

Value Partners Group Limited

Incorporated in the Cayman Island with limited liability

A company listed on the Hong Kong Stock Exchange

Stock code: 806 HK



2014 Final Results

For the year ended 31 December 2014

Results Presentation, 12 March 2015

Disclaimer

This document has been prepared by Value Partners Group Limited (the "Company") solely for use at the presentation.

The information contained in this presentation has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of information or opinions provided by third parties contained herein. The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice and will not be updated to reflect material developments which may occur after the date of the presentation. None of the Company, nor any of their respective affiliates, or any of their directors, officers, employees, advisers or representatives shall have or accept any responsibility or liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information contained in this presentation is not intended to provide professional advice and should not be relied upon in that regard or for any other purpose. You are advised to obtain appropriate professional advice when necessary.

This presentation contains statements that reflect the Company's current beliefs and expectations about the future as of the respective dates indicated herein. These forward-looking statements are based on a number of assumptions about the Company's operations and factors beyond the Company's control and are subject to significant risks and uncertainties, and, accordingly, actual circumstances may differ materially from these forward-looking statements. The Company undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates.

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue, or the solicitation of an offer to buy or acquire, securities of the Company or any holding company or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

This presentation and the information contained herein are given to you solely for your own use and information and no part of this presentation may be copied or reproduced, or redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization / firm) in any manner or published, in whole or in part, for any purpose. In particular, neither this presentation nor any copy hereof may be distributed to the press or other media. No part of this presentation, or any copy hereof, may be distributed, reproduced, taken or transmitted into Australia, Canada, the European Economic Area, France, Ireland, Italy, Japan, the People's Republic of China, Singapore, Switzerland, the United Arab Emirates, the United Kingdom or the United States or its territories or possessions. Any failure to comply with the restrictions may constitute a violation of the relevant securities laws.

The presentation of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. No securities of the Company may be sold in the United States or to U.S. persons without registration with the United States Securities and Exchange Commission except pursuant to an exemption from, or in a transaction not subject to, such registration. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under applicable securities laws of Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold within the United States, Canada, Australia or Japan or to any national or resident of Canada, Australia or Japan. No public offer of securities of the Company is being made in the United States, Canada, Australia or Japan.

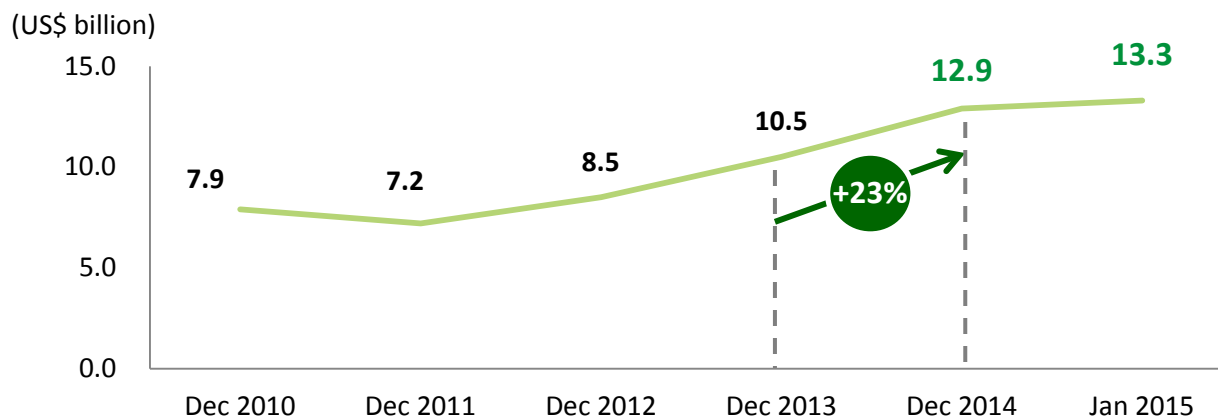
Financial highlights

Key highlights

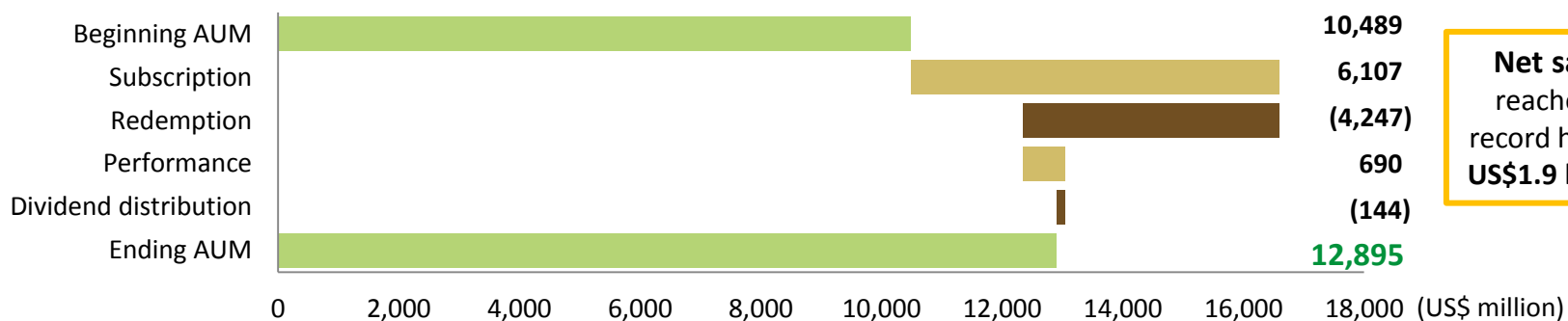
	2014	2013	% Change
Profit	HK\$804 million	HK\$384 million	+109%
Assets under management	US\$12.9 billion	US\$10.5 billion	+23%
Management fees	HK\$748 million	HK\$604 million	+24%
Performance fees	HK\$659 million	HK\$317 million	+108%
Operating profit (before other gains/losses)	HK\$750 million	HK\$468 million	+60%
Net fair value gains/losses of treasury operations	HK\$110 million	(HK\$42 million)	+362%
Basic earnings per share	HK45.4 cents	HK21.9 cents	+107%
Final dividend per share	HK16.0 cents	HK10.7 cents	+50%
Special dividend per share	HK6.0 cents	Nil	Nil
Total dividends per share	HK22.0 cents	HK10.7 cents	+106%

Record assets under management

AUM increases to all-time high



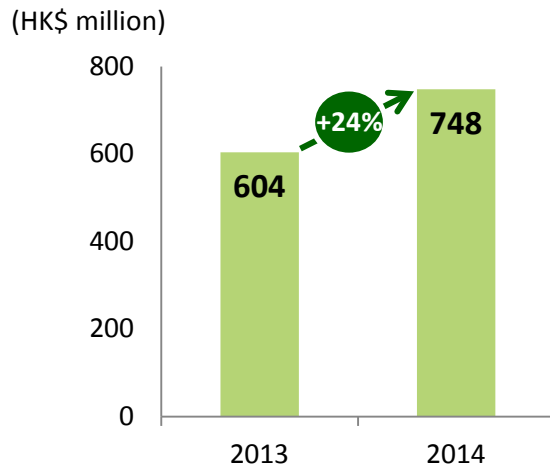
AUM change in 2014



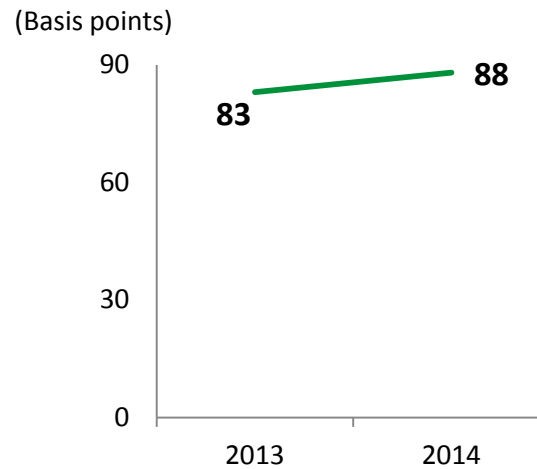
Net sales
reached a
record high of
US\$1.9 billion

Sizable increase in management fees

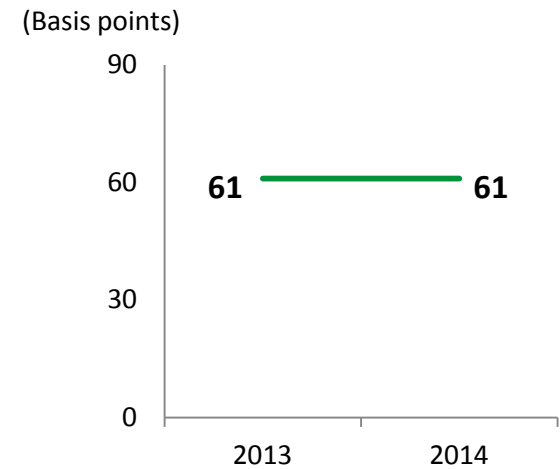
Gross management fees



Gross management fee margin

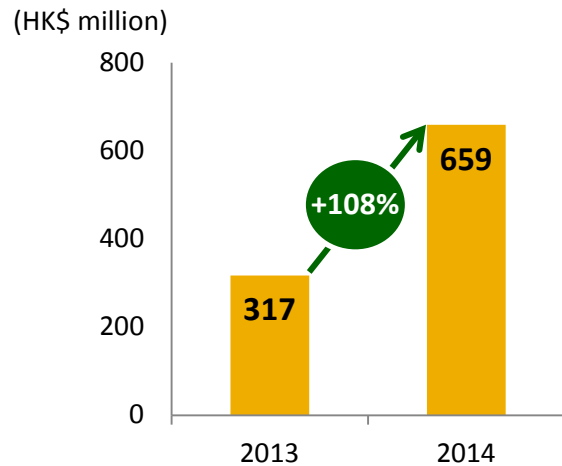


Net management fee margin

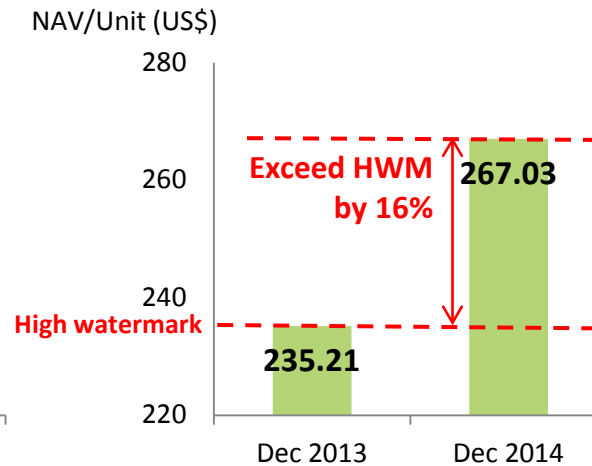


Substantial increase in performance fees

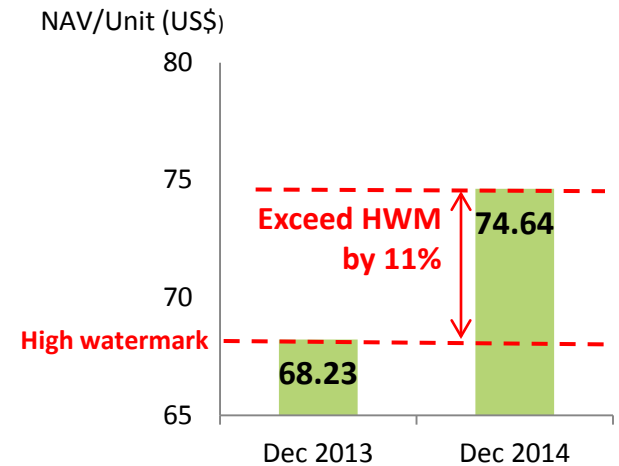
Gross performance fees



Classic Fund's performance

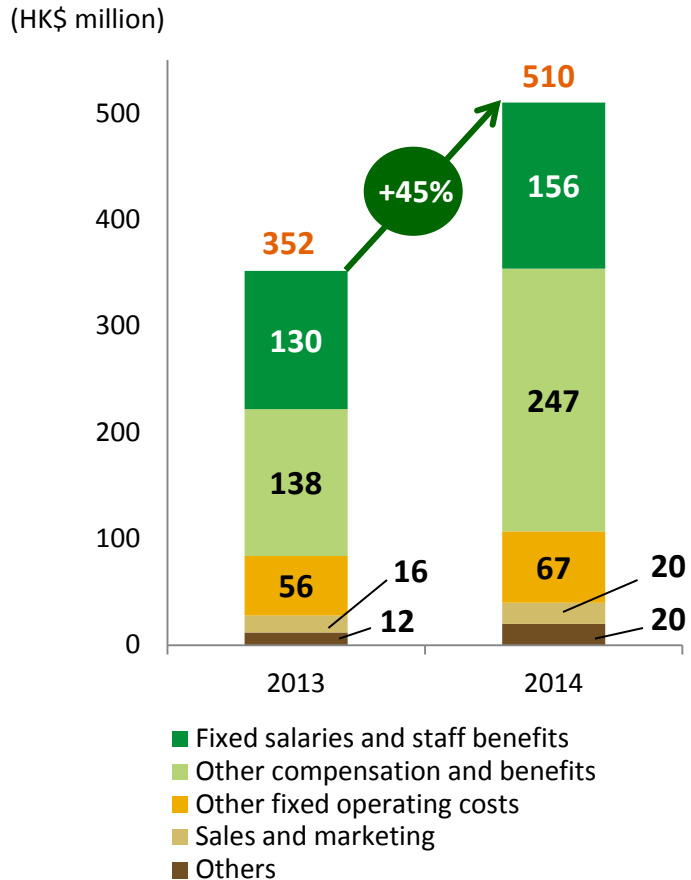


High-Dividend Stocks Fund's performance

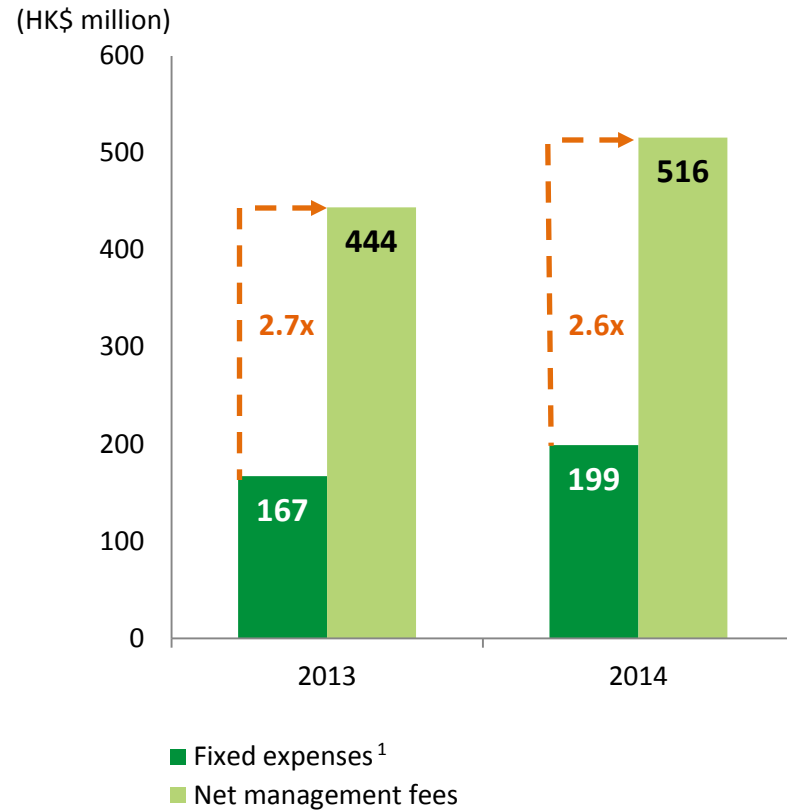


Prudent cost control

Breakdown of total expenses



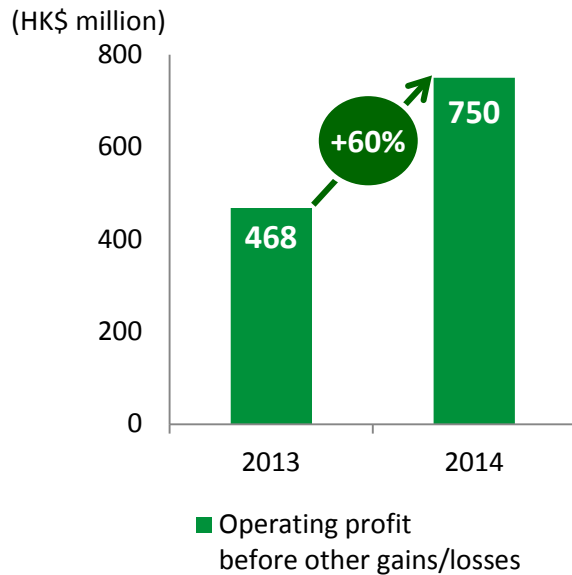
Fixed cost coverage ratio



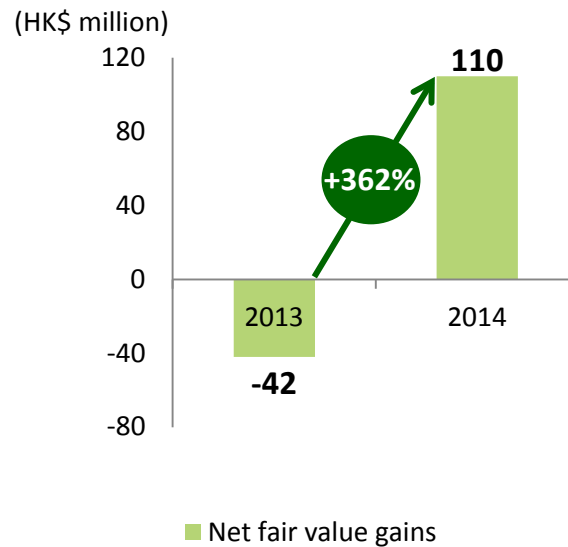
1. Fixed expenses mainly represent fixed salaries and benefits, rent, investment research, other administrative and office expenses for asset management business.

Net profit surges

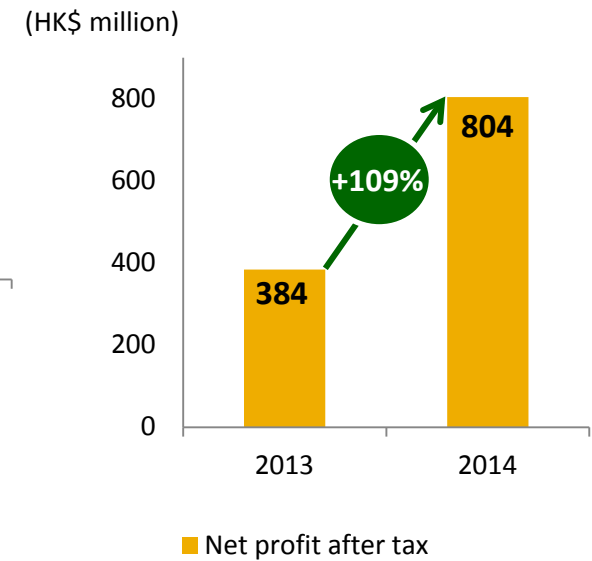
Operating profit increases



Net fair value gains increase

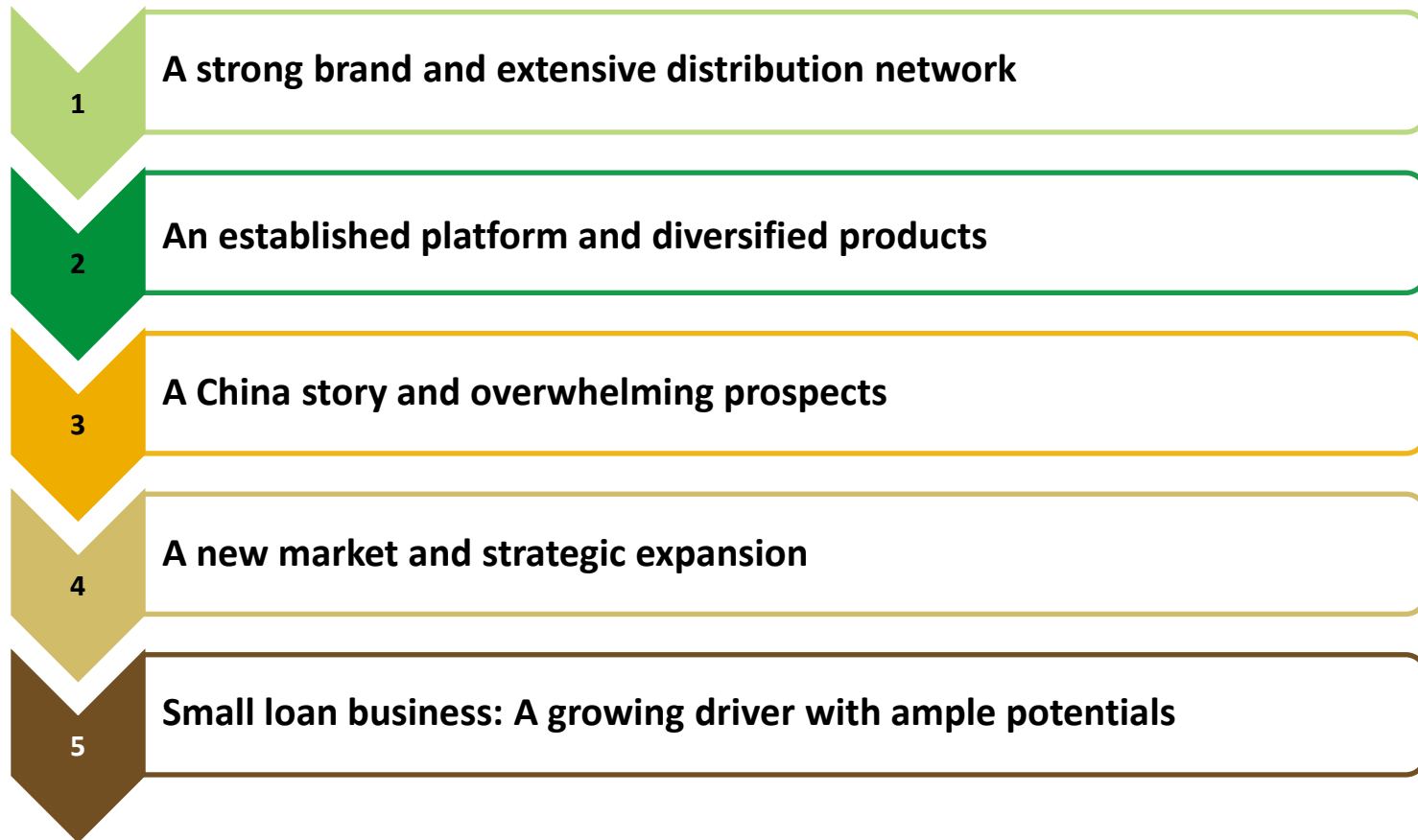


Net profit increases



Business review

Expansion across businesses



1. A strong brand and extensive distribution network

Excellent fund performance

Value Partners Classic Fund was **ranked first** among 34 Greater China equity funds ranked¹ by Morningstar, Inc.

Value Partners High-Dividend Stocks Fund, **China Convergence Fund** and **Chinese Mainland Focus Fund** were ranked among the **top 25%** in their respective Morningstar categories¹.

Enlarged distribution network

Best-selling funds – Value Partners High-Dividend Stocks Fund and Value Partners Greater China High Yield Income Fund – included as **focus funds** in prominent retail and private banks.

Newly launched products, namely Value Partners New China Policy Fund² and Value Partners Global Contrarian Fund², **were put onto product shelves** of leading distributors.



Net sales grew 39% to a new record of US\$1.9 billion for 2014

Looking forward, we will

- Deepen collaboration with first-tier and second-tier distributors in the region;
- Explore opportunities from institutional clients, including sovereign wealth funds and pension funds;
- Enhance direct connections with high-net-worth clients

1. Refers to one-year performance of the funds in 2014. Data as of 31 December 2014. Source: HSBC Institutional Trust Services (Asia) Limited. Performance for Classic Fund (A Units) over past five years: 2010: +20.2%, 2011: -17.2%, 2012: +14.0%, 2013: +11.2%, 2014: +13.5%, 2015 (Year to date as at 28 February): +2.7%. Performance for High-Dividend Stocks Fund (Class A1) over past five years: 2010: +25.8%, 2011: -11.9%, 2012: +25.2%, 2013: +8.1%, 2014: +9.4%, 2015 (Year to date as at 28 February): +2.0%. Performance for China Convergence Fund over past five years: 2010: +21.3%, 2011: -22.4%, 2012: +9.3%, 2013: +9.2%, 2014: +14.6%, 2015 (Year to date as at 28 February): +3.2%. Performance for Chinese Mainland Focus Fund over past five years: 2010: +23.9%, 2011: -17.8%, 2012: +11.6%, 2013: +8.3%, 2014: +10.6%, 2015 (Year to date as at 28 February): +1.1%. High-Dividend Stocks Fund belongs to the Asia ex-Japan equity category of Morningstar while China Convergence Fund and Chinese Mainland Focus Fund belong to the China equity category.

2. These funds are not authorized by the SFC and their shares are not available to the general public in Hong Kong.

2. An established platform and diversified products

New products launched in 2014

Absolute return long-biased equity strategy - China

Value Partners New China Policy Fund¹

“A value fund invests primarily in Greater China stocks that may benefit from China’s policy reforms”

- Launched in Mar 2014

Value Partners China A-Share Select Fund RQFII

“A fund offers investors a direct and broad exposure to the mainland’s securities market”

- Launched in Oct 2014

Long/short equity strategy – 1st global fund

Value Partners Global Contrarian Fund¹

“A fund primarily invests in undervalued companies which are out of favor or unappreciated while shorting fundamentally weak companies that are overhyped and overvalued”

- Launched in Sept 2014

Products to be launched in near term

1. RQFII products

2. Fixed income solutions

3. Regional offerings

4. Products for new strategic markets

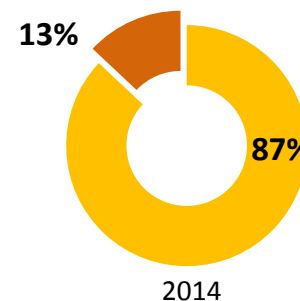
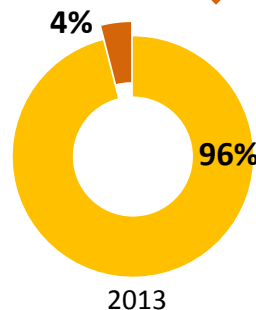
1. These funds are not authorized by the SFC and their shares are not available to the general public in Hong Kong.

3. A China story and overwhelming prospects

Inbound investment	Outbound investment	Investment advisory mandates
<p>Obtained new batch of QFII quota of US\$100 million → Total: US\$200 million</p> <p>New batch of RQFII quota of RMB500 million → Total: RMB1.3 billion (US\$207 million)</p>	<p>Launched a QDII feeder fund with private banking unit of Bank of China Limited</p> 	<p>Obtained mandate to manage asset pools on the mainland: preferred share mandate from ICBC Private Bank; A-share mandate from ICBC Asset Management</p> 



Sales contribution from fund management business in China



Rest of Group
China business

Looking forward, we will

- Primarily focus on developing mandates with mainland institutional investors;
- Continue to apply for QDII, QFII and RQFII quotas, as well as QDLP qualifications, to garner cross-border fund flows;
- Substantiate partnerships with domestic banks and insurers

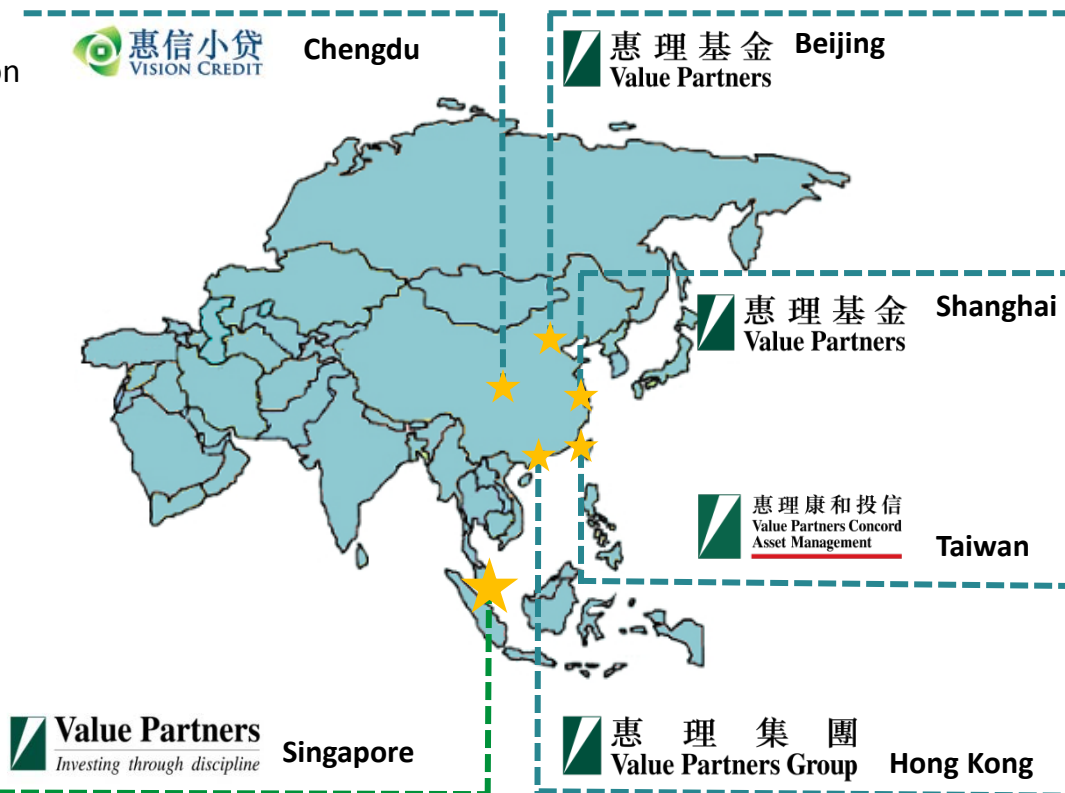
4. A new market and strategic expansion

In 2014, we have

- Expanded presence in the Asia-Pacific region

**Value Partners Asset Management
Singapore Pte Ltd.**

- A wholly owned subsidiary
- Opened in second half of 2014
- Initially serving institutional and private bank clients in Singapore and nearby markets
- Seek to become a full-fledged fund management operations



Looking forward, we will

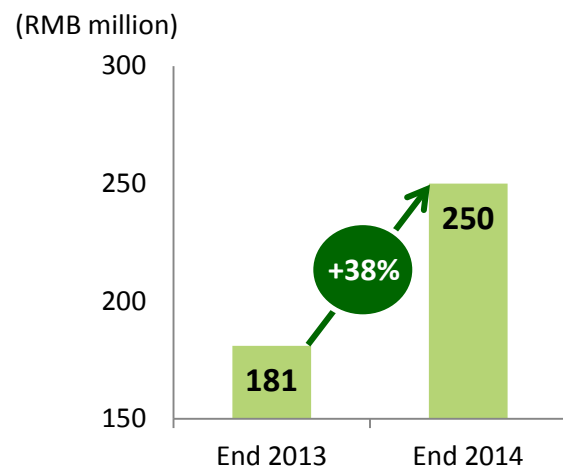
- Tap into new strategic markets to better serve clients on the other side of the globe

5. Small loan business: a growing driver with ample potentials

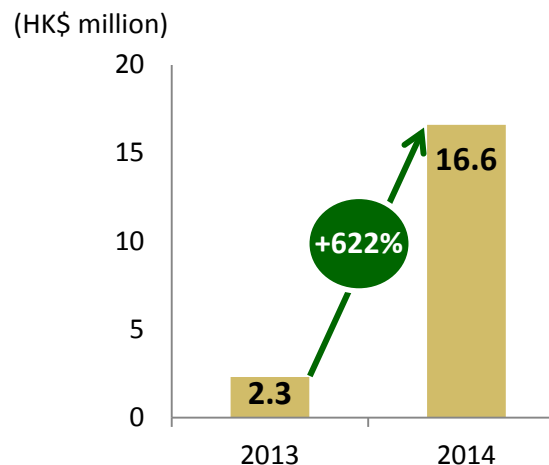
Chengdu Vision Credit Limited (“Vision Credit”)

- A 90% owned small loan unit established in 2012
- Engages in lending to small and medium-sized enterprises (SMEs) and individual clients

Outstanding loan balance



Profit contribution to Group



Looking forward, we will

- Further penetrate in Sichuan province and strengthen its business network

New awards in 2014



AsiaHedge Awards 2014
Management Firm of the Year



AsianInvestor Investment
Performance Awards 2014
Asian Fund House of the Year







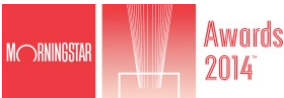


DHL/SCMP Hong Kong
Business Awards 2014
Enterprise Award



The Asset Triple A, Investor and
Fund Management Awards 2014
Asset Management Company
of the Year (Hong Kong)



New awards in 2014 (cont'd)

<p>Corporate awards</p>	 <p>Value Partners' fund manager – Mr. Gordon IP One of the top 10 Astute Investors in Asian G3 bonds in Hong Kong in 2014</p>	 <p>Outstanding Achiever – China Equity 2014¹ Outstanding Achiever – High Yield Fixed Income 2014¹ Value Partners</p>	 <p>2014 Asia Hedge Fund 25 Value Partners Ranked 2nd in the 2014 Asia Hedge Fund 25 league table, and was the largest Asian hedge fund firm from 2010 to 2013</p>
<p>Fund awards</p>	 <p>Best Asia Ex-Japan Equity 2014 (5 Years)² VP High-Dividend Stocks Fund Best Greater China Equity 2014 (5 Years)² VP China Greenchip Fund Limited</p>	 <p>Best Asia Ex-Japan Equity Fund 2014³ VP High-Dividend Stocks Fund</p>	
<p>ETF awards</p>	 <p>Best in Class - Taiwan Equity ETF 2014¹ Value Taiwan ETF Outstanding Achiever - ETF Investor Education 2014¹ Value Partners</p>	 <p>Best in Class (ETF) - Japan Large-Cap Equity 2014 Value Japan ETF</p>	

1. Benchmark Fund of the Year Awards 2014 was based on data as of 30 September 2014.

2. The Lipper 2014 awards were based on data as of 31 December 2013.

3. The 2014 Morningstar Award was based on data of eligible funds in their respective Morningstar category as of 31 December 2013.

Investor relations contact

Value Partners Group Limited

9th Floor, Nexxus Building

41 Connaught Road Central, Hong Kong

www.valuepartners.com.hk

Ms. Icy Wong

Head of Finance

Email: icywong@vp.com.hk

Tel: (852) 2143 0464

Conference replay access

Value Partners Group Limited – 2014 Final Results Announcement

Replay of investor call

Company website Available [here](#) approximately 1 hour after completion of the investor call

Dial-in via telephone Available from 12 March 2015 at 19:00 to 14 March 2015 at 19:00

Hong Kong Toll Free: +852 2112 1555 (toll free)

Replay passcode : 643935#