

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

2016 SEMI-ANNUAL
REPORT

For the six months ended 30 June 2016

Value Partners Hong Kong Limited

9th Floor, Nexxus Building

41 Connaught Road Central, Hong Kong

Tel: (852) 2880 9263 Fax: (852) 2565 7975

Email: vpl@vp.com.hk

Website: www.valuepartners-group.com

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 unit trust established in Hong Kong)

CONTENTS

	<i>Pages</i>
General information	2-3
Manager's report	4-10
Statement of financial position (unaudited)	11
Investment portfolio (unaudited)	12-17
Investment portfolio movements (unaudited)	18

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A unit trust established in Hong Kong)

GENERAL INFORMATION

Manager

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

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, and Principal Office

Bank of Bermuda (Cayman) Limited[^]
P.O. Box 513
HSBC House
68 West Bay Road
Grand Cayman KY1-1106
Cayman Islands

Custodian, Registrar's Agent and Administrator's Agent

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

Trustee, Registrar, Administrator, Custodian and Principal Office

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

Legal Advisors

With respect to Cayman Islands law
Maples and Calder[^]
53rd Floor, The Center
99 Queen's Road Central
Hong Kong

With respect to Hong Kong law
King & Wood Mallesons[^]
13th Floor, Gloucester Tower
The Landmark
15 Queen's Road Central
Hong Kong

Deacons[#]
5th Floor, Alexandra House
18 Chater Road
Central
Hong Kong

Auditor

PricewaterhouseCoopers[^]
P.O. Box 259
George Town
Grand Cayman KY1-1104
Cayman Islands

PricewaterhouseCoopers[#]
22nd Floor, Prince's Building
10 Chater Road
Central
Hong Kong

Information available from:

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

Investor hotline : (852) 2143 0688
Fax : (852) 2565 7975
Email : fis@vp.com.hk
Website : www.valuepartners-group.com

[^] Status before 22 April 2016

[#] Status effective 22 April 2016

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 High-Dividend Stocks Fund

- 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*
- 2015
 - **Eurekahedge Asian Hedge Fund Awards 2015**
Nominated for Best Asian Billion Dollar Hedge Fund
– *Eurekahedge*
 - **Asset Management Awards 2015**
Best Retail Product
– *AsianInvestor*
 - **Investors Choice Awards 2015 (APAC)**
Asia ex-Japan Fund – Long Term Performance
– *HedgePo*

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A unit trust established in Hong Kong)

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 Asia again

For three years in a row since 2013, the Asia ex Japan region has recorded a net outflow, and emerging markets have been unpopular amongst global investors. Brexit, in fact, may reverse this trend given the shortage of good investment opportunities around the world. While stock markets were hammered, the actual impact on Asia ex Japan fundamentally is rather limited.

First of all, the UK's trade relationship with Asia ex Japan is limited – the region's average export exposure to the UK is only around 0.9% of GDP. Besides, UK represents only 3% of China's exports, the demand for Chinese products are unlikely to dry up due to Brexit and the business of most Chinese companies should not be fundamentally affected.

In the unlikely case of economic fallout, we believe Asian policy makers will respond with monetary policy easing, and they do have room to accommodate that given inflation remains low. Central banks and policymakers around the world are positioned to loosen amidst heightened uncertainty in the global environment, or keep interest rates lower for longer. The expectation of a US Fed hike continues to dwindle, which is generally favourable to Asian equities.

China fears overblown

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.

While Brexit may make it more difficult for China to maintain a stable currency, it is likely that the People's Bank of China would resort to intervention to stabilize the RMB in case of huge capital outflow, 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. Those who bet against RMB were proven wrong, and they are likely to remain wrong.

MANAGER'S REPORT (Continued)

South Korea: expectations of further loosening

Responding to the prolonged export weakness and the growing pressure to ease policies, the Bank of Korea surprised the market with a rate cut in early June. The base rate was lowered by 25 basis points to a historical low level of 1.25%, marking the first rate cut in a year. Another move came towards the end of the month – in the form of a 10-trillion-won supplementary budget for the second half of this year. The stimulus package was aimed at creating jobs and cushioning the repercussions of corporate restructuring. Meanwhile, the Korean government cut its 2016 GDP growth forecast to 2.8% from 3.1%. Although Korea's trade link with Britain is limited, with only 1% to 2% of the country's exports and imports as of 2015, "Brexit" is adding pressure on the central bank to cut key rate further this year.

ASEAN: hunting for values selectively

In the ASEAN region, we continued to find investment opportunities in spite of the relatively higher valuations and the stagnating global environment that dragged the region's exporters. Our focus for the region was on infrastructure developments as various governments utilize fiscal stimulus to boost the economy. For Malaysia in particular, there has been encouraging efforts by the government in its infrastructure development with a large number of projects coming up such as the high speed railway and new subway lines. Currently, we favour Singapore, with a focus on REITs and telecommunication companies, as it is likely to benefit from the yield chasing trend.

Value investors' long winter may be passing

In the first six months up to end of June 2016, Value Partners High-Dividend Stocks Fund declined 3.2%. In the same period, the reference index¹ was up 3.2%.

In the Asia region, 2016 continues the trend of a long 3-year winter for the value investment style. Since the second half of 2013, the growth style has outperformed the value style in the Asia ex-Japan markets most of the time². The risk aversion environment at the moment may actually trigger a reversal and bring the value style back in favour. In a risk-off mode, investors tend to look for opportunities that are priced at attractive level with higher safety margin.

For bargain hunters, the current market weakness may present window for entry: MSCI Asia ex-Japan Index is trading at 12.9x P/E and 1.3x P/B, close to the lows during global financial crisis and the SARS epidemic. Asian stocks are at very attractive valuations especially when we take into account the trend of a stronger tendency for Asian companies to increase dividend payouts – a reflection of the stronger financial position of Asian companies and an increasing focus on shareholder returns. At the moment, our portfolio trades attractively at an average price-to-earnings ratio of 8.1 times, with an average dividend yield of 4.5%.

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 tempered market expectations for a large stimulus program. The heightened uncertainty in policy direction led to broad-based market weakness.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A unit trust established in Hong Kong)

MANAGER'S REPORT (Continued)

During the second quarter, our positions in consumer staples, consumer discretionary and information technology were among the top contributors. Our positions in Korea cosmetic and convenience stores led the portfolio performance. For Korea convenience stores in particular, the share prices benefited from stronger-than-expected new store momentum year-to-date, and gross margin expansion was expected in 2016 due to improvements in product mix driven by more than 180% growth year-on-year in lunch box productions. Our exposure to a Taiwan technology company which produces lens hardware was also among the top contributors. The higher dual-cam penetration in smartphones driven by more mature ecosystem supports margin expansion.

In the consumer discretionary space, our position in Skyworth Digital Technology yielded positively with its dominant market shares in China, solid profitability and huge valuation discount compared with international peers. Skyworth Digital focuses on providing global customers with digital TV products and services. Skyworth is currently the largest branded TV producer in China. Skyworth reported better-than-consensus 2016 results with its core net profit increased by 22.9% year-on-year. The company continued to demonstrate solid profitability with gross margin rose to near record level at 21.9% despite the decline in average selling prices. In the wake of growing competition, Skyworth has expanded its product mix towards more high-end models with higher margins, with a main focus on the sale of 4K TVs which was up 98% year-on-year and accounted for approximately 41% of the business. In addition, overseas TV sales was strong: Skyworth has set TV shipment guidance at 6 million units in FY17, representing 36.1% growth year-on-year. Currently the share price is trading at 7.5 times price-to-earnings ratio with a dividend yield of 4.4%

We have trimmed the majority of our bond exposures as we see relative attractiveness in equity yields. We remained constructive about the dividend strategy in Asia as global interest rates are likely to stay low for longer period and policies shall stay accommodative within the region.

Value Partners Hong Kong Limited

19 August 2016

1. Index refers to MSCI AC Asia Pacific (ex-Japan) Total Return Index up to 30 April 2016, thereafter it is the MSCI AC Asia (ex-Japan) Total Return Index.
2. Based on Bloomberg data: MSCI Asia ex Japan Growth Index Net Return was 9.7% and MSCI Asia ex Japan Value Index Net Return was 3.0% respectively in the period of 28 June 2013 to 30 June 2016.

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 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
Amorepacific Corp (Code: 090435 KS) <i>Preferred shares</i> Market cap: US\$2.3 billion	Cosmetics manufacturer	Price: KRW247,000.00 P/E: 20.4x P/B: 4.0x Yield: 0.7%	Amorepacific is a leading Korean cosmetics company with a market share of 30% in Korea. The rise of Korean popular culture during recent years not only led to a surge in the number of Chinese travelers which boosted Korea's tourism, the "Korean Wave" has also fueled the popularity and consumption of Korean cosmetic brands, boding well for the future of Amorepacific. The preference shares of the company were trading attractively at a discount of over 40% to its common shares.
China Construction Bank (Code: 939 HK) Market cap: US\$165.5 billion	Banks	Price: HKD5.12 P/E: 4.9x P/B: 0.7x Yield: 6.1%	China Construction Bank is one of the "big four" commercial banks in China with state-owned background. The bank is well-capitalized with relatively healthy asset quality. It is trading at distressed valuation.
China Life Insurance (Code: 2628 HK) Market cap: US\$81.1 billion	Insurance	Price: HKD16.62 P/E: 14.4x P/EV*: 0.7x Yield: 2.8%	China Life Insurance is the largest life insurance player with a 23% market share in China. The penetration rate of life insurance in China currently remains low as compared to other developing countries, presenting enormous growth potentials for the company. However, its current valuation is pricing in a no-growth scenario, signaling compelling investment opportunities.
China Overseas Land & Investment (Code: 688 HK) Market cap: US\$31.1 billion	Real estate	Price: HKD24.50 P/E: 7.5x P/B: 1.1x Yield: 2.8%	China Overseas Land & Investment is a large-scale state-owned real estate developer in China. This index constituent stock has one of the best earnings track record, ample land bank, financial as well as human resources. It also has one of the lowest cost of financing, and is one of the Chinese developers with the lowest gearing ratios.
Korea Electric Power Corporation (Code: 015760 KS) Market cap: US\$33.7 billion	Utilities	Price: KRW60,400.00 P/E: 4.7x P/B: 0.5x Yield: 3.7%	Korea Electric Power is a state-owned integrated electric utility company engaged in the generation, transmission and distribution of electricity in South Korea. As a monopoly operator of the country's electricity transmission and distribution system, it generates around 90% of the power consumed in Korea. The company is likely to continue deleveraging amid government's efforts to reduce state-owned enterprise's debt. Rising contribution from nuclear power plants will also help to reduce the company's power generation cost and improve its margins.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A unit trust established in Hong Kong)

MANAGER'S REPORT (Continued)

Stock	Industry	Valuation (2016 Estimates)	Remarks
<p>Longfor Properties (Code: 960 HK)</p> <p>Market cap: US\$7.6 billion</p>	Real estate	<p>Price: HKD10.06</p> <p>P/E: 6.2x</p> <p>P/B: 0.8x</p> <p>Yield: 4.5%</p>	<p>Longfor Properties is a Chinese developer originated from Chongqing. Longfor stands out from privately owned peers on its sustainable profitability, especially during the challenging cycles in recent years. The company's focus on long-term recurring income contributed to strong results of its investment property portfolio. The management's emphasis on improving profitability rather than growth in scale is also positive to its development. Currently the company's share price is trading at a large discount to NAV.</p>
<p>PetroChina (Code: 857 HK)</p> <p>Market cap: US\$190.3 billion</p>	Energy	<p>Price: HKD5.29</p> <p>P/E: 17.8x</p> <p>P/B: 0.7x</p> <p>Yield: 1.0%</p>	<p>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.</p>
<p>Samsung Fire & Marine Insurance (Code: 000815 KS)</p> <p><i>Preferred shares</i></p> <p>Market cap: US\$0.5 billion</p>	Insurance	<p>Price: KRW174,000.00</p> <p>P/E: 8.2x</p> <p>P/B: 0.7x</p> <p>Yield: 3.5%</p>	<p>Samsung Fire & Marine Insurance is 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. The ongoing deregulation of product development and pricing sets to benefit the overall insurance industry in Korea. We believe the strong capital position and prudent pricing track record of the company will remain its key competitive advantage. The preference shares of the company were trading at a discount of over 30% to its common shares.</p>

MANAGER'S REPORT (Continued)

Stock	Industry	Valuation (2016 Estimates)	Remarks
<p>Sinopec Engineering (Code: 2386 HK)</p> <p>Market cap: US\$4.0 billion</p>	<p>Energy and chemical engineering</p>	<p>Price: HKD7.00 P/E: 8.1x P/B: 1.1x Yield: 4.9%</p>	<p>Sinopec Engineering is one of the largest oil refining, petrochemical and new coal chemical engineering companies in China, with extensive experience and strong execution capabilities in its over 60 years of operations. The company enjoys continued support from its mother company, the Sinopec Group. Besides the early-entrant advantage, it stands to gain considerably from China's refinery upgrade. The company's net cash accounted for 80% of its market capitalization.</p>
<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 areas, 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>

Note: The above investments made up 27% of Value Partners High-Dividend Stocks 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.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

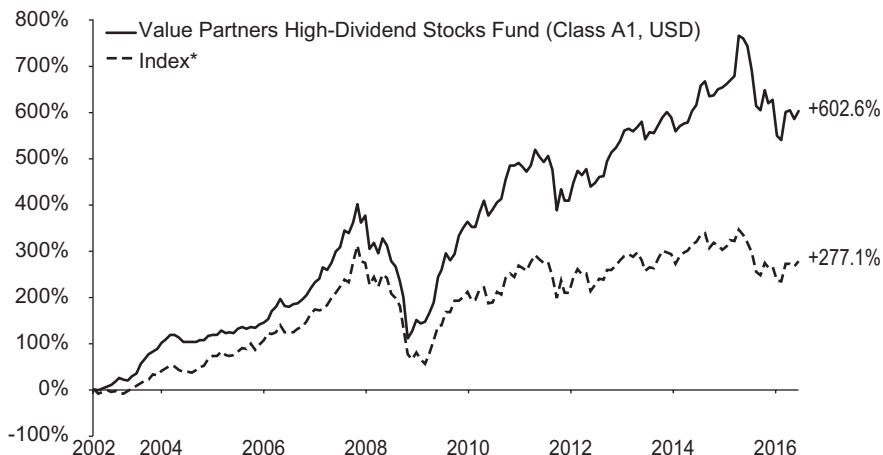
(A unit trust established in Hong Kong)

MANAGER'S REPORT (Continued)

Value Partners High-Dividend Stocks Fund – NAV as at 30 June 2016

Classes	NAV per unit
Class A1 USD	USD69.54
Class A1 HKD ⁶ (for reference only)	HKD539.5400
Class A Acc RMB Hedged	RMB9.63
Class A Acc RMB Unhedged	RMB11.43
Class A2 MDis USD	USD9.91
Class A2 MDis HKD	HKD9.03
Class A2 MDis AUD Hedged	AUD8.84
Class A2 MDis CAD Hedged	CAD8.89
Class A2 MDis GBP Hedged	GBP8.36
Class A2 MDis NZD Hedged	NZD9.01
Class A2 MDis RMB Hedged	RMB8.52
Class A2 MDis RMB Unhedged	RMB8.77
Class Z USD	USD11.09
Class X Acc USD Unhedged	USD10.69

Since launch return compared to index From 2 September 2002 to 30 June 2016



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.

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A unit trust established in Hong Kong)

STATEMENT OF FINANCIAL POSITION (UNAUDITED)

AS AT 30 JUNE 2016

	30.6.2016 US\$	31.12.2015 US\$
Assets		
Deposit with brokers	27,759,921	189,475,446
Financial assets at fair value through profit or loss	3,589,794,331	3,907,228,623
Amounts receivable on sale of investments	12,114,540	2,057,116
Amounts receivable on issue of units	26,320,974	6,678,712
Dividends, interest receivables and other receivables	29,297,961	1,345,578
Margin deposits	3,768	3,763
Bank balances	29,087,993	9,253,310
Total assets	<u>3,714,379,488</u>	<u>4,116,042,548</u>
Liabilities		
Financial liabilities at fair value through profit or loss	5,641,901	20,653,523
Amounts payable on purchase of investments	14,538,161	20,395,592
Amounts payable on redemption of units	22,179,438	9,043,985
Management fee and performance fee payable	3,546,017	4,150,083
Distribution payable	12,192,890	12,689,572
Bank overdrafts	150,831,089	144,435,873
Accruals and other payables	800,410	725,964
Liabilities (excluding net assets attributable to unitholders)	<u>209,729,906</u>	<u>212,094,592</u>
Net assets attributable to unitholders	<u>3,504,649,582</u>	<u>3,903,947,956</u>
	30.6.2016	31.12.2015
Net asset value per unit		
- Class A1 USD with 17,180,015 (31.12.2015: 19,059,458) units outstanding	USD69.54	USD71.86
- Class A Acc RMB Hedged with 2,203,495 (31.12.2015: 2,166,695) units outstanding	RMB9.63	RMB9.81
- Class A Acc RMB Unhedged with 2,493,548 (31.12.2015: 2,763,548) units outstanding	RMB11.43	RMB11.65
- Class A2 MDis USD with 125,767,462 (31.12.2015: 139,379,641) units outstanding	USD9.91	USD10.56
- Class A2 MDis HKD with 472,578,738 (31.12.2015: 467,761,942) units outstanding	HKD9.03	HKD9.61
- Class A2 MDis AUD Hedged with 44,969,847 (31.12.2015: 43,937,843) units outstanding	AUD8.84	AUD9.53
- Class A2 MDis CAD Hedged with 8,048,188 (31.12.2015: 9,694,821) units outstanding	CAD8.89	CAD9.57
- Class A2 MDis GBP Hedged with 2,013,953 (31.12.2015: 501,303) units outstanding	GBP8.36	GBP9.04
- Class A2 MDis NZD Hedged with 9,756,368 (31.12.2015: 10,552,925) units outstanding	NZD9.01	NZD9.69
- Class A2 MDis RMB Hedged with 10,863,435 (31.12.2015: 8,282,944) units outstanding	RMB8.52	RMB9.01
- Class A2 MDis RMB Unhedged with 1,269,452 (31.12.2015: 398,114) units outstanding	RMB8.77	RMB9.28
- Class Z USD with 3,848,724 (31.12.2015: 1,149,108) units outstanding	USD11.09	USD11.44
- Class X Acc USD Unhedged with 1,171,673 (31.12.2015: Nil) units outstanding	USD10.69	-

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

(A unit trust established in Hong Kong)

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			
Australia			
United Overseas Australia Ltd	633,889	223,625	0.01
China			
Chongqing Changan Automobile Co Ltd	28,823,840	40,122,375	1.14
Hong Kong – H shares			
Agricultural Bank of China Ltd – H Shares	93,801,000	34,214,086	0.98
Anhui Conch Cement Co Ltd – H Shares	5,180,500	12,432,612	0.35
BAIC Motor Corporation Ltd – H Shares	34,939,500	24,542,807	0.70
China Construction Bank Corporation – H Shares	172,522,000	113,848,021	3.25
China Life Insurance Co Ltd – H Shares	43,826,000	93,880,176	2.68
China Machinery Engineering Corporation – H Shares	25,945,000	16,820,260	0.48
Dalian Wanda Commercial Properties Co, Ltd – H Shares	4,096,300	25,130,999	0.72
Dongfeng Motor Group Co Ltd – H Shares	9,952,000	10,364,128	0.30
Huadian Power International Corporation Ltd – H Shares	27,852,000	13,246,276	0.38
PetroChina Co Ltd – H Shares	198,394,000	135,268,055	3.86
Qingdao Port International Co, Ltd – H Shares	81,406,000	36,827,698	1.05
SINOPEC Engineering (Group) Co, Ltd – H Shares	76,541,000	69,056,285	1.97
Xinjiang Goldwind Science & Technology Co, Ltd – H Shares	13,464,600	18,360,739	0.52
Yangtze Optical Fibre and Cable Joint Stock Ltd Co – H Shares	30,523,000	34,540,830	0.98
Zhejiang Expressway Co Ltd – H Shares	29,480,000	27,699,125	0.79
		666,232,097	19.01
Hong Kong – Red chips			
BOC Hong Kong (Holdings) Ltd	20,697,500	61,889,492	1.77
China Overseas Land & Investment Ltd	38,344,000	121,080,593	3.46
China Power International Development Ltd	145,418,000	53,416,333	1.52
China Resources Cement Holdings Ltd	51,494,000	16,459,603	0.47
China Resources Power Holdings Co Ltd	34,556,507	51,487,133	1.47
China State Construction International Holdings Ltd	49,352,000	65,007,983	1.85
Far East Horizon Ltd	40,264,000	31,240,966	0.89
		400,582,103	11.43

VALUE PARTNERS HIGH-DIVIDEND STOCKS 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)			
Listed Equity Securities (Continued)			
Hong Kong – Others			
Belle International Holdings Ltd	50,421,000	29,503,827	0.84
Cheung Kong Property Holdings Ltd	3,881,720	24,214,784	0.69
China High Speed Transmission Equipment Group Co, Ltd	65,449,000	52,384,844	1.49
China Lilang Ltd	58,747,000	37,328,768	1.06
China Zhongwang Holdings Ltd	36,090,400	16,001,518	0.46
Chow Sang Sang Holdings International Ltd	15,631,500	27,601,473	0.79
CIFI Holdings (Group) Co Ltd	150,562,000	36,870,584	1.05
CK Hutchison Holdings Ltd	5,360,720	58,418,147	1.67
Convenience Retail Asia Ltd	30,666,000	13,359,336	0.38
CSI Properties Ltd	759,670,000	26,925,806	0.77
EGL Holdings Co Ltd	30,178,000	7,273,494	0.21
Far East Consortium International Ltd	93,020,448	29,373,490	0.84
FSE Engineering Holdings Ltd	9,793,000	2,612,746	0.07
Goldpac Group Ltd	12,117,000	3,388,956	0.10
Haitian International Holdings Ltd	7,101,000	12,483,746	0.36
Hopefluent Group Holdings Ltd	27,266,000	7,239,352	0.21
Hui Xian Real Estate Investment Trust	29,293,703	13,973,101	0.40
I.T Ltd	1,732,000	513,437	0.01
Jiangnan Group Ltd	295,558,000	47,236,254	1.35
Langham Hospitality Investment Ltd	7,625,000	2,682,956	0.08
Lee & Man Chemical Co Ltd	37,662,000	10,096,661	0.29
Longfor Properties Co Ltd	74,556,500	96,670,627	2.76
Modern Beauty Salon Holdings Ltd	37,724,000	2,017,794	0.06
Oi Wah Pawnshop Credit Holdings Ltd	142,112,000	8,425,576	0.24
Pico Far East Holdings Ltd	44,708,000	12,619,449	0.36
Real Gold Mining Ltd	4,283,500	552,090	0.02
Shimao Property Holdings Ltd	12,940,500	16,278,407	0.46
Sino Land Co Ltd	855,761	1,396,359	0.04
Sinomax Group Ltd	61,605,000	7,701,915	0.22
SITC International Holdings Co Ltd	62,804,000	32,864,299	0.94
Skyworth Digital Holdings Ltd	88,426,270	72,257,279	2.06
SmarTone Telecommunications Holdings Ltd	16,446,500	29,252,542	0.83
Spring Real Estate Investment Trust	28,188,000	12,243,489	0.35
Springland International Holdings Ltd	40,570,000	5,228,969	0.15
Sun Hung Kai Properties Ltd	2,858,000	34,275,961	0.98
Time Watch Investments Ltd	64,054,000	7,925,534	0.23
TK Group (Holdings) Ltd	62,292,000	15,816,469	0.45
Wasion Group Holdings Ltd	38,072,000	20,167,801	0.57
Welling Holding Ltd	42,828,000	7,893,596	0.22
Wonderful Sky Financial Group Holdings Ltd	65,958,000	16,832,310	0.48
		<u>859,903,746</u>	<u>24.54</u>
Hong Kong – Total		<u>1,926,717,946</u>	<u>54.98</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS 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)			
Listed Equity Securities (Continued)			
Indonesia			
Bank Mandiri (Persero) Tbk	53,320,900	38,516,723	1.10
Bank Pan Indonesia (DMT)	41,134,900	2,402,083	0.07
Nusa Raya Cipta (NRC)	46,505,600	2,151,404	0.06
Panin Financial	560,881,700	8,932,591	0.26
Pelayaran Tempuran Emas Tbk	1,000	112	0.00
Perusahaan Gas Negara Persero Tbk	148,617,100	26,373,727	0.75
		<u>78,376,640</u>	<u>2.24</u>
Japan			
Japan Airlines Co Ltd	566,800	18,168,506	0.52
Malaysia			
AirAsia	21,761,300	14,039,548	0.39
Mah Sing Group	53,734,071	19,600,269	0.56
Signature International	11,192,000	2,721,628	0.08
UOA Development	21,290,200	11,569,612	0.33
Vitrox Corp Bhd	2,545,900	2,381,648	0.07
		<u>50,312,705</u>	<u>1.43</u>
Philippines			
Leisure & Resorts World Corp	48,413,100	7,900,820	0.23
Premium Leisure Corp	289,247,000	7,191,224	0.20
Semirara Mining and Power Corp	5,528,960	14,697,682	0.42
		<u>29,789,726</u>	<u>0.85</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS 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)			
Listed Equity Securities (Continued)			
Singapore			
AIMS AMP Capital Industrial REIT	11,642,600	12,029,796	0.34
Asian Pay Television Trust Unit	29,805,000	11,700,356	0.33
Capitacommercial Trust	13,635,900	14,897,380	0.44
Capitaretail China Trust	11,590,846	12,877,764	0.37
Croesus Retail Trust REIT	42,065,670	25,393,320	0.72
DBS Group Holdings Ltd	5,458,234	63,715,108	1.82
Ezion Holdings Ltd	39,375,400	15,165,697	0.43
Frasers Commerical Trust (REIT)	21,335,900	20,149,080	0.58
Frasers Logistics & Industrial Trust REIT	1,083,600	762,477	0.02
Mapletree Greater China Commercial Trust REIT	2,360,600	1,765,948	0.05
Yangzijiang Shipbuilding Holdings Ltd	54,104,100	35,866,358	1.02
		----- 214,323,284	----- 6.12
South Korea			
Amorepacific Corp Pref	436,900	93,505,151	2.67
BGF Retail Co Ltd	110,993	20,532,887	0.59
Bingrae Co Ltd	60,016	3,520,564	0.10
CJ Cheiljedang Corp Pref	83,890	15,119,244	0.43
Dongbu Insurance Co Ltd	1,002,660	60,206,511	1.72
GS Retail Co Ltd	1,319,798	62,324,744	1.78
Korea Electric Power Corp	1,393,035	72,904,696	2.08
Korea Ratings Corp	65,556	2,340,271	0.07
LG Corp	689,137	38,036,587	1.08
LG Corp Prfd	299,929	11,174,895	0.32
Macquarie Korea Infrastructure Fund	2,242,777	17,023,417	0.48
Maeil Dairy Industry Co Ltd	276,025	10,427,770	0.30
Nong Woo Bio Co Ltd	308,561	6,817,698	0.19
SK Hynix Inc	2,045,784	57,432,977	1.64
SK Innovation Co Ltd	138,122	16,814,955	0.48
Samsung Electronics Co Ltd	1	1,235	-
Samsung Electronics Co Ltd (Preference share)	40,183	41,189,227	1.17
Samsung Fire & Marine Insurance Co Ltd	1	228	-
Samsung Fire & Marine Insurance Co Ltd (Preference share)	480,583	72,455,973	2.07
Sekonix Co Ltd	187,101	2,788,439	0.08
		----- 604,617,469	----- 17.25

VALUE PARTNERS HIGH-DIVIDEND STOCKS 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)			
Listed Equity Securities (Continued)			
<i>Taiwan</i>			
Basso Industry Corp	2,744,000	7,775,347	0.22
Farglory Land Development Co, Ltd	8,802,000	10,151,116	0.29
Johnson Health Tech Co, Ltd	4,694,550	6,854,951	0.20
LARGAN Precision Co, Ltd	675,000	61,628,069	1.76
Mega Financial Holding Co Ltd	33,149,165	24,972,864	0.71
Mercuries Life Insurance Co, Ltd	14,105,206	6,296,967	0.18
Superalloy Industrial Co Ltd	3,211,993	16,927,291	0.48
		<u>134,606,605</u>	<u>3.84</u>
<i>Thailand</i>			
AP Thailand Pcl NVDR	13,164,500	2,750,400	0.08
AP Thailand Pcl (FR)	61,046,700	12,754,214	0.36
Bangchak Petroleum Pcl (FR)	42,982,100	39,096,850	1.11
Hana Microelectronics Pcl (FR)	11,968,400	10,036,038	0.29
Namyong Terminal Pcl (FR)	1,520,000	587,607	0.02
SPCG Pcl (FR)	8,074,600	4,682,258	0.13
Supalai Pcl (FR)	27,115,300	18,421,139	0.53
		<u>88,328,506</u>	<u>2.52</u>
Total listed equity securities		<u>3,185,587,387</u>	<u>90.90</u>
Debt Securities			
<i>Renminbi</i>			
Times Property Hldg Ltd (REG) 10.375% 16 Jul 2017	42,000,000	6,798,033	0.19
<i>United States dollars</i>			
Agile Property Hldgs Ltd VAR PERP	3,000,000	3,049,602	0.09
Central China Real Estate (REG S) (REG) 8% 28 Jan 2020	–	822	0.00
Kaisa Group Holdings Ltd (REG) 10.25% 08 Jan 2020 (defaulted)	6,500,000	5,164,185	0.15
Kaisa Group Holdings Ltd 12.875% 18 Sep 2017 (defaulted)	2,000,000	1,655,440	0.04
LDK Solar Co Ltd (BR) Conv 5.535% 31 Dec 2018 (PIK)	2,427,482	278,742	0.01
		<u>10,148,791</u>	<u>0.29</u>
Total debt securities		<u>16,946,824</u>	<u>0.48</u>

VALUE PARTNERS HIGH-DIVIDEND STOCKS 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			
CICC Financial Trading Ltd (Gree Electric Appliances Inc A Shrs) P Note 9 Dec 2017	4,279,260	12,375,620	0.35
CICC Financial Trading Ltd (Gree Electric Appliances Inc A Shrs) P Note 11 Dec 2017	19,618,901	56,737,862	1.62
CICC Financial Trading Ltd (Midea Group Co Ltd A Shrs) P Note 25 Nov 2017	15,684,647	55,978,505	1.60
		<u>125,091,987</u>	<u>3.57</u>
Equity Warrants			
Mah Sing Group CWts 21 Feb 2020	6,697,828	216,059	0.01
Signature International Wts 21 Apr 2021	2,798,000	201,345	0.01
Ezion Holdings Ltd Wts 24 Apr 2020	7,875,080	886,610	0.03
CICC Financial Trading Ltd (Fortune SGAM Xianjin Tianyi Money Market Fund) Wts 20 May 2019	4,822,593	72,560,734	2.06
CICC Financial Trading Ltd (Yinhua Traded Money Market Fund) Wts 20 May 2019	4,758,400	72,575,117	2.07
		<u>146,439,865</u>	<u>4.18</u>
Investment Funds			
ICBC China Focus Stable Return Fund	18,597	19,499,925	0.56
Malabar India Fund Ltd	18,374	31,657,229	0.90
Value Partners Global Contrarian Fund	3,688,726	25,673,533	0.73
Value Partners Strategic Equity Fund	189,480	5,684	0.00
Value Partners Asia Ex-Japan Equity Fund	4,484,277	38,833,836	1.11
		<u>115,670,207</u>	<u>3.30</u>
Currency Forwards		<u>58,061</u>	<u>0.00</u>
Total financial assets at fair value through profit or loss		<u>3,589,794,331</u>	<u>102.43</u>
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
Currency Forwards		<u>(5,641,901)</u>	<u>(0.16)</u>
Total financial liabilities fair value through profit or loss		<u>(5,641,901)</u>	<u>(0.16)</u>
Total investments, net		<u>3,584,152,430</u>	<u>102.27</u>
Total investments, at cost		<u>3,949,560,744</u>	

VALUE PARTNERS HIGH-DIVIDEND STOCKS 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		
Australia	0.01	0.01
China	1.14	0.76
Hong Kong		
– H shares	19.01	21.87
– Red chips	11.43	9.50
– Others	24.54	23.24
Indonesia	2.24	0.59
Japan	0.52	1.40
Malaysia	1.43	1.30
Philippines	0.85	0.72
Singapore	6.12	6.55
South Korea	17.25	16.02
Taiwan	3.84	3.48
Thailand	2.52	2.32
	<u>90.90</u>	<u>87.75</u>
	-----	-----
Debt securities		
Renminbi	0.19	0.17
United States dollar	0.29	3.73
	<u>0.48</u>	<u>3.90</u>
	-----	-----
Participation notes	3.57	4.36
Equity warrants	4.18	0.01
Investment funds	3.30	3.49
Currency forwards	<u>(0.16)</u>	<u>0.04</u>
	-----	-----
Total investments, net	<u>102.27</u>	<u>99.55</u>
	=====	=====