

[For Immediate Release]

Value Partners Announces 2011 Interim Results
Net profit doubled with strong fund inflow amid volatile markets

Financial highlights

(In HK million)	1H 2011	1H 2010	% Change
Total revenue	385.4	207.0	+ 86.2%
Gross management fees	251.0	149.0	+ 68.5%
Gross performance fees	107.0	53.8	+ 98.9%
Net profit	198.7	91.6	+ 116.9%
Basic earnings per share (HK cents)	11.3	5.7	+ 98.2%
Diluted earnings per share (HK cents)	11.1	5.7	+ 94.7%
Interim dividend per share (HK cents)	Nil	Nil	

(Hong Kong, 16 August 2011) — Value Partners Group Limited (together with its subsidiaries, “Value Partners” or “the Group”, Hong Kong Stock Code: 806) today announced its interim results for the six months ended 30 June 2011.

The Group’s revenue for the period reached HK\$385.4 million – an 86.2% increase from HK\$207.0 million for the same period last year. The increase in revenue was primarily attributable to the rise of management fees and performance fees to HK\$251.0 million and HK\$107.0 million, respectively. A net profit of HK\$198.7 million was recorded, representing a more-than-double increase of 116.9% over HK\$91.6 million for the same period last year.

With its strong brand and expanded distribution channels, the Group has continued to attract significant capital inflow to its funds. Net subscription for the first half of 2011 amounted to US\$901 million, compared to US\$319 million in the first half of last year. Gross subscriptions for the period under review amounted to US\$1,814 million, compared to US\$847 million and US\$1,739 million in the first and second halves of last year, reflecting the strong momentum of positive fund inflow was sustained. Gross redemptions remained stable and amounted to US\$913 million during the period.

“Despite volatile market conditions, our fund inflow for the period remained strong. Thanks to the continued expansion of our retail distribution channels we maintained a leadership position on the retail front. Our intensive institutional sales efforts for key markets in the US and in Europe also led to increased inflow from funds of funds and private banks,” said **Mr. Jimmy Chan, Chief Executive Officer and Executive Director** of the Group.

The Group’s assets under management grew to US\$8.9 billion as at 30 June 2011, representing an increase of 57.1% over US\$5.7 billion as at 30 June 2010, and an 11.9% increase over US\$7.9 billion as at 31 December 2010. In Institutional Investor Magazine’s 2011 Asia Hedge Fund 25 ranking released in July, Value Partners was ranked No. 1 for the second consecutive year.

The Group’s ETF business also recorded a 25% growth in AUM in the first half of 2011 to US\$130 million. The AUM of its Value Gold ETF has surged to US\$90 million by the end of June 2011 from US\$23 million when it was launched in November last year.

“Looking ahead, we believe global uncertainties will remain and there will be a continual shift of investment assets from the developed countries to emerging markets, with China and Renminbi being a big winner,” **Mr. Chan** observed. “Naturally, China-related stock markets will benefit from this trend and we believe Value Partners could be one of the major beneficiaries. Throughout the past 18 years since our inception, Value Partners has gone through various market crises and every single time, we have emerged stronger. We are upbeat about the China market and, in fact, the net inflow to our funds since the beginning of the second half has remained positive.”

Other gains of the Group for the period amounted to HK\$42.6 million, compared to HK\$5.6 million a year earlier. The net gains this year included fair value gain in our fund investments and other short term investments, mark-to-market gain on investment property and exchange gain.

During the period the Group’s balance sheet and cash flow positions remained strong. As at 30 June 2011, the Group had a net cash balance of HK\$1,213.5 million and has no borrowing.

The Group’s management continued to exercise stringent cost discipline and aimed to keep its fixed operating expenses well covered by its net management fee income, which is considered a relatively stable source of income. For the period under review, the Group’s fixed cost coverage was 3.1 times.

In pursuing opportunities to expand its presence in Greater China, the Group has extended its business presence further in the mainland and Taiwan, including establishing a joint venture private equity fund management company in Kunming of Yunnan, acquiring 55.46% stake of KBC Concord Asset Management Co. Ltd. in Taiwan and incorporating a new wholly-owned subsidiary in Shanghai to enhance its presence in the domestic sunshine private A-share fund market.

As part of the Value Partners’ commitment to growing its ETF business in Asia, in July the Group acquired from Ping An Insurance of China the other 50% stake in Sensible Asset Management Hong Kong Limited (“SAMHK”), manager of our ETF products. After the transaction, the Group owns the entire share capital of SAMHK. The Group will continue to launch innovative products that can leverage its value investing principle and market experience on this platform.

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About Value Partners Group Limited

Value Partners is one of Asia’s largest asset management firms, with assets under management of US\$8.9 billion as of 30 June 2011. Since our establishment in 1993, we at Value Partners have been dedicated value investors for 18 years, with a focus on the Greater China region. In November 2007, The Value Partners Group became the only asset management firm listed on the Hong Kong Stock Exchange (Stock code: 806 HK). We manage absolute return long-biased funds, long-short hedge funds, exchange-traded funds, quantitative funds, and private equity funds for institutional and individual clients in Asia Pacific, Europe and the U.S.
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