The restrictions imposed by CSRC currently include:

- (1) QFIIs may not repatriate invested capital for a minimum of one year and, thereafter, the maximum amount of initial capital which can be repatriated per remittance is restricted to 20 per cent., with an interval of at least three months between successive remittances. Net realised profits for any financial year may be repatriated following completion of the audit of the QFII's quota for such period, but all such repatriations require the prior approval of the State Administration of Foreign Exchange.
- (2) No single QFII may acquire more than 10 per cent. of the total number of shares of any listed company and the aggregate holdings of all QFIIs in any listed company cannot exceed 20 per cent. of the total number of its shares.
- (3) Assets acquired by a QFII will be held by a custodian as the licensed custodian bank of that QFII.

The Manager has not decided which QFII will be appointed as at the date of this Addendum. Potential QFIIs include UBS, Deutsche Bank, Morgan Stanley and HSBC. Their licensed custodian banks may include Citibank, HSBC and China Construction Bank.

### **Risk Factors**

In addition to the general risk factors set out in the Explanatory Memorandum, investors should also note the following:

#### **(a) Political, Economic and Social Risks**

Political changes, social instability and unfavourable diplomatic developments in the PRC could result in the imposition of additional governmental restrictions including expropriation of assets, confiscatory taxes or nationalisation of some or all of the investments held by the Sub-Fund in the PRC.

Investors should also note that any change in the policies of the PRC may impose an adverse impact on the securities market in the PRC as well as the underlying securities of the Sub-Fund. Furthermore, the PRC government may from time to time adopt corrective measures to control the growth of the PRC economy which may have an adverse impact on the performance of the Sub-Fund.

#### **(b) Legal System of the PRC**

The legal system of the PRC is based on written laws and regulations. The PRC government is continuously making improvements on its commercial laws and regulations. However, many of these laws and regulations are still at an experimental stage and the enforceability of such laws and regulations remains unclear.

#### **(c) Potential Market Volatility**

Investors should note that the stock exchanges in the PRC on which A shares and B shares are traded are at a developing stage and the market capitalization and trading volume are much lower than those in more developed financial markets. Market volatility and potential lack of liquidity due to low trading volume in the A share and B share markets may result in prices of securities traded on such markets fluctuating significantly resulting in substantial changes in the Unit price of the Sub-Fund.

### **(d) Currency Exchange Risk**

As the Sub-Fund is denominated in US dollars, the performance of the Sub-Fund's non-US dollar assets will be affected by movements in the exchange rates between the currencies in which the assets are held and the US dollar, and any changes in exchange control regulations which may cause difficulties in the repatriation of funds. Investors should also note that if they ask to be paid realisation proceeds in a currency other than the Sub-Fund's US dollar currency of account, the US dollar value of the amount in the payment currency that they receive may be less than the amount they would have received in the Sub-Fund's US dollar currency of account owing to administrative expenses and the costs of currency conversion (such currency conversion to be effected at such rate as the Manager, in its discretion, deems appropriate).

### **(e) Accounting and Reporting Standards**

Accounting, auditing and financial reporting standards and practices applicable to companies in the PRC may differ from those in countries that have more developed financial markets. These differences lie in areas such as different valuation methods of the properties and assets, and the requirements for disclosure of information to investors.

### **(f) Taxation in the PRC**

Various tax reform policies have been implemented by the PRC government in recent years. There can be no assurance that the existing tax laws and regulations will not be revised or amended in the future. Any changes in tax policies may affect the after-taxation profit of the companies in the PRC.

### **(g) Realisation Charge**

Prospective investors should take note of the realisation charge imposed on Units realised within 2 years of the date of their subscription which may not make investment in the Sub-Fund appropriate for investors with a short-term investment horizon.

### **(h) PRC Foreign Investment Regulations and Exchange Controls**

Prospective investors should refer to the preceding section headed PRC Foreign Investment Regulations and Exchange Controls.

Since the repatriation of capital and profit may be subject to certain restrictions, this could restrict the Sub-Fund's ability to meet realisation requests. In the event of realisation requests for a high number of Units, the Sub-Fund may need to sell other investments instead of A shares for the purpose of meeting realisation requests given the repatriation restrictions and/or suspend the determination of the Net Asset Value and dealing of the Sub-Fund. This risk will increase as the investment in A shares increases.

(i) **Equity Linked Notes and other Derivative Instruments**

The Sub-Fund may invest in the investment targets of the Sub-Fund through equity linked notes and other derivative instruments ("**Derivative Instruments**"). Derivative Instruments may not be listed and are subject to the terms and conditions imposed by their issuer. There is no active market in Derivative Instruments and therefore investment in Derivative Instruments can be illiquid. In order to meet realisation requests, the Sub-Fund relies upon the issuer of the Derivative Instruments to quote a price to unwind any part of the Derivative Instruments that will reflect the market liquidity conditions and the size of the transaction. There is a risk that the issuer of the Derivative Instruments will not settle a transaction due to a credit or liquidity problem and the Sub-Fund may suffer a loss. An investment in the Derivative Instruments does not entitle the Derivative Instrument holder to the beneficial interest in the shares nor to make any claim against the company issuing the shares. As the Sub-Fund may invest in A Shares through Derivative Instruments issued by institutions that have obtained the QFII status in mainland PRC, certain restrictions imposed on QFIIs may have an adverse effect on the Sub-Fund's liquidity and performance. Prospective investors should refer to the preceding section headed PRC Foreign Investment Regulations and Exchange Controls. Fluctuation in the exchange rate between the denomination currency of the underlying shares and the Derivative Instruments will affect the value of the Derivative Instruments, the redemption amount and the distribution amount on the Derivative Instruments. Where the Sub-Fund invests in Derivative Instruments that are not listed or quoted on a market, such Derivative Instruments should comprise no more than 15 per cent. of the Sub-Fund's non-cash assets (and are also subject to the other applicable investment restrictions set out in the Explanatory Memorandum).

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### Dealing in Units

Applicants should refer to the details relating to the subscription and realisation of Units and the application and payment procedures, all as set out in the Explanatory Memorandum of the Trust. However, where these details and procedures differ from those set out below, the provisions of this Addendum will apply and will prevail in the event of any conflict.

### Dealing Periods

Valuation Days are the fifteenth day of each calendar month (or, if such day is not a Business Day, the Business Day immediately following it) and the last Business Day of each calendar month, and/or such Business Day or Business Days as the Manager may from time to time determine in its absolute discretion provided always that there will be at least one Valuation Day in each calendar month. A Business Day is a day on which banks in Hong Kong and the PRC are open for normal banking business (other than a Saturday), provided that where, as a result of a number 8 typhoon signal, black rainstorm warning or other similar event, the period during which banks in Hong Kong are open on any day is reduced, such day shall not be a Business Day unless the Manager otherwise determines.

### Subscription for Units

Applicants should refer to the details on the dealing periods and the application and payment procedures set out in the Explanatory Memorandum of the Trust. However, where these procedures differ from those set out below, the provisions of this Addendum will apply and will prevail in the event of any conflict.

The minimum initial subscription for Units (inclusive of the initial charge) will be US\$10,000 and the minimum subsequent subscription (inclusive of the initial charge) will be US\$5,000. An initial charge of 5 per cent. in respect of the relevant issue price per Unit may be made and retained by the Manager for its own use and benefit.

The Manager is also entitled to add to the Net Asset Value per Unit of the Sub-Fund, for the account of the Sub-Fund, an amount which it considers to be an appropriate allowance (not exceeding 1 per cent. of such Net Asset Value per Unit) for fiscal and purchase charges incurred by the Sub-Fund in investing subscription monies, but it is not the present intention of the Manager to add any such amount except in the case of applications for an unusually large number of Units where the subscription amount is in excess of US\$2,000,000.

Applications for subscription (whether by post or by fax) must be received by the Manager by 5:00 p.m. (Hong Kong time) on the Valuation Day which coincides with the last Business Day of any Dealing Period in order to be dealt with by reference to that Valuation Day. Valid applications for subscription received (whether by post or by fax) by the Manager after 5:00 p.m. (Hong Kong time) on the Business Day coinciding with such Valuation Day will be deemed to have been received, and will be dealt with, in the next Dealing Period with reference to the Valuation Day coinciding with the close of such succeeding Dealing Period. **All applications by prospective investors for an initial subscription of Units which are sent by fax to the Manager must be followed by the duly signed original application.**

**No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity under Part V of the Securities and Futures Ordinance.** Payment of subscription monies can be made in US dollars or HK dollars. No Units will be issued unless and until the relevant subscription money have been received in cleared funds by the Trustee. Please note that, for cleared funds in US dollars or HK dollars to be received in Hong Kong prior to 5:00 p.m. on the relevant Valuation Day payment by telegraphic transfer must be made for value at least one business day in New York (for US dollars) or one Business Day in Hong Kong (for Hong Kong dollars) before such Valuation Day.

Units of the Sub-Fund are denominated in US dollars. Prospective investors may wish to refer to the section in the Explanatory Memorandum headed "Voting Rights" before applying for Units.

### Realisation of Units

Applicants should refer to the details on the realisation procedures set out in the Explanatory Memorandum. However, where these procedures differ from those set out below, the provisions of this Addendum will apply and will prevail in the event of any conflict.

Requests for the realisation of Units in the Sub-Fund must be received (whether by post or by fax) by the Manager on or before 5:00 p.m. (Hong Kong time) on a Business Day which is at least 14 days (or such shorter period as the Manager may permit) prior to the Valuation Day which coincides with the close of that Dealing Period to be dealt with by reference to such Valuation Day. If a request (whether sent by post or by fax) is received less than 14 days before the Valuation Day coinciding with the close of that Dealing Period, it will be deemed to have been received, and will be dealt with, in the next Dealing Period and with reference to the Valuation Day coinciding with the close of such succeeding Dealing Period.

**The original signed realisation request (duly completed) and all other supporting documents, if any are required, must be received by the Manager before realisation proceeds will be paid to the relevant Unitholder. No realisation proceeds will be paid to third parties.**

A realisation charge of up to 5 per cent. of the realisation proceeds for Units of the Sub-Fund may be imposed and retained by the Manager for its own use and benefit. The charge is levied on a sliding scale of 2 per cent. of the realisation proceeds for Units realised within 1 year of their subscription and 1 per cent. of the realisation proceeds for Units realised within 2 years of subscription. No realisation charge will be payable on realisations of Units in the Sub-Fund which have been held for more than 2 years.

For the purposes of calculating the amount of realisation charge, if any, payable by a realising Unitholder realising all or some of his Units, (a) a Unitholder effecting a partial realisation of Units will be deemed to be realising those Units subscribed for earlier in time prior to realising Units which were subsequently subscribed for; (b) where a Unitholder is realising Units which had been transferred to him, the relevant date to determine any such charge will be the date of transfer, and not of subscription, of such Units; and (c) where a Unitholder is realising Units which have been switched into the Sub-Fund from another sub-fund, the relevant date to determine any such charge will be the date of switching into the Sub-Fund.

The Manager is also entitled to deduct from the Net Asset Value per Unit of the Sub-Fund, for the account of the Sub-Fund, an amount which it considers to be an appropriate allowance (not exceeding 1 per cent. of such Net Asset Value per Unit) for fiscal and sale charges incurred by the Sub-Fund in realising assets to provide sufficient realisation proceeds, but it is not the present intention of the Manager to make any deduction except in the case of abnormally large realisations of Units where the realisation proceeds are in excess of US\$2,000,000.

Partial realisations of Units are permitted provided that they do not result in the relevant Unitholder holding Units valued, in aggregate, at less than US\$10,000 or such other minimum amount which the Manager may prescribe from time to time.

**Prospective investors should note that the Sub-Fund may not be suitable for investors with a short-term investment horizon in view of the relatively high realisation charges currently proposed to be levied on realisation of Units held for less than 2 years from the date of their subscription (as described above).**

Applicants should refer to the suspension of valuations and dealings details set out in the Explanatory Memorandum. Furthermore, the Manager may, with prior notice to the Trustee, declare a suspension of dealings if the remittance of funds which will or may be involved in the realisation of, or in the payment for, the investments of the Sub-Fund (including, without limitation, in relation to the repatriation of capital and profit of the Sub-Fund in the People's Republic of China) or the subscription or realisation of Units in the Sub-Fund cannot, in the opinion of the Manager, be carried out promptly at normal rates of exchange, or in relation to the repatriation of capital and profit of the Sub-Fund in the People's Republic of China, be carried out promptly.

### Switching of Units

In the event that there exists another sub-fund in the Trust to or from which Units may be switched from or to the Sub-Fund, Unitholders may apply to switch all or part of their holding in the Sub-Fund to Units of another sub-fund during any Dealing Period in accordance with the terms of the Explanatory Memorandum. Details of whether or not switching is permitted in respect of any sub-fund will be set out in the Addendum to the Explanatory Memorandum relating to that sub-fund.

## Chinese Mainland Focus Fund

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### Management Fee

The Manager is entitled to receive an annual management fee of 1.25 per cent. per annum based on the Net Asset Value of the Sub-Fund as at each Valuation Day. This fee will be accrued daily and calculated as at each Valuation Day and is payable monthly in arrears out of the Sub-Fund. The management fee payable may be increased up to a maximum of 2 per cent. per annum of the Net Asset Value of the Sub-Fund by the Manager giving not less than three months' prior written notice of such proposed increase to the Trustee and the relevant Unitholders.

### Performance Fee

The Manager is also entitled to receive an annual performance fee, calculated on a high-on-high basis, in respect of Units of the Sub-Fund if the Net Asset Value per Unit as at the last Valuation Day of an accounting period being the period from the close of the Initial Offer Period to 31 December 2004 and thereafter 1 January to 31 December in each year, (prior to the accrual of any performance fee for that accounting period) exceeds a hurdle which is the higher of (a) US\$10; and (b) the Net Asset Value per Unit as at the last Valuation Day of the last accounting period in respect of which a performance fee was paid to the Manager (taking into account the performance fee paid for that accounting period). The rate of performance fee payable is 15 per cent., is calculated by multiplying this fee rate by the product of such excess of the Net Asset Value per Unit and the average of the number of Units of the Sub-Fund in issue immediately after each Valuation Day in the relevant accounting period and is payable as soon as reasonably practicable after the end of such accounting period.

The performance fee shall be accrued on each Valuation Day throughout the relevant accounting period. The accrual is made based on the Net Asset Value per Unit on each Valuation Day. If it exceeds the higher of (a) US\$10; and (b) the Net Asset Value per Unit as at the last Valuation Day of the last accounting period in respect of which a performance fee was paid to the Manager, a performance fee accrual will be made. If not, no performance fee accrual will be made. On each Valuation Day, the accrual made on the previous Valuation Day will be reversed and a new performance fee accrual will be calculated and made in accordance with the above.

The price of Units being subscribed or redeemed during the relevant accounting period will be based on the Net Asset Value per Unit (after accrual of the performance fee as calculated in accordance with the above) and there will be no adjustment (i.e. there will be no refund or additional charge by reference to the performance of the Sub-Fund over the accounting period during which such subscription or redemption occurs). Depending on the performance of the Sub-Fund during an accounting period, the price at which Unitholders subscribe or redeem units at different times during such accounting period will be affected by the performance of the Sub-Fund and this could have a positive or negative effect on the performance fee borne by them.

### Trustee Fees

The Trustee is entitled to receive a monthly Trustee's fee out of the assets of the Sub-Fund calculated as a percentage of the Net Asset Value as at each Valuation Day of the Sub-Fund at the following rates:

- 0.20 per cent. per annum on the first US\$20 million of the Net Asset Value of the Sub-Fund
- 0.19 per cent. per annum on the next US\$20 million of the Net Asset Value of the Sub-Fund
- 0.18 per cent. per annum on the balance of the Net Asset Value of the Sub-Fund in excess of US\$40 million.

The Trustee's fees are accrued daily, calculated as at each Valuation Day and payable monthly in arrears, out of the Sub-Fund, provided that after 6 months from the close of the Initial Offer Period, the aggregate Trustee's fees payable to the Trustee in respect of the Sub-Fund for any month shall be no less than US\$3,000.

Under the terms of the Trust Deed, the Trustee is also entitled to be paid out of the Trust Fund a fixed annual fee of US\$3,000 payable quarterly in arrears, as well as transaction fees at such rates within the Trustee's usual range of fees for similar transactions as agreed on a commercial arm's length basis with the Manager from time to time. The Sub-Fund will be responsible for the relevant proportion of fixed annual fee of the Trustee which will be pro-rated and calculated based on the ratio of the Net Asset Value of the Sub-Fund to the Net Asset Value of the Trust Fund.

## Chinese Mainland Focus Fund

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### Other Expenses

The Sub-Fund has been authorised by the Securities and Futures Commission in Hong Kong. The costs of establishing the Sub-Fund and applying for authorisation for its public distribution in Hong Kong, amounting to approximately US\$25,000, will be paid out of the assets of the Sub-Fund. The auditors of the Sub-Fund do not regard this as a material expense. The Manager intends to have the costs amortised over a period of up to 3 years from the close of the initial offer period of the Sub-Fund.

Applicants should refer to the Explanatory Memorandum for further details on charges and fees payable by the Sub-Fund.

### Reports and Accounts

The first unaudited accounts for the Sub-Fund will be prepared for the period ending on the last Valuation Day of the Sub-Fund in June 2004, and the first audited accounts for the Sub-Fund will be prepared for the period ending 31 December 2004.

### Distribution Policy

The primary objective of the Sub-Fund is capital growth and dividends are of secondary importance. Any distributable profits of the Sub-Fund may be accumulated or distributed by the Manager, in its absolute discretion. Where distributions are made, unless Unitholders indicate otherwise to the Manager, any such distributions will automatically be reinvested in further Units in the Sub-Fund to be issued to such Unitholders in proportion to the number of Units held by them on the Distribution Date defined below.

The amount of any distribution will be calculated once a year on the distribution date ("**Distribution Date**"), which will fall on the Valuation Day which coincides with last Business Day of the fourth quarter in each calendar year, with any such distribution being made to Unitholders as soon as practicable thereafter. Unitholders may specify, either on subscription or at a later stage, by giving notice in writing to the Manager, that if a distribution is declared by the Manager they wish to receive a cash dividend. Such a notice must be received by the Manager on a Business Day which is at least 14 days prior to a Distribution Date in order for a cash dividend, if any, to be payable on that Distribution Date. If such a notice is received less

than 14 days prior to the Distribution Date, and a distribution is declared by the Manager, no cash dividend will be paid in respect of that Distribution Date and the notice shall be dealt with by reference to the Valuation Day coinciding with the next Distribution Date. If Unitholders do not request cash dividends, either on subscription or by notice prior to the Distribution Date as aforesaid, the dividend to which they are entitled will be reinvested in further Units in the Sub-Fund to be issued to such Unitholders.

The exact amount of any such cash dividend payable to a Unitholder will be determined by the Manager and will equal, in relation to an individual Unitholder, the relevant portion of the distributable profits attributable to the number of Units in the Sub-Fund held by that Unitholder on the Distribution Date, net of all fees and expenses which relate to the Sub-Fund. Distributable profits shall include any income received in respect of the underlying investments by way of interest or dividend, but shall not include any capital gain realised on their sale.

Other than as varied by the provisions of this Addendum, the provisions of the Explanatory Memorandum shall remain unchanged.

### Payment Procedure

No money should be paid to any intermediary in Hong Kong who is not licensed or registered to carry on Type 1 regulated activity under Part V of the Securities and Futures Ordinance. Third party cheques and cash are not accepted.

Units will not usually be issued unless and until the signed application for subscription of Units has been received (whether by fax or by post), and subscription monies have been received in full in cleared funds by or on behalf of the Trustee, in which case the relevant Units will be issued by reference to the Net Asset Value of the relevant class of Units of the Sub-Fund determined as at the close of the Dealing Period during which monies are actually received.

*Please note that payment must be made in one of the following ways:*

1. (a) *US dollars by telegraphic transfer (net of bank charges) to:*

HSBC Bank USA  
(SWIFT Address: MRMDUS33)  
452 Fifth Avenue  
New York, NY 10018  
U.S.A.

A/C Name: HSBC Institutional Trust Services (Asia) Limited –  
Value Partners Subscription Account  
A/C No: 000-14165-8  
For credit to: VPIF-CMFF  
DDA No: 00546333

- (b) *in HK dollars by telegraphic transfer (net of bank charges) to:*

The Hongkong and Shanghai Banking Corporation Limited  
(SWIFT Address: HSBCHKHCHKH)  
1 Queen's Road Central  
Hong Kong

A/C Name: HSBC Institutional Trust Services (Asia) Limited –  
Value Partners Subscription Account  
A/C No: 502-657802-001  
For credit to: VPIF-CMFF  
DDA No: 00546333

In each case the remitter should instruct the remitting bank to send a SWIFT advice (format MT103) to HSBC Institutional Trust Services (Asia) Limited (SWIFT Address: BTFECHKHH) advising details of remittance, **including the full name of the applicant and the name of the Sub-Fund to which the application relates.**

*Please note that for cleared funds in US dollars or HK dollars to be received in Hong Kong prior to 5:00 p.m. on the last day of the relevant Dealing Period, payment must be made for value at least one business day in New York (for US dollars) or one Business Day in Hong Kong (for Hong Kong dollars) before the last day of such Dealing Period.*

OR

2. *by cheque or banker's draft:*

The cheque or banker's draft has to be in Hong Kong dollars\*, issued from a bank account in the name of the applicant, made payable to "HSBC Institutional Trust Services (Asia) Limited", crossed "Not Negotiable & A/C Payee Only," and sent to:

Value Partners Limited  
Level 14,  
Three Pacific Place,  
1 Queen's Road East,  
Hong Kong.

**bearing the name of the applicant and the name of the Sub-Fund to which the application relates on the reverse.**

*Please note that for cleared funds to be received in Hong Kong prior to 5:00 p.m. on the last day of the relevant Dealing Period, the cheque or banker's draft has to be received by Value Partners Limited at least two Business Days in Hong Kong before the last day of such Dealing Period.*

\* *Please note that any cheque or banker's draft in currencies other than Hong Kong dollars is not accepted.*

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OR

3. *via RTGS CHATS payment Bank Code: 004-local USD clearing system to:*

The Hongkong and Shanghai Banking Corporation Limited  
(SWIFT Address: HSBCHKHKKH)  
1 Queen's Road Central  
Hong Kong

A/C Name: HSBC Institutional Trust Services (Asia) Limited –  
Value Partners Subscription Account  
A/C No: 502-657802-201  
For credit to: VPIF-CMFF  
DDA No: 00546333

The remitter should instruct the remitting bank to send a SWIFT advice (format MT 103) to HSBC Institutional Trust Services (Asia) Limited (SWIFT Address: BTFECHKH) advising details of the remittance, **including the full name of the applicant and the name of the Sub-Fund to which the application relates.**

*Please note that for cleared funds in US dollars or HK dollars to be received in Hong Kong prior to 5:00 p.m. on the last day of the relevant Dealing Period, payment must be made for value at least one business day in New York (for US dollars) or one Business Day in Hong Kong (for Hong Kong dollars) before the last day of such Dealing Period.*

Payment in other freely convertible currencies may be accepted subject to the prior consent of the Trustee and/or the Manager. If such applications in other freely convertible currencies are accepted, the number of Units to be issued in such circumstances will be determined by the Manager calculating the equivalent of the subscription amount in the currency of account of the relevant Sub-Fund at an exchange rate which the Trustee deems appropriate and after deducting the cost of foreign exchange. Any bank charges incurred from payment will be for the account of the investor. The cost of any currency conversion and other related administrative expenses will also be borne by the investor. Conversion of currencies may involve some delay.

Units issued by the Trust will be held for investors in registered form. Certificates will not be issued. A contract note will normally be issued by the Registrar's Agent as soon as practicable after the relevant Valuation Day upon acceptance of an application for subscription or switching of Units, as the case may be, and will be forwarded by ordinary post (at the risk of the person(s) entitled thereto).

30 March 2007

## Chinese Mainland Focus Fund

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### MANAGEMENT AND ADMINISTRATION

#### TRUSTEE, ADMINISTRATOR AND REGISTRAR

**Bank of Bermuda (Cayman)  
Limited**

P.O. Box 513  
Strathvale House  
North Church Street  
George Town  
Grand Cayman KY1-1106  
Cayman Islands

#### CUSTODIAN AND REGISTRAR'S AGENT

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

### MANAGER

**Value Partners Limited**

**Registered Address:**

Craigmuir Chambers  
P.O. Box 71  
Road Town, Tortola  
British Virgin Islands

**Business Address :**

Level 14  
Three Pacific Place  
1 Queen's Road East  
Hong Kong

### DIRECTORS OF THE MANAGER

Cheah Cheng Hye  
Ho Man Kei, Norman  
Ngan Wai Wah, Franco  
Yeh V-Nee  
Brian J. Doyle

### LEGAL ADVISERS TO THE MANAGER

*as to matters of Hong Kong law*

**Stephenson Harwood & Lo**  
18th Floor, Edinburgh Tower  
The Landmark  
15 Queen's Road Central  
Hong Kong

*as to matters of Cayman Islands law*

**Maples and Calder**  
1504 One International Finance Centre  
1 Harbour View Street  
Central, Hong Kong

### LEGAL ADVISER TO THE TRUSTEE

**Deacons**  
Alexandra House  
3rd-7th & 18th Floors  
Hong Kong

### AUDITORS

**KPMG**  
P.O. Box 493 GT  
Century Yard  
Grand Cayman  
Cayman Islands

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This Notice supplements and should be read together with the Explanatory Memorandums and Addendums (if applicable) of the respective Funds set forth below. These documents should be read, and together construed, as one document prior to the availability of the revised Explanatory Memorandums and Addendums (if applicable) of the respective Funds.

**NOTICE TO UNITHOLDERS**

**VALUE PARTNERS CLASSIC FUND  
VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND  
VALUE PARTNERS INTELLIGENT FUNDS – CHINESE MAINLAND FOCUS FUND  
VALUE PARTNERS INTELLIGENT FUNDS – CHINA ABH SHARES FUND  
VALUE PARTNERS INTELLIGENT FUNDS – JA-VP CHINA NEW CENTURY FUND  
VALUE PARTNERS INTELLIGENT FUNDS – JA-VP CHUGOKUTAIRIKU FOCUS FUND  
VALUE PARTNERS CHINA GREENCHIP FUND LIMITED  
- (COLLECTIVELY THE “FUNDS”)**

**16 July 2007**

Dear Unitholders

**Notice of Change of Registered Address  
- Value Partners Limited**

We would like to inform you that with effect from 25 May, 2007 the respective registered address of Value Partners Limited (the “Manager” of the Funds) has been changed to the following:-


**Romasco Place, Wickhams Cay 1  
P.O. Box 3140  
Road Town, Tortola  
British Virgin Islands  
VG1110**

In this respect, all references to the registered address of the Manager in the Funds' Explanatory Memorandums, Addendums (if applicable), shall be deleted and replaced with the above address.

However, the Company's correspondence address at Level 14, Three Pacific Place, 1 Queen's Road East, Hong Kong will remain the same.

If you have any enquiries, please contact us at (852) – 2880-9263.

Yours faithfully  
For and on behalf of  
Value Partners Limited

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**Chrissy Chong**  
Director, Investment Services

**This Notice supplements and should be read together with the Explanatory Memoranda and Addendums (if applicable) of the respective Funds set forth below. These documents should be read, and together construed, as one document prior to the availability of the revised Explanatory Memoranda and Addendums (if applicable) of the respective Funds.**

**NOTICE TO UNITHOLDERS**

Value Partners Classic Fund  
Value Partners High-Dividend Stocks Fund  
Value Partners Intelligent Funds – Chinese Mainland Focus Fund  
Value Partners intelligent Funds – China Convergence Fund  
Value Partners Intelligent Funds – JA-VP China New Century Fund  
Value Partners Intelligent Funds – JA-VP Chugokutairiku Focus Fund  
Value Partners China Greenchip Fund Limited  
- (collectively the “Funds”)

18 May 2009

Dear Unitholders

**Office Removal Notice**

Please be informed that with effect from 8 June 2009, the office of the Manager will be relocated to:

**9<sup>th</sup> Floor, Nexxus Building,  
41 Connaught Road Central, Hong Kong**

**Telephone and facsimile numbers remain unchanged**

In this respect, all references to the business address of the Manager in the Funds' Explanatory Memoranda, Addendums (if applicable), Subscription and Redemption forms and other relevant forms shall be replaced with the above address.

Please direct all correspondence to our new address. If you have any enquiries, please contact the Manager at (852) 2880 9263 or via email at [vp1@vp.com.hk](mailto:vp1@vp.com.hk), or visit our website at [www.valuepartners.com.hk](http://www.valuepartners.com.hk).

Yours faithfully,

**Value Partners Limited**

**This Notice supplements and should be read together with the Explanatory Memoranda and Addendums (if applicable) of the respective Funds set forth below. These documents should be read, and together construed, as one document prior to the availability of the revised Explanatory Memoranda and Addendums (if applicable) of the respective Funds.**

**NOTICE TO UNITHOLDERS**

Value Partners Classic Fund  
Value Partners High-Dividend Stocks Fund  
Value Partners Intelligent Funds – Chinese Mainland Focus Fund  
Value Partners Intelligent Funds – China Convergence Fund  
Value Partners Intelligent Funds – JA-VP China New Century Fund  
Value Partners Intelligent Funds – JA-VP Chugokutairiku Focus Fund  
Value Partners China Greenchip Fund Limited  
(collectively the “Funds”)

24 December 2009

Dear Unitholders

**Re: Resignation and appointment of Director of the Manager**

Thank you for your support in the Funds.

We write to inform that with effect from 1 November 2009, Mr. Ngan Wai Wah, Franco has resigned as Director of the Manager. Mr. So Louis Chun Ki has been appointed as the new Director of the Manager with effect from 14 December 2009.

Consequently, the profile of Mr. Ngan Wai Wah, Franco in the Explanatory Memoranda (“EM”) will be deleted and replaced with the following:-

“So Louis Chun Ki

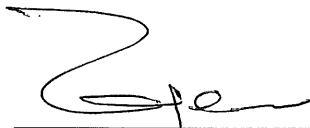
Mr. So is involved in all aspects of the investment process of the Manager, including portfolio management. He joined Value Partners group of companies, of which the Manager is one of the members, in May 1999 as an analyst and was later promoted to Fund Manager, Senior Fund Manager and is now the Deputy Chief Investment Officer. He received a Bachelor’s of Commerce degree from the University of Auckland and a Master’s degree in Commerce from the University of New South Wales.”

This Notice constitutes an amendment to the Funds' EM, you should retain a copy of this Notice with the EM.

Thank you for your attention to this matter. We look forward to your continued support.

Should you have any enquiries, please do not hesitate to contact our Investment Services Department on (852) 2880 9263.

Yours faithfully,



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Eugene Law  
Authorized Signatory  
Value Partners Limited