

VALUE PARTNERS HIGH-DIVIDEND STOCKS FUND

JANUARY 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 facts

Investment objective

To provide capital appreciation and regular income to unitholders by investing in relatively higher yielding debt and equity securities in Asian region.

Manager: Value Partners Limited
(CE Ref: ABN759)

Base currency: US\$

Legal domicile: Cayman Islands

Trustee: Bank of Bermuda (Cayman) Limited

Custodian: HSBC Institutional Trust Services (Asia) Limited

Legal adviser: Philip Nicholls Solicitor

Auditor: PricewaterhouseCoopers

Launch date: 2 September 2002

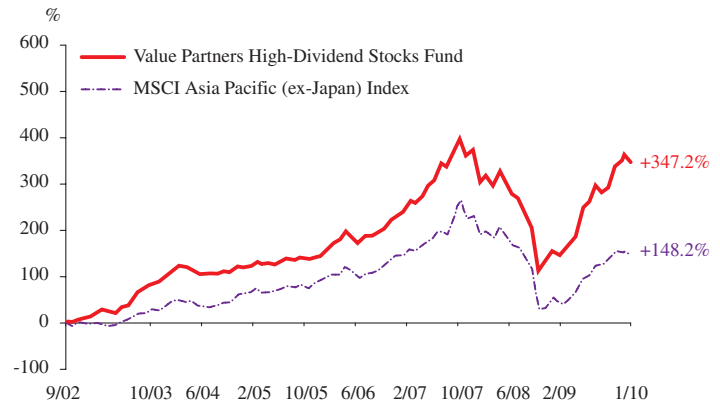
Bloomberg code: VALASHY KY

ISIN code: KYG931731056

Total assets under management by Value Partners Group: US\$5.5 billion (as at 31 December 2009)

Fund size: US\$243.01 million
NAV per unit: US\$44.72

Performance since launch[#]



Performance update[#]

	Value Partners High-Dividend Stocks Fund	MSCI Asia Pacific (ex-Japan) Index
One month	-1.6%	-1.1%
Year-to-date	-1.6%	-1.1%
One year	+85.6%	+76.6%
Three years	+33.0%	+2.6%
Five years	+103.9%	+52.5%
Since launch	+347.2%	+148.2%
Annualized return	+22.4%	+13.0%
Annualized volatility	21.5%	25.0%

Annualized return and volatility are calculated from inception on 2 September 2002. Volatility is a measure of the theoretical risk in terms of standard deviation; in general, the lower the number, the less risky the investment, and vice versa.

Annual return since launch[#]

2002 (Since launch)	+10.5%	2007	+44.2%
2003	+79.7%	2008	-46.8%
2004	+8.9%	2009	+82.8%
2005	+11.0%	2010 (Year-to-date)	-1.6%
2006	+35.0%		

Monthly performance from year 2004 to 2010[#]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2004	+5.0%	+5.0%	-0.5%	-2.5%	-4.2%	-1.3%	+1.2%	-0.3%	+2.5%	-0.6%	+5.2%	-0.5%	+8.9%
2005	+1.4%	+3.8%	-2.0%	+0.5%	-0.6%	+3.0%	+2.4%	-1.1%	+1.7%	-1.0%	+1.6%	+0.9%	+11.0%
2006	+4.0%	+6.7%	+3.6%	+6.3%	-5.2%	-3.3%	+5.1%	+0.6%	+2.4%	+3.3%	+5.4%	+2.3%	+35.0%
2007	+3.8%	+7.1%	-1.5%	+4.1%	+6.6%	+3.0%	+8.4%	-1.3%	+5.0%	+8.6%	-7.9%	+2.5%	+44.2%
2008	-14.3%	+3.3%	-5.6%	+8.3%	-3.6%	-8.1%	-3.4%	-8.4%	-10.5%	-29.4%	+6.6%	+11.3%	-46.8%
2009	-3.0%	+1.2%	+7.5%	+8.9%	+18.9%	+5.4%	+9.2%	-3.8%	+3.3%	+10.2%	+3.9%	+2.1%	+82.8%
2010	-1.6%												-1.6%

Unless specified, all information contained on this report is quoted as at 25 January 2010.

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

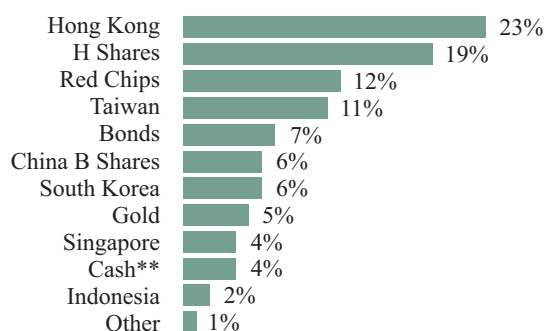
Investors should note investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors in particular those associated with investment in emerging markets. Information in this report has been obtained from sources believed to be reliable but Value Partners 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 Limited.

Top 10 security holdings

Name	Industry [^]	%
CNOOC	Energy	4.6
China Shineway Pharmaceutical	Pharmaceuticals, biotechnology & life sciences	4.3
China Mobile	Telecom services	3.5
Dongfeng Motor Group	Automobiles & components	3.2
Zhejiang Expressway	Transportation	2.9
Link REIT	REITs	2.6
Chow Sang Sang	Retailing	2.6
Compal Electronics	Technology, hardware & equip	2.5
PetroChina	Energy	2.2
China Vanke	Real estate	2.1

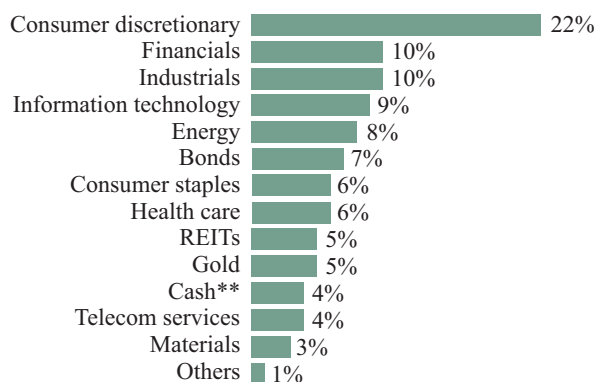
These stocks constitute 31% of the fund.

Geographical exposure by listing*



Short exposure includes: Hong Kong, -0.01%.

Sector exposure*[^]



Total short exposure is -0.01%.

Short exposure includes: Financials, -0.01%.

* Exposure refers to net exposure (long exposure minus short exposure).

** Cash refers to net cash on hand excluding cash for collateral and margin.

Portfolio characteristics

As at 25 January 2010	2010 ^A
Price/earnings ratio	13.6 times
Price/book ratio	2.2 times
Dividend yield	3.9 %

^A 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 Monday
Notice period for redemptions	7 days

**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).

Unit price is published daily in the South China Morning Post, the Hong Kong Economic Journal and the Hong Kong Economic Times.

A selection of awards & ratings

Corporate awards

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

2nd Largest Hedge Fund Manager in Asia in 2009

~ 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

2nd Largest Hedge Fund Manager in Asia in 2007 & 2008

~ Alpha Magazine, Jul/Aug 2007 & Jul/Aug 2008 editions

2007 Achievement Awards - Capital Markets Person of the Year:

Mr. Cheah Cheng Hye, Value Partners

~ FinanceAsia

Best of the Best Country Awards 2006

Hong Kong - Most Improved Institutional Fund House

~ Asia Asset Management Journal

Value Partners High-Dividend Stocks Fund

Fund of the Year - Asia Excluding Japan

~ The AsiaHedge Awards 2007⁺

⁺ Value Partners High-Dividend Stocks Fund is not authorized as a hedge fund by the Securities and Futures Commission (SFC) in Hong Kong according to the Code on Unit Trusts and Mutual Funds. SFC authorization does not imply official recommendation.

Value Partners Investment Team

Chairman & Chief Investment Officer: Cheah Cheng Hye

Deputy Chief Investment Officers:

Renee Hung Yeuk Yan, BSc; Louis So Chun Ki, MCom.

Senior Fund Managers:

Chau Yee Man, CFA & CPA; Fawaz Habel; Norman Ho Man Kei, CFA