



December 14, 2016

Dear Clients, Partners, and Friends,

The results for South Ocean Management's Delaware LP, Hong Kong Partners' L.P., before incentive fees, were as follows:

	<u>Nov 2016</u>	<u>Year-to-date</u>
Hong Kong Partners LP	5.3%	4.4%
Hang Seng Index	-0.6%	4.0%
Hang Seng Small Cap Index	2.6%	-3.5%
MSCI HK Small Cap Index	1.5%	-6.0%

Partners' NAV \$3.1406 after management fee and provisions, but before annual incentive fees of 15% on appreciation.

Our portfolios of Hong Kong-listed companies with earnings benefiting from operations in mainland China had minor gains last month. We own fundamentally strong companies, with managements we trust and share prices we consider undervalued based on our proprietary intrinsic value screening process.

As of this writing, year-end profit taking has emerged in a typically slower month of trading as the year winds down. We will present a more in-depth analysis on our portfolios and investment program next month.

For now, all of us at South Ocean wish all our partners and friends the happiest of Holidays and all best wishes for a peaceful and prosperous New Year.

Sincerely,

Brook McConnell
President

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