

【 For Immediate Release 】
Value Partners Announces 2014 Interim Results
Financial highlights

(In HK\$ million)	For the period ended 30 June		
	2014	2013	% Change
Total revenue	443.6	358.6	+23.7%
Gross management fees	340.7	291.0	+17.1%
Gross performance fees	21.9	15.4	+42.2%
Operating profit (before other gains/losses)	159.2	126.1	+26.2%
Profit attributable to equity holders of the Company	140.6	3.3	+4,160.6%
Basic earnings per share (HK cents)	8.0	0.2	+3,900.0%
Diluted earnings per share (HK cents)	8.0	0.2	+3,900.0%
Interim dividend per share	Nil	Nil	

(Hong Kong, 13 August 2014) — 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 period ended 30 June 2014.

In the first half of 2014, the Group delivered a set of promising results. Profit attributable to equity holders surged 41.6 times to HK\$141 million (1H 2013: HK\$3 million) on the back of increase in management and performance fees, significant reduction of losses from treasury operations, prudent cost control, as well as increased contribution from the Group’s small loan business in Chengdu city.

The Group’s assets under management (“AUM”) stood at US\$10.1 billion as of 30 June 2014. Due to higher fund inflows since the fourth quarter of 2013, average AUM of the Group rose 12% to US\$10.2 billion at the end of June 2014 from a year earlier, bolstering gross management fees by 17% to HK\$341 million (1H 2013: HK\$291 million). Performance fees increased 42% to HK\$22 million (1H 2013: HK\$15 million) thanks to strong fund performance.

The Group continued to exercise stringent cost management, limiting the increase of total expenses to 9% during the period. Fixed cost coverage ratio of the asset management business maintained at 2.7 times. As a result of increase in fees and effective cost control, operating profit before other gains or losses rose 26% to HK\$159 million (1H 2013: HK\$126 million).

Meanwhile, the improvement in fund performance significantly reduced net fair value losses of the Group’s treasury operations. Net fair value losses, which include seed capital investments and investments in the Group’s own funds, decreased to HK\$10 million in the first half of 2014 (1H 2013: HK\$153 million).

Latest performance shines

Value Partners entered the second half of 2014 with good momentum. AUM¹ of the Group has reached an all-time high of US\$10.7 billion as fund performance and net sales improved further. Value Partners Classic Fund (AUM¹: US\$1.2 billion) and Value Partners High-Dividend Stocks Fund (AUM¹: US\$1.7 billion), the Group’s two largest own branded funds, exceeded their respective high watermarks¹ by 4% and 12%. Furthermore, the Group’s treasury operations reversed earlier losses and reported net fair value gains¹ of HK\$52 million.

Sustaining growth across business segments

During the period, Value Partners continued to strengthen its foothold and enrich its product menu across different geographical regions and asset classes.

Enhance targeted China investment solutions

Amid the once-in-a-decade leadership change in the country, new policies on social and economic reforms are expected to benefit selected sectors. The Group has introduced a thematic fund in March 2014 to capture investment opportunities in the midst of China policy reforms². Envisaging an increase in demand for China A-share products, the Group is planning to unveil new products including a Renminbi Qualified Foreign Institutional Investor (“RQFII”) equity fund. In addition, the Group will also utilize the recently obtained US\$100 million of Qualified Foreign Institutional Investor (“QFII”) quota to enhance existing products.

Strengthen fixed income capabilities

In anticipation of increasing investment appetite for high-yielding fixed income products in an inflationary environment, the Group will develop more fixed income solutions, including new products covering the Asia-Pacific and other regions.

Penetrate Greater China market

The first half of 2014 is a milestone period for the Group’s China business as a number of advisory mandates from leading mainland financial institutions have been secured. The Group currently has six A-share and cross-border advisory mandates² and is expecting to extend the list further. While the Group has been focusing on fostering ties with major local banks and securities houses, it is also actively pursuing Chinese institutional investors including insurance companies and sovereign wealth funds.

Expand Chengdu loan business

Chengdu Vision Credit Limited (“Vision Credit”), the small loan unit of the Group, contributed HK\$11 million of profit to the Group during the review period (1H 2013: HK\$0.2 million). Outstanding loan balance increased to RMB248 million as of the end of June (30 June 2013: RMB61 million) and the loan portfolio has remained in good quality.

Mr. Timothy TSE, Chief Executive Officer of Value Partners, said, “With our business and fund achievements in the first half of the year, 2014 is going to be another fruitful year for the Group. On our way to become a world-class asset manager in Asia, we will continue to proactively position ourselves to achieve investment performance, expand our fund platform, enhance fund sales and strengthen our geographical presence.”

1. As of 31 July 2014. 2. Not authorized by the SFC and not available for public distribution in Hong Kong.

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About Value Partners Group Limited

Value Partners is one of Asia’s largest independent asset management firms with assets under management of US\$10.1 billion as of 30 June 2014. 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). In addition to the Hong Kong headquarters, the firm operates in Shanghai, Beijing, Taiwan and Chengdu. 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.

For more information, please visit www.valuepartners.com.hk.

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