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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)

DISCLOSEABLE TRANSACTION DISPOSAL OF 49% EQUITY INTEREST IN GOLDSTATE CAPITAL

On 22 October 2015, the Vendor, a wholly owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Purchaser pursuant to which, subject to the conditions precedent set out therein, the Vendor agreed to transfer and the Purchaser agreed (itself or through persons nominated by it) to acquire the Sale Share, representing 49% equity interests of Goldstate Capital, for a total consideration of RMB45,000,000 (equivalent to approximately HK\$54,000,000).

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Disposal is more than 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date

22 October 2015

Parties

- (1) Vendor: Value Partners
- (2) Purchaser: Shanghai Quanyi

The Purchaser is a company incorporated under the laws of the PRC engaging in financial services business including asset management and investment management. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner are third parties independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Subject matter of the transaction and Assets to be disposed of

The Purchaser has agreed to acquire, or nominate persons to acquire, and the Vendor has agreed to sell the Sale Share, on the terms and conditions as set out in the Sale and Purchase Agreement.

Consideration and payment

The Consideration of RMB45,000,000 (equivalent to approximately HK\$54,000,000) for the Proposed Disposal was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement and with reference to the net asset value of Goldstate Capital in the current market condition.

The Consideration is payable by the Purchaser to the designated account of the Vendor within 5 working days after the date of approval of the relevant foreign exchange administration department on the payment of the Consideration (which is expected to be the last PRC regulatory approval required to enable the completion of the Proposed Disposal).

If the Purchaser fails to pay any amount due on the relevant due date under the Sale and Purchase Agreement, a penalty will be charged at the rate of 0.05% per day, and where such delay exceeds 30 days, the penalty shall be increased to 10% of the Consideration and the Vendor shall be entitled to rescind the Sale and Purchase Agreement.

Conditions of the Sale and Purchase Agreement and Completion

Completion is conditional upon the satisfaction of the following conditions:–

- (a) the Purchaser, the Vendor and Goldstate Capital having passed respective resolutions to approve the Sale and Purchase Agreement, Proposed Disposal and the transactions contemplated thereunder;
- (b) the Purchaser and the Vendor having executed all legal documents in connection with the Proposed Disposal; and
- (c) the obtaining of the customary regulatory approvals by relevant government authorities in the PRC (including the CSRC and MOFCOM) in respect of the Proposed Disposal and matters incidental thereto (including the amendment(s) to the articles of association of Goldstate Capital).

Completion shall take place on the date of the fulfillment of all of the above conditions precedent. Upon Completion, 49% of the equity interest of Goldstate Capital will be held by the Purchaser (or its nominee) and the remaining 51% will be held by Goldstate Securities.

Additional Provisions

If Goldstate Capital is disqualified from conducting its current asset management business at any time during the six months from the date of approval of the Proposed Disposal by MOFCOM by reason of any projects or products offered by Goldstate Capital or Shanghai Goldstate before completion, the Vendor will be obliged to return any Consideration it has received to the Purchaser or its nominee (by way of compensation to the Purchaser or its nominee, as the case may be).

REASONS FOR AND BENEFITS OF THE PROPOSED DISPOSAL

The Group principally provides investment management services to investment funds and managed accounts.

The Proposed Disposal is in line with the business direction of the Group which is to develop the Group's principal business in PRC through wholly-owned enterprises or majority controlled entities.

USE OF PROCEEDS

The proceeds received from the Proposed Disposal will be used as general working capital of the Group.

The Directors are of the view that the terms of the Sale and Purchase Agreement are normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

FINANCIAL EFFECT OF THE PROPOSED DISPOSAL

Upon Completion, Goldstate Capital will cease to be accounted as an associate in the financial statements of the Company. Based on the carrying value of the Sale Share as at 30 September 2015, the Company estimates that it will, upon completion of the Proposed Disposal, record an estimated loss of approximately RMB33.8 million (equivalent to approximately HK\$40.6 million) calculated on the basis of the difference between the Consideration and the carrying value of Goldstate Capital as at 30 September 2015.

INFORMATION ON GOLDSTATE CAPITAL

Goldstate Capital, a company incorporated in the PRC on 28 November 2006, is principally engaged in asset management through its subsidiary and the management of public funds. As at the date of this announcement and prior to the completion of the Proposed Disposal, Goldstate Capital is owned as to 49% by the Vendor and 51% by Goldstate Securities.

The carrying value of the Sale Share as at 31 December 2014 was HK\$102.6 million. Set out below is the audited financial information of Goldstate Capital for the two financial years ended 31 December 2014 extracted from the financial statements of Goldstate Capital:

	For the year ended 31 December	
	2014	2013
	(In millions)	
Net profit (losses) before taxation and extraordinary items attributable to owners of Goldstate Capital	RMB55.6 (equivalent to approximately HK\$66.8)	RMB1.3 (equivalent to approximately HK\$1.6)
Net profit (losses) after taxation and extraordinary items attributable to owners of Goldstate Capital	RMB39.5 (equivalent to approximately HK\$47.4)	(RMB0.7) (equivalent to approximately (HK\$0.8))

GENERAL

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Proposed Disposal is more than 5% but less than 25%, the Proposed Disposal constitutes a discloseable transaction for the Company under Rule 14.06 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions have the meanings as set out below:

“Board”	the board of the Directors
“Company”	Value Partners Group Limited, a company incorporated in the Cayman Islands, the shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Sale and Purchase Agreement
“Consideration”	the consideration of RMB45,000,000 (equivalent to approximately HK\$54,000,000) payable by the Purchaser to the Vendor in respect of the sale of the Sale Share
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“Goldstate Capital”	Goldstate Capital Fund Management Co., Ltd., a company incorporated in the PRC
“Goldstate Securities”	Goldstate Securities Co., Ltd., a company incorporated in the PRC holding 51% of the equity interests in Goldstate Capital as at the date of this announcement and prior to the completion of the Proposed Disposal
“Group”	the Company together with its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“MOFCOM”	Ministry of Commerce of the PRC
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region and Taiwan
“Proposed Disposal”	the proposed disposal of the Sale Share by the Vendor pursuant to the Sale and Purchase Agreement

“Purchaser” or “Shanghai Quanyi”	上海泉意金融信息服務有限公司 (Shanghai Quanyi Financial Information Co., Ltd.*), a limited liability company incorporated in the PRC and a wholly-owned subsidiary of Yunnan Jiutian
“RMB”	Renminbi, the lawful currency of the PRC
“Sale and Purchase Agreement”	the sale and purchase agreement dated 22 October 2015 entered into between the Company and the Purchaser in respect of the Proposed Disposal (as supplemented by a supplemental agreement by the same parties on the same date)
“Sale Share”	49% equity interest in Goldstate Capital beneficially owned by the Company
“Shanghai Goldstate”	Shanghai Goldstate Brilliance Asset Management Co Ltd. (上海金元百利資產管理有限公司), a company incorporated in the PRC and a subsidiary of Goldstate Capital
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning given to it in the Listing Rules
“Value Partners” or “Vendor”	Value Partners Hong Kong Limited, a company incorporated in Hong Kong with limited liability and a wholly owned subsidiary of the Company prior to the completion of the Proposed Disposal
“Yunnan Jiutian”	雲南九天投資控股集團有限公司 (Yunnan Jiutian Investment Enterprises Ltd.*), a limited liability company incorporated in the PRC
“%”	per cent.

* All English translation of the Chinese names of the companies established in the PRC is for illustration purpose only

For the purposes of this announcement, unless otherwise indicated, conversion of RMB and HK\$ is calculated at the exchange rate of RMB1 to HK\$1.2. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate at all.

By order of the board of
Value Partners Group Limited
TSE Wai Ming, Timothy
Chief Executive Officer and Executive Director

Hong Kong, 22 October 2015

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