

VALUE PARTNERS CLASSIC FUND (the “Fund”)

FOURTH ADDENDUM

Important

*If you are in doubt about the contents of this Addendum, you should seek independent professional advice. This Addendum forms part of and should be read in conjunction with the Explanatory Memorandum of the Fund dated January 2020, as amended by the First Addendum dated 30 April 2021, the Second Addendum dated 29 July 2021 and the Third Addendum dated 11 April 2022 (collectively, the “**Explanatory Memorandum**”). The changes made to the Explanatory Memorandum by this Addendum shall take effect on 24 February 2025.*

All capitalized terms used in this Addendum shall have the same meaning as in the Explanatory Memorandum, unless otherwise defined herein. Value Partners Hong Kong Limited, the Manager of the Fund, accepts full responsibility for the accuracy of the information contained in this Addendum 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 in this Addendum misleading as at the date of issuance.

The Explanatory Memorandum will hereby be amended as follows:

A. Addition of new Classes of Units

1. The third paragraph under the risk factor titled “**Risks Associated with RMB classes of units**” of the sub-heading headed “**Risk Factors**” under the section headed “**INVESTMENT MANAGEMENT, POLICIES AND RESTRICTIONS**” on page 60 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“In addition, under the current regulations, the rate at which RMB may be exchanged outside the Mainland China (in the case of Hong Kong, the “CNH” rate) may be different from the exchange rate within the Mainland China (the “CNY” rate) and such divergence may increase due to supply and demand. When calculating the value of the RMB classes of units, namely “C” units RMB, “C” units RMB Hedged, “C” units MDis RMB, “C” units MDis RMB Hedged, “D” units RMB, “D” units RMB Hedged, “D” units MDis RMB and “D” units MDis RMB Hedged, reference to the CNH rate rather than the CNY rate will be made and the value of the RMB classes of units thus calculated will be affected by fluctuations in the CNH rate. While the CNH rate and the CNY rate represent the same currency, they are traded at different rates and in different and separate markets which operate independently. As such, the CNH rate does not necessarily have the same exchange rate and may not move in the same direction as the CNY rate. Any divergence between the CNH rate and the CNY rate may adversely impact investors.”

2. The sub-section headed “**Nature of Units**” under the section headed “**ISSUE AND REDEMPTION OF UNITS**” on pages 65-67 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“The Trustee and the Manager may from time to time offer new classes of units for investment. Prospective investors should check with the Manager as to which classes are currently available for investment.

The Manager has the absolute discretion under the Trust Deed to decide whether to accept or reject in whole or in part any application for units. The Manager has currently decided not to accept any application for “A” units until further notice. Unless otherwise agreed by the Manager, the Manager will also not accept any applications for “B” units (as from 15 October 2009) until further notice.

The Fund currently has the following classes of units which are available to investors:

Class	Class Currency
“C” units MDis HKD	HKD
“C” units RMB	RMB
“C” units MDis RMB	RMB
“C” units USD	USD
“C” units MDis USD	USD
“C” units AUD Hedged	AUD
“C” units CAD Hedged	CAD
“C” units HKD Hedged	HKD
“C” units NZD Hedged	NZD
“C” units RMB Hedged	RMB
“C” units MDis RMB Hedged	RMB
“D” units HKD	HKD
“D” units MDis HKD	HKD
“D” units RMB	RMB
“D” units MDis RMB	RMB
“D” units USD	USD
“D” units MDis USD	USD
“D” units AUD Hedged	AUD
“D” units CAD Hedged	CAD
“D” units NZD Hedged	NZD
“D” units RMB Hedged	RMB
“D” units MDis RMB Hedged	RMB
“X” units USD	USD
“Z” units	USD

“C” units RMB, “C” units MDis RMB, “C” units MDis HKD, “C” units USD and “C” units MDis USD are collectively referred to as **“C” units**.

“C” units AUD Hedged, “C” units CAD Hedged, “C” units HKD Hedged, “C” units NZD Hedged, “C” units RMB Hedged and “C” units MDis RMB Hedged are collectively referred to as **“C” units – Hedged**.

“D” units RMB, “D” units MDis RMB, “D” units HKD, “D” units MDis HKD, “D” units USD and “D” units MDis USD are collectively referred to as **“D” units**.

“D” units AUD Hedged, “D” units CAD Hedged, “D” units NZD Hedged, “D” units RMB Hedged and “D” units MDis RMB Hedged are collectively referred to as **“D” units – Hedged**.

“X” units USD are collectively referred to as **“X” units**.

“Z” units are collectively referred to as **“Z” units**.

“X” units are only available for subscription by funds and managed accounts managed by the Manager or Connected Persons of the Manager who are “professional investors” as defined in the SFO or offered on a private placement basis.

“Z” units are only available for subscription by institutional investors and/or professional investors.

The Manager has also established classes of “P” units for offering to investors in Mainland China only (collectively referred to as **“P” units classes**) and will not be offered in Hong Kong. Investors in Mainland China should refer to the supplementary offering document of the Fund distributed in Mainland China for details in relation to “P” units classes.

For existing unitholders of “B” units who are making regular contribution amounts to the Fund under an insurance savings plan commencing before 15 October 2009, the Fund will continue to issue “B” units for those previously agreed regular contributions. Where a unitholder wishes to increase the regular contribution amount, the Fund will issue “C” units USD by default or, at the Manager’s discretion upon request, “D” units USD, for those contributions exceeding the originally agreed amount.

Key features of “C” units, “C” units – Hedged, “D” units, “D” units – Hedged, “X” units and “Z” units are summarized below:

	“C” units and “C” units – Hedged	“D” units and “D” units – Hedged	“Z” units	“X” units
Preliminary charge	Up to 5% of the issue price	Up to 5% of the issue price	Up to 5% of the issue price	Nil
Management fee	1.25% per annum	1.50% per annum	0.75% per annum	Nil
Minimum initial subscription	US\$10,000 (or its equivalent in the relevant class currency)	US\$10,000 (or its equivalent in the relevant class currency)	US\$10,000,000	Nil
Minimum subsequent subscription	US\$5,000 (or its equivalent in the relevant class currency)	US\$5,000 (or its equivalent in the relevant class currency)	US\$100,000	Nil
Minimum holding applicable to partial redemption	US\$10,000 (or its equivalent in the relevant class currency)	US\$10,000 (or its equivalent in the relevant class currency)	US\$5,000,000	Nil
Performance fee	15% per annum of the increase in net asset value per unit in the relevant class in the relevant performance period calculated annually on a high-on-high basis	Nil	15% per annum of the increase in net asset value per unit in the relevant class in the relevant performance period calculated annually on a high-on-high basis	Nil
Redemption charge	Currently nil	Currently nil	Currently nil	Nil
Switching charge	Currently nil*	Currently nil*	Currently nil*	Nil

* Certain distributors may impose a charge for each switching of units in a class of the Fund acquired through them for units in another class of the Fund, which will be deducted at the time of the switching and paid to the relevant distributors. Unitholders who intend to switch their units in one class to units in another class should check with their respective distributors for the charge on switching.

The Manager may, in its absolute discretion, waive or agree to a lower amount of any of the above investment minima (either generally or in any particular case). Each of the minimum amount required is inclusive of the preliminary charge and any bank charges in the case of a telegraphic transfer.

Please refer to the section headed “Fees and Expenses” in this Explanatory Memorandum for further details on fees and charges payable by the Fund and the investors.

Key features of “A” units and “B” units are summarized under section “General Information” subsection ““A” units and “B” units” below.”

3. The third to fifth paragraphs under the sub-section headed “**Issue of Units**” under the section headed “**ISSUE AND REDEMPTION OF UNITS**” on page 68 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“D” units and “D” units – Hedged are offered from 24 February 2025 and are initially issued at the following initial issue prices:

Class	Initial Issue Price per unit
“D” units HKD	HKD 10
“D” units MDis HKD	HKD 10
“D” units RMB	RMB 10
“D” units MDis RMB	RMB 10
“D” units USD	USD 10
“D” units MDis USD	USD 10
“D” units AUD Hedged	AUD 10
“D” units CAD Hedged	CAD 10
“D” units NZD Hedged	NZD 10
“D” units RMB Hedged	RMB 10
“D” units MDis RMB Hedged	RMB 10

After the initial issue of each of “C” units, “C” units – Hedged, “D” units, “D” units – Hedged, “X” units and “Z” units, units are normally issued on each Dealing Day:

- (a) in respect of applications in writing (whether by post, fax or other written or electronic forms specified by the Manager) which have been received by the administrator not later than 5:00 p.m. (Hong Kong time) on that Dealing Day, and
- (b) for which the application moneys have been received in full in cleared funds by or on behalf of the Trustee on that Dealing Day or within such period as the Manager may, in its absolute discretion, determine (which shall not be more than 3 Business Days under normal circumstances unless otherwise agreed by the Manager).”

4. The ninth paragraph under the sub-section headed “**Issue of Units**” under the section headed “**ISSUE AND REDEMPTION OF UNITS**” on page 69 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“The procedure for applying and paying for each of “C” units, “C” units – Hedged, “D” units, “D” units – Hedged, “X” units and “Z” units is set out under section “Procedure for Application” below.”

5. The sub-section headed “**Procedure for Application**” under the section headed “**ISSUE AND REDEMPTION OF UNITS**” on page 70 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“Method of Application for “C” units, “C” units – Hedged, “D” units, “D” units – Hedged, “X” units and “Z” units

The initial application for “C” units, “C” units – Hedged, “D” units, “D” units – Hedged, “X” units or “Z” units must be made on the prescribed subscription form available from the Manager or the administrator and sent in original to the administrator. Any subsequent applications must be made on the prescribed subsequent subscription form available from the Manager or the administrator.

Subsequent applications can be sent either in original or by fax if the applicant has already previously provided the Manager with an original fax indemnity in a form approved for this purpose by the Manager and the Trustee. However, the Manager and the Trustee may, in their absolute discretion determine whether or not the original application form is also required in respect of subsequent applications sent by fax. If this discretion is exercised, the Manager and the Trustee are free to act on receipt of the fax or wait for the original in their absolute discretion. The Manager may also, in its discretion, allow any application for subscription to be made by other written or electronic forms.

The Manager has the absolute discretion under the Trust Deed to decide whether to accept or reject in whole or in part any application for units. The Manager has generally decided not to accept any application for “A” units and “B” units until further notice.”

6. The last paragraph under the sub-section headed “**Redemption of Units**” under the section headed “**ISSUE AND REDEMPTION OF UNITS**” on page 76 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“Partial redemptions of holdings are permitted provided that they do not result in the unitholder holding units having a value of less than US\$100,000 in the case of “A” units, US\$10,000 in the case of “B” units, US\$10,000 (or its equivalent in the relevant class currency) in the case of “C” units and “C” units – Hedged, US\$10,000 (or its equivalent in the relevant class currency) in the case of “D” units and “D” units – Hedged, or US\$5,000,000 in the case of “Z” units. However, the Manager reserves the right to waive the minimum holding requirement for any partial redemptions.”

7. The first paragraph under the sub-section headed “**Management Fee**” under the section headed “**FEES AND EXPENSES**” on page 94 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“The Manager is entitled to receive annual management fees out of the assets of the Fund. These management fees are payable monthly in arrears, at the rates of 0.75 per cent. per annum of that portion of the net asset value of the Fund attributable to the “A” units and “Z” units, 1.25 per cent. per annum of that portion of the net asset value of the Fund attributable to the “B” units, “C” units and “C” units – Hedged and 1.5 per cent. per annum of that portion of the net asset value of the Fund attributable to “D” units and “D” units – Hedged. No management fee shall be payable for “X” units. The Manager may increase the rate of its management fee in relation to any class of units up to a maximum of 2 per cent. per annum of the net asset value of the Fund of any class of units by giving to the Trustee and the holders of units of the relevant class not less than one month’s prior notice (or such shorter notice period as approved by the SFC) in writing.”

8. The last paragraph under the sub-section headed “**Performance Fee**” under the section headed “**FEES AND EXPENSES**” on page 100 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“No performance fee shall be payable for “X” units, “D” units and “D” units – Hedged.”

9. The sub-section headed “**“A” units and “B” units**” under the section headed “**GENERAL INFORMATION**” on pages 109-111 of the Explanatory Memorandum shall be deleted in its entirety and replaced with the following:

“A” units and “B” units

The Manager has currently decided not to accept any application for “A” units until further notice. Unless otherwise agreed by the Manager, the Manager will also not accept any applications for “B” units (as from 15 October 2009) until further notice. However, the interests of the existing unitholders in relation to their current holdings of “A” units and “B” units remain unaffected.

Existing “A” units and “B” units continue to be subject to the following charges:

	“A” Units	“B” Units
Management fee	0.75% per annum	1.25% per annum
Performance fee	15% per annum of the increase in net asset value per unit in the relevant class in the relevant performance period calculated annually on a high-on-high basis	15% per annum of the increase in net asset value per unit in the relevant class in the relevant performance period calculated annually on a high-on-high basis
Minimum holding applicable to partial redemption	US\$100,000	US\$10,000
Redemption charge	Currently Nil	Currently Nil

- (a) the annual management fee is payable at the rate of 0.75 per cent. per annum of that portion of the net asset value of the Fund attributable to the “A” units and at the rate of 1.25 per cent. per annum of that portion of the net asset value of the Fund attributable to the “B” units;
- (b) the Manager is entitled to receive a performance fee out of the assets of the Fund in respect of any financial year for “A” units and “B” units if the net asset value per undivided share on the last Dealing Day of that financial year exceeds the net asset value per undivided share on the last Dealing Day of the last previous financial year in respect of which a performance fee was paid to the Manager (adjusted to take account of the payment of that performance fee). The rate of performance fee is currently 15 per cent. of the product of that excess and the average of the number of undivided shares represented by all the units for “A” units and “B” units in issue immediately after each Dealing Day in the relevant financial year. The performance fee payable to the Manager in respect of “A” units and “B” units shall be apportioned between “A” units and “B” units in accordance with the aggregate number of undivided shares represented by all units in each class of “A” units and “B” units respectively on the immediately preceding Dealing Day in the relevant financial year;
- (c) the maximum level of redemption charge is 1.5 per cent. of net asset value in relation to the redemption of “A” units and “B” units respectively, where the relevant unitholder has been a unitholder for fewer than 12 consecutive months. Currently the Manager has waived the redemption charge applicable to the redemption of “A” units and “B” units. However, the Manager may re-introduce the redemption charge at any time with 1 month’s prior notice (or such shorter notice period as approved by the SFC) to unitholders;
- (d) unitholders of “A” units and “B” units can continue to hold their existing holdings during any period in which the Manager decides not to accept application for “A” units and “B” units. If such unitholders wish to make any subsequent subscription to the Fund, they can for the time being only subscribe for “C” units, “C” units – Hedged, “D” units, “D” units – Hedged, or “Z” units.

Unless otherwise disclosed, “A” units, “B” units, “C” units, “C” units – Hedged, “D” units, “D” units – Hedged, “X” units and “Z” units are subject to the same terms, conditions and restrictions of this Explanatory Memorandum and the Trust Deed. However, the performance fees that are payable (if applicable) by the unitholders of each class may be subject to different calculation methods and a different high watermark. Please refer to the section headed “Performance Fees” of this Explanatory Memorandum for further details on calculating the Manager’s annual performance fee. The net asset value of each class will be calculated independently by apportioning the relevant fees, costs, expenses or other liabilities attributable to each class. Accordingly, the performance results and the net asset value of each class may be different.

For existing unitholders of “B” units who are making regular contribution amounts to the Fund under an insurance savings plan commencing before 15 October 2009, the Fund will continue to issue “B” units for those previously agreed regular contributions. Where a unitholder wishes to increase the regular contribution amount, the Fund will issue “C” units USD by default, or, at the Manager’s discretion upon request, “D” units USD, for those contributions exceeding the originally agreed amount.

When unitholders wish to redeem or switch any of their units, they must indicate clearly the class of units which they wish to redeem or switch. In determining whether the unitholder has been holding the relevant units for less than 12 consecutive months, the period relating to holding “A” units, “B” units, “C” units, “C” units – Hedged, “D” units, “D” units – Hedged and “Z” units will be calculated separately.”

B. Update on the Trustee’s description

1. The first paragraph under the sub-section headed “**Trustee, Administrator and Custodian**” of the section headed “**MANAGEMENT AND ADMINISTRATION**” on page 10 of the Explanatory Memorandum, shall be deleted in its entirety and replaced by the following:-

“HSBC Institutional Trust Services (Asia) Limited (the “**Trustee**”) was incorporated with limited liability in Hong Kong on 27 September 1974. It is an indirect wholly-owned subsidiary of HSBC Holdings plc. It is registered as a trust company under Section 78(1) of the Hong Kong Trustee Ordinance (Cap.29), is an approved trustee under the Mandatory Provident Fund Schemes Ordinance (Cap. 485). It is also registered with Hong Kong Monetary Authority in which required to comply with the Supervisory Policy Manual (“**SPM**”) module on “Regulation and Supervision of Trust Business” (TB-1) as a statutory guideline under section 7(3) of the Banking Ordinance. The Trustee is licensed by the SFC to carry out type 13 regulated activity (providing depositary services for relevant collective investment schemes under the Securities and Futures Ordinance (Cap. 571) and has a Trust or Company Service Provider (“**TCSP**”) License under Anti-Money Laundering and Counter-Terrorist Financing Ordinance (Cap. 615).”

24 February 2025