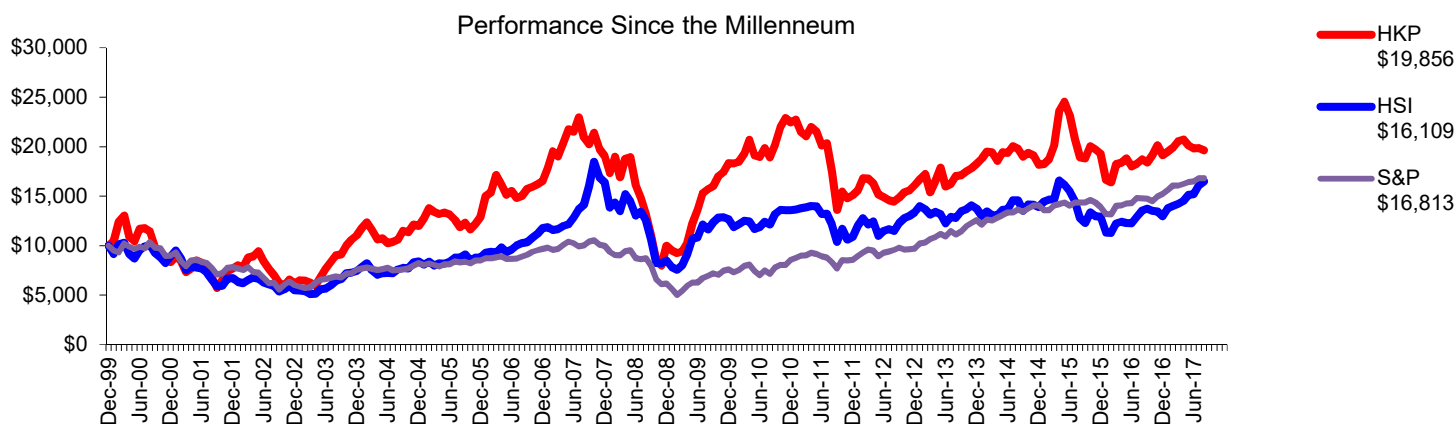


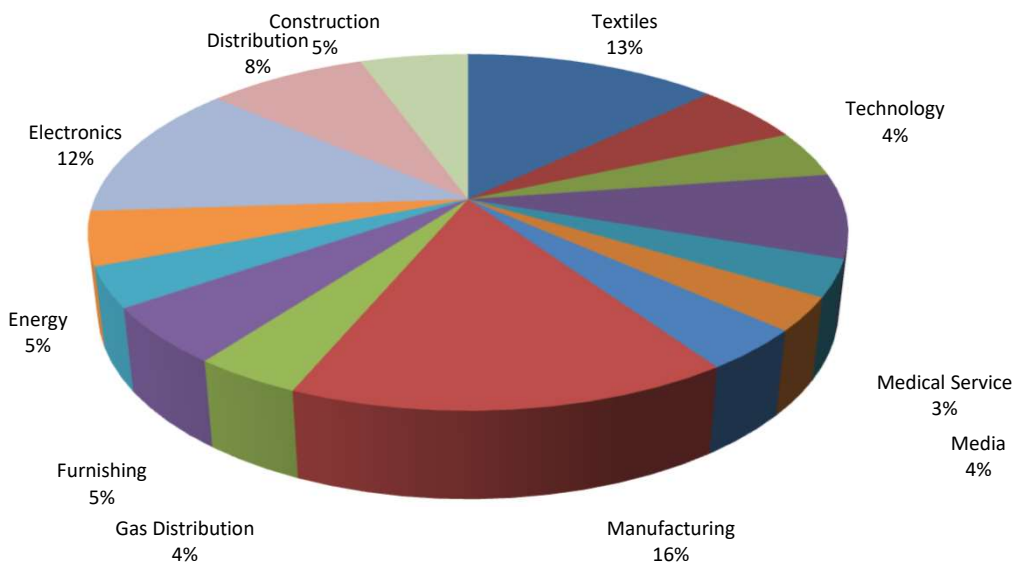
VALUE OF A \$10,000 INVESTMENT PERFORMANCE SINCE 2000



PERFORMANCE

	Since Jan 1, 2000			Since April 1, 1995				
	Cumulative	Annualized		Cumulative	Annualized			
Hong Kong Partners L.P.	98.3%	4.0%		297.5%	6.4%			
Hang Seng Index	51.9%	2.4%		200.0%	5.1%			
S&P 500	64.9%	2.9%		384.0%	7.3%			
	3 months	6 months	YTD	1 year	3 year	5 year	10 year	15 year
Hong Kong Partners L.P.	-2.4%	-1.2%	2.6%	5.0%	-0.7%	35.8%	-6.1%	192.1%
Hang Seng Index	9.0%	17.8%	27.1%	21.7%	13.0%	43.6%	16.6%	152.2%
Hang Seng Small Cap Index	2.9%	3.1%	8.9%	7.2%	-11.4%	-	-	-

Sector Allocation



TOP FIVE HOLDING (35.66% of total value)

1. Tongda Group	PC/Smartphone casing manufacturer.
2. BJ Ent Water	Construction of sewage and reclaimed water treatment and seawater desalination plants
3. Xinyi Solar	Solar farms and solar PV glass manufacturing in PRC.
4. ZTE	A global leader in telecommunications and information technology.
5. China State Construction	Major construction contractor in Hong Kong and China

Disclaimer

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PORTFOLIO CHARACTERISTICS

	Price/Book	Trailing P/E	Estimated P/E	Yield	
Hong Kong Partners LP	1.3	10.9*	6.6*	3.7*	
Hang Seng Index	1.3	13.7	12.4	3.0	* Weighted Average

HONG KONG PARTNERS L.P. FUND STRATEGY

South Ocean Management has focused on China-centric growth stocks in Hong Kong since our 1992 founding. Our formula is long-term investing in undervalued stocks using an intrinsic value methodology similar to Warren Buffett.

Our proprietary system demands that we incorporate a wide margin of safety when buying Chinese owned/managed companies, which helps lower risks in this part of the world.

We screen for undervalued stocks and seek 20% annualized returns.

Overview: Our core investment strategy is to focus on China growth through quality companies listed in Hong Kong .

What we do:

We invest in Hong Kong-listed companies that generate profits from operations in China.

We avoid investing directly in China as comparable companies listed there have different accounting standards and agendas. We invest in companies that are transparent, with dynamic business models, in the more level playing fields of Hong Kong.

Small/mid caps in Hong Kong tend to be under-researched and under-owned relative to large caps. We concentrate our portfolios in 15-30 positions, usually with no more than 20% in one stock.

Our open mandate allows for short selling, leverage and derivatives, but no activity in these trading formats to-date. We aren't trying to 'hug' an index with our 3-5 year time horizons, but have retreated to cash when there are few bargains available.

The South Ocean advantage:

South Ocean has been located in Hong Kong since 1992. We believe hands-on, active management (not peripheral analysis), is paramount to success in this volatile market.

We make frequent visits to the Hong Kong offices and management of all our holdings, often travelling to their business operations in China. This additional effort is critical for maximizing returns in our portfolios and is a major differentiating factor of South Ocean Management Ltd investment.

Our Delaware LP has been open to US and non-US investors since 1993, which is administered by Apex Ltd and custody at DBS Bank Ltd.

Fund Details

Advisory Company:

South Ocean Management Ltd

Management Company:

South Ocean Management Ltd

Fund Size: US\$10.07mn

Inception Date: Jul-1993

Domicile:

Delaware and Cayman Islands

Base Currency: USD

Leverage: No

Hurdle Rate: No

High Water Mark: Yes

Minimum Investment Size:

US\$150,000 Dealing Monthly

Redemption Notification

Period: 1 month written

Management Fee: (%pa) 1.5

Performance Fee: (%pa) 15.0

Administrator: APEX

Auditor:

Deloitte Touche Tohmatsu

Legal Advisor:

Dechert, LLP in U.S./ Campbells in Cayman Islands

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