



December 11, 2013

Dear Clients, Partners, and Friends,

The results for South Ocean Managementø Delaware LP, Kong Partnersø L.P., before incentive fees, were as follows:

	<u>Nov. 2013</u>	<u>Year-to-Date</u>
Hong Kong Partners LP	1.9%	10.7%*
Hang Seng Index	2.9%	5.4%
Hang Seng Small Cap Index	3.5%	12.6%

Partnersø NAV \$2.7765 after management fee and provisions March 2013\*, but before annual incentive fees of 15% on appreciation.

Our small/mid cap holdings listed in Hong Kong have out-performed the main index this year. This is even after a considerable provision on two large holdings (Chaoda Modern Agriculture and China Metal Recycle) made in the first quarter.

Chaoda Modern Agriculture (6% holding) has been suspended from trading pending a thorough financial audit, which is due to be completed in the first quarter next year. I shall attend the December 31 shareholder meeting here in Hong Kong and present an update thereafter.

Our administrator, Apex Fund Services, will, again, prepare all partner K1 tax reports early next year for Hong Kong Partners LP. Though each holdingsø investment prospects are our main priority when making investment decisions, we seek to manage the overall portfolio as tax efficiently as possible too. We expect a minimal net realized loss for the 2013 tax year. Please contact Joyce Yip ([joyce@south-ocean.com](mailto:joyce@south-ocean.com)) on any special requests or questions.

Enjoy a peaceful and happy holiday season. I shall review our year-ahead thoughts further with you in next monthø letter.

Sincerely,

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President

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