

VALUE PARTNERS CLASSIC FUND

2016 SEMI-ANNUAL
REPORT

For the six months ended 30 June 2016

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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 explanatory memorandum, as supplemented by the latest semi-annual and annual reports.

VALUE PARTNERS CLASSIC FUND

(An unit trust established in Hong Kong)

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GENERAL INFORMATION

Manager

Value Partners Hong Kong Limited
9th Floor, Nexxus Building
41 Connaught Road Central
Hong Kong

Directors of the Manager

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

Trustee, Registrar, Administrator, Custodian and Principal Office

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Legal Advisors

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Auditor

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GENERAL INFORMATION (Continued)

Recent awards and achievements

Corporate awards

- 2016**

 - **The Asset Triple A, Asset Servicing, Investor and Fund Management Awards 2016 Asset Management Company of the Year (Hong Kong)**
Value Partners – Highly Commended Fund House
– *The Asset*
 - **Asset Management Awards 2016 Fund House of the Year – Hong Kong**
– *AsianInvestor*
 - **Asset Management Awards for Excellence 2016 Best Fund Provider – Greater China Equity**
– *Asian Private Banker*
 - **Thomson Reuters Lipper Fund Awards 2016 Best Equity Group (Hong Kong)**
– *Thomson Reuters*
 - **2015 Best of the Best Performance Awards Value Partners: 20-Year Award for Greater China**
– *Asia Asset Management*
 - **2015 Best of the Best Regional Awards Value Partners: Longevity Awards – Best Asset Management House over the last 20 Years (Co-Winner)**
– *Asia Asset Management*
 - **International Financial Annual Champion Awards 2015 Value Partners: Best Asset Management Service Provider**
– *SEEC and Hexun.com*

Value Partners Classic Fund

- 2015**

 - **Top Fund Awards 2015 (Hong Kong) Greater China Equity – Outstanding Performer**
– *Bloomberg Businessweek, Chinese edition*
- 2012**

 - **Fund of the Year Awards 2011 Greater China Equity – Outstanding Achiever**
– *Benchmark Magazine*[□]
- 2011**

 - **Long-Term Performance Award (10 years)**
– *AsiaHedge Awards 2011*[∨]

[□] Class A units of the fund selected as one of the top 100 funds based on fund size, track record, Morningstar's star rating and one year absolute ranking as at month end October 2011.

[∨] Value Partners Classic Fund is not authorized as a hedge fund by the Securities and Futures Commission (SFC) in Hong Kong according to the Code on Unit Trusts and Mutual Funds. SFC authorization is not a recommendation or endorsement of a scheme, nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors, nor is it an endorsement for its suitability for any particular investor or class of investors.

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MANAGER'S REPORT

Growth opportunities are scarce

The world is sailing into uncharted waters. The Brexit shock has come at a time when the global economy is struggling with weak economic and profits growth. The British vote against more integrated global markets shows that protectionism and social unrest remain an elevated investment risk. As a result, we expect further pressure on global trade and a knock off impact on the global economy. We have entered an extended period of uncertainty, which now weighs not only on the developing countries but also the developed world.

It's time to look at China again

Amongst all the major economies around the world, China is one of the very few that is still growing at a decent pace of 6% per annum. Despite the moderation in growth from its peak, we don't believe China is entering into an economic hard-landing or debt driven crisis. Social stability in China is relatively intact, and the government is carefully walking a tightrope between managing growth and pressing ahead with structural reforms.

As for the vulnerabilities from Brexit, the business of most Chinese companies should not be fundamentally affected, given the UK is not a particularly important economy for China in terms of foreign direct investment and trade. UK represents only 3% of China's exports, and demand for Chinese products are unlikely to dry up due to Brexit. In the unlikely case of economic fallout, the government continues to have tools to respond with fiscal stimulus.

Despite MSCI's delay in China A-shares inclusion, the mid to long-term strategy is still to play on China's increasing presence in the global markets. It is only a matter of time that China opens up for foreign investors, and as one of the largest equity markets in the world it will be a market that they cannot ignore. For bargain hunters, China-related stocks can be very attractive in the current global environment, where there is a shortage of good investment opportunities around the world.

Those who bet against RMB were proven wrong

Brexit may make it more difficult for China to maintain a stable currency. It is believed that the pound sterling and Euro make up 3.9% and 21.5% of China's currency basket, respectively; as these two currencies weaken sharply in response to Brexit, it would drag the RMB down against the dollar, which is not helpful to Beijing's combat of capital outflow. It is likely that the People's Bank of China would resort to intervention to stabilize the RMB, and it has the resources to do so. One can recall that during the global financial crisis of 2008 the Chinese leadership were able to insulate China from the crisis with various forceful measures. The punters are likely to remain wrong.

Value investors' long winter may be passing

Value Partners Classic Fund declined by 9.0% in the first six months up to the end of June 2016. For reference, in the same period, Hang Seng Index dropped 2.5% and MSCI China was down 4.7%.

MANAGER'S REPORT (Continued)

2016 continues the trend of a long 5-year winter for the value investment style. Since the last quarter of 2011, the growth style has outperformed the value style in China-related stockmarkets most of the time¹. In a risk-off mode, investors tend to look for opportunities that are priced at attractive level with higher safety margin. The negative global investment sentiment towards China has driven its valuation to near crisis level: MSCI China is trading at a forward price-to-book ratio of 1.3 times against a 10-year average of 1.9 times. The current risk aversion environment may actually trigger a reversal and bring the value style back in favour.

Portfolio review and outlook

The second quarter remained a challenging period for Chinese equities. Investors focused more on macro concerns than companies' fundamentals, as an "authoritative person" spoke to a leading China media about the L-shaped China economy outlook and temper market expectations for a large stimulus program. The heightened uncertainty in policy direction led to broad-based market weakness.

In the wake of growing concerns on economic outlook, our portfolio focused on companies with sustainable earnings growth and solid return-on-equity at attractive valuations. Sectors that are sensitive to macro systemic risks were avoided.

During the quarter, we have increased exposures in consumer discretionary and information technology which became the top year-to-date performance contributors. From a single stock perspective in the discretionary sector, an auto parts supplier showcased solid margin expansion and has strengthened its products via M&A activities lately. The other key contributor is a digital TV products manufacturer that benefited from its dominant market shares in China and potential increase in average selling price. In the information technology sector in particular, our picks of a giant China internet company and a dominating microblogging company continued to show resilient growth and earnings re-rating potentials. To make room for our additions, we trimmed the positions of Chinese insurers, the main performance detractor, as we saw limited catalysts despite their low valuations.

We remained nimble in our positioning and continued to strike balances between "old" and "new" economy sectors. There are attractive values amidst broad-based market weakness, and we are confident that companies with fundamental strengths will revive in the challenging environment.

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MANAGER'S REPORT (Continued)

An example of a turnaround value opportunity

Minth Group is a leading vertically integrated supplier of structural and decorative parts for passenger cars. Its core business specializes in aluminium frames with over 30% of the global market share.

Despite six consecutive years of contraction, Minth's margin is expected to expand from 2016 due to product mix improvement, expansion of ADAS (advanced driver assistance system) business, and the acquisition of camera module supplier in Taiwan. Despite the participation in an exciting growth area in auto parts, Minth only trades at a price-to-earnings ratio of 11 times which is in line with most China auto parts peers. Given Minth's solid earnings momentum, its valuation reflects upside potential of earnings re-rating. Minth's management expects the company's gross profit margin to improve from 31.7% last year to 33%-35% in 2016. This supports management's previous guidance of around 15% revenue growth in 2016 and a mid-term revenue target of RMB20 billion in 2020.

Value Partners Hong Kong Limited

19 August 2016

1. Based on Bloomberg data: MSCI China Growth Index Total Return was 34.8% and MSCI China Value Index Total Return was 27.8% respectively in the period of 30 September 2011 to 30 June 2016.

Fund performance mentioned referred to Value Partners Classic Fund "A" Unit. All performance figures are sourced from HSBC Institutional Trust Services (Asia) Limited and Bloomberg (Data computed in US\$ terms on NAV-to-NAV basis with dividends reinvested) as at 30 June 2016. Performance data is net of all fees.

Individual stock performance is not indicative of fund performance.

The views expressed are the views of Value Partners Hong Kong Limited only and are subject to change based on market and other conditions. The information provided does not constitute investment advice and it should not be relied on as such. All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. This material contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those projected.

Investors should note that investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. This commentary has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.

MANAGER'S REPORT (Continued)

10 biggest holdings of securities as at 30 June 2016

Stock	Industry	Valuation (2016 Estimates)	Remarks
Gree Electric Appliances (Code: 000651 CH) Market cap: N/A [^]	Air conditioner manufacturer	Price: CNY19.22 [^] P/E: N/A P/B: N/A Yield: N/A	Gree Electric Appliances is a top leader of air conditioning brand in China with its own manufacturing facilities, research and development centres and large-scale sales distribution network. The company's strong and innovative research and development capabilities enable it to launch new products which are well received by the market, helping it to maintain its leading market position. In the foreseeable future, we believe the company is well-positioned to remain a strong leader in the industry.
Inner Mongolia Yili Industrial (Code: 600887 CH) Market cap: US\$15.2 billion	Dairy product manufacturer	Price: CNY16.67 P/E: 20.1x P/B: 4.6x Yield: 2.8%	Inner Mongolia Yili Industrial ("Yili") is a leading dairy group in China engaging in sectors including liquid milk, ice cream, infant milk powder and yoghurt. Since 2010, its management has been committed to channel optimization and product upgrade, leading to continuous operational improvement. Its market share is expected to grow further as Yili is identified as a major beneficiary of the policy-driven industry consolidation.
Logan Property Holdings (Code: 3380 HK) Market cap: US\$2.0 billion	Real estate	Price: HKD2.79 P/E: 4.2x P/B: 0.6x Yield: 6.7%	Logan Property Holdings, founded in 1996, is a mid-sized developer in China with leading position in Shantou, Huizhou and Nanning. It also has a geographical focus in the Pearl River Delta. The company mainly engages in residential property development, with a focus on low-mid mass market. It has a low-cost and sizeable land bank of over 11 million square meters. Logan has adopted a prudent approach to financial and cost management. It is 76% owned by Ms. Kei Perenna Hoi Ting, the chairman's daughter, and the family trust.
Minth Group (Code: 425 HK) Market cap: US\$3.6 billion	Automobile and components	Price: HKD25.05 P/E: 14.5x P/B: 2.2x Yield: 2.8%	Minth Group is a leading supplier of exterior auto parts in China with growing global relevance. The company primarily engages in the designing, manufacturing and marketing of trims, decorative parts, body structural parts and seat frame systems, which are supplied to the major "6+5" automakers, including Ford, Nissan and Toyota. Having secured more than 80% of the global market share, Minth Group seeks to continue to grow its market share both domestically and globally. We expect the company to deepen its role as a key global market player in the future.

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MANAGER'S REPORT (Continued)

Stock	Industry	Valuation (2016 Estimates)	Remarks
PetroChina (Code: 857 HK) Market cap: US\$190.3 billion	Energy	Price: HKD5.29 P/E: 17.8x P/B: 0.7x Yield: 1.0%	PetroChina is the largest oil and gas producer and distributor playing a dominant role in the oil and gas industry in China. It engages in a wide range of activities related to oil and natural gas, including exploration, development, production and marketing of crude oil and natural gas. As China is expected to achieve a moderate and stable economic growth, oil and gas demand in China is likely to continue its upward trajectory. With oil price hovering at a relatively low level, the company will also benefit as oil price recovers.
Shenzhou International (Code: 2313 HK) Market cap: US\$6.8 billion	Apparel	Price: HKD37.45 P/E: 16.6x P/B: 3.2x Yield: 3.2%	Shenzhou International is one of the largest garment manufacturers in China, with major customers such as Uniqlo, Nike and Adidas on an original equipment manufacturer ("OEM") basis. Its key competitive advantage is quick order turnaround time, a key performance indicator which is very important to brand owners, especially in today's fast-paced fashion world. Due to a vertically integrated model (from yarn spinning, fabrics knitting, dyeing, printing to final garment completion), its delivery time is significantly shorter than peers. Shenzhou International also enjoys lower procurement costs due to bulk purchases. It is still growing with good visibility on its order book.
SIIC Environment (Code: SIIC SP) Market cap: US\$1.04 billion	Wastewater treatment	Price: SGD0.62 P/E: 14.9x P/B: 1.2x Yield: 0.0%	SIIC Environment ("SIIC") is a Singapore-listed company which conducts operations in wastewater treatment, water purification treatment and system automation in China. Being a state-owned enterprise, SIIC enjoys strong support from banks and local governments and has the potential to become one of the leading water companies in China. In 2015, it completed an acquisition of a group of water treatment companies which helped enhance its water treatment capacity and extend its geographical presence in China. The company's financial leverage is lower than most of its peers in China, enabling it to do more mergers and acquisitions as well as greenfield projects in the future. As the Chinese government is increasingly paying attention to water quality and environment protection, the company is set to benefit from further environmental protection policies.

MANAGER'S REPORT (Continued)

Stock	Industry	Valuation (2016 Estimates)	Remarks
<p>Skyworth Digital (Code: 751 HK)</p> <p>Market cap: US\$2.4 billion</p>	<p>Consumer durables</p>	<p>Price: HKD6.34 P/E: 7.5x P/B: 1.1x Yield: 4.4%</p>	<p>Skyworth is the largest television producer in China. It continues to gain market share, through a combination of innovative product launches, effective marketing and distribution, and tight manufacturing cost control. In addition to the traditional core business, they are branching out into a few new economy business models, with some initial success. Skyworth is also enjoying fast growth in international markets, mostly in developing countries. It trades at huge discount to international peers.</p>
<p>Taiwan Semiconductor Manufacturing (Code: 2330 TT)</p> <p>Market cap: US\$130.82 billion</p>	<p>Semiconductors and semiconductor equipment</p>	<p>Price: TWD162.50 P/E: 14.0x P/B: 3.5x Yield: 2.9%</p>	<p>Taiwan Semiconductor Manufacturing is a world-class independent semiconductor foundry. It provides integrated circuit ("IC") design houses with integrated services of process design, wafer manufacturing and testing. As a global leader with more than 50% share of the outsourcing market, the company has consistently outperformed competitors, in terms of technology and profitability. We think the company is well positioned to continue to benefit from the growing IC manufacturing outsourcing market and the rising demand of mobile devices.</p>

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MANAGER'S REPORT (Continued)

Stock	Industry	Valuation (2016 Estimates)	Remarks
Weibo (Code: WB US) Market cap: US\$6.04 billion	Internet	Price: USD28.41 P/E: 52.8x P/B: 8.4x Yield: 0.0%	Weibo, a subsidiary of Sina Corporation, is a leading social media platform for people to create, distribute and discover Chinese-language content. The company has amassed a large user base which includes people from all walks of life. Ordinary people, public figures, as well as organizations such as business companies, government agencies and charities are all active Weibo users. The company provides simple ways for users to publicly express themselves in real time and interact with others on a global platform. Beijing-based Weibo has 120 million daily active users ("DAU") and 271 million monthly active users, just behind Tencent QQ as China's second-largest social network and media platform in terms of users and revenue. Weibo is on the right track of "Facebook trajectory" in China's unique internet environment. According to our forecast and channel estimates, earnings of Weibo will be growing at 70% CAGR from 2016 to 2018, making it one of the fastest-growing names in China's internet industry. Founded in 2010, Weibo turned profitable in the fourth quarter of 2015 on the back of rapid growth and margin expansion, and it is likely to remain profitable in 2016.

[^] Trading has been suspended since 22 February 2016 due to substantial acquisition matters. The price reflected the last closing price before the suspension of trading.

Note: The above investments made up 44% of Value Partners Classic Fund as at 30 June 2016. The stock prices are based on the closing of 30 June 2016.

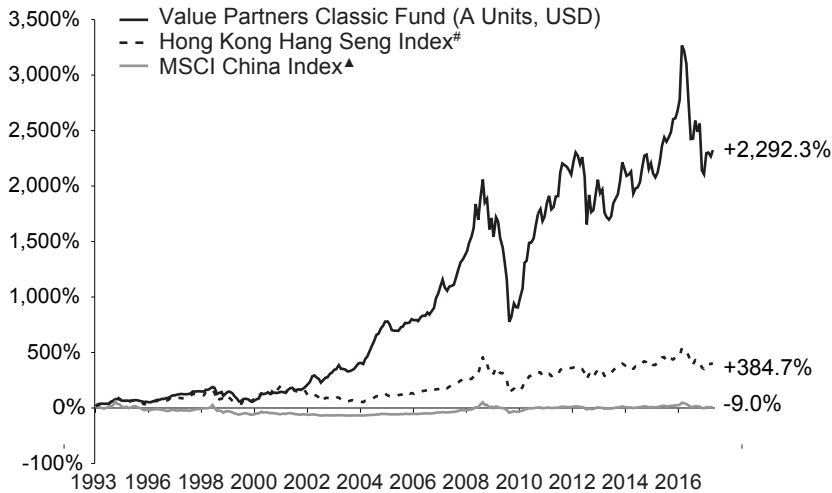
Individual stock performance/yield is not necessarily indicative of overall fund performance.

MANAGER’S REPORT (Continued)

Value Partners Classic Fund – NAV as at 30 June 2016

Classes	NAV per unit
A Units USD	USD239.23
B Units USD	USD107.94
C Units USD	USD13.61
C Units HKD ⁵	HKD105.5959
C Units RMB	CNH9.40
C Units AUD Hedged	AUD11.25
C Units CAD Hedged	CAD10.95
C Units HKD Hedged	HKD9.31
C Units NZD Hedged	NZD11.31
C Units RMB Hedged	CNH9.00

**Since launch return compared to indices
From 1 April 1993 to 30 June 2016**



⁵ Investors should note that the base currency of “C” Units is in USD. The HKD equivalent NAV per unit for “C” Units is for reference only and should not be used for subscription or redemption purpose. Conversion to the base currency of “C” Units will normally take place at the prevailing rate (as determined by the Fund’s Trustee or Custodian) on the corresponding fund dealing day.

[#] Hang Seng Index refers to Hang Seng Price Return Index up to 31 December 2004, thereafter it is the Hang Seng Total Return Index. Hang Seng Total Return Index includes dividend reinvestment whereas Hang Seng Price Return Index does not take into account reinvestment of dividends.

[▲] MSCI China Index refers to MSCI China Price Return Index up to 31 December 1998, thereafter it is the MSCI China Total Return Index. MSCI Total Return Index includes dividend reinvestment whereas MSCI Price Return Index does not take into account reinvestment of dividends.

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STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2016

	30.6.2016	31.12.2015
	<i>US\$</i>	<i>US\$</i>
Assets		
Deposits with brokers	32,965,077	64,832,262
Financial assets at fair value through profit or loss	1,573,116,399	1,991,337,996
Amounts receivable on sales of investments	16,948,134	114,520,754
Amounts receivable on issue of units	1,825,277	3,404,319
Dividends and other receivables	10,167,914	616,261
Bank balances	80,281,926	95,971,013
	<u>1,715,304,727</u>	<u>2,270,682,605</u>
Total assets		
	<u>1,715,304,727</u>	<u>2,270,682,605</u>
Liabilities		
Financial liabilities at fair value through profit or loss	5,146,862	18,249,757
Amounts payable on purchase of investments	26,476,085	65,020,370
Amounts payable on redemption of units	6,389,180	3,768,613
Management fee and performance fee payable	1,463,889	1,917,914
Overdrafts with brokers	166,862,495	324,353,764
Accruals and other payables	989,543	2,453,577
	<u>207,328,054</u>	<u>415,763,995</u>
Liabilities (excluding net assets attributable to unitholders)		
	<u>207,328,054</u>	<u>415,763,995</u>
Net assets attributable to unitholders	<u>1,507,976,673</u>	<u>1,854,918,610</u>
	<u>1,507,976,673</u>	<u>1,854,918,610</u>
	30.6.2016	31.12.2015
Net asset value per unit		
– A Units USD with 730,244 (31.12.2015: 738,555) units outstanding	USD239.23	USD263.00
– B Units USD with 2,599,098 (31.12.2015: 2,703,319) units outstanding	USD107.94	USD118.96
– C Units USD with 73,169,337 (31.12.2015: 84,706,326) units outstanding	USD13.61	USD15.00
– C Units RMB with 598,284 (31.12.2015: 93,760) units outstanding	CNH9.40	CNH10.20
– C Units AUD Hedged with 3,872,228 (31.12.2015: 4,589,343) units outstanding	AUD11.25	AUD12.26
– C Units CAD Hedged with 1,119,150 (31.12.2015: 1,174,830) units outstanding	CAD10.95	CAD11.98
– C Units HKD Hedged with 4,156,508 (31.12.2015: 3,681,887) units outstanding	HKD9.31	HKD10.26
– C Units NZD Hedged with 751,751 (31.12.2015: 1,056,001) units outstanding	NZD11.31	NZD12.39
– C Units RMB Hedged with 2,431,796 (31.12.2015: 2,269,593) units outstanding	CNH9.00	CNH9.79

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 JUNE 2016

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed Equity Securities			
China			
China National Accord Medicines Co Ltd B Shrs	4,664,607	27,294,928	1.81
Chongqing Changan Automobile Co Ltd B Shrs	16,244,042	22,611,475	1.50
Fuyao Group Glass Industry Co Ltd A Shrs (SSC)	4,607,997	9,707,323	0.64
Inner Mongolia Yili Industrial Group Co Ltd A Shrs (SSC)	14,324,798	35,932,164	2.38
Luthai Textile Co Ltd B Shrs	3,619,441	4,693,000	0.31
Wuxi Little Swan Co Ltd B Shrs	3,143,123	10,804,270	0.72
		<u>111,043,160</u>	<u>7.36</u>
Hong Kong – H shares			
Bank of China Ltd H Shrs	28,488,000	11,345,705	0.75
China Longyuan Power Group Corp H Shrs	15,331,000	12,685,762	0.84
China Merchants Bank Co Ltd H Shrs	5,065,500	11,320,939	0.75
Harbin Electric Co Ltd H Shrs	3,270,000	1,201,168	0.08
Huaneng Renewables Corp Ltd H Shrs	10,000,000	3,312,411	0.22
PetroChina Co Ltd H Shrs	85,320,000	58,172,477	3.86
Qingdao Port International Co Ltd H Shrs	13,100,000	5,926,380	0.39
Yunnan Water Industry Investment & Development Co Ltd H Shrs	22,086,000	11,528,774	0.77
ZTE Corp H Shrs	9,329,800	11,760,404	0.78
		<u>127,254,020</u>	<u>8.44</u>
Hong Kong – Red chips			
Beijing Enterprises Holdings Ltd	2,692,500	15,199,905	1.01
Beijing Tong Ren Tang Chinese Medicine Co Ltd	11,538,000	13,666,493	0.91
BOC Aviation Ltd	2,879,800	14,605,556	0.97
China Mobile Ltd	2,388,000	27,285,009	1.81
China Overseas Land & Investment Ltd (HKSE)	3,170,000	10,010,053	0.66
China Power International Development Ltd	11,616,000	4,266,900	0.28
China State Construction International Holdings Ltd (HKSE)	20,086,000	26,457,902	1.75
Cosco International Holdings Ltd	4,770,000	2,360,808	0.16
CSPC Pharmaceutical Group Ltd	10,348,000	9,202,727	0.61
		<u>123,055,353</u>	<u>8.16</u>

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INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 JUNE 2016

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed Equity Securities (Continued)			
Hong Kong – Others			
AIA Group Ltd	8,887,400	53,092,785	3.52
Anta Sports Products Ltd	3,103,000	6,199,041	0.41
GOME Electrical Appliances Holding Ltd	750,000	88,932	0.01
Goodbaby International Holdings Ltd	39,121,000	18,000,692	1.19
HKT Trust and HKT Ltd	7,727,000	11,134,321	0.74
Kingsoft Corp Ltd	2,991,000	5,759,411	0.38
Lifestyle International Holdings Ltd	9,389,500	15,732,468	1.05
Livzon Pharmaceutical Group Inc (HKSE)	3,404,600	15,292,550	1.01
Logan Property Holdings Co Ltd	154,088,000	55,409,478	3.68
Luye Pharma Group Ltd	24,417,000	14,948,477	1.00
Man Wah Holdings Ltd	4,239,600	6,098,178	0.40
Minth Group Ltd	17,278,000	55,784,332	3.70
Pou Sheng International (Holdings) Ltd	32,370,000	9,345,483	0.62
Real Gold Mining Ltd	14,179,500	1,827,561	0.12
Shenzhen International Group Holdings Ltd	11,249,000	54,297,118	3.60
Sihuan Pharmaceutical Holdings Group Ltd	11,326,000	2,145,878	0.14
Sitoy Group Holdings Ltd	1,540,000	621,264	0.04
Skyworth Digital Holdings Ltd	69,804,000	57,040,143	3.78
Tao Heung Holdings Ltd	13,151,000	3,101,851	0.21
Techtronic Industries Co Ltd	6,186,500	25,714,956	1.71
Tencent Holdings Ltd	2,362,800	53,628,711	3.56
Xtep International Holdings Ltd	14,415,500	7,710,612	0.51
Yue Yuen Industrial (Holdings) Ltd	1,999,500	7,898,833	0.52
		<u>480,873,075</u>	<u>31.90</u>
Hong Kong – Total		<u>731,182,448</u>	<u>48.50</u>
Singapore			
SIIC Environment Holdings Ltd	224,686,980	103,181,933	6.84
South Korea			
Amorepacific Corp	43,339	9,275,394	0.62
Samsung Electronics Co Ltd	16,166	19,960,618	1.32
		<u>29,236,012</u>	<u>1.94</u>

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 JUNE 2016

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE			
THROUGH PROFIT OR LOSS (Continued)			
Listed Equity Securities (Continued)			
<i>Taiwan</i>			
Cathay Financial Holding Co Ltd	6,414,000	6,959,635	0.46
Fubon Financial Holding Co Ltd	6,329,000	7,387,365	0.49
Largan Precision Co Ltd	366,000	33,416,109	2.22
Pegatron Corp	7,081,000	14,883,798	0.99
Taiwan Semiconductor Manufacturing Co Ltd	16,194,000	81,582,496	5.41
Wah Lee Industrial Corp	3,442,000	5,009,980	0.33
		<u>149,239,383</u>	<u>9.90</u>
<i>United Kingdom</i>			
Worldsec Ltd	200,000	16,669	0.00
<i>United States</i>			
Alibaba Group Holding Ltd ADR	457,200	36,361,116	2.41
JD.com Inc ADR	121,831	2,586,472	0.17
Phoenix New Media Ltd ADR	1,274,500	4,690,160	0.31
SouFun Holdings Ltd ADR	769,168	3,868,915	0.26
Weibo Corp SPON ADR	2,417,519	68,681,715	4.55
		<u>116,188,378</u>	<u>7.70</u>
Total listed equity securities		<u>1,240,087,983</u>	<u>82.24</u>
Participation Notes			
CICC Financial Trading (Beijing New Building Materials PLC A Shrs) P Note 11/03/2018	10,401,859	14,208,939	0.94
CICC Financial Trading Ltd (Fuyao Group Glass Industry Co Ltd A Shrs) P Note 12/15/2018	5,747,500	12,109,983	0.80
CICC Financial Trading Ltd (Gree Electric Appliances Inc A Shrs) P Note 12/11/2017	17,339,206	50,144,984	3.33
CICC Financial Trading Ltd (Inner Mongolia Yili Industrial Group Co Ltd A Shrs) PNote 09/23/2017	13,838,216	34,706,246	2.31
CICC Financial Trading Ltd (Midea Group Co Ltd A Shrs) P Note 11/25/2017	6,710,672	23,950,388	1.59

VALUE PARTNERS CLASSIC FUND

(A unit trust established in Hong Kong)

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 JUNE 2016

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Participation Notes (Continued)			
Customized China A Shrs Tradable Index – Proprietary Index Linked Note	100,000,000	56,543,090	3.75
Societe Generale (Beijing New Building Materials PLC A Shrs) P Note 11/14/2016	818,602	1,118,210	0.07
Societe Generale (Wuxi Little Swan Co Ltd A Shrs) P Note 01/04/2017	3,049,225	14,965,596	0.99
		<u>207,747,436</u>	<u>13.78</u>
Equity Warrants			
HSBC Bank Plc (Gree Electric Appliances Inc A Shrs) CWts 05/08/2023	2,726,850	7,886,050	0.52
Investment Funds			
Strategic Asia Fund	49,225	49,881,577	3.31
Value Partners China A-Share Select Fund	12,236,224	24,193,687	1.60
Value Partners Global Contrarian Fund	1,295,536	9,016,931	0.60
Value Partners Hedge Fund Ltd	149,970	4,652,070	0.30
Value Partners Greater China Equity Fund	3,700,000	29,637,000	1.97
Value Partners Strategic Equity Fund	238,180	7,145	0.00
		<u>117,388,410</u>	<u>7.78</u>
Unlisted Equity Securities			
Eganagoldpfeil Holdings Ltd	6,885,464	–	–
Currency Forwards			
		<u>6,520</u>	<u>0.00</u>
Total financial assets at fair value through profit or loss		<u>1,573,116,399</u>	<u>104.32</u>

INVESTMENT PORTFOLIO (UNAUDITED) (Continued)

AS AT 30 JUNE 2016

	Holdings	Fair value US\$	% of net assets
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed Equity Securities			
<i>Hong Kong – Others</i>			
China Maple Leaf Educational Systems Ltd	(5,220,000)	<u>(4,682,640)</u>	<u>(0.31)</u>
Total listed equity securities		(4,682,640)	(0.31)
Currency Forwards		<u>(464,222)</u>	<u>(0.03)</u>
Total financial liabilities at fair value through profit or loss		<u><u>(5,146,862)</u></u>	<u><u>(0.34)</u></u>
Total investments, net		<u><u>1,567,969,537</u></u>	<u><u>103.98</u></u>
Total investments, at cost		<u><u>1,566,895,015</u></u>	

VALUE PARTNERS CLASSIC FUND

(A unit trust established in Hong Kong)

INVESTMENT PORTFOLIO MOVEMENTS (UNAUDITED)

FOR THE SIX MONTHS ENDED 30 JUNE 2016

	% of net assets	
	30.6.2016	31.12.2015
Listed equity securities		
China	7.36	8.47
Hong Kong		
– H shares	8.44	25.00
– Red chips	8.16	25.08
– Others	31.59	13.83
Singapore	6.84	4.08
South Korea	1.94	0.83
Taiwan	9.90	6.12
United Kingdom	0.00	0.00
United States	7.70	3.99
	<hr/>	<hr/>
	81.93	87.40
Participation notes	13.78	15.01
Equity warrants	0.52	–
Investment funds	7.78	3.95
Currency forwards	(0.03)	0.01
	<hr/>	<hr/>
Total investments, net	<u>103.98</u>	<u>106.37</u>