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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)

PROFIT WARNING

The Group expects to record a substantial decrease in its consolidated net profit attributable to equity holders of the Company to HK\$167.3 million for the year ended 31 December 2011 (2011 unaudited estimate) from the year 2010 (HK\$653.2 million).

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

Value Partners Group Limited (the “Company”, together with its subsidiaries, the “Group”) expects to report a substantial decrease of 74% in its consolidated net profit attributable to equity holders of the Company to HK\$167.3 million for the year ended 31 December 2011 (2011 unaudited estimate) from the year 2010 (HK\$653.2 million). This was primarily due to:

- (i) a reduction in performance fee income (2011 unaudited estimate: HK\$139.5 million; 2010: HK\$708.5 million) as the return generated by most of the relevant funds under the Group’s management as at 31 December 2011 had not surpassed their previous high watermark or benchmark; and
- (ii) net fair value losses and realised losses in our fund investments (2011 unaudited estimate: losses of HK\$95.1 million; 2010: gains of HK\$85.2 million), mainly as a result of the weak global stock markets in the second half of the year 2011.

Taking out non-recurring and non-operating items, core earnings* of the Group had a decrease of 56% (2011 unaudited estimate: HK\$254.4 million; 2010: HK\$580.5 million).

For reference purpose, the year-to-date unaudited fair value gains on our fund investments up to 31 January 2012 were approximately HK\$50 million.

This announcement is only based on a preliminary review of the unaudited consolidated financial statements of the Group for the year ended 31 December 2011, which have not yet been finalised and are subject to the review of the Company and completion of the audit by its auditor.

Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

By Order of the Board
Value Partners Group Limited
Tse Wai Ming
Executive Director and Company Secretary

Hong Kong, 2 March 2012

* Core earnings measure the Group's core operating performance and exclude non-recurring and non-operating items, such as the mark-to-market gain or loss of the Group's investments in its own funds.

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