

VALUE PARTNERS TAIWAN FUND

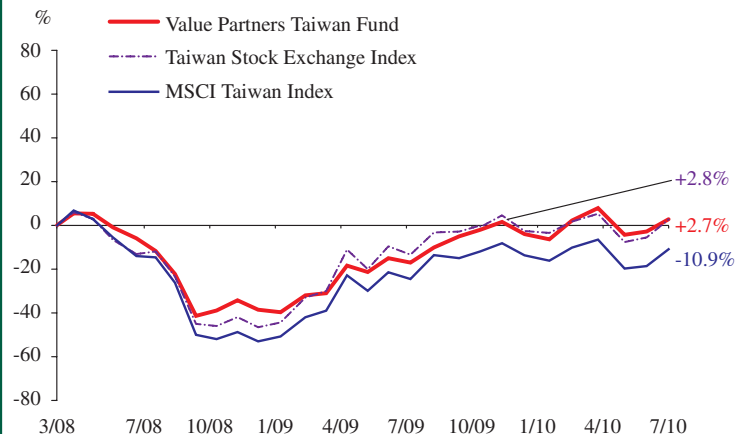
JULY 2010

2 PAGES

- Please pay particular attention to the risk of investment in China and other markets in the Asian region and in companies with medium or small capitalization. The value of the fund can be extremely volatile and could go down substantially within a short period of time. It is possible that the entire value of your investment could be lost.
- The fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the fund to significant losses.
- You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.
- You should not invest unless the intermediary who sells it to you has advised you that the product is suitable for you and explained how it is consistent with your investment objectives.

Fund size: US\$43.20 million
NAV per unit: US\$10.27

Performance since launch[#]



Fund facts

Investment objective

To achieve long term capital growth through primarily investing in equity and equity linked securities of companies that are listed on (a) the Taiwan Stock Exchange; or (b) the GRE Tai Securities Market; or (c) any stock exchange but which have their main operations or majority of assets in or derive the majority of their income from Taiwan. This includes companies incorporated and/or quoted outside Taiwan.

Manager: Value Partners Hong Kong Limited
(CE Ref: AFJ002)

Base Currency: US\$
 Legal domicile: Cayman Islands
 Trustee: Bank of Bermuda (Cayman) Limited
 Custodian: HSBC Institutional Trust Services (Asia) Limited

Legal advisers: Russin & Vecchi
 Maples and Calder

Auditor: PricewaterhouseCoopers

Launch date: 3 March 2008
 Bloomberg code: VTAIWAN KY
 ISIN code: KYG9318Y1061

Total assets under management by Value Partners Group:
 US\$5.7 billion (as at 30 June 2010)

Performance update[#]

	Value Partners Taiwan Fund	Taiwan Stock Exchange Index	MSCI Taiwan Index
One month	+5.7%	+8.7%	+9.3%
Year-to-date	+1.1%	-1.7%	-3.1%
One year	+21.0%	+13.8%	+13.2%
Since launch	+2.7%	+2.8%	-10.9%
Annualized return	+1.1%	+1.1%	-4.7%
Annualized volatility	28.2%	34.4%	38.7%

Annual return since launch[#]

2008 (Since launch)	-35.7%
2009	+58.0%
2010 (Year-to-date)	+1.1%

Monthly performance since launch[#]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2008			+4.5%	+1.0%	-0.2%	-5.9%	-5.0%	-6.2%	-11.9%	-25.3%	+6.2%	+4.2%	-35.7%
2009	-4.4%	-1.3%	+12.0%	+1.6%	+17.9%	-3.4%	+7.9%	-2.2%	+11.4%	+2.1%	+3.8%	+3.7%	+58.0%
2010	-5.4%	-0.1%	+6.5%	+4.6%	-10.6%	+1.7%	+5.7%						+1.1%

Unless specified, all information contained on this report is quoted as at 28 July 2010.

[#]Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in USD, NAV to NAV, with dividends reinvested. Performance data is net of all fees.

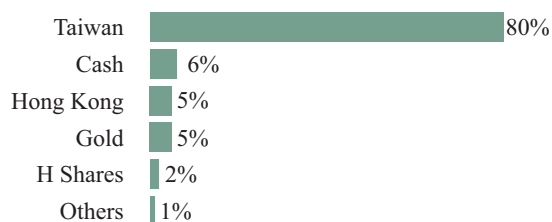
Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Information in this report has been obtained from sources believed to be reliable but Value Partners Hong Kong Limited does not guarantee the accuracy or completeness of the information provided by third parties. This report has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.

Top 5 security holdings

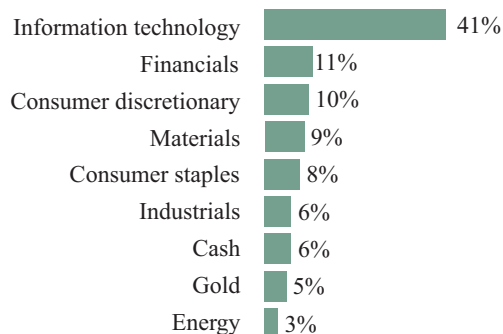
Name	Industry [^]	%
Hon Hai Precision Industry	Technology, hardware & equip	6.6
Taiwan Semiconductor Manufacturing	Semiconductors & semiconductor equip	3.9
E-LIFE MALL	Retailing	3.9
Uni-President Enterprises	Food, beverage & tobacco	3.8
China Steel Chemical	Materials	3.5

These stocks constitute 22% of the fund.

Geographical exposure by listing



Sector exposure[^]



Portfolio characteristics

As at 28 July 2010	2010 [^]
Price/earnings ratio	13.1 times
Price/book ratio	2.2 times
Dividend yield	4.5%

[^]The above profile is based on market consensus forecast as derived from I/B/E/S and Bloomberg. Note that the manager's internal estimates may differ significantly from I/B/E/S and Bloomberg estimates.

[^]Classification is based on Global Industry Classification Standard (GICS).

Fee structure

Minimum subscription	US\$10,000
Subscription fee	Up to 5%
Management fee	1.25% p.a.
Performance fee**	15% of profit (High-on-high principle)
Redemption fee	Nil
Dealing day	Every Wednesday

**Performance fee will only be charged if the NAV at the end of the financial year exceeds the "high watermark", which is the all-time year-end high of the fund's NAV. If in any one year, the fund suffers a loss, no performance fee can be charged in subsequent years until the loss is recovered fully (the high-on-high principle).

NAV per unit is published daily in the South China Morning Post, Hong Kong Economic Journal and Hong Kong Economic Times.

A selection of awards & ratings

Corporate awards

2010 - Asia Hedge Fund 25

Value Partners was ranked No. 1 in 2010 Asia Hedge Fund 25
~ Institutional Investor, July 2010

2010 - Hedge Fund 100

Value Partners was ranked as Asia's largest hedge fund manager, and 79th worldwide
~ Institutional Investor, May 2010

Best Overall Fund Management Firm - Asia

Value Partners was recognized as one of the top three fund management companies
~ Thomson Reuters Extel Asia Pacific Survey 2009

Leading Buyside Individual - Asia

Mr. Eric Chow, Value Partners fund manager, was ranked No. 1 out of 25 individuals named
~ Thomson Reuters Extel Asia Pacific Survey 2009

The 3rd consecutive year to be ranked as the 2nd Largest Hedge Fund Manager in Asia

~ Alpha Magazine, Jul/Aug 2009 edition

Mr. Cheah Cheng Hye, Chairman and CIO of Value Partners, was recognized as one of The 25 Most Influential people in Asset Management in Asia

~ AsianInvestor, May 2009

2007 Achievement Awards -

Capital Markets Person of the Year:

Mr. Cheah Cheng Hye, Value Partners
~ FinanceAsia

Value Partners Investment Team

Chairman & Co-Chief Investment Officer: Cheah Cheng Hye

Co-Chief Investment Officer: Louis So Chun Ki, MCom

Deputy Chief Investment Officer: Renee Hung Yeuk Yan, BSc

Investment Director: Norman Ho Man Kei, CFA

Senior Fund Managers: Eric Chow Yik Cheung; Fawaz Habel;

Ada Lau Hiu Yee, CFA; Lee Ho Tak, CFA; Alan Wang, CFA