



VALUE CHINA A-SHARE ETF

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

A Sub-Fund of Value Partners ETFs Trust

2018 SEMI-ANNUAL REPORT

For the six months ended 30 September 2018



Value Partners Hong Kong Limited

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

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VALUE CHINA A-SHARE ETF

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

GENERAL INFORMATION

Manager and RQFII Holder

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

Investment Advisor

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

Directors of Manager and RQFII Holder

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

Directors of the Investment Advisor

Mr. So Chun Ki Louis
Dr. Au King Lun
Mr. Roger Anthony Hepper
Mr. Mak Ling Kai
Mr. Quah Kung Beng David (appointed on 2
May 2018)

Trustee and Registrar

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

Custodian

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

PRC Custodian

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

Legal Advisors

Simmons & Simmons
13th Floor, One Pacific Place
88 Queensway
Hong Kong

Auditor

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

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Website : www.valueETF.com.hk

GENERAL INFORMATION (Continued)

Recent awards and achievements

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

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MANAGER'S REPORT

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

As at 28 September 2018, the Net Asset Value ("NAV") per unit of the Sub-Fund was RMB6.3075, and 16,000,000 units were outstanding. The total size of the Sub-Fund was approximately RMB101 million.

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

	From 1 April 2018 to 28 September 2018	2018 YTD (as at 28 September)	Since inception
FTSE Value-Stocks China A-Share Index	-4.3%	-7.2%	2.1%
Value China A-Share ETF	-5.4%	-8.5%	-3.4%

The difference in performance between the FTSE Value-Stocks China A-Share Index and the Value China A-Share ETF is mainly attributed to fees and expenses, and security misweightings. The historical tracking error for the NAV of the Sub-Fund against the FTSE Value-Stocks China A-Share Index was at 142 basis points on an annualized basis since its inception on 20 March 2015.

Value Partners Hong Kong Limited

27 November 2018

All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in RMB, NAV to NAV with dividends reinvested, as at 28 September 2018. Performance data is net of all fees.

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

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 SEPTEMBER 2018

	30.9.2018 <i>RMB</i>	31.3.2018 <i>RMB</i>
ASSETS		
Financial assets at fair value through profit or loss	100,470,983	106,770,401
Prepayments and other receivable	50,891	16,406
Cash and cash equivalents	<u>640,738</u>	<u>260,551</u>
TOTAL ASSETS	<u>101,162,612</u>	<u>107,047,358</u>
LIABILITIES		
Audit fees payable	56,237	102,680
Management fees payable	41,690	38,937
Trustee and registrar fees payable	15,491	—
Other payables	<u>128,398</u>	<u>254,099</u>
TOTAL LIABILITIES	<u>241,816</u>	<u>395,716</u>
TOTAL EQUITY	<u>100,920,796</u>	<u>106,651,642</u>
Represented by:		
Net assets attributable to unitholders	<u>100,920,796</u>	<u>106,651,642</u>
Net asset value per unit based on 16,000,000 (31.3.2018: 16,000,000) units outstanding	<u>6.3075</u>	<u>6.6657</u>

VALUE CHINA A-SHARE ETF

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INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 SEPTEMBER 2018

	Holdings	Fair value RMB	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed equity securities			
China			
Agricultural Bank of China Ltd A Shrs	1,356,200	5,275,618	5.23
Avic Capital Co Ltd A Shrs	149,300	697,231	0.69
Bank of Beijing Co Ltd A Shrs	449,600	2,747,056	2.72
Bank of China Ltd A Shrs	746,100	2,775,492	2.75
Bank of Communications Co Ltd A Shrs	708,600	4,138,224	4.10
Bank of Nanjing Co Ltd A Shrs	162,140	1,240,371	1.23
Bank of Ningbo Co Ltd A Shrs	57,400	1,019,424	1.01
Bank of Shanghai Co Ltd A Shrs	161,460	1,969,812	1.95
China CITIC Bank Corp Ltd A Shrs	96,400	584,184	0.58
China Communications Construction Co Ltd A Shrs	49,900	637,722	0.63
China Everbright Bank Co Ltd A Shrs	493,200	1,928,412	1.91
China Grand Automotive Services Co Ltd A Shrs	82,600	533,596	0.53
China Merchants Bank Co Ltd A Shrs	338,300	10,382,427	10.29
China Minsheng Banking Corp Ltd A Shrs	979,003	6,206,879	6.15
China Pacific Insurance (Group) Co Ltd A Shrs	89,000	3,160,390	3.13
China Shenhua Energy Co Ltd A Shrs	70,000	1,427,300	1.41
China State Construction Engineering Corp Ltd A Shrs	594,720	3,265,013	3.24
China Vanke Co Ltd A Shrs	228,900	5,562,270	5.51
CITIC Securities Co Ltd A Shrs	275,100	4,591,419	4.55
Daqin Railway Co Ltd A Shrs	189,500	1,559,585	1.55
Dong-E-E-Jiao Co Ltd A Shrs	17,300	821,231	0.81
Dongxu Optoelectronic Technology Co Ltd A Shrs	129,000	699,180	0.69
Fangda Carbon New Material Co Ltd A Shrs	27,200	609,008	0.60
Gemdale Corp A Shrs	100,700	913,349	0.91
GoerTek Inc A Shrs	56,300	467,290	0.46

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 SEPTEMBER 2018

	Holdings	Fair value RMB	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
China (Continued)			
Guotai Junan Securities Co Ltd A Shrs	117,100	1,755,329	1.74
Haitong Securities Co Ltd A Shrs	212,000	1,899,520	1.88
Henan Shuanghui Investment & Development Co Ltd A Shrs	30,100	787,115	0.78
HLA Corp Ltd A Shrs	49,300	507,297	0.50
Huaxia Bank Co Ltd A Shrs	167,972	1,372,331	1.36
Industrial Bank Co Ltd A Shrs	490,486	7,823,252	7.75
Jiangsu Zhongtian Technology Co Ltd A Shrs	62,700	538,593	0.53
Lomon Billions Group Co Ltd A Shrs	38,800	533,500	0.53
LONGi Green Energy Technology Co Ltd A Shrs	49,800	707,160	0.70
Ping An Bank Co Ltd A Shrs	255,260	2,820,623	2.80
SAIC Motor Corp Ltd A Shrs	95,860	3,190,221	3.16
Shaanxi Coal Industry Co Ltd A Shrs	74,300	646,410	0.64
Shandong Hualu Hengsheng Chemical Co Ltd A Shrs	37,400	643,654	0.64
Shanghai International Port (Group) Co Ltd A Shrs	106,700	577,247	0.57
Shanghai Oriental Pearl Group Co Ltd A Shrs	51,020	514,282	0.51
Shanghai Pudong Development Bank Co Ltd A Shrs	509,188	5,407,576	5.36
Shenwan Hongyuan Group Co Ltd A Shrs	223,400	1,005,300	1.00
Shenzhen Overseas Chinese Town Co Ltd A Shrs	104,600	658,980	0.65
Sichuan Chuantou Energy Co Ltd A Shrs	77,942	653,154	0.65
TBEA Co Ltd A Shrs	104,600	749,982	0.74
Weichai Power Co Ltd A Shrs	150,000	1,282,500	1.27
Xinjiang Goldwind Science & Technology Co Ltd A Shrs	65,200	783,052	0.78
Youngor Group Co Ltd A Shrs	69,700	516,477	0.51
Zhengzhou Yutong Bus Co Ltd A Shrs	43,900	644,013	0.64

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INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 SEPTEMBER 2018

	Holdings	Fair value RMB	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed equity securities (Continued)			
China (Continued)			
Zijin Mining Group Co Ltd A Shrs	347,600	<u>1,240,932</u>	<u>1.23</u>
Total financial assets at fair value through profit or loss		100,470,983	99.55
Cash and cash equivalents		640,738	0.63
Other net liabilities		<u>(190,925)</u>	<u>(0.18)</u>
Total net assets		<u><u>100,920,796</u></u>	<u><u>100.00</u></u>
Total investments, at cost (inclusive of transaction cost)		<u><u>103,296,976</u></u>	

STATEMENT OF MOVEMENTS IN PORTFOLIO HOLDINGS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

	% of net assets	
	30.9.2018	31.3.2018
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS		
Listed equity securities		
China	99.55	100.11
Total financial assets at fair value through profit or loss	99.55	100.11
Cash and cash equivalents	0.63	0.24
Other net liabilities	(0.18)	(0.35)
Total net assets	100.00	100.00

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PERFORMANCE RECORD (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2018

Comparison of the scheme performance and the actual index performance

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

	From 1 April 2018 to 30 September 2018	From 1 April 2017 to 30 September 2017
FTSE Value-Stocks China A-Share Index	-4.3%	+13.7%
Value China A-Share ETF	-5.4%	+12.4%

INVESTMENT LIMITATION AND PROHIBITIONS UNDER THE SFC CODE (UNAUDITED)

AS AT 30 SEPTEMBER 2018

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

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

Constituent securities that account for more than 10% of the net asset value of the Sub-Fund as at 30 September 2018 and 31 March 2018 are as follows:

	Respective weighting in the tracked index	Respective weighting in the Sub-Fund's net asset value
As at 30 September 2018		
China Merchants Bank Co Ltd A Shrs	10.33%	10.29%
As at 31 March 2018		
China Merchants Bank Co Ltd A Shrs	11.19%	11.13%