

VALUE PARTNERS CLASSIC FUND

2017 SEMI-ANNUAL
REPORT

For the six months ended 30 June 2017

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

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

CONTENTS

	<i>Pages</i>
General information	2-3
Manager's report	4-11
Statement of financial position (unaudited)	12
Investment portfolio (unaudited)	13-17
Investment portfolio movements (unaudited)	18

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

GENERAL INFORMATION

Manager

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

Directors of the Manager

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

Trustee, Registrar, Administrator, Custodian and Principal Office

HSBC Institutional Trust Services (Asia) Limited
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Hong Kong

Legal Advisors

Deacons
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18 Chater Road Central
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Auditor

PricewaterhouseCoopers
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GENERAL INFORMATION (CONTINUED)

Recent awards and achievements

Corporate Awards

- | | |
|-------------|--|
| 2017 | <ul style="list-style-type: none">• The Asset Triple A, Asset Servicing, Investor and Fund Management Awards 2017
Fund Manager of the Year - Long-only Fixed Income (Highly Commended)
Mr. Gordon Ip, Value Partners Greater China High Yield Income Fund
<i>– The Asset</i>
• Asset Management Awards for Excellence 2017
Best Fund Provider - Greater China Equity
<i>– Asian Private Banker</i> |
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VALUE PARTNERS CLASSIC FUND

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MANAGER'S REPORT

Hong Kong and China (H shares) markets extended their solid performance in the second quarter underpinned by strong corporate earnings results and robust macro data. During the period, the MSCI China Index was up 10.6%; year-to-date, it has returned 24.9%, which is the best first-six-month performance since 2009.

China buoyed by signs of stabilising growth

A series of encouraging macro data signalled further stabilization in China's economy. The official manufacturing Purchasing Managers' Index stayed in expansionary territory in June for the 11th consecutive month while export surprised on the upside on the back of global trade recovery, rising 8.7% in May in USD terms. Meanwhile, China's retail sales grew 10.7% from a year earlier in May, reflecting the continuous progress in China's shift towards a consumption-driven economy.

Robust fundamentals in the first half of 2017 highlighted the strength in China's economy, providing a window of opportunity for the policy makers to tackle deep-seated structural issues. In fact, such structural issues, including climbing debt levels and shadow banking, were cited as major reasons in Moody's downgrade of China and Hong Kong's sovereign credit ratings in late May. In light of the government's policy bias tilts towards tightening to rein in leverage and financial risks, we expect a modest moderation in growth later this year. However, we believe that a sharp deceleration in growth is unlikely given a managed pace of tightening and the government's policy priority to maintain growth at 6.5% this year.

Earnings and southbound flow as catalysts

The Hong Kong and China markets turned in a strong rally year-to-date on the back of recovering corporate earnings results. The recovery trend in earnings is evident – as compared to an earning contraction of 13% in the fourth quarter of 2016, earnings growth of MSCI China Index companies picked up to 7% year-on-year during the first quarter of 2017¹. Meanwhile, with recovering profitability and margin expansion, consensus earnings-per-share (EPS) growth of the MSCI China Index² is estimated to reach 15% for the whole year of 2017, providing impetus for market performance during the year.

From the perspective of capital flow, southbound investment's share in the daily turnover of Hong Kong's stockmarket has been increasing steadily since the fourth quarter last year. Now southbound turnover has exceeded 10% of the average daily turnover in Hong Kong. With increasing demand for overseas asset allocation from China's insurance companies, social security funds and mutual funds, southbound capitals are expected to play a larger role in Hong Kong's stockmarket going forward. Over the long haul, this will not only benefit H-share investors as China continues to open up its capital market, but the heightened liquidity will also reinforce Hong Kong's position as an Asian financial centre.

MANAGER'S REPORT (CONTINUED)**Portfolio strategy review**

Value Partners Classic Fund ("the Fund") rose 11.7% in the second quarter while year-to-date, the Fund gained 25.3%, outperforming the Hang Seng Index which edged up 8% and 18.7% respectively over the corresponding period. The Fund ranked in the first quartile among its peers over one-, three-, five-, ten-year and since-inception periods³, which serves as a testament to the outperformance of value investing in the long run.

During the quarter, our portfolio remained fully invested and our key holdings in technology and real estate led portfolio performance. Within the technology sector, our core holdings in the largest Chinese social network company further beat market estimates in its first-quarter 2017 earnings results. Its share price gapped up post earnings announcement in May driven by better-than-expected revenue growth, which was up 67% year-on-year. We have taken profit on the majority of our holdings in this company after its share price surged over 200% during the holding period. In the property space, which continued to see tightening measures, the share price of our core holdings in a Shenzhen-based leading developer performed strongly, as supported by its solid sales (up 41% year-on-year in 2016) and land bank quality. In our A-share market exposure, our holding in a leading Chinese white liquor company was also a key performance contributor. The share price of the company was boosted by private consumption recovery, restocking cycle as well as expectation on price appreciation of its high end products. During the quarter, we have increased the weighting in financials given improvements in fundamentals within selective insurers and banks, which have also contributed positively to the portfolio.

On the flip side, our holdings in the energy and utilities sectors were major detractors in the second quarter. As oil prices retreated during the quarter, our energy holding dragged performance amid concerns on its earnings recovery. Within the utilities sector, our holdings in the renewable energy space also detracted as wind volume growth and utilization slowed on a year-on-year basis, mainly due to weaker power generation in the Southern provinces. We maintain our exposures as their valuations are attractive and renewable energy companies are expected to be supported by government policies, which is in line with China's commitment to the Paris Accord on climate change.

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MANAGER'S REPORT (CONTINUED)

Outlook

Looking forward to the second half of the year, we remain constructive in Chinese equities despite the strong market performance in the first half and the possibility that economic data may soften after rounds of solid growth data since the start of the year. With that said, bottom-up stock selection is crucial to identify value companies with sustainable earnings. Among various sectors, we favour companies that will benefit from the consumption upgrade momentum in China, such as consumer discretionary and technology leaders. In light of the global growth recovery, we also favour quality exporters which exhibit solid market shares and margin expansion. Although the 12-month forward price-to-earnings (P/E) ratio of the MSCI China Index has normalized to 13.2 times (above 10-year average of 12.1 times), it is still trading at an attractive level relative to most emerging and developed markets.

In an environment of growth moderation, we believe a bottom-up approach to stock selection and our strict adherence to time-tested value-investing principles will be the key to spot quality companies. As always, we will reinvest our profits back into our infrastructure and uncover value opportunities for our investors.

Value Partners Hong Kong Limited

23 August 2017

1. Source: Bloomberg, CICC Research, Factset, MSCI. Data as of May 2017.

2. Source: Bloomberg, Deutsche Bank Research. Data as of May 2017.

3. Based on performance data as of 30 June 2017, among peer funds under Greater China Equity Morningstar Category

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 materials have been obtained from sources believed to be reliable, but their 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.

MANAGER’S REPORT (CONTINUED)

10 biggest holdings of securities as at 30 June 2017

Stock	Industry	Valuation (2017 Estimates)	Remarks
Alibaba Group (Code: BABA US) Market cap: US\$360.9 billion	Internet	Price: USD140.90 P/E: 34.0x P/B: 7.2x Yield: 0%	Alibaba, founded by Jack Ma in 1999 in China, is one of the world’s largest e-commerce company. Alibab’s online marketplace - “Taobao” - contributes the vast majority of the company’s revenue and is likely to continue delivering solid growth in view of its monopoly position and the trend of merchants shifting marketing budgets online from offline. Meanwhile, the company’s cloud computing company (“AliCloud”) and fintech business (“Ant Financial”) are underpinning future growth potential. Ant Financial, 33% owned by Alibaba, is a critical component to Alibaba’s fintech blockchain. Looking forward, re-rating of Alibaba’s stock is possible with 1) improved disclosure on solid operational matrix; 2) solid quarterly earnings which could ease concerns on macro slowdown; 3) spin-off of high value assets (e.g. AliCloud and Ant Financial) to unlock hidden values.
Gree Electric Appliances (Code: 000651 CH) Market cap: US\$36.6 billion	Air conditioner manufacturer	Price: CNY41.17 P/E: 13.8x P/B: 4.0x Yield: 4.8%	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.
Kweichow Moutai (Code: 600519 CH) Market cap: US\$87.6 billion	White spirit manufacturer	Price: CNY471.85 P/E: 29.0x P/B: 6.9x Yield: 1.7%	Kweichow Moutai (“Moutai”) is China’s largest liquor manufacturer in terms of market value. With its premium brand positioning and effective channel management, Moutai has successfully expanded its market share in private consumption in the past two years after huge decline in official consumption. Moutai is now trading at a significant valuation discount to its global liquor peers as its strong brand franchise is under-appreciated by local investors in the A-share market.

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

MANAGER'S REPORT (CONTINUED)

10 biggest holdings of securities as at 30 June 2017(Continued)

Stock	Industry	Valuation (2017 Estimates)	Remarks
Logan Property (Code: 3380 HK) Market cap: US\$3.6 billion	Real estate	Price: HKD5.15 P/E: 6.0x P/B: 1.1x Yield: 5.8%	Logan Property, founded in 1996, is a medium-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 markets. 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.
Man Wah Holdings (Code: 1999 HK) Market cap: US\$3.4 billion	Furniture manufacturer	Price: HKD7.01 P/E: 13.9x P/B: 4.7x Yield: 4.6%	Man Wah is a flagship enterprise in the Chinese furniture industry. It engages in the research, development, production, sales and related services of sofa products, mattresses, panel furniture and furniture accessories. The company has over 200 self-developed products that are patented. It sells sofa products to retailers and distributors in North America, Europe, China and other overseas markets. The company also sells sofas and ancillary products directly to consumers through internet platforms. China sales are an increasingly important segment to Man Wah's overall sales, and orders from the China market have remained robust. With improved efficiency, growing margins and declining expenses, we expect the company to achieve higher revenue growth in future.
PetroChina (Code: 857 HK) Market cap: US\$197.0 billion	Energy	Price: HKD4.78 P/E: 21.0x P/B: 0.6x Yield: 2.0%	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. As China is expected to achieve moderate and stable economic growth, oil and gas demand in China is likely to continue its current upward trajectory. With the oil price hovering at a relatively low level, the company will also benefit as oil recovers.

MANAGER’S REPORT (CONTINUED)

10 biggest holdings of securities as at 30 June 2017(Continued)

Stock	Industry	Valuation (2017 Estimates)	Remarks
<p>Samsung Electronics (Code: 005930 KS)</p> <p>Market cap: US\$271.6 billion</p>	<p>Electronics manufacturer</p>	<p>Price: KRW2,377,000.00 P/E: 8.5x P/B: 1.6x Yield: 1.5%</p>	<p>Samsung Electronics is a global leading producer of semiconductors, display panels, handsets, monitors, and TVs. Company earnings will continue to be driven by the steady growth in semiconductor demand alongside that for big-data servers. Its continuous investment in research and development to maintain its market leadership position will help it compete amid ongoing changes in the industry.</p>
<p>SIIC Environment (Code: SIIC SP)</p> <p>Market cap: US\$1.0 billion</p>	<p>Wastewater treatment</p>	<p>Price: SGD0.52 P/E: 12.0x P/B: 0.9x Yield: 0.6%</p>	<p>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, signifying it 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 local peers, 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.</p>
<p>Taiwan Semiconductor Manufacturing (Code: 2330 TT)</p> <p>Market cap: US\$178.0 billion</p>	<p>Semiconductors and semiconductor equipment</p>	<p>Price: TWD208.50 P/E: 15.5x P/B: 3.5x Yield: 3.5%</p>	<p>Taiwan Semiconductor Manufacturing is a world-class independent semiconductor foundry. It provides integrated circuit (“IC”) design houses with integrated services for 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 for the internet of things trend, AI chips and new application areas.</p>

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

MANAGER'S REPORT (CONTINUED)

10 biggest holdings of securities as at 30 June 2017(Continued)

Stock	Industry	Valuation (2017 Estimates)	Remarks
Techtronic Industries (Code: 669 HK) Market cap: US\$8.4 billion	Home- improvement products	Price: HKD35.90 P/E: 17.5x P/B: 3.1x Yield: 1.7%	Techtronic Industries ("TTI") is a global leader in designing, manufacturing and selling home-improvement products, including power tools, outdoor power equipment and floor-care appliances. TTI benefits from strong US housing market and Home Depot sales, its innovative cordless and smart power tool products helped market share gain as well as margins expansion. Floor-care business turning around shall continuously underpin the earnings growth sustainability.

Note: The above investments made up 43.9% of Value Partners Classic Fund as at 30 June 2017. The stock prices are based on the closing of 30 June 2017.

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

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

MANAGER'S REPORT (CONTINUED)

Value Partners Classic Fund – NAV as at 30 June 2017

Classes	NAV per unit
A Units	USD318.85
B Units	USD143.15
C Units USD	USD18.04
C Units HKD ⁶	HKD140.8085
C Units RMB	CNH12.02
C Units AUD Hedged	AUD14.83
C Units CAD Hedged	CAD14.35
C Units HKD Hedged	HKD12.16
C Units NZD Hedged	NZD14.80
C Units RMB Hedged	CNH12.13

Since launch return compared to indices From 1 April 1993 to 30 June 2017



⁶ 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.

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 2017. Performance data is net of all fees.

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2017

	30.06.2017 US\$	31.12.2016 US\$
Assets		
Deposits with brokers	11,154,588	18,045,085
Financial assets at fair value through profit or loss	1,536,582,164	1,486,155,896
Amounts receivable on sales of investments	34,239,652	38,985,160
Amounts receivable on issue of units	3,678,914	348,161
Dividends receivables and other receivables	8,892,692	936,640
Bank balances	130,918,676	79,311,905
Total assets	<u>1,725,466,686</u>	<u>1,623,782,847</u>
Liabilities		
Financial liabilities at fair value through profit or loss	23,227,363	7,946,732
Amounts payable on purchase of investments	5,555,120	84,898,656
Amounts payable on redemption of units	9,711,940	7,606,568
Management fee and performance fees payable	47,541,949	1,445,763
Bank overdrafts	108,301,570	116,023,419
Accruals and other payables	676,042	786,709
Liabilities (excluding net assets attributable to unitholders)	<u>195,013,984</u>	<u>218,707,847</u>
Net assets attributable to unitholders	<u>1,530,452,702</u>	<u>1,405,075,000</u>
Net asset value per unit		
– A Units with 709,015 (31.12.2016: 717,083) units outstanding	USD318.85	USD254.56
– B Units with 2,172,898 (31.12.2016: 2,304,607) units outstanding	USD143.15	USD114.57
– C Units USD with 52,528,777 (31.12.2016: 62,559,432) units outstanding	USD18.04	USD14.45
– C Units RMB with 234,021 (31.12.2016: 882,958) units outstanding	CNH12.02	CNH10.42
– C Units AUD Hedged with 2,338,714 (31.12.2016: 3,604,969) units outstanding	AUD14.83	AUD11.94
– C Units CAD Hedged with 697,038 (31.12.2016: 882,026) units outstanding	CAD14.35	CAD11.58
– C Units NZD Hedged with 436,606 (31.12.2016: 833,738) units outstanding	NZD14.80	NZD12.06
– C Units HKD Hedged with 2,834,532 (31.12.2016: 3,945,820) units outstanding	HKD12.16	HKD9.85
– C Units RMB Hedged with 1,115,967 (31.12.2016: 1,889,355) units outstanding	CNH12.13	CNH9.61

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

INVESTMENT PORTFOLIO (UNAUDITED)

AS AT 30 JUNE 2017

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed Equity Securities			
China			
China National Accord Medicines Corp Ltd B Shrs	3,038,918	17,699,298	1.16
Gree Electric Appliances Inc of Zhuhai A Shrs (SZHK)	8,882,940	53,923,716	3.53
Huangshan Tourism Development Co Ltd B Shrs	13,331,662	21,290,664	1.39
Inner Mongolia Yili Industrial Group Co Ltd A Shrs (SHHK)	5,015,395	15,966,142	1.04
Midea Group Co Ltd A Shrs (SZHK)	1,499,903	9,518,700	0.62
Wuliangye Yibin Co Ltd A Shrs (SZHK)	728,617	5,979,773	0.39
		124,378,293	8.13
Hong Kong - H shares			
Agricultural Bank of China Ltd H Shrs	32,413,000	15,323,332	1.00
Angang Steel Co Ltd H Shrs	11,226,000	8,370,582	0.55
BAIC Motor Corp Ltd H Shrs	4,678,500	4,537,432	0.30
Bank of China Ltd H Shrs	30,510,000	14,970,924	0.98
China Cinda Asset Management Co Ltd H Shrs	28,001,000	10,439,367	0.68
China Construction Bank Corp H Shrs	28,265,000	21,908,467	1.43
China International Capital Corp Ltd H Shrs	16,947,200	25,012,555	1.63
China Life Insurance Co Ltd H Shrs	2,397,000	7,324,265	0.48
China Pacific Insurance Group Co Ltd H Shrs	5,474,000	22,371,912	1.46
COSCO SHIPPING Development Co Ltd H Shrs	47,056,000	10,369,339	0.68
Hisense Kelon Electrical Holdings Co Ltd H Shrs	17,448,000	29,730,685	1.94
Huaneng Renewables Corp Ltd H Shrs	122,058,000	37,686,943	2.46
Industrial & Commercial Bank of China Ltd H Shrs	34,739,000	23,455,006	1.53
Livzon Pharmaceutical Group Inc H Shrs	1,112,900	7,841,993	0.51
New China Life Insurance Co Ltd H Shrs	1,500,200	7,630,400	0.50
PetroChina Co Ltd H Shrs	77,294,000	47,334,882	3.09
PICC Property & Casualty Co Ltd H Shrs	11,794,000	19,703,634	1.29
Ping An Insurance Group Co of China Ltd H Shrs	3,865,500	25,479,956	1.67
		339,491,674	22.18

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 30 JUNE 2017

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed Equity Securities (Continued)			
<i>Hong Kong - Red Chips</i>			
Beijing Tong Ren Tang Chinese Medicine Co Ltd	10,416,000	15,239,639	1.00
BOC Hong Kong Holdings Ltd	6,393,000	30,591,652	2.00
China Mobile Ltd	2,130,500	22,614,223	1.48
China Resources Pharmaceutical Group Ltd	3,863,500	4,826,065	0.31
China Unicom Hong Kong Ltd	16,076,000	23,891,510	1.56
CSPC Pharmaceutical Group Ltd	7,280,000	10,632,707	0.69
		107,795,796	7.04
<i>Hong Kong - Others</i>			
CK Infrastructure Holdings Ltd	1,781,000	14,968,400	0.98
Haitong International Securities Group Ltd	17,907,000	10,576,242	0.69
HKT Trust & HKT Ltd	10,138,000	13,300,252	0.87
HSBC Holdings PLC	1,720,000	16,009,276	1.04
Lee & Man Paper Manufacturing Ltd	13,387,000	12,434,516	0.81
Logan Property Holdings Co Ltd	71,702,000	47,309,256	3.09
Man Wah Holdings Ltd	52,460,800	47,115,146	3.08
Pacific Textiles Holdings Ltd	6,722,000	7,759,450	0.51
Real Gold Mining Ltd	14,179,500	726,655	0.05
Tao Heung Holdings Ltd	10,496,000	2,622,201	0.17
Techtronic Industries Co Ltd	15,328,500	70,502,047	4.61
Tencent Holdings Ltd	423,000	15,130,852	0.99
WH Group Ltd	7,034,500	7,101,778	0.46
		265,556,071	17.35
<i>Singapore</i>			
SIIC Environment Holdings Ltd	224,658,980	84,841,621	5.54
<i>South Korea</i>			
Hyundai Robotics Co Ltd	15,516	5,234,228	0.34
Samsung Electronics Co Ltd	22,401	46,475,063	3.04
Samsung Electronics Co Ltd Pref	15,116	24,566,311	1.61
		76,275,602	4.99

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 30 JUNE 2017

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Listed Equity Securities (Continued)			
Taiwan			
Catcher Technology Co Ltd	665,000	7,946,857	0.52
Fubon Financial Holding Co Ltd	5,003,000	7,968,813	0.52
Hon Hai Precision Industry Co Ltd	3,340,000	12,846,998	0.84
Largan Precision Co Ltd	270,000	43,050,168	2.81
Mega Financial Holding Co Ltd	8,803,000	7,321,846	0.48
Pegatron Corp	9,001,000	28,200,253	1.84
Taiwan Semiconductor Manufacturing Co Ltd	9,554,000	65,487,836	4.28
Wah Lee Industrial Corp	3,442,000	5,748,359	0.38
		178,571,130	11.67
United Kingdom			
Worldsec Ltd	200,000	16,107	0.00
United States			
Alibaba Group Holding Ltd ADR	595,170	83,859,453	5.48
Tarena International Inc ADR	780,041	13,970,534	0.91
Vipshop Holdings Ltd ADR	500,000	5,275,000	0.35
Weibo Corp	500,000	33,235,000	2.17
		136,339,987	8.91
Participation Notes			
CICC Financial Trading Ltd (Kweichow Moutai Co Ltd A Shrs) P Notes 03/19/2018	393,572	27,382,378	1.79
Customized China A Shares Tradable Index – Proprietary Index Linked Note	100,000,000	1,299,552	0.09
Macquarie Bank Ltd (Bao Viet Holdings) P Notes 01/25/2018	2,853,290	7,218,824	0.47
Macquarie Bank Ltd (FPT Corp) P Notes 04/03/2019	6,831,694	14,080,121	0.92
Macquarie Bank Ltd (Military Commercial Joint Stock Bank) P Notes 03/29/2019	3,757,025	3,685,641	0.24
Macquarie Bank Ltd (Saigon Securities Inc) P Notes 08/31/2017	4,189,620	5,094,578	0.33
		58,761,094	3.84

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 30 JUNE 2017

	Holdings	Fair value US\$	% of net assets
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)			
Quoted Debt Securities			
Logan Property Holdings Co Ltd 5.75% 01/03/2022	26,647,000	27,127,460	1.77
Unlisted Equity Securities			
Eganagoldpfeil Holdings Ltd	6,885,464	-	-
Unlisted Investment Funds			
Strategic Asia Fund Class A	30,476	85,273,223	5.57
Value Partners China A Share Opportunity Fund	107,196	15,906,882	1.04
Value Partners Global Contrarian Fund	1,295,536	10,442,020	0.68
Value Partners Hedge Fund (Non-US Feeder)	149,970	6,351,230	0.42
Value Partners Ireland Fund Plc - Value Partners Greater China Equity Fund	1,850,000	18,962,500	1.24
Value Partners Strategic Equity Fund	238,180	-	-
		136,935,855	8.95
Currency Forwards			
		491,474	0.03
Total financial assets at fair value through profit or loss		1,536,582,164	100.40

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

INVESTMENT PORTFOLIO (UNAUDITED) (CONTINUED)

AS AT 30 JUNE 2017

	Holdings	Fair value US\$	% of net assets
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Listed Equity Securities			
<i>Hong Kong – H shares</i>			
Fuyao Glass Industry Group Co Ltd H Shrs	(6,061,600)	(23,220,207)	(1.52)
		-----	-----
Currency Forwards		(7,156)	(0.00)
		-----	-----
Total financial liabilities at fair value through profit or loss		(23,227,363)	(1.52)
		-----	-----
Total investments, net		1,513,354,801	98.88
		=====	=====
Total investments, at cost (inclusive of transaction cost)		1,395,508,747	
		=====	

VALUE PARTNERS CLASSIC FUND

(A Hong Kong unit trust)

INVESTMENT PORTFOLIO MOVEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 JUNE 2017

	% of net assets	
	30.06.2017	31.12.2016
Listed equity securities		
China	8.13	7.01
Hong Kong		
– H shares	20.66	15.92
– Red chips	7.04	5.67
– Others	17.35	26.95
Singapore	5.54	6.46
South Korea	4.99	4.53
Taiwan	11.67	13.55
United Kingdom	0.00	0.00
United States	8.91	5.63
	<hr/>	<hr/>
	84.29	85.72
Participation notes	3.84	8.26
Quoted debt securities	1.77	1.89
Unlisted investment funds	8.95	9.34
Currency forwards	0.03	(0.01)
	<hr/>	<hr/>
Total investments, net	<u>98.88</u>	<u>105.20</u>