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VALUE PARTNERS GROUP LIMITED

惠理集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 806)

FINAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

FINANCIAL HIGHLIGHTS

The key financial highlights for the reporting period are as follows:

(In HK\$ million)	2012	2011	% Change
Total revenue	651.6	688.9	-5.4%
Gross management fees	461.8	491.4	-6.0%
Gross performance fees	112.1	139.5	-19.6%
Profit attributable to equity holders of the Company	376.4	167.3	+125.0%
Basic earnings per share (HK cents)	21.4	9.5	+125.3%
Diluted earnings per share (HK cents)	21.4	9.5	+125.3%
Interim dividend per share	Nil	Nil	
Final dividend per share (HK cents)	6.3	5.8	+8.6%
Special dividend per share (HK cents)	9.7	Nil	

FINAL RESULTS

The Board of Directors (the “Board”) of Value Partners Group Limited (the “Company”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “Group”) for the year ended 31 December 2012 together with respective comparative figures. The following financial information, including the comparative figures, has been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2012

	<i>Note</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Income			
Fee income and other revenue	2	651,576	688,936
Distribution and advisory fee expenses		(178,965)	(166,940)
Net fee income		472,611	521,996
Other income		54,119	24,760
Total net income		526,730	546,756
Expenses			
Compensation and benefit expenses	3	(197,052)	(181,992)
Operating lease rentals		(12,943)	(11,965)
Other expenses	4	(62,382)	(59,168)
Total expenses		(272,377)	(253,125)
Changes in fair value of investment properties		24,000	18,694
Net gains/(losses) on investments		132,753	(114,123)
Net gains on investments held-for-sale		23,455	–
Others		(3,274)	11,400
Other gains/(losses) – net	5	176,934	(84,029)
Operating profit		431,287	209,602
Share of loss of an associate		(16,152)	(185)
Share of loss of a joint venture		–	(2,345)
Profit before tax		415,135	207,072
Tax expense	6	(45,657)	(42,300)
Profit for the year		369,478	164,772
Other comprehensive income/(loss) for the year			
Fair value gains/(loss) on available-for-sale financial assets		18,673	(4,205)
Foreign exchange translation reserve		7,864	(664)
Other comprehensive income/(loss) for the year		26,537	(4,869)
Total comprehensive income for the year		396,015	159,903
Profit attributable to			
Equity holders of the Company		376,361	167,299
Non-controlling interests		(6,883)	(2,527)
		369,478	164,772
Total comprehensive income for the year attributable to			
Equity holders of the Company		400,956	163,403
Non-controlling interests		(4,941)	(3,500)
		396,015	159,903
Earnings per share for profit attributable to equity holders of the Company (HK cents per share)			
– basic	7	21.4	9.5
– diluted	7	21.4	9.5
Dividends (HK\$'000)	8	280,832	101,802

CONSOLIDATED BALANCE SHEET

As at 31 December 2012

	<i>Note</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		7,747	8,129
Intangible assets		54,404	52,670
Investment properties		102,000	78,000
Investment in an associate		90,944	–
Deferred tax assets		399	328
Investments	9	953,135	959,556
Other assets		13,987	13,529
Loan portfolio, net		8,024	–
		1,230,640	1,112,212
Current assets			
Investments	9	240,862	21,081
Investments held-for-sale	10	245,899	–
Fees receivable	11	179,067	61,427
Loan portfolio, net		337	–
Amounts receivable on sale of investments		164,224	17,748
Prepayments and other receivables		33,473	19,614
Cash and cash equivalents	12	888,090	1,315,348
		1,751,952	1,435,218
Current liabilities			
Accrued bonus		68,243	69,501
Distribution fee expenses payable	13	28,915	23,933
Amounts payable on purchase of investments		135,033	–
Other payables and accrued expenses		17,870	21,197
Current tax liabilities		15,353	8,785
		265,414	123,416
Net current assets		1,486,538	1,311,802
Net assets		2,717,178	2,424,014
Equity			
Capital and reserves attributable to equity holders of the Company			
Issued equity	14	889,213	889,213
Other reserves		181,653	153,671
Retained earnings		280,832	101,802
– proposed dividends	8	1,280,727	1,185,198
– others			
		2,632,425	2,329,884
Non-controlling interests		84,753	94,130
Total equity		2,717,178	2,424,014

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The consolidated financial statements of the Company have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants.

New standards, amendments and interpretations issued but are not yet effective for the financial year beginning 1 January 2012 and have not been early adopted:

- Amendment to HKAS 1 “Financial Statement Presentation” (effective from 1 July 2012)
- HKAS 28 (revised 2011) “Investments in Associates and Joint Ventures” (effective from 1 January 2013)
- HKFRS 9 “Financial Instruments” (effective from 1 January 2015)
- HKFRS 10 “Consolidated Financial Statements” (effective from 1 January 2013)
- HKFRS 12 “Disclosures of Interests in Other Entities” (effective from 1 January 2013)
- HKFRS 13 “Fair Value Measurement” (effective from 1 January 2013)

2. TURNOVER AND REVENUE

Turnover and revenue consist of fees from investment management activities and fund distribution activities and interest income from loan portfolio.

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Management fees	461,799	491,433
Performance fees	112,087	139,532
Front-end fees	77,164	57,214
Back-end fees	–	757
Total fee income	651,050	688,936
Interest income from loan portfolio	322	–
Fee income from loan portfolio	204	–
Total turnover and revenue	651,576	688,936

3. COMPENSATION AND BENEFIT EXPENSES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Management bonus	68,243	69,501
Salaries, wages and other benefits	123,621	102,626
Share-based compensation	3,387	8,499
Pension costs – mandatory provident fund scheme	1,801	1,366
Total compensation and benefit expenses	197,052	181,992

4. OTHER EXPENSES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Marketing expenses	10,524	8,305
Research expenses	10,194	8,446
Legal and professional fees	7,995	6,244
Travelling expenses	6,819	9,201
Depreciation and amortisation	5,871	4,513
Office expenses	4,824	3,648
Insurance expenses	3,419	2,901
Auditor's remuneration	2,874	2,819
Donations	1,750	3,000
Recruitment expenses	1,545	4,165
Entertainment expenses	1,524	1,223
Registration and licensing fees	1,059	1,847
Charge of loan impairment allowances	84	–
Others	3,900	2,856
	<u>62,382</u>	<u>59,168</u>
Total other expenses	<u>62,382</u>	<u>59,168</u>

5. OTHER GAINS/(LOSSES) – NET

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Changes in fair value of investment properties	24,000	18,694
Net gains/(losses) on investments		
Gains on financial assets at fair value through profit or loss	155,825	26,171
Losses on financial assets at fair value through profit or loss	(60,448)	(140,294)
Gains on disposal of held-to-maturity financial assets	13,633	–
Gains on disposal of available-for-sale financial assets	23,743	–
Gains on investments held-for-sale	23,455	–
Others		
Gain on remeasuring previously held interest in a joint venture at fair value upon further acquisition as a subsidiary	–	27,021
Impairment loss on goodwill	–	(27,414)
Gains on disposal of property, plant and equipment	–	48
Loss on disposal of subsidiaries	(3,975)	–
Loss on disposal of an associate	–	(24)
Net foreign exchange gains	701	11,769
	<u>176,934</u>	<u>(84,029)</u>
Total other gains/(losses) – net	<u>176,934</u>	<u>(84,029)</u>

6. TAX EXPENSE

Under current tax laws of the Cayman Islands, there are no income, estate, corporation, capital gains or other taxes payable by the Group. As a result, no provision for income and capital gains taxes has been made in the consolidated financial statements.

Hong Kong profits tax has been provided on the estimated assessable profit for the year ended 31 December 2012 at the rate of 16.5% (2011: 16.5%).

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Current tax		
Hong Kong profits tax	46,985	42,067
Overseas tax	1,113	1,356
Adjustments in respect of prior years	<u>(2,373)</u>	<u>(854)</u>
Total current tax	45,725	42,569
Deferred tax		
Origination and reversal of temporary differences	<u>(68)</u>	<u>(269)</u>
Total tax expense	<u>45,657</u>	<u>42,300</u>

7. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the profit attributable to equity holders of the Company of HK\$376,361,000 (2011: HK\$167,299,000).

The basic earnings per share is based on the weighted average number of shares in issue during the period of 1,755,203,000 (2011: 1,755,785,000). The diluted earnings per share is calculated by adjusting the weighted average number of shares in issue during the period of 1,755,203,000 (2011: 1,755,785,000) by 2,713,000 (2011: 10,082,000) to assume conversion of all dilutive potential ordinary shares granted under the Company's share option scheme.

8. DIVIDENDS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Proposed final dividend of HK6.3 cents (2011: HK5.8 cents) per ordinary share	110,578	101,802
Proposed special dividend of HK9.7 cents (2011: Nil) per ordinary share	<u>170,254</u>	<u>–</u>
Total dividends	<u>280,832</u>	<u>101,802</u>

The directors recommend payment of a final dividend of HK6.3 cents per ordinary share and a special dividend of HK9.7 cents per ordinary share. The estimated total final dividend and total special dividend, based on the number of shares outstanding as at 31 December 2012, are HK\$110,578,000 and HK\$170,254,000 respectively. Such dividends are to be approved by the shareholders at the Annual General Meeting of the Company on 7 May 2013 and have not been recognized as a liability at the balance sheet date.

9. INVESTMENTS

Investments include the following:

	Financial assets at fair value through profit or loss		Held-to-maturity financial assets		Available-for-sale financial assets		Total	
	2012	2011	2012	2011	2012	2011	2012	2011
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Listed securities (by place of listing)								
Debt securities – Hong Kong	-	-	-	2,458	2,477	-	2,477	2,458
Debt securities – Singapore	-	-	-	58,630	229,089	-	229,089	58,630
Investment funds – Hong Kong	<u>368,292</u>	<u>196,599</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368,292</u>	<u>196,599</u>
Market value of listed securities	<u>368,292</u>	<u>196,599</u>	<u>-</u>	<u>61,088</u>	<u>231,566</u>	<u>-</u>	<u>599,858</u>	<u>257,687</u>
Unlisted securities (by place of incorporation/establishment)								
Debt securities – China	-	-	-	85,107	86,422	-	86,422	85,107
Equity securities – Singapore	-	-	-	-	5,649	1,187	5,649	1,187
Investment funds – Australia	18,358	-	-	-	-	-	18,358	-
Investment funds – Cayman Islands	471,088	571,424	-	-	-	-	471,088	571,424
Investment funds – Luxembourg	-	5,873	-	-	-	-	-	5,873
Investment funds – Taiwan	-	22,908	-	-	-	-	-	22,908
Investment funds – United States	<u>263</u>	<u>25,371</u>	<u>-</u>	<u>-</u>	<u>12,359</u>	<u>10,867</u>	<u>12,622</u>	<u>36,238</u>
Fair value of unlisted securities	<u>489,709</u>	<u>625,576</u>	<u>-</u>	<u>85,107</u>	<u>104,430</u>	<u>12,054</u>	<u>594,139</u>	<u>722,737</u>
Derivative financial instruments								
Currency option contract	-	213	-	-	-	-	-	213
Total investments	<u>858,001</u>	<u>822,388</u>	<u>-</u>	<u>146,195</u>	<u>335,996</u>	<u>12,054</u>	<u>1,193,997</u>	<u>980,637</u>
Representing:								
Non-current	703,561	801,307	-	146,195	249,574	12,054	953,135	959,556
Current	<u>154,440</u>	<u>21,081</u>	<u>-</u>	<u>-</u>	<u>86,422</u>	<u>-</u>	<u>240,862</u>	<u>21,081</u>
Total investments	<u>858,001</u>	<u>822,388</u>	<u>-</u>	<u>146,195</u>	<u>335,996</u>	<u>12,054</u>	<u>1,193,997</u>	<u>980,637</u>

10. INVESTMENTS HELD-FOR-SALE

The Group classified the following interests in investment funds as held-for-sale as the Group intended to dispose these investments as soon as practically possible. There was no investments held-for-sale as at 31 December 2011.

	Fair Value	
	2012 HK\$'000	2011 HK\$'000
Investment funds – Cayman Islands	133,262	-
Investment funds – Ireland	85,638	-
Investment funds – Taiwan	<u>26,999</u>	<u>-</u>
Total investments held-for-sale	<u>245,899</u>	<u>-</u>

As at 31 December 2012, the major assets of the above funds were securities.

11. FEES RECEIVABLE

Fees receivable from investment management activities are mainly due at the end of the relevant valuation period of the investment funds and managed accounts. However, some of these fees receivable are only due after the relevant valuation period as a result of credit periods granted to certain investment funds and managed accounts which are generally within one month. The ageing analysis of fees receivable that were past due but not impaired is as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Fees receivable that were past due but not impaired		
1 - 30 days	692	1,421
31 - 60 days	-	455
61 - 90 days	483	-
	<u>1,175</u>	<u>1,876</u>
Fees receivable that were within credit period	177,892	59,551
Total fees receivable	<u>179,067</u>	<u>61,427</u>

12. CASH AND CASH EQUIVALENTS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Cash at bank and in hand	207,709	1,266,858
Short-term bank deposits	671,940	47,505
Deposits with brokers	8,441	985
Total cash and cash equivalents	<u>888,090</u>	<u>1,315,348</u>

13. DISTRIBUTION FEE EXPENSES PAYABLE

The carrying amounts of distribution fee expenses payable approximate their fair value due to the short-term maturity. The ageing analysis of distribution fees payable is as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
0 - 30 days	28,610	23,070
31 - 60 days	136	327
61 - 90 days	-	151
Over 90 days	169	385
Total distribution fee expenses payable	<u>28,915</u>	<u>23,933</u>

14. ISSUED EQUITY

	Number of shares	Issued equity <i>HK\$'000</i>
As at 1 January 2011	1,752,192,981	866,717
Share issued upon exercise of share options	5,410,819	29,759
Repurchase of issued ordinary shares	(2,401,000)	(7,263)
As at 31 December 2011	<u>1,755,202,800</u>	<u>889,213</u>
As at 1 January 2012 and 31 December 2012	<u>1,755,202,800</u>	<u>889,213</u>

CHAIRMAN’S STATEMENT

Value Partners, once a small boutique in the 1990s, has matured into one of Asia’s largest asset-management institutions – well-capitalized, operationally robust, with a leading brand reputation. Our coming of age can be seen further in 2012, when solid results were achieved despite an uncertain investment environment for much of the year, particularly in our core China-related markets.

Thus, net profit still increased by 125% to reach HK\$376.4 million, while we were still able to grow in terms of assets under management (“AUM”) by 18.9% to reach US\$8.5 billion, the highest year-end AUM in our history.

If, as we hope, 2013 turns out to be a good year for China-related markets, the outlook is promising indeed. In 2012, we didn’t benefit much from performance fees but in 2013, this could change. (Under the “high-on-high” principle, a fund has to exceed its previous record high before a performance fee becomes payable; by the end of 2012, our funds had recovered most, if not all, of their 2011 losses, which means even small advances in 2013 should likely carry us into performance fee territory.)

We are pleased to propose a dividend for 2012 of HK6.3 cents (compared to HK5.8 cents in 2011) and, in addition, we propose a special “anniversary” dividend of HK9.7 cents, as Value Partners celebrates the 20th anniversary of its founding in 2013.

We are deeply grateful to the clients, employees, shareholders and friends who have supported us over these two decades.

Profit contributions

To provide more detail, since performance fees didn’t contribute a great deal in 2012, Value Partners’ profit for the year was tied to some extent to “treasury operations,” meaning investment returns from our own capital, a major part of which is subscribed to our various funds, side-by-side with clients. We should clarify, however, that it is the “fund management operation,” not the “treasury operation,” that is our overriding focus. From fund management, we collect not only performance fees but also a fixed management fee, which represents a stable income source, even though clients are charged only a low fixed fee. As an indication of how established the business has become, Value Partners’ fixed costs were 2.2 times covered by the net management fee collection alone, not counting other revenue sources, made possible by our huge asset base, and this collection far exceeds the contribution from treasury operations.

For an in-depth discussion of this and other relevant topics, including our progress in various business-development projects, please refer to the accompanying report from our Chief Executive Officer (CEO). Worth highlighting is the progress made in Chengdu city (population: 14 million) by our 90% owned micro-finance firm, Vision Credit, which has become a full-fledged operating business making small loans under a highly professional management.

Some other points

From the beginning, Value Partners' success has depended very much on fund performance, and this remains our highest priority. Value Partners has put tremendous resources and thinking into making value-investing work on a large scale in Asia. In 2012, we expanded further our Investment Team and enhanced the team's sector specialization system, which ensures that we have specialists to cover every major market sector. Value Partners' corporate mission, as previously stated, is to build a "Temple of Value-Investing" for Asia, and in 2012, our team conducted around 2,500 company visits in the region, with a major focus on the Greater China region.

Our experience teaches us that while fund performance is key, it is also very important to build a full support infrastructure. In Value Partners, we now have a complete range of support systems within the group, including legal and compliance, risk management, client services, portfolio administration, information technology, auditing and accounting, human resources and corporate communications. We consider this a major achievement, as in Hong Kong, it is usually only the big foreign institutions that possess the resources to enjoy full-fledged support systems in-house.

To report on another achievement: we just learnt that Value Partners has captured two of the latest Lipper Fund Awards (Hong Kong)¹ – our Chinese Mainland Focus Fund and China Greenchip Fund were the winners in the China equity and Greater China equity categories, for their performance over five years. These add to our harvest of more than 70 performance awards and prizes that have been won through our history, with the first award (from Micropal) received in 1994, a year after inception.

Finally, a quick point about China. It was only towards the end of 2012 that we saw a tentative recovery in China-related stocks. There is a decent chance that this is the beginning of a new market cycle for China-related stockmarkets. It is sometimes forgotten that stocks in mainland China crashed in the second half of 2007, even before the global market crash of 2008. After so many years, a recovery in Chinese equities seems due, especially since the much-feared hard landing in the economy hasn't happened.

CHEAH Cheng Hye

Chairman and Co-Chief Investment Officer

¹ Awards based on data as of year-end 2012.

REPORT OF THE CHIEF EXECUTIVE OFFICER

Financial markets in 2012

Dominated by macro-driven trends and changing news flow, 2012 was a year of roller-coaster ride in global financial markets, which posted challenges for value investors. Market sentiment improved approaching the end of the year, with encouraging outlook for the global economy, particularly following China's smooth leadership transition in November. Greater China financial markets concluded the year on a high note and a sense of positivity, which contributed to the gains of Value Partners' funds towards the end of the year.

Solid results in a volatile year

In a year generally marked by volatility and challenges for the fund industry, our Group managed to post a solid growth of 18.9% in assets under management ("AUM") to US\$8.5 billion by the end of the year (2011: US\$7.2 billion). This is the highest year-end AUM in the Group's history (see chart on the right). With Value Partners' strong branding, distribution network and strategic product development, we continued to record a net subscription of US\$183 million in the year (2011: US\$847 million). We are seeing a strong momentum in AUM growth of late, which already hit an all-time high of US\$9.4 billion by the end of February 2013. Our net sales in the first two months exceeded US\$520 million, of which US\$100 million came from our Taiwan and China sales¹. Both the strong growth in our AUM and solid sales signal a good start for 2013.



Profit attributable to our equity holders amounted to HK\$376.4 million – a 125.0% increase from the previous year (2011: HK\$167.3 million) – driven by significant gains made with our treasury operation comprising investment in our own funds and other treasury returns. Revenue from our fund management operation, including mostly management fees and performance fees, saw a slight drop, but our net management fee margins stayed at a stable level (60 basis points) in the year. Our management fee income continued to offer a stable income, albeit slightly lower than the previous year (2012: HK\$461.8 million; 2011: HK\$491.4 million) due to lower average AUM in the period. As in the past years, the fixed costs of our fund management business were still well covered by net management fee income alone at a coverage ratio of 2.2 times.

Despite the challenging market environment in the year, we earned performance fees (2012: HK\$112.1 million; 2011: HK\$139.5 million) with products such as our High-Dividend Stocks Fund², our second largest own-branded fund which saw a gain of 25.2% in 2012. In the period, our other major funds almost pared the losses they had suffered in 2011, and many of them were on the way to reach their respective high watermarks. For example, our flagship Classic Fund was only 0.7% from its high watermark by the end of February 2013, while our High-Dividend Stocks Fund surpassed its high watermark by 4.7%. The sizes of the two funds were US\$1.6 billion and US\$1.1 billion, respectively, as of end-February 2013. We are entering a phase of growth for value investing where performance fee will likely be a bigger income contributor going forward.

Focusing on priorities, building success

As we continue to build Value Partners as a world-class, independent fund management firm in the region, we continue to develop our business strategically on various fronts:

(I) Diverse initiatives in Hong Kong headquarters

(A) Strengthening distribution channels

For 2012, sales through our various intermediaries in Hong Kong constituted around half of the Group's gross sales. Leveraging our leading market position in the fund landscape, we have been expanding our distribution channels in the Hong Kong retail bank space and, by the end of 2012, Value Partners' fund products were on all significant retail bank platforms locally. With deepened collaboration with our retail bank partners, we saw a more complete product offering on those platforms, and we worked to add more of our funds to their "focused/recommended list" for a stronger sales push. We intensified our efforts in promoting these products with branch events and seminars throughout the year, which contributed to the funds' popularity among local investors. Going forward, we will continue intensifying our existing sales efforts and enhance our marketing initiatives.

Observing that the number of high-net-worth individuals has been on a steady rise, we have been aggressively expanding our reach to this pool of investors, particularly through the network of private banks with an Asia-wide coverage. In the year, we strengthened ties with our existing private bank partners and won presence on a number of new platforms. We will be signing up additional ones, and place more funds on the existing platforms.

The channel of insurance companies has been an area that poses further penetration opportunities for the Group, where strong growth is expected in the coming years. Our exploration with insurance companies was met with success, having signed up new partners in the year for greater exposure to insurance-linked products (ILAS), which tend to generate sticky inflows into the Group.

(B) Manager of choice in MPF

Pension money from Hong Kong's Mandatory Provident Fund ("MPF") system is another stable source of inflow – the MPF fund we manage demonstrated such stickiness with US\$126 million net inflow in the year. Collaborating with a leading player in the field who commands a strong sales force and quality service platform, Value Partners has built a strong track record as an MPF manager, and the MPF fund we manage is now regarded as a popular choice among members. The said MPF fund is the largest across all active MPF fund categories, with US\$2.3 billion AUM as of the end of 2012, attesting to its popularity and investor confidence in our investment team. In the entire MPF space, the total AUM amounted to US\$56.7 billion by the end of 2012³.

(C) Expanding global investor base

Our global investors – spanning the US, Europe and Australia with clients ranging from family offices & trusts to endowments and foundations, as well as pension funds and institutions – made up more than a quarter of the Group's AUM as of the end of 2012. As we believe China is the engine of global growth set to attract overseas investors, our institutional sales continued to make inroads into the United States and European institutions. In the year, we launched a UCITS-compliant fund⁴ for European distribution and were appointed to run a China B-share managed account for a European institution. We were also awarded a mandate to manage assets of a well-established and sizeable European pension plan. The expansion in this segment contributed to solid inflows in the second half of the year.

With a series of roadshows by our globe-trotting team covering primarily the United States, Europe and Australia, we have been laying the groundwork in uncharted territories, with which we expect to see further diversification of our investor base in the next few years.

(D) Strategic product development

Diversification is also seen in the Group's product suite, and Value Partners has ventured into other asset classes, as exemplified in our newly launched income fund and A-share fund. Seeing that investors were seeking funds with an income component at a time of high market volatility and low interest rate, we launched in March 2012 a Greater China high-yield private fund⁴, which recorded the biggest net inflow in the year (US\$271 million) among our fund products. We also added a new class with a monthly dividend distribution feature⁵ to our High-Dividend Stocks Fund, which saw strong net inflow (US\$177 million). The two funds helped our Group to capitalize on different opportunities across market cycles.

With the US\$100 million Qualified Foreign Institutional Investors ("QFII") quota we received by the end of 2012, we launched in March 2013 an A-share product⁴ primarily for institutional investors, which was fully subscribed with US\$45 million. In 2013, we will continue to enrich our product offering, with new funds already in the pipeline. Following the expansion of the Renminbi Qualified Foreign Institutional Investors ("RQFII") scheme as announced in March by the China Securities Regulatory Commission (CSRC) to cover Hong Kong-registered financial institutions with major business in the territory, the Group will be applying for RQFII quota to capture related business opportunities.

(E) Enriching ETF product suite

Following the listing of three new single-market exchange-traded funds ("ETF") capturing value opportunities in Taiwan, Korea and Japan, our ETF product suite now consists of five products, with a total AUM of US\$203 million by the end of 2012. We are pleased that our Value China ETF was rated 5-star by Morningstar as of 28 February 2013, and is the only fund in the China equity ETF space to have received such top rating from the agency.

(II) Greater China development and opportunities

(A) New products, partners and opportunities with China sales

China's financial markets are undergoing a strategic reform, with liberalization attempts by the central government to broaden and deepen the capital markets. In this wave of change, our dedicated China business team has been aggressively exploring channels for business opportunities, through both banks and trust platforms.

Leveraging our long-standing experience in investing in Asian markets, we launched a Qualified Domestic Institutional Investors ("QDII") product for private investors in partnership with China Merchant Bank and Yinhuafund Management. The fund raising exercise was completed with success, with more than RMB209 million (US\$33 million) gathered in February 2013. We will continue to develop investment advisory products for both banks and trust platforms.

For our mainland joint venture, Value Partners Goldstate Fund Management Company Limited ("VP Goldstate"), we acquired 49% of the company in March 2012 at HK\$49.9 million, and further injected HK\$57.2 million in October. VP Goldstate had a 70-strong team and RMB1.4 billion (US\$219 million) AUM by the end of 2012.

(B) Vast opportunities across the strait

As China liberalizes its capital accounts and reforms the financial system, we believe its fund market will thrive and Hong Kong asset managers will likely benefit. We are seeing huge opportunities as ties between the mainland and Hong Kong grow closer under the Closer Economic Partnership Arrangement (CEPA). In the year, we made our foray into China's Qianhai Bay Economic Zone – within a half-hour commuting radius of Hong Kong situating on the outskirts of Shenzhen – where rapid progress has been witnessed of late. Upon our signing of a Memorandum of Understanding with the Authority of Qianhai Shenzhen-Hong Kong Modern Service Industry Cooperation Zone of Shenzhen in July 2012, we have been working closely with the authorities. We are hopeful that we will be able to capitalize on the favorable policies to be introduced in Qianhai and realize the business potential there.

Across the strait, we have successfully rebuilt the investment team of Value Partners Concord Asset Management Company Limited (“VP Concord”), our joint venture arm in Taiwan. VP Concord is strategically positioned as a Greater China expert on the Island where opportunities are driven by tighter cross-strait financial cooperation. RMB opportunities will be abundant in Taiwan with the cross-strait settlement setting in place, while expanding QFII and RQFII quotas for the territory means more investment opportunities. VP Concord launched a Dim Sum bond fund⁴ in 2012, and the company’s AUM as of the end of the year was at NT\$560 million (US\$19 million). A newly launched Greater China equity fund⁴ brought the AUM of our Taiwan business to approximately NT\$2.5 billion (US\$84 million) by the end of February 2013.

For our Chengdu venture, Chengdu Vision Credit Limited, which focuses on micro-financing in the city, the loan size stood at RMB6.8 million by the end of 2012. We are particularly pleased that the company was among the 15 small loan companies – out of more than 5,000 of its competitors in China – to receive a “2012 Small Loan Company with Most Potential” award in January 2013 from China’s Small-Loan Company Association.

A milestone reached, a new era ahead

This year marks the 20th anniversary of Value Partners, which is an important landmark for the Group. In Value Partners’ twenty-year journey, the listing in 2007 signifies a solid step forward in its corporate development – the boutique house has transformed into a highly institutionalized company with strong governance and effective management. The support and confidence of our fund investors in us and in value investing have proven to be crucial to our continued success. We would like to take this opportunity to express our gratitude to them for their long-term support.

In the recently held 2013 Lipper Fund Awards (Hong Kong), our Chinese Mainland Focus Fund and China Greenchip Fund were named winners in the China equity and Greater China equity categories for their 5-year performance as at year-end 2012. The two funds, as well as our High-Dividend Stocks Fund, garnered 5-star ratings from Morningstar as of the end of February 2013, while our Classic Fund, China Convergence Fund and Taiwan Fund were rated 4 stars. Such accolades attest to our investment success and the broad recognition we receive from the industry.

Appreciation

Finally, we would like to thank our hard-working team for their unwavering dedication and pursuit of performance excellence. We also extend our appreciation to our investors, business partners and shareholders.

TSE Wai Ming, Timothy, CFA
Chief Executive Officer
Executive Director

- 1 *Excluding sales figures of VP Goldstate, in which the Group holds an ownership interest of 49%.*
- 2 *Performance of Value Partners High-Dividend Stocks Fund (Class A1) over past five years: 2008: -46.8%; 2009: +82.8%; 2010: +25.8%; 2011: -11.9%; 2012: +25.2%; 2013 (YTD as at 28 February 2013): +4.1%. Performance figures are calculated in US dollars on NAV to NAV, with dividends reinvested. Performance data is net of all fees.*
- 3 *Mandatory Provident Fund Schemes Statistical Digest, December 2012, Mandatory Provident Fund Schemes Authority.*
- 4 *Not authorized by the Securities and Futures Commission (SFC) and not available for public distribution in Hong Kong.*
- 5 *It is currently intended that monthly dividend distribution will be made in respect of the A2 MDis Class; actual dividend payout is not guaranteed and will be subject to the Manager’s discretion.*

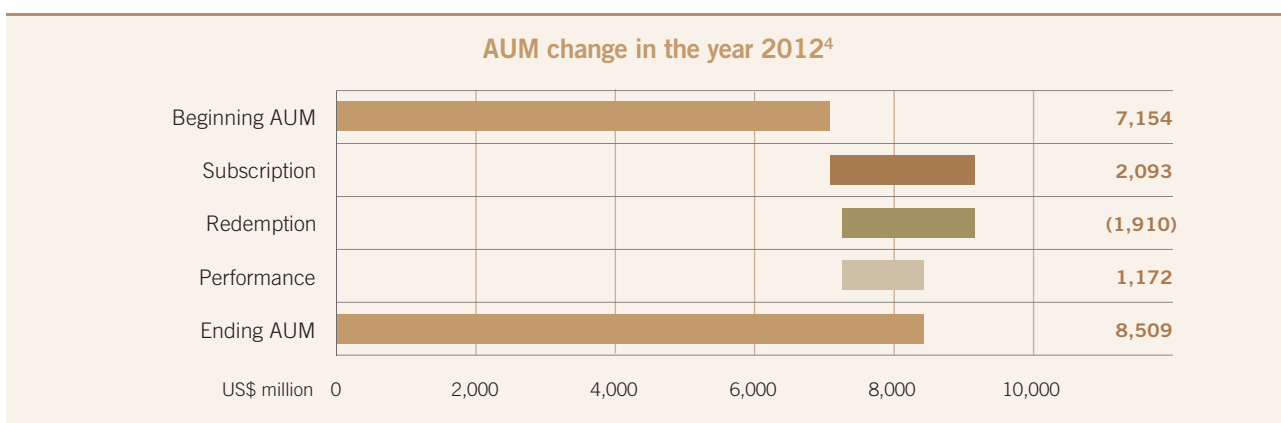
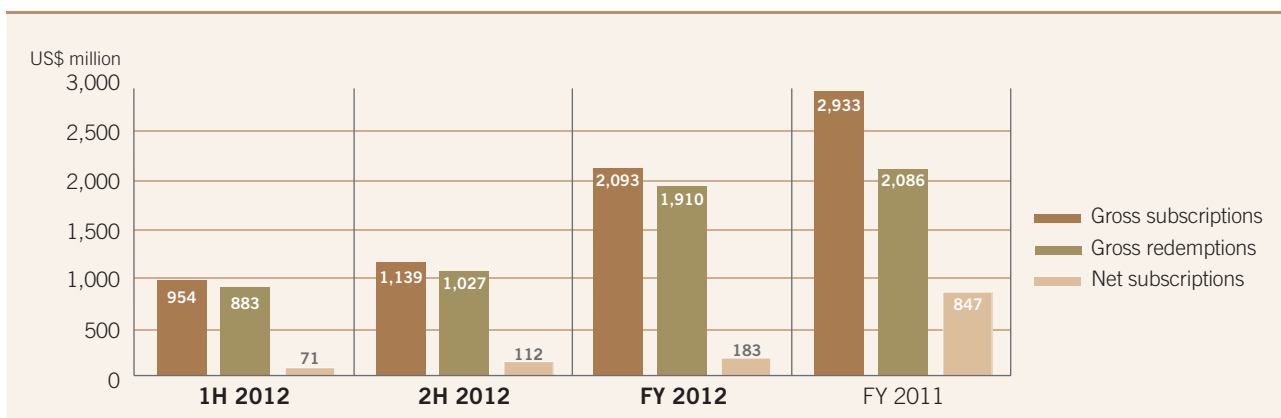
FINANCIAL REVIEW

Assets Under Management

AUM and return

The Group's AUM amounted to US\$8,509 million at the end of December 2012 (2011: US\$7,154 million). The 18.9% increase was mainly driven by the positive fund returns, which accounted for a US\$1,172 million increase in AUM. Our overall fund performance, as calculated in asset-weighted average return of funds under management, recorded a gain of 16.3% in 2012. Value Partners High-Dividend Stocks Fund¹, the Group's second largest public fund⁶ in Hong Kong, managed to generate solid returns with a gain of 25.2% in the year, while Value Partners' flagship Classic Fund² recorded a gain of 14.0% in the year.

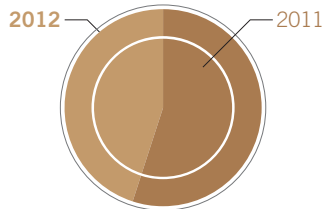
Benefiting from the market recovery approaching the end of the year, gross subscriptions in the second half of 2012 (US\$1,139 million) increased from the first half (US\$954 million). The annual total subscription of US\$2,093 million was mild compared with the previous year (2011: US\$2,933 million). Gross redemptions in the second half of 2012 (US\$1,027 million) increased from the first half of 2012 (US\$883 million), bringing the full year total to US\$1,910 million³, which was still lower than the previous year (2011: US\$2,086 million). All in all, we were able to achieve net subscriptions of US\$183 million (2011: net subscriptions of US\$847 million).



AUM by category

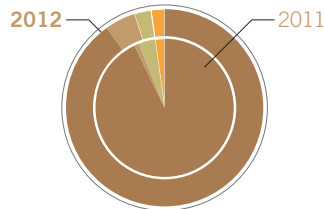
The charts below provide an analysis of the Group's AUM as at 31 December 2012 by three different classifications: brand, strategy and fund type. For the year, our product mix by brand remained stable, and own branded funds accounted for 55% of our total AUM at year-end. By strategy, our Absolute Return Long-biased Funds continued to represent the majority of our funds (90%), while our Fixed Income & Credit Funds recorded an increase due to our newly launched fund during the year, which focuses on Greater China high yield investments⁵ (5%). In terms of fund type, Hong Kong Securities and Futures Commission ("SFC") authorized funds⁶ (i.e. public funds in Hong Kong) maintained the largest portion of our AUM (75%).

Classification by brand



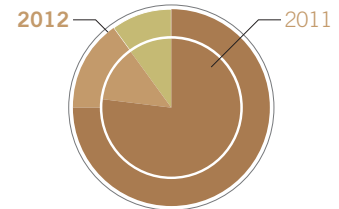
	2012	2011
• Own Branded Funds	55%	55%
• White Label & Co-branded Funds	45%	45%

Classification by strategy



	2012	2011
• Absolute Return Long-biased Funds	90%	93%
• Fixed Income & Credit Funds	5%	1%
• Long-short Hedge Funds	3%	4%
• Quantitative Funds & ETF	2%	2%

Classification by type

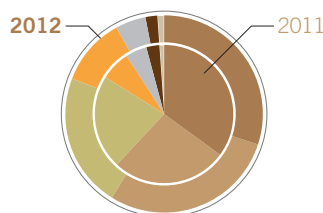


	2012	2011
• SFC authorized Funds ⁶	75%	77%
• Non-SFC authorized Funds	15%	13%
• Managed Accounts	10%	10%

Client base

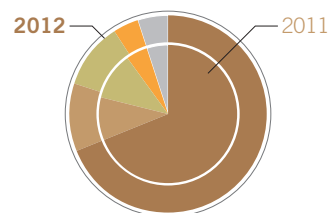
Institutional clients – including institutions, pension funds, high-net-worth individuals (HNWs), endowments and foundations, funds of funds, and family offices and trusts – remained the Group's primary set of fund investors, accounting for 78% of our AUM. In particular, the increase in HNWs is attributable to the newly launched fixed income fund⁵ and expanded business relationship with private banks in the region. The proportion of funds coming from retail investors remained stable and accounted for 22% of the AUM. By geographical region, Hong Kong clients accounted for 69% of the Group's AUM (2011: 69%), while the percentage of clients in the United States and Europe was 22% (2011: 21%).

Client analysis by type



	2012	2011
• Institutions	30%	35%
• Pension funds	29%	27%
• Retail	22%	22%
• High-net-worth individuals	11%	7%
• Endowments & foundations	5%	5%
• Funds of funds	2%	3%
• Family offices & trusts	1%	1%

Client analysis by geographical region



	2012	2011
• Hong Kong	69%	69%
• Europe	11%	10%
• United States	11%	11%
• Australia	4%	5%
• Others	5%	5%

Summary of results

The key financial highlights for the reporting period are as follows:

(In HK\$ million)	2012	2011	% Change
Total revenue	651.6	688.9	-5.4%
Gross management fees	461.8	491.4	-6.0%
Gross performance fees	112.1	139.5	-19.6%
Profit attributable to equity holders of the Company	376.4	167.3	+125.0%
Basic earnings per share (HK cents)	21.4	9.5	+125.3%
Diluted earnings per share (HK cents)	21.4	9.5	+125.3%
Interim dividend per share	Nil	Nil	
Final dividend per share (HK cents)	6.3	5.8	+8.6%
Special dividend per share (HK cents)	9.7	Nil	

Revenue and fee margin

Breakdown of total net income

(In HK\$ million)	2012	2011
Revenue	651.6	688.9
Management fees	461.8	491.4
Performance fees	112.1	139.5
Other revenue	77.7	58.0
Distribution and advisory fee expenses	(179.0)	(166.9)
Management fees rebate	(104.5)	(103.2)
Performance fees rebate	(0.5)	(8.9)
Other revenue rebate	(74.0)	(54.8)
Other income	54.1	24.8
Total net income	526.7	546.8

The Group's total revenue decreased by 5.4% to HK\$651.6 million for the year (2011: HK\$688.9 million). The major contribution to our revenue was gross management fees, which dropped to HK\$461.8 million (2011: HK\$491.4 million) as a result of a 6.2% decrease in the Group's average AUM to US\$7,641 million (2011: US\$8,142 million). Our annualized gross management fee margin maintained at 78 basis points (2011: 78 basis points). Due to the expansion in the Group's retail and private banks channels, the distribution and advisory fee expenses paid to channels increased correspondingly by 7.2% to HK\$179.0 million (2011: HK\$166.9 million), resulting in a contraction of 1 basis point in annualized net management fee margin (2012: 60 basis points; 2011: 61 basis points).

Gross performance fees, another source of revenue, amounted to HK\$112.1 million, representing a HK\$27.4 million decrease (2011: HK\$139.5 million), due to a slight decline in the performance of the Group's funds. In the year, most of our funds pared the losses they had suffered in 2011 and many of them are on the way to reach their respective high watermarks or benchmarks.

Other revenue mainly includes front-end load and back-end load, with a substantial amount of front-end load rebated to distribution channels, and such rebate is a usual market practice.

Other income, which mainly comprised dividend income and interest income, increased to HK\$54.1 million (2011: HK\$24.8 million). Dividend income decreased to HK\$4.7 million (2011: HK\$7.2 million), while interest income rose to HK\$46.9 million (2011: HK\$7.8 million) due to the increase in the bank deposits and interest-bearing bonds investments.

Other gains and losses

Breakdown of other gains/(losses) – net

(In HK\$ million)	2012	2011
Changes in fair value of investment properties	24.0	18.7
Net gains/(losses) on investments	132.7	(114.1)
Net gains on investments held-for-sale	23.5	–
Others	(3.3)	11.4
Other gains/(losses) – net	176.9	(84.0)

Gains and losses on investments and investments held-for-sale comprise fair value changes and realized gains or losses on our fund investments, debt securities and other short term investments. In the review period, the Group purchased certain interest-bearing debt securities, which also contributed to the Group's net gains on investments.

Cost management

Breakdown of total expenses

(In HK\$ million)	2012	2011
Compensation and benefit expenses	197.1	182.0
Fixed salaries and staff benefits	122.6	100.5
Management bonus	68.2	69.5
Staff rebates	2.9	3.5
Share based compensation expenses	3.4	8.5
Other expenses	75.3	71.1
Other fixed operating costs	53.4	48.9
Sales and marketing	13.7	14.4
Depreciation	5.9	4.5
Non-recurring expenses	2.3	3.3
Total expenses	272.4	253.1

The Group's management continued to exercise stringent cost discipline and aimed to keep fixed operating expenses well covered by its net management fee income, a relatively stable income source. We measure this objective with the "fixed cost coverage ratio", an indicator of how many times fixed operating expenses are covered by net management fee income. For the current year, the Group's fixed cost coverage (for asset management business) was 2.2 times.

Compensation and benefit expenses

Fixed salaries and staff benefits increased by HK\$22.1 million to HK\$122.6 million (2011: HK\$100.5 million). The increase was mainly attributable to the salary and headcount costs incurred by non-wholly owned subsidiaries in Taiwan, Chengdu and Yunnan⁷, which amounted to HK\$20.1 million, while salary increment also added to the rise in fixed salaries and staff benefits in Hong Kong.

Management bonuses amounted to HK\$68.2 million for the year (2011: HK\$69.5 million). This is consistent with the Group's compensation policy, which distributes 20% to 23% of the net profit pool every year as a management bonus to employees. The net profit pool comprises net profit before management bonus and taxation, and after certain adjustments including cost of capital. This discretionary bonus promotes staff loyalty and performance, while aligning the interests of employees with those of shareholders.

Staff rebates decreased to HK\$2.9 million (2011: HK\$3.5 million). Staff are entitled to partial rebates of management fees and performance fees when investing in the funds managed by the Group.

The Group also recorded expenses of HK\$3.4 million relating to stock options granted to employees. This expense item had no impact on cash flow and is recognized in accordance with Hong Kong Financial Reporting Standards.

Other expenses

Other non-staff-related operating costs such as rent, legal & professional fees, investment research and other administrative and office expenses, amounted to HK\$53.4 million (2011: HK\$48.9 million). The increase is attributable to the HK\$7.7 million incurred by our non-wholly owned subsidiaries.

Sales and marketing expenses remained at a steady level of HK\$13.7 million for the year (2011: HK\$14.4 million).

Non-recurring expenses mainly consisted of donations. The Group entered into a partnership with the Hong Kong University of Science and Technology ("HKUST") in 2011, and launched the "Value Partners Center for Investing at the HKUST Business School", for which the Group pledged a donation of up to HK\$10.0 million over five years and HK\$1.8 million was donated in 2012.

Other developments

In March 2012, we acquired a 49% stake in KBC Goldstate Fund Management Company Limited and the company was subsequently renamed as Value Partners Goldstate Fund Management Company Limited ("VP Goldstate")⁸. The capital involved amounted to HK\$49.9 million. In October 2012, we further injected HK\$57.2 million to VP Goldstate. As at end of December, VP Goldstate had 70 staff members and RMB1.4 billion (US\$219 million) AUM.

The acquisition of 55.46% stake of KBC Concord Asset Management Company Limited, a Taiwan fund management firm, was completed in August 2011, and was renamed as Value Partners Concord Asset Management Company Limited ("VP Concord"). We subsequently raised our stake to slightly over 60% for NT\$318.9 million in total. As at the end of December, VP Concord had 25 staff members and NT\$560 million (US\$19 million) AUM.

Chengdu Vision Credit Limited ("Vision Credit"), our joint venture company to operate and develop small loan business in Chengdu, Sichuan Province in China, was formed in November 2011. We own 90% of the joint venture, which has registered capital of RMB300.0 million. Vision Credit commenced business in the second half of 2012, and it had 27 staff members as at end of December.

Dividends

The Group has been practising a more consistent dividend distribution policy that takes into account the relatively volatile nature of asset management income streams. This policy states that dividends (if any) will be declared once a year at the end of each financial year to better align them with the Group's full-year performance.

For 2012, the Board of Directors recommended a final dividend of HK6.3 cents per share and a special "anniversary" dividend of HK9.7 cents per share to shareholders as Value Partners celebrates its 20th anniversary in 2013.

Liquidity and financial resources

Fee income is the Group's main source of income, while other income sources include interest income generated from bank deposits and interest-bearing bonds investments, and dividend income from investments held. During the year, the Group's balance sheet and cash flow positions remained strong, with a net cash balance of HK\$888.1 million. Net cash inflows from operating activities amounted to HK\$41.7 million, and the Group had no bank borrowings and did not pledge any assets as collateral for overdrafts or other loan facilities. The debt-to-equity ratio (interest-bearing external borrowings divided by shareholders' equity) stood at zero, while the current ratio (current assets divided by current liabilities) came to 6.6 times.

Capital structure

As at 31 December 2012, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK\$2,717.2 million and 1.76 billion, respectively.

- 1 *Performance of Value Partners High-Dividend Stocks Fund (Class A1) over past five years: 2008: -46.8%; 2009: +82.8%; 2010: +25.8%; 2011: -11.9%; 2012: +25.2%. Performance figures are calculated in US dollars on NAV to NAV, with dividends reinvested. Performance data is net of all fees.*
- 2 *Performance of Value Partners Classic Fund (A Units) over past five years: 2008: -47.9%; 2009: +82.9%; 2010: +20.2%; 2011: -17.2%; 2012: +14.0%. Performance figures are calculated in US dollars on NAV to NAV, with dividends reinvested. Performance data is net of all fees.*
- 3 *Including cash distributions and return of capital which amounted to US\$25 million in the year 2012.*
- 4 *Excluding AUM of VP Goldstate, in which the Group holds an ownership interest of 49%.*
- 5 *Not authorized by the SFC and not available for public distribution in Hong Kong.*
- 6 *SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.*
- 7 *Yunnan Value Partners Equity Investment Fund Management Company Limited was disposed of in September 2012.*
- 8 *The investment in VP Goldstate is recorded as interest in an associate and its operating results were not consolidated. The share of gain/loss was recorded under "share of loss of an associate".*

HUMAN RESOURCES

As at 31 December 2012, the Group employed a total of 116 staff (2011: 122) in Hong Kong and the research office in Shanghai, 25 staff (2011: 21) in Taiwan and 27 staff (2011: 1) in Chengdu. Competitive remuneration packages that take into account business performance, market practices and competitive market conditions are offered to employees in compensation for their contribution. In addition, share options are granted and discretionary bonuses are also given based on the Group's and individual staff's performances.

DIVIDENDS

No interim dividend was paid during the year. The Board is pleased to recommend the distribution of a final dividend of HK6.3 cents per share and a special dividend of HK9.7 cents per share for the year ended 31 December 2012. Subject to the approval of shareholders of the Company at the Annual General Meeting for the year 2013, the final and special dividends will be payable on or about 29 May 2013 to the shareholders whose names appear on the Registers of Members of the Company at close of business on 15 May 2013. The Board will continue to review the Group's financial position and capital needs every year in deciding its dividend recommendation going forward.

ANNUAL GENERAL MEETING

It is proposed that the Annual General Meeting of the Company ("AGM") will be held on Tuesday, 7 May 2013. Notice of the Annual General Meeting will be published and issued to shareholders in due course.

CLOSURE OF REGISTER OF MEMBERS

1. AGM

For determining the entitlement to attend and vote at the AGM, the Register of Members of the Company will be closed from Monday, 6 May 2013 to Tuesday, 7 May 2013, both days inclusive, during which period no transfer of shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 26/F., Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 3 May 2013.

2. Proposed Final and Special Dividends

The proposed final and special dividends are subject to the passing of an ordinary resolution by the shareholders at the AGM. The record date for entitlement to the proposed final and special dividends is 15 May 2013. For determining the entitlement to the proposed final and special dividends, the Register of Members of the Company will be closed from Monday, 13 May 2013 to Wednesday, 15 May 2013, both days inclusive, during which period no transfer of shares will be effected. In order to qualify for the proposed final and special dividends mentioned above, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at the abovementioned address not later than 4:00 p.m. on Friday, 10 May 2013.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SECURITIES

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the financial year ended 31 December 2012.

AUDIT COMMITTEE

In compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), the Company has an audit committee which comprises three Independent Non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the consolidated results of the Group for the year ended 31 December 2012.

CORPORATE GOVERNANCE

The Company is committed to maintaining high standards of corporate governance. As corporate governance requirements change from time to time, the Board periodically reviews its corporate governance practices to meet the rising expectations of shareholders and to comply with increasingly stringent regulatory requirements. In the opinion of the Directors, the Company applied the principles and complied with the relevant code provisions in the Code on Corporate Governance Practices (effective until 31 March 2012) and Corporate Governance Code (effective from 1 April 2012), as set out in Appendix 14 of the Listing Rules for the year ended 31 December 2012.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) as contained in Appendix 10 to the Listing Rules.

The Company has made specific enquiry with all Directors and all of them confirmed that they have complied with the required standard set out in the Model Code for the year ended 31 December 2012.

PUBLICATION OF FINAL RESULTS AND ANNUAL REPORT ON THE STOCK EXCHANGE

The final results announcement is published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.valuepartners.com.hk>). The annual report will be despatched to the shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

OUR APPRECIATION

Finally, we would like to express our gratitude to the Shareholders, business partners, distributors and customers for their unfaltering support. We would also like to thank our dedicated staff for their contributions to the success of the Group.

By order of the board of
Value Partners Group Limited
CHEAH Cheng Hye
Chairman and Co-Chief Investment Officer

Hong Kong, 13 March 2013

As at the date of this Announcement, our Directors are Mr. Cheah Cheng Hye, Ms. Hung Yeuk Yan Renee, Mr. So Chun Ki Louis and Mr. Tse Wai Ming, Timothy as Executive Director and Dr. Chen Shih Ta Michael, Mr. Lee Siang Chin and Mr. Nobuo Oyama as Independent Non-executive Directors.