

**[ For Immediate Release ]**

**Value Partners Group Announces Joint Venture with  
Yunnan Industrial Investment Holding Group Ltd.  
to Set Up Private Equity Fund Management Company in China**

**(Hong Kong, 21 January 2011)** — Value Partners Group Limited (together with its subsidiaries, “Value Partners” or “the Group”, Hong Kong Stock Code: 806) today announced the signing of an agreement to set up a joint venture private equity fund management company (“FMC”) with 雲南省工業投資控股集團有限責任公司 (Yunnan Industrial Investment Holding Group Ltd.) (“Yunnan Industrial Investment”) in China. Under the partnership, both companies have agreed to jointly set up a FMC in Kunming, Yunnan, China, in which Value Partners will hold a 60% stake in the FMC, while Yunnan Industrial Investment will hold a 40% stake, and the partners will manage the FMC together. The initial registered capital of the FMC will be RMB15 million.

Through the management of the FMC, Value Partners intends to establish a renminbi-denominated private equity fund (“Fund”) by the end of this year, with the aim of raising RMB500 million for the Fund. Subject to the approval from China’s regulatory authorities, the two companies will jointly invest around RMB150 million (in proportion to their respective stakes in the FMC) in the Fund as seed capital.

The FMC will recruit a private equity management team to assist the Company and Yunnan Industrial Investment to manage the Fund and business. The Fund intends mainly to invest in enterprises in Yunnan province that can seek initial public offerings in the near future. The Fund may also invest in other foreign or domestic companies in the other provinces in the mainland, and in different sectors such as new energy, mineral resources, consumer goods, bio-pharmaceuticals, financial services, education, culture and tourism, commerce and trade, and equipment manufacturing.

Yunnan Industrial Investment was formerly known as 雲南省國有資產經營有限責任公司 (Yunnan State-Owned Assets Operation Company Limited), which was established in 2000 and was a large state-owned provincial private enterprise specially engaged in state-owned capital investment, operation and management. As approved by Yunnan Provincial Government (雲南省人民政府), Yunnan Industrial Investment was jointly established in 2008 by State-owned Assets Supervision and Administration Commission of Yunnan Provincial Government (雲南省人民政府國有資產監督管理委員會) together with five large industrial groups in Yunnan. Value Partners has chosen to partner with Yunnan Industrial Investment as it is positive on the economic prospects of Yunnan and other provinces in Western China.

As indicated in Value Partners’ 2010 Interim Report, as well as in the announcement in relation to the share placement completed on 26 October 2010, a long term strategy and goal of the Group is to expand Value Partners’ fund management business into Mainland China. The FMC will be the Group’s first venture for it to establish a fund management business in the mainland. Value Partners will actively continue to seek other opportunities for expanding the Group’s presence in the mainland into different fund management businesses, through both new ventures, mergers and acquisitions.

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Value Partners management is confident about the new partnership and FMC's future growth prospects. Yunnan Industrial Investment is one of the largest financial and asset management firms in Yunnan Province, and Value Partners is the largest home-grown fund management firm in Hong Kong, with an excellent long-term track record. Given its assets under management, the Group is also the largest hedge fund management company in Asia. Combining the geographic and asset management experience of the two companies, they expect the FMC and the performance of the renminbi private equity fund shows great promise.

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#### **About Value Partners Group Limited**

Value Partners Group Limited is a value-specialist in the Asia-Pacific region with a Greater China focus. Founded in February 1993, Value Partners was recently ranked Asia's largest hedge fund manager (Institutional Investor, July 2010), and has built a strong reputation in the international asset management industry. Value Partners is the only listed asset management company in Hong Kong. Website: [www.valuepartnersgroup.com.hk](http://www.valuepartnersgroup.com.hk)

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