
【For Immediate Release】

**Value Partners welcomes CEPA X
on growth for HK asset management industry**

(Hong Kong, 29 August 2013) — Today top officials of the Chinese central government and Hong Kong Special Administrative Region (HKSAR) signed the 10th supplement to the Closer Economic Partnership Arrangement (CEPA X), which covers measures to foster tighter cooperation in the financial services sector. Value Partners welcomes the latest CEPA development, which is expected to benefit Hong Kong's asset management industry.

One of the highlights for the asset management industry is the mainland agreeing to actively studying mutual recognition of fund products between the mainland and Hong Kong.

"The much-anticipated mutual recognition scheme of investment funds is considered to be a game changer," said **Timothy TSE, CEO of Value Partners**. "Hong Kong's fund products have a strong appeal and will likely catch the eyes of mainland investors, a huge potential client base given the size of the China market and the high savings rate on the mainland. As a leading value investor in the region with a strong track record in delivering superior long-term performance, Value Partners will be positioning itself in an attempt to capture opportunities in this area."

The average savings rate in China exceeds 50% of GDP¹, meaning an amount of USD4 trillion a year². For the mainland's mutual fund industry, the total assets in funds, trust company products and insurance savings vehicles have grown to exceed USD2 trillion in size³.

Under CEPA X, qualified Hong Kong-funded financial institutions will be allowed to set up joint venture fund management companies in the mainland in accordance with relevant mainland requirements. The shareholding percentage of these Hong Kong-funded institutions could exceed 50%.

"We highly welcome the latest initiatives under CEPA X," said **Mr. TSE**. "This marks another step of liberalization in the mainland's financial services sector. As China quickens its pace in financial reforms, investors can be the end beneficiaries and may enjoy a better offering of products and services."

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¹ According to data from the World Bank, China's gross savings as a percentage of gross domestic products (GDP) from 2006 to 2011 was 52.5% on average.

² "China, India: Meet the Economic Giants of Tomorrow", Financial Post, 9 November 2012.

³ Insurance Savings Vehicles: "2012 China Statistics Book".

About Value Partners Group Limited

Value Partners is one of Asia's largest independent asset management firms with unaudited assets under management of US\$8.8 billion as of 31 July 2013. 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, as well as fixed income products for institutional and individual clients in Asia Pacific, Europe and the U.S.

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