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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

This announcement is made by Value Partners Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571) (the “SFO”) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The board of directors of the Company (the “Board”) wishes to inform shareholders of the Company (the “Shareholders”) and potential investors that, based on preliminary review of the latest available financial information of the Company, **consolidated profit attributable to equity holders of the Company** is expected to stand at about HK\$250 million for the year ended 31 December 2015 (2015 unaudited estimate), declining by approximately 68% from HK\$804.2 million in the previous year.

However, **operating profit before share option expenses and other gains or losses (note (ii) & (iii) below), which reflects the Group’s core business, is expected to decrease by less than about 20% to about HK\$600 million from HK\$753.6 million in 2014 (due to note (i) below).**

The expected decrease in consolidated profit attributable to equity holders of the Company is mainly attributable to:

- (i) a reduction in performance fee income as returns of most of the relevant funds under management did not surpass their previous high watermark or benchmark as at 31 December 2015. Nevertheless, a considerable amount of performance fees were crystallized from some China mandates during the first half of the year. Furthermore, assets under management of the Group increased in 2015 and bolstered management fees, considerably offsetting the drag from performance fees; and
- (ii) a recognition of about HK\$100 million of non-cash accounting expenses relating to stock options granted to employees. This has no impact on cash flow and is recognized in accordance with Hong Kong Financial Reporting Standards; and
- (iii) an absence of net fair value gains and realized gains of the Group’s seed capital investments and investments in its own funds. The net fair value gains and realized gains stood at HK\$206.2 million for 2014 compared to a modest loss in 2015.

This announcement is only based on a preliminary review of the unaudited consolidated financial statements of the Group for the year ended 31 December 2015, which have not yet been finalized 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 of
Value Partners Group Limited
TSE Wai Ming, Timothy
Chief Executive Officer and Executive Director

Hong Kong, 4 February 2016

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.