

VALUE PARTNERS HIGH-DIVIDEND STOCKS 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 HIGH-DIVIDEND STOCKS FUND

(A Hong Kong unit trust)

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VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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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

Deacon
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Central
Hong Kong

Auditor

PricewaterhouseCoopers
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GENERAL INFORMATION (CONTINUED)

Recent awards and achievements

Corporate Awards

- 2017 • **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
– The Asset
- **Asset Management Awards for Excellence 2017**
Best Fund Provider - Greater China Equity
– Asian Private Banker

Value Partners High-Dividend Stocks Fund

- 2017 • **Thomson Reuters Lipper Fund Awards 2017**
Best Asia Pacific ex-Japan Equity (10 years)
– Thomson Reuters
- 2016 • **Thomson Reuters Lipper Fund Awards 2016**
Best Asia Pacific ex-Japan Equity (10 Years)
– Thomson Reuters
- **Fund Selector Asia Singapore Awards 2016**
Asia Pacific Equity - Platinum Winner
– Fund Selector Asia

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MANAGER'S REPORT

Asia ex Japan market extended its strength in the second quarter with an 8.3% return in the MSCI Asia ex Japan Index ("the Index") while in the high dividend space, the MSCI Asia ex Japan High Dividend Yield Index was up 5.6%. Year-to-date, the two indices gained 22.8% and 17.6%, respectively. The strong performance was underpinned by broad-based earnings upward revisions and external demand recovery within the region.

China buoyed by signs of stabilizing 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 eleventh 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.

Korean stockmarket maintained upward momentum

In South Korea, stockmarket bounced to fresh record highs in the second quarter amid a recovering economic cycle, robust exports and better sentiment at households and businesses. On the macro front, the Nikkei South Korea Manufacturing Purchasing Managers' Index (PMI) entered expansionary territory for the first time in 11 months in June while export extended an uptrend for the eighth month in a row by expanding 13.7% year-on-year. During the quarter, Samsung Electronics has announced a positive shareholder return policy, which further supported its rerating potential in addition to its strong fundamentals. In the medium term, other Korean corporations may follow this positive exemplary change and potentially narrow the valuation discount in the Korea market within the region.

MANAGER'S REPORT (CONTINUED)**ASEAN markets offer selective opportunities**

In ASEAN where market performance is lagging within the Asia region, there are positive signs of economic recovery with gross domestic product (GDP) accelerating in the first quarter of 2017 (4.7% year-on-year growth versus 4.5% in the fourth quarter of 2016). Both Malaysia and Thailand's first-quarter 2017 GDP growth beat consensus expectation during the period. Despite the relatively rich valuations, we turned more positive on the financial sector in selective ASEAN markets, such as banks in Indonesian and the Philippines, as these two markets offer secular strong loan growth of over 10% and valuations are attractive with a price-to-book ratio of 1.5 times.

Portfolio strategy review

In the second quarter, Value Partners High-Dividend Stocks Fund ("the Fund") rose 5.9% while year-to-date, the Fund gained 18.2%. During the quarter, our exposures in the Hong Kong/China and South Korea markets led portfolio performance; these two markets were among the top-three markets that saw the most earnings upward revisions. Within the Hong Kong/China market, our holding in a leading Chinese property developer was the top performance contributor. Despite continued tightening measures in the property space, the company exhibited strong sales (200% year-on-year sales growth for the month of May 2017) and balance sheet management with a below-industry average net gearing of 54% as of end 2016. The company also lifted payout ratio from 25% to 30% which supported our dividend thesis. Our Chinese insurer position was also among the top contributors driven by solid premium income growth and the recent pick-up in bond yield in China. In Korea, our position in a leading technology hardware company continued to be one of the key contributors supported by significant earnings upward revision in 2017. We continue to hold the position as we believe its leading position in dynamic random-access memory (DRAM), negative-AND (NAND) and organic light-emitting diode (OLED) products offer strong growth drivers for the company's revenue.

Thus far, 2017 has been a constructive year for Asia ex Japan equities driven by the strongest earnings upward revision in 6 years. In particular, companies with strong earnings growth in the information technology sector surged remarkably in the first half and were the key performance contributors for the Index. However, these companies were deemed challenging for dividend investors as they are generally trading at high multiples and pay almost zero dividend. They are unfit dividend plays, and they had literally become the key reasons for our performance gap year-to-date. However, with the market's keen interest in internet stocks, many sectors are left underappreciated which created compelling investment opportunities. In the first half of the year, three of our holdings in the consumer sector were privatized, which showed that private equities funds were also capturing these undervalued opportunities. It is expected that they might re-list these companies a few years later at a much higher valuation.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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MANAGER'S REPORT (CONTINUED)

Outlook

Looking forward to the second half of the year, we remain constructive on Asia ex Japan equities despite their strong market performance in the first half. With the latest consensus 2017 estimated earnings growth of 18.1% for the MSCI Asia ex Japan Index (versus 13.2% in January), we expect the region's earnings growth will continue to be the fundamental driver. This, together with improvement in cashflow generation, is supportive for dividend growth within the region. Although the 12-month forward price-to-earnings (P/E) ratio of the MSCI Asia ex Japan index has normalized to 12.9 times, it is still trading at an attractive level relative to developed markets and most emerging countries.

Value Partners Hong Kong Limited

23 August 2017

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.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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MANAGER'S REPORT (CONTINUED)

10 biggest holdings of securities as at 30 June 2017

Stock	Industry	Valuation (2017 Estimates)	Remarks
China Construction Bank (Code: 939 HK) Market cap: US\$195.0 billion	Banks	Price: HKD6.05 P/E: 5.5x P/B: 0.8x Yield: 5.5%	China Construction Bank ("CCB") ranks second in China in terms of assets and deposits. Conservatively managed, CCB has controlled risk weighted asset growth and built up loan loss provision buffers over the past two years. It is one of the best capitalized banks in the country.
China Resources Power (Code: 836 HK) Market cap: US\$9.4 billion	Power generation	Price: HKD15.32 P/E: 11.4x P/B: 1.1x Yield: 5.6%	China Resources Power engages in investing, developing, operating, and managing power plants and coal mine projects in China. It operates and manages coal- and gas-fired power plants, wind farms, hydro-electric projects and other clean and renewable energy projects. As of 31 December 2016, the company had a total attributable operational generation capacity of 36,184 Megawatts. The firm enjoys higher profit margin, lower financing costs, faster cash conversion and stronger capex discipline than peers.
China State Construction International (Code: 3311 HK) Market cap: US\$7.7 billion	Construction	Price: HKD13.36 P/E: 10.3x P/B: 2.0x Yield: 2.8%	China State Construction International ("CSCI") is the largest construction company in Hong Kong with increasing exposure to mainland China. In Hong Kong, there are still ample projects for the company to undertake and that include the building of a third runway at Hong Kong International Airport. In mainland China, CSCI is also getting more contracts, especially for low-cost housing and toll road constructions. On the back of China's strong push of public-private partnership ("PPP") infrastructure projects, CSCI is expected to benefit from this business tailwind and see further improvements in cash flow and profitability. The company's management has also pledged to deliver double-digit net profit growth in the next few years.
Longfor Properties (Code: 960 HK) Market cap: US\$12.6 billion	Real estate	Price: HKD16.78 P/E: 8.9x P/B: 1.2x Yield: 3.9%	Longfor Properties is a leading property developer in China which is also the first non-state developer that has attained investment grade credit rating. With a sharp focus on profitability instead of scale expansion, Longfor's management has been building a sizable recurring income through a portfolio of shopping malls targeted at the middle class. Over the next few years, rental income of Longfor is expected to be strong enough to cover the developer's interest expenses.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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MANAGER'S REPORT (CONTINUED)

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

Stock	Industry	Valuation (2017 Estimates)	Remarks
<p>Midea Group (Code: 000333 CH)</p> <p>Market cap: US\$41.3 billion</p>	Home appliance manufacturer	<p>Price: CNY43.04 P/E: 16.5x P/B: 3.9x Yield: 2.6%</p>	Midea Group is a leading home appliance manufacturer in China with extensive products including air conditioners, washing machines, refrigerators and diversified small home appliances. It also engages in logistics business for better channel efficiency. Under the backdrop of consumption upgrading in the white goods industry, Midea offers a good way to capture the structural growth opportunity through its attractive product offering, enhanced brand portfolio, efficient channel, and exposure to high-potential small appliance sector.
<p>PetroChina (Code: 857 HK)</p> <p>Market cap: US\$197.0 billion</p>	Energy	<p>Price: HKD4.78 P/E: 21.0x P/B: 0.6x Yield: 2.0%</p>	PetroChina is China's largest oil and gas producer and distributor which plays a dominant role in the country's oil and gas industry. 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 price recovers.
<p>Samsung Electronics (Code: 005935 KS) <i>Preferred shares</i></p> <p>Market cap: US\$30.4 billion</p>	Electronics manufacturer	<p>Price: KRW1,862,000.00 P/E: 6.7x P/B: 1.2x Yield: 1.9%</p>	Samsung Electronics is a global leading producer of semiconductors, display panels, handsets, monitors, and TVs. Company earnings will continue to be driven by steady growth in semiconductor demand alongside demand 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>Samsung Electronics (Code: 005930 KS)</p> <p>Market cap: US\$271.6 billion</p>		<p>Price: KRW2,377,000.00 P/E: 8.5x P/B: 1.6x Yield: 1.5%</p>	

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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MANAGER'S REPORT (CONTINUED)

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

Stock	Industry	Valuation (2017 Estimates)	Remarks
Samsung Fire & Marine Insurance (Code: 000815 KS) <i>Preferred shares</i> Market cap: US\$0.5 billion	Insurance	Price: KRW195,000.00 P/E: 7.8x P/B: 0.7x Yield: 3.8%	Samsung Fire & Marine Insurance ("SFM") has been a leader in the non-life insurance industry in Korea with a dominant market share backed by strong capital position. The company offers auto, long-term insurance products, as well as other commercial lines products such as fire, marine and casualty insurance. With ongoing deregulation on product development and pricing sets to benefit the overall insurance industry in Korea, we believe strong capital position with prudent pricing track record will remain the key competitive advantage of SFM.
Skyworth Digital (Code: 751 HK) Market cap: US\$1.9 billion	Consumer durables	Price: HKD4.85 P/E: 10.9x P/B: 0.9x Yield: 3.5%	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.

Note: The above investments made up 31.3% of Value Partners High-Dividend Stocks 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 HIGH-DIVIDEND STOCKS FUND

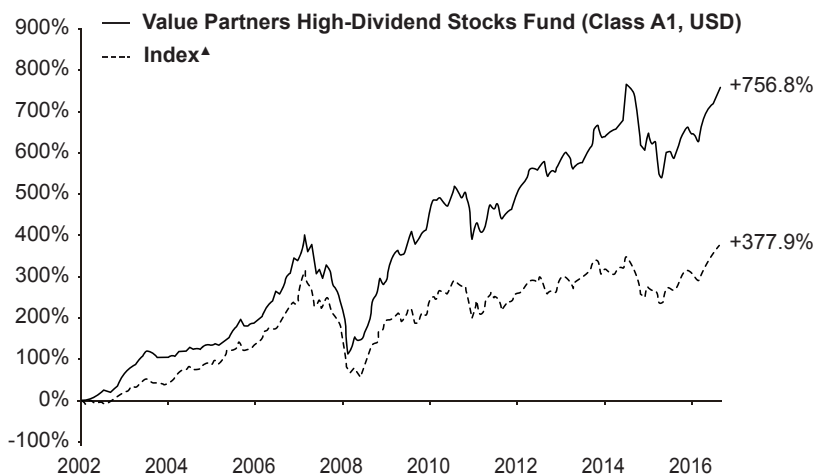
(A Hong Kong unit trust)

MANAGER'S REPORT (CONTINUED)

Value Partners High-Dividend Stocks Fund – NAV as at 30 June 2017

Classes	NAV per unit
Class A1 USD	USD84.80
Class A1 HKD ⁶ (for reference only)	HKD661.8937
Class A Acc RMB Hedged	RMB12.01
Class A Acc RMB Unhedged	RMB14.07
Class A2 MDis USD	USD11.40
Class A2 MDis HKD	HKD10.49
Class A2 MDis AUD Hedged	AUD9.97
Class A2 MDis CAD Hedged	CAD10.09
Class A2 MDis GBP Hedged	GBP9.60
Class A2 MDis NZD Hedged	NZD10.14
Class A2 MDis RMB Hedged	RMB10.03
Class A2 MDis RMB Unhedged	RMB10.25
Class A2 MDis SGD Hedged	SGD11.00
Class Z USD	USD13.41
Class X Acc USD Unhedged	USD13.48

Since launch return compared to indices From 2 September 2002 to 30 June 2017



⁶ Investors should note that the base currency of the Fund is in USD. The HKD equivalent NAV per unit for the Fund is for reference only and should not be used for subscription or redemption purpose. Conversion to the base currency of the Fund will normally take place at the prevailing rate (as determined by the Fund's trustee or Custodian) on the corresponding fund dealing day.

[▲] Index refers to MSCI AC Asia Pacific (ex-Japan) Total Return Index up to 30 Apr 2016, thereafter it is the MSCI AC Asia (ex-Japan) Total Return Index.

Fund performance mentioned is referred to Value Partners High-Dividend Stocks Fund (Class A1). 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 HIGH-DIVIDEND STOCKS 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		
Financial assets at fair value through profit or loss	3,586,829,897	3,475,591,522
Amounts receivable on sales of investments	16,276,930	16,993,158
Amounts receivable on issue of units	11,184,779	5,861,847
Dividends, interest receivables and other receivables	26,896,770	2,939,251
Margin deposits	3,812	3,773
Bank balances	33,810,044	67,045,879
Total assets	<u>3,675,002,232</u>	<u>3,568,435,430</u>
	-----	-----
Liabilities		
Financial liabilities at fair value through profit or loss	40,148	1,212,849
Amounts payable on purchase of investments	16,832,311	27,786,445
Amounts payable on redemption of units	33,310,206	31,890,876
Management fees and performance fees payable	92,468,168	3,768,174
Distribution payable	8,862,161	12,257,656
Bank overdrafts	46,364,835	-
Accruals and other payables	720,602	631,110
Liabilities (excluding net assets attributable to unitholders)	<u>198,598,431</u>	<u>77,547,110</u>
	-----	-----
Net assets attributable to unitholders	<u><u>3,476,403,801</u></u>	<u><u>3,490,888,320</u></u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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STATEMENT OF FINANCIAL POSITION (UNAUDITED) (CONTINUED)

AS AT 30 JUNE 2017

	30.06.2017	31.12.2016
Net asset value per unit		
– Class A1 USD with 14,543,928 (31.12.2016 : 16,317,839) units outstanding	USD84.80	USD71.72
– Class A2 MDis USD with 98,938,163 (31.12.2016: 122,570,348) units outstanding	USD11.40	USD9.92
– Class A Acc RMB Hedged with 1,406,735 (31.12.2016: 2,120,485) units outstanding	RMB12.01	RMB10.00
– Class A Acc RMB Unhedged with 1,370,548 (31.12.2016: 1,593,548) units outstanding	RMB14.07	RMB12.25
– Class A2 MDis HKD with 448,468,636 (31.12.2016: 509,313,250) units outstanding	HKD10.49	HKD9.04
– Class A2 MDis AUD Hedged with 38,246,935 (31.12.2016: 45,699,958) units outstanding	AUD9.97	AUD8.76
– Class A2 MDis CAD Hedged with 6,596,221 (31.12.2016: 8,633,282) units outstanding	CAD10.09	CAD8.83
– Class A2 MDis GBP Hedged with 3,072,945 (31.12.2016: 3,274,185) units outstanding	GBP9.60	GBP8.28
– Class A2 MDis NZD Hedged with 8,354,740 (31.12.2016: 9,391,440) units outstanding	NZD10.14	NZD8.95
– Class A2 MDis RMB Hedged with 13,407,303 (31.12.2016: 12,028,911) units outstanding	RMB10.03	RMB8.53
– Class A2 MDis RMB Unhedged with 1,342,092 (31.12.2016: 1,148,943) units outstanding	RMB10.25	RMB9.16
– Class A2 MDis SGD Hedged with 34,041 (31.12.2016: Nil) units outstanding	SGD11.00	-
– Class Z USD with 1,734,297 (31.12.2016: 3,216,696) units outstanding	USD13.41	USD11.47
– Class X Acc USD Unhedged with 1,294,111 (31.12.2016: 1,332,001) units outstanding	USD13.48	USD11.09

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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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			
Chongqing Changan Automobile Co Ltd B Shrs	38,911,038	51,347,306	1.48
Huayu Automotive Systems Co Ltd A Shrs (SHHK)	5,019,609	17,940,920	0.51
		<u>69,288,226</u>	<u>1.99</u>
		-----	-----
Hong Kong - H Shares			
China Cinda Asset Management Co Ltd H Shrs	27,748,000	10,345,043	0.30
China Communications Construction Co Ltd H Shrs	10,711,000	13,804,975	0.40
China Construction Bank Corp H Shrs	214,836,000	166,521,399	4.79
China Life Insurance Co Ltd H Shrs	7,820,000	23,894,765	0.69
China Machinery Engineering Corp H Shrs	25,945,000	18,315,252	0.53
Chongqing Rural Commercial Bank Co Ltd H Shrs	26,248,000	17,722,070	0.51
PetroChina Co Ltd H Shrs	161,376,000	98,826,738	2.84
Ping An Insurance Group Co of China Ltd H Shrs	10,508,000	69,264,876	1.99
Qingdao Port International Co Ltd H Shrs	86,362,000	49,679,435	1.43
Xinjiang Goldwind Science & Technology Co Ltd H Shrs	36,715,600	53,624,481	1.54
Yangtze Optical Fibre and Cable Joint Stock Ltd Co H Shrs	31,153,000	66,174,706	1.90
		<u>588,173,740</u>	<u>16.92</u>
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Hong Kong - Red chips			
BOC Hong Kong Holdings Ltd	8,649,500	41,389,409	1.19
China Overseas Land & Investment Ltd	17,614,000	51,564,619	1.48
China Power International Development Ltd	38,986,000	13,835,538	0.40
China Resources Power Holdings Co Ltd	36,244,507	71,139,135	2.05
China State Construction International Holdings Ltd	42,228,000	72,279,408	2.08
Far East Horizon Ltd	72,027,000	62,842,008	1.81
Jinmao Hotel and Jinmao China Hotel Investments and Management Ltd	2,786,000	1,513,403	0.04
		<u>314,563,520</u>	<u>9.05</u>
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VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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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)			
Hong Kong - Others			
Belle International Holdings Ltd	22,701,000	17,915,681	0.51
Cheung Kong Property Holdings Ltd	5,034,720	39,443,859	1.13
China Lilang Ltd	54,496,000	36,305,765	1.04
China Sanjiang Fine Chemicals Co Ltd	4,488,000	1,276,478	0.04
Chow Sang Sang Holdings International Ltd	1,819,500	4,247,252	0.12
CIFI Holdings Group Co Ltd	129,710,000	57,664,768	1.66
CK Hutchison Holdings Ltd	3,111,720	39,069,172	1.12
Convenience Retail Asia Ltd	22,175,000	10,994,670	0.32
CSI Properties Ltd	698,470,000	33,557,272	0.96
EGL Holdings Co Ltd	30,124,000	5,133,008	0.15
Far East Consortium International Ltd/HK	109,670,788	61,261,140	1.76
FSE Engineering Holdings Ltd	15,608,000	4,739,180	0.14
Goldpac Group Ltd	11,027,000	3,319,960	0.10
Haitian International Holdings Ltd	8,157,000	22,886,648	0.66
HKBN Ltd	13,312,500	13,320,431	0.38
Hopefluent Group Holdings Ltd	25,204,000	8,621,610	0.25
Hui Xian Real Estate Investment Trust	19,309,044	8,854,486	0.25
Hutchison Telecommunications Hong Kong Holdings Ltd	49,308,000	17,372,315	0.50
Jiangnan Group Ltd	186,426,000	16,241,383	0.47
Lee & Man Chemical Co Ltd	33,718,000	17,495,423	0.50
Longfor Properties Co Ltd	70,850,000	152,313,862	4.38
Modern Beauty Salon Holdings Ltd	8,576,000	412,025	0.01
Nameson Holdings Ltd	67,718,000	13,100,525	0.38
Oi Wah Pawnshop Credit Holdings Ltd	134,380,821	7,489,178	0.22
Real Gold Mining Ltd	4,283,500	219,516	0.01
Shimao Property Holdings Ltd	13,903,000	23,797,021	0.68
SITC International Holdings Co Ltd	69,742,000	54,861,842	1.58
Skyworth Digital Holdings Ltd	110,845,422	68,875,873	1.98
SmarTone Telecommunications Holdings Ltd	14,952,000	19,577,526	0.56
Springland International Holdings Ltd	42,080,000	8,302,408	0.24
TK Group Holdings Ltd	65,308,000	26,607,319	0.77
Wasion Group Holdings Ltd	14,264,000	6,560,598	0.19
WH Group Ltd	16,057,500	16,211,073	0.47
Wonderful Sky Financial Group Holdings Ltd	66,050,000	17,516,639	0.50
Xtep International Holdings Ltd	19,526,000	7,529,869	0.22
		843,095,775	24.25

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

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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)			
Indonesia			
Adhi Karya Persero Tbk PT	49,885,200	8,036,953	0.23
Bank Pan Indonesia Tbk PT	156,664,500	11,446,071	0.33
Bekasi Fajar Industrial Estate Tbk PT	426,394,100	10,416,217	0.30
Indosat Tbk PT	49,212,400	23,970,061	0.69
Link Net Tbk PT	57,316,900	22,226,664	0.64
Media Nusantara Citra Tbk PT	95,737,700	13,200,247	0.38
Metropolitan Land Tbk PT	1,029,700	24,074	0.00
Nusa Raya Cipta Tbk PT	46,505,600	1,400,917	0.04
Panin Financial Tbk PT	1,011,339,200	17,733,479	0.51
Perusahaan Gas Negara Persero Tbk	141,964,200	23,935,505	0.69
Total Bangun Persada Tbk PT	42,243,000	2,342,436	0.07
United Tractors Tbk PT	6,707,700	13,797,399	0.40
Waskita Karya Persero Tbk PT	71,876,700	12,495,607	0.36
XL Axiata Tbk PT	71,276,100	18,212,918	0.52
		<hr/>	
		179,238,548	5.16
		<hr/>	
Malaysia			
CB Industrial Product Holding Bhd	296,800	140,297	0.01
CIMB Group Holdings Bhd	7,479,735	11,460,393	0.33
Mah Sing Group Bhd	52,768,671	19,905,751	0.57
Padini Holdings Bhd	302,100	247,617	0.01
Tenaga Nasional Bhd	7,592,700	24,999,599	0.72
UOA Development Bhd	22,962,200	13,634,558	0.39
		<hr/>	
		70,388,215	2.03
		<hr/>	
Philippines			
Megaworld Corp	127,670,000	10,860,803	0.31
Metropolitan Bank & Trust Co	12,572,950	21,764,558	0.63
Pryce Corp	16,142,000	2,235,424	0.06
		<hr/>	
		34,860,785	1.00
		<hr/>	

VALUE PARTNERS HIGH-DIVIDEND STOCKS 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)			
Singapore			
AIMS AMP Capital Industrial REIT	16,682,800	17,931,329	0.51
Asian Pay Television Trust	36,832,300	15,247,040	0.44
CapitaLand Retail China Trust	15,651,078	18,641,031	0.54
China Jinjiang Environment Holding Co Ltd	5,052,000	3,008,562	0.09
Croesus Retail Trust	23,540,627	20,173,528	0.58
DBS Group Holdings Ltd	2,507,999	37,776,171	1.09
Ezion Holdings Ltd	37,541,400	6,407,080	0.18
Viva Industrial Trust	31,977,400	20,552,670	0.59
		<hr/>	
		139,737,411	4.02
		-----	-----
South Korea			
Amotech Co Ltd	503,571	12,328,691	0.35
E-MART Inc	52,437	10,732,579	0.31
Fila Korea Ltd	215,992	16,118,595	0.46
Hyundai Robotics Co Ltd	33,896	11,434,610	0.33
KB Financial Group Inc	977,816	49,244,343	1.42
Korea Electric Power Corp	1,814,981	64,633,198	1.86
Maeil Dairies Co Ltd	145,417	9,481,110	0.27
S-1 Corp	212,950	18,029,047	0.52
Samsung Electronics Co Ltd	38,129	79,105,739	2.28
Samsung Electronics Co Ltd Pref	138,113	224,459,314	6.46
Samsung Fire & Marine Insurance Co Ltd	1	246	0.00
Samsung Fire & Marine Insurance Co Ltd Pref	413,054	70,301,540	2.02
Sekonix Co Ltd	526,106	8,357,339	0.24
SK Hynix Inc	342,850	20,169,143	0.58
		<hr/>	
		594,395,494	17.10
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VALUE PARTNERS HIGH-DIVIDEND STOCKS 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			
Advanced Semiconductor Engineering Inc	1,976,874	2,537,870	0.07
Basso Industry Corp	7,485,000	20,916,069	0.60
Chilisin Electronics Corp	4,790,000	12,912,749	0.37
Chipmos Technologies Inc	10,365,000	10,341,829	0.30
CTBC Financial Holding Co Ltd	32,236,000	21,142,357	0.61
Flexium Interconnect Inc	2,826,000	10,637,682	0.31
Inventec Corp	22,366,000	18,235,150	0.52
Johnson Health Tech Co Ltd	3,257,550	4,090,946	0.12
Kerry TJ Logistics Co Ltd	9,562,000	11,898,274	0.34
King Yuan Electronics Co Ltd	42,752,000	43,780,814	1.26
Largan Precision Co Ltd	223,000	35,556,250	1.02
Parade Technologies Ltd	917,000	11,274,837	0.32
Pegatron Corp	9,108,000	28,535,486	0.82
Quanta Computer Inc	8,384,000	19,845,092	0.57
Taiwan Sakura Corp	10,096,000	12,048,287	0.35
Taiwan Semiconductor Manufacturing Co Ltd	9,406,000	64,473,371	1.86
Xxentria Technology Materials Corp	1,000	2,318	0.00
		328,229,381	9.44
		-----	-----
Thailand			
AP Thailand PCL (FR)	65,940,900	15,718,696	0.45
Kang Yong Electric PCL (FR)	125,300	1,961,730	0.06
Supalai PCL (FR)	39,967,500	30,581,371	0.88
		48,261,797	1.39
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VALUE PARTNERS HIGH-DIVIDEND STOCKS 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)			
United States			
iShares MSCI India ETF	822,300	26,395,830	0.76
Yum China Holdings Inc	432,137	17,039,162	0.49
ZTO Express Cayman Inc ADR	530,837	7,410,485	0.21
		<u>50,845,477</u>	<u>1.46</u>
		-----	-----
Listed Equity Warrants			
Malaysia			
Mah Sing Group Bhd	6,697,828	218,348	0.01
		-----	-----
Singapore			
Ezion Holdings Ltd	8,764,964	210,061	0.00
		-----	-----

VALUE PARTNERS HIGH-DIVIDEND STOCKS 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			
Singapore Dollar			
Gajah Tunggal Tbk PT 7.75% 02/06/2018	12,650,000	12,144,699	0.35
		-----	-----
Participation Notes			
China			
CICC Financial Trading Ltd (Midea Group Co Ltd A Shrs) P Notes 11/25/2017	11,953,387	75,856,194	2.18
		-----	-----
India			
Macquarie Bank Ltd (Power Grid Corp of India Ltd) P Notes 03/11/2019	4,494,400	14,595,181	0.42
Macquarie Bank Ltd (Sterlite Technologies Ltd) P Notes 02/05/2019	6,094,502	13,799,405	0.40
Macquarie Bank Ltd (TAKE Solutions Ltd) P Notes 02/28/2019	628,630	1,600,925	0.05
Societe Generale (Bharti Infratel Ltd) P Notes 07/16/2018	1,765,124	10,189,171	0.29
Societe Generale (HCL Technologies Ltd) P Notes 07/16/2018	526,796	6,922,582	0.20
Societe Generale (Housing Development & Infrastructure Ltd) P Notes 07/16/2017	2,494,754	3,274,870	0.09
Societe Generale (Indiabulls Housing Finance Ltd) P Notes 01/11/2018	823,426	13,754,480	0.40
Societe Generale (Power Grid Corp of India Ltd) P Notes 07/16/2018	785,100	2,549,545	0.07
Societe Generale (TAKE Solutions Ltd) P Notes 06/15/2018	1,403,964	3,575,460	0.10
		<u>70,261,619</u>	<u>2.02</u>
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VALUE PARTNERS HIGH-DIVIDEND STOCKS 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)			
Unlisted Investment Funds			
Malabar India Fund Ltd Class 1 Shrs	18,374	41,033,536	1.18
Malabar Select Fund Class 1 - Standard Class	14,796	19,280,683	0.56
Malabar Select Fund Class 1 - Standard Class - Series 30/11/16	9,453	12,317,241	0.35
Malabar Select Fund Class 1- Standard Class - Series 31/03/17	4,027	5,241,357	0.15
Malabar Select Fund Class 1 - Standard Class - Series 31/05/17	3,853	5,019,483	0.14
Value Partners Global Contrarian Fund	3,688,726	29,731,131	0.86
Value Partners Ireland Fund Plc - Value Partners Asia Dividend Stocks Fund	4,484,277	48,475,031	1.39
Value Partners Strategic Equity Fund	189,480	-	-
		161,098,462	4.63
		-----	-----
Unquoted Debt Securities			
United States Dollar			
LDK Solar Co Ltd 5.535% 12/31/2018	2,427,482	247,039	0.01
		-----	-----
Currency Forwards		5,715,106	0.17
		-----	-----
Total financial assets at fair value through profit or loss		3,586,829,897	103.18
		-----	-----
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Currency Forwards		(40,148)	(0.00)
		-----	-----
Total financial liabilities fair value through profit or loss		(40,148)	(0.00)
		-----	-----
Total investments, net		3,586,789,749	103.18
Total investments, at cost		3,269,033,916	

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong unit trust)

INVESTMENT PORTFOLIO MOVEMENTS (UNAUDITED)

FOR THE YEAR ENDED 30 JUNE 2017

	% of net assets	
	30.06.2017	31.12.2016
Listed equity securities		
China	1.99	1.79
Hong Kong		
– H shares	16.92	17.65
– Red chips	9.05	11.19
– Others	24.25	23.88
Indonesia	5.16	2.92
Malaysia	2.03	2.17
Philippines	1.00	0.42
Singapore	4.02	4.79
South Korea	17.10	20.11
Taiwan	9.44	5.04
Thailand	1.39	2.00
United States	1.46	1.20
	<hr/>	<hr/>
	93.81	93.16
	<hr/>	<hr/>
Quoted debt securities		
Singapore dollar	0.35	-
United States dollar	-	0.03
	<hr/>	<hr/>
	0.35	0.03
Currency forwards	0.17	(0.02)
Participation notes	4.20	2.55
Unlisted investment funds	4.63	3.55
Unquoted debt securities		
United States dollar	0.01	0.25
Listed equity warrants	0.01	0.01
	<hr/>	<hr/>
Total investments, net	<u>103.18</u>	<u>99.53</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A Hong Kong unit trust)

DISTRIBUTION TO UNITHOLDERS (UNAUDITED)

In accordance with the Explanatory Memorandum of the Fund, the Manager may determine to make a distribution out of the income and/or capital. During the period ended 30 June 2017, the Fund declared total distributions to unitholders of US\$61,220,899 (period ended 30 June 2016: US\$74,355,213).

The table below summarises the dividend distribution made during the reporting period.

Classes	01.01.2017 to 30.06.2017	01.01.2016 to 30.06.2016	Frequency	Ex-dividend dates*
Class A2 MDis USD	USD0.0499	USD0.0499	Monthly	Last business day of January to February
Class A2 MDis USD	USD0.0425	USD0.0499	Monthly	Last business day of March to June
Class A2 MDis HKD	HKD0.0458	HKD0.0458	Monthly	Last business day of January to February
Class A2 MDis HKD	HKD0.039	HKD0.0458	Monthly	Last business day of March to June
Class A2 MDis AUD Hedged	AUD0.0639	AUD0.0639	Monthly	Last business day of January to February
Class A2 MDis AUD Hedged	AUD0.0544	AUD0.0639	Monthly	Last business day of March to June
Class A2 MDis CAD Hedged	CAD0.0503	CAD0.0503	Monthly	Last business day of January to February
Class A2 MDis CAD Hedged	CAD0.0428	CAD0.0503	Monthly	Last business day of March to June
Class A2 MDis GBP Hedged	GBP0.0478	GBP0.0478	Monthly	Last business day of January to February
Class A2 MDis GBP Hedged	GBP0.0407	GBP0.0478	Monthly	Last business day of March to June
Class A2 MDis NZD Hedged	NZD0.0641	NZD0.0641	Monthly	Last business day of January to February
Class A2 MDis NZD Hedged	NZD0.0546	NZD0.0641	Monthly	Last business day of March to June
Class A2 MDis RMB Hedged	RMB0.0520	RMB0.0520	Monthly	Last business day of January to February
Class A2 MDis RMB Hedged	RMB0.0443	RMB0.0520	Monthly	Last business day of March to June
Class A2 MDis RMB Unhedged	RMB0.0520	RMB0.0520	Monthly	Last business day of January to February
Class A2 MDis RMB Unhedged	RMB0.0443	RMB0.0520	Monthly	Last business day of March to June
Class A2 MDis SGD Hedged	SGD0.0499	-	Monthly	Last business day of February
Class A2 MDis SGD Hedged	SGD0.0425	-	Monthly	Last business day of March to June

* Last business day of each month in 2017 are 27 January 2017, 28 February 2017, 31 March 2017, 28 April 2017, 31 May 2017, 30 June 2017.

Last business day of each month in 2016 are 29 January 2016, 29 February 2016, 31 March 2016, 29 April 2016, 31 May 2016, 30 June 2016.

Class A2 MDis SGD Hedged were launched on 23 Jan 2017. First distribution was on 28 February 2017.