

VALUE PARTNERS CLASSIC FUND

(Formerly known as Value Partners "A" Fund)

JULY 2010

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- 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

The fund uses a bottom-up, value discipline to invest in the Asia-Pacific region, with emphasis on the stock markets of Greater China.

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: Malleons Stephen Jaques, Hong Kong

Auditor: PricewaterhouseCoopers

Launch date: A Units on 1 April 1993
B Units on 15 May 1996
C Units on 15 October 2009

Bloomberg code: A Units - VLPARAI KY
B Units - VLPARBI KY
C Units - VLPARCI KY

ISIN code: A Units - KYG9316N1025
B Units - KYG931701018
C Units - KYG9316N1280

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

A, B and C units are invested in the same fund, A and B units were no longer issued from 12 April 2002 and 15 October 2009 respectively. Only C units are currently available.

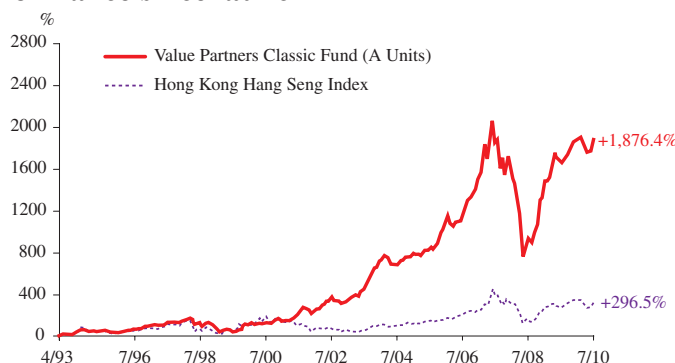
Fund size: US\$931.03 million

NAV per A unit: US\$197.64

NAV per B unit: US\$91.85

NAV per C unit: US\$11.35

Performance since launch[#]



Performance update[#]

	A Units	Hang Seng Index	B Units	C Units
One month	+5.0%	+4.5%	+4.9%	+4.7%
Year-to-date	+6.0%	-1.8%	+5.7%	+5.4%
One year	+26.5%	+7.6%	+25.9%	-
Three years	+3.4%	-0.8%	+1.9%	-
Five years	+117.1%	+67.5%	+112.2%	-
Since launch	+1,876.4%*	+296.5%*	+818.5%^	+13.5% ^Ω
Annualized return	+18.8%*	+8.3%*	+16.8%^	-
Annualized volatility	22.4%*	28.7%*	23.5%^	-

Annualized return and volatility are calculated from inception. 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[#]

	A Units	B Units		A Units	B Units	C Units
1993	+62.9%*	-	2002	+21.2%	+20.9%	-
1994	-12.0%	-	2003	+83.6%	+83.1%	-
1995	+21.3%	-	2004	+5.8%	+5.6%	-
1996	+32.5%	+11.8%^	2005	+15.9%	+15.6%	-
1997	-1.4%	-1.6%	2006	+41.8%	+41.2%	-
1998	-29.1%	-29.3%	2007	+41.1%	+40.4%	-
1999	+38.0%	+37.5%	2008	-47.9%	-48.1%	-
2000	+10.3%	+10.0%	2009	+82.9%	+82.0%	+7.7% ^Ω
2001	+46.3%	+46.0%	2010	+6.0% ⁺	+5.7% ⁺	+5.4% ⁺

*Since A Units launched on 1 April 1993.

^Since B Units launched on 15 May 1996.

^ΩSince C Units launched on 15 October 2009.

⁺Year-to-date return as at 30 July 2010.

Value Partners Classic Fund (A Units): Monthly performance from Year 2004 to 2010[#]

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual
2004	+2.9%	+4.5%	+0.1%	-2.9%	-6.1%	-0.8%	-0.1%	-0.1%	+4.2%	+0.7%	+3.9%	0.0%	+5.8%
2005	+0.7%	+3.4%	-1.1%	+0.3%	-1.2%	+4.0%	+1.6%	-0.1%	+3.1%	-1.9%	+3.8%	+2.5%	+15.9%
2006	+9.2%	+3.5%	+6.7%	+4.6%	-5.6%	-2.6%	+3.2%	+0.7%	+0.8%	+5.0%	+6.4%	+4.6%	+41.8%
2007	+2.1%	+2.5%	+2.5%	+5.0%	+3.7%	+4.8%	+12.6%	-7.4%	+10.5%	+8.9%	-9.6%	+1.6%	+41.1%
2008	-14.0%	+6.1%	-9.5%	+10.9%	-2.2%	-8.3%	-5.3%	-8.6%	-11.0%	-31.0%	+5.2%	+13.4%	-47.9%
2009	-3.2%	-0.2%	+8.2%	+8.2%	+20.1%	+1.3%	+11.5%	+0.1%	+2.5%	+7.5%	+5.9%	+2.2%	+82.9%
2010	-5.8%	+2.2%	+7.1%	+3.1%	-6.1%	+1.1%	+5.0%						+6.0%

Unless specified, all information contained on this report is quoted as at 30 July 2010.

© 2009 Morningstar, Inc. All Rights Reserved. Morningstar Rating™ as at 30 June 2010. (for A and B units)

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.

[#]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 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.

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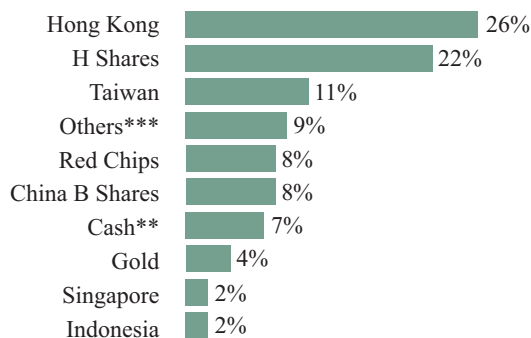
Email : vpl@vp.com.hk Website : www.valuepartners.com.hk

Top 10 security holdings

Name	Industry [^]	%
China Construction Bank	Banks	5.0
CNOOC	Energy	4.8
United Laboratories	Pharmaceuticals, biotechnology & life sciences	4.0
Kingboard Chemical	Technology, hardware & equip	4.0
China Vanke	Real estate	3.5
Brilliance China Automotive	Automobiles & components	2.7
Chow Sang Sang	Retailing	2.5
Yantai Changyu Pioneer Wine	Food, beverage & tobacco	2.4
Great Wall Motor	Automobiles & components	2.2
China High Speed Transmission Equip	Capital goods	2.0

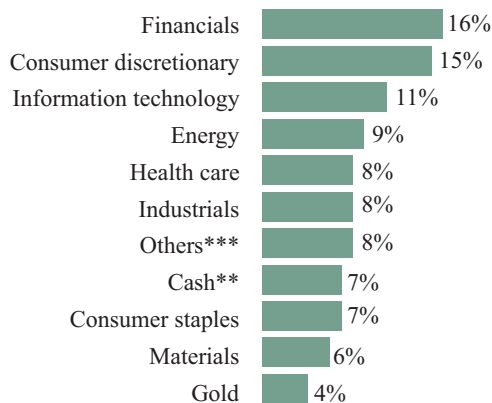
These stocks constitute 33% of the fund.

Geographical exposure by listing*



Short exposure includes: Hong Kong, -1.1%; H Shares, -2.8% and Red Chips, -1.3%.

Sector exposure*[^]



Total short exposure is -5.2%. Short exposure includes: Materials, -2.8%; Financials, -1.5% and Consumer discretionary, -0.9%.

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

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

*** Others include 5.7% cash for collateral and margin.

Portfolio characteristics

As at 30 July 2010	2010 ^A
Price/earnings ratio	13.9 times
Price/book ratio	2.5 times
Dividend yield	2.9%

^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

	A Units	B Units	C Units
Minimum subscription	Closed	Closed	US\$10,000
Minimum subsequent subscription	Nil	Nil	US\$5,000
Subscription fee	Closed	Closed	up to 5%
Management fee	0.75% p.a.	1.25% p.a.	1.25% p.a.
Performance fee**	15% of profit (High-on-high principle)		
Redemption fee	Nil		
Dealing day	Daily redemption	Daily redemption	Daily dealing

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**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

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

~ AsianInvestor, May 2009

2007 Achievement Awards - Capital Markets Person of the Year:

Mr. Cheah Cheng Hye, Value Partners
~ FinanceAsia

Value Partners Classic Fund

Ranked No. 1 (for A unit) in Equity Greater China sector sold in Hong Kong in terms of annualized total return, risk-return ratio and absolute return for the period from April 1, 1993 to June 30, 2008
~ Lipper

Ranked No. 1 in the Lipper Equity Greater China sector sold in Hong Kong in terms of annualized total return, risk-return ratio and absolute return for the period April 1, 1993 to May 31, 2007
~ Lipper

Ranked No. 1 amongst its peer group in Greater China Equity sector sold in Hong Kong in terms of 13-year annualized total return, risk-return ratio and absolute return ending by March 31, 2006
~ Lipper

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 Yek 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