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**【For Immediate Release】****Value Partners builds domestic China presence with  
an acquisition of a 49% stake in KBC Goldstate**

**(Hong Kong, 8 March 2012)** — Value Partners Group Limited (“Value Partners”, and together with its subsidiaries, “the Group”, HKEx: 806) today announced that Value Partners Hong Kong Limited (“VPHK”), a wholly-owned subsidiary of the Group, has agreed to acquire a 49% stake in KBC Goldstate Fund Management Co., Ltd. from KBC Asset Management NV for a consideration of RMB 40.5 million. The remaining 51% stake is held by Goldstate Securities Joint Stock Co., Ltd.

This marks the first endeavor of a Hong Kong-headquartered asset management firm to acquire a 49% stake in a mutual fund management company in mainland China. Under China regulations, the 49% shareholding in a licensed mutual fund management firm is the maximum shareholding that can be owned by a non-mainland shareholder.

Established in November 2006, KBC Goldstate is a fund management joint venture company registered in Shanghai with 7 open-end funds and RMB 970 million of assets under management as of 31 December, 2011.

During the visit of Vice Premier Mr. Li Keqiang in August 2011, he was quoted as saying that, as set out in the National 12<sup>th</sup> Five-Year Plan, the central government encourages tighter economic cooperation between Hong Kong and the mainland, and supports Hong Kong in its development into an international asset management center.

“Upon completion of the acquisition, we believe Value Partners will become the only fund management group headquartered in Hong Kong with licensed asset management firms in mainland China, Taiwan and Hong Kong managing both public and private funds,” said **Mr. CHEAH Cheng Hye, Chairman and Co-Chief Investment Officer of Value Partners**. “This platform gives us great access to the Greater China markets, which will help us profit from the economic growth and wealth accumulation in the region. It will empower us to develop into an Asia-based, world-class fund management group.”

Value Partners has proven its Greater China expertise over the past 19 years, and has emerged as a leading asset management company in the Hong Kong fund industry dominated traditionally by global players. Going forward, Value Partners will work with the joint venture company to help enhance its investment and business performance and study potential collaboration opportunities.

As at 31 December 2011, China’s mutual fund industry had a total of 69 fund management firms and AUM of RMB2.19 trillion according to the Securities Association of China. Mr. Cheah added, “The ratio of mutual fund assets to GDP is relatively low in China when compared with more developed countries. Coupled with the expected growth in household wealth and retirement pensions, we believe growth potential for the mainland fund management market is huge.”

The agreement has been approved by Chinese Securities Regulatory Commission, pending for further regulatory approvals from the Ministry of Commerce and filing with the relevant industry

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and commerce authorities. Upon completion, KBC Goldstate will be renamed Value Partners Goldstate Fund Management Co., Ltd.

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## **Background of shareholders**

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

Value Partners is one of Asia's largest independent asset management firms with unaudited assets under management of US\$7.7 billion as of 31 January 2012. Since its establishment in 1993, the firm has been a dedicated value investor with a focus on the Greater China region. In November 2007, Value Partners Group Limited became the only asset management firm listed on the main board of the Hong Kong Stock Exchange (Stock code: 806 HK). Value Partners manages 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.

### **About Goldstate Securities Joint Stock Co., Ltd.**

Goldstate Securities Joint Stock Co., Ltd. is a mainland licensed securities firm engaged in investment banking, brokerage and securities trading, asset management and financial advisory. The company was established in 2002, with its majority stake owned by Capital Airports Holding Company.

## **Background of the joint venture company**

### **About KBC Goldstate Fund Management Co., Ltd.**

Established in November 2006, KBC Goldstate is registered in Shanghai with registered capital of RMB150 million, with 51% stake held by Goldstate Securities and 49% held by KBC Asset Management NV. Following completion of the acquisition, the 49% stake will be held by Value Partners. As of 31 December 2011, KBC Goldstate had around RMB970 million assets under management.

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