

Important notes

1. Value Partners Greater China High Yield Income Fund (the "Fund") primarily invests in a portfolio of fixed and floating rate bonds and other debt securities, including convertible bonds, in the Greater China region.
2. The Fund may invest in high yielding securities which may be unrated or below investment grade and debt securities issued by special purpose vehicles. The Fund is therefore exposed to higher credit/insolvency risk and default risk.
3. The Fund primarily invests in the Greater China region and therefore is subject to emerging market and concentration risks. Generally, investments in emerging markets are more volatile than investments in developed markets due to additional risks relating to political, social, economic and regulatory uncertainty. Adverse development in such region may affect the value of the underlying securities in which the Fund invests.
4. In respect of the distribution shares for the Fund, the Manager currently intends to make monthly dividend distribution. However, the distribution rate is not guaranteed. Distribution yield is not indicative of the return of the Fund. Distribution may be paid from capital of the Fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount you originally invested or capital gains attributable to that and may result in an immediate decrease of the net asset value per share of the Fund.
5. The Fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the Fund to significant losses.
6. You should not make investment decision on the basis of this marketing material alone. Please read the explanatory memorandum for details and risk factors.

[For Immediate Release]

**Asian high yield bonds outperformed Asian equities in the past year;
Value Partners sees yield chasing continues in 2017
with limited impact from US rate hike**

(Hong Kong, 27 September 2016) – Value Partners' fixed income investment team noted that Asian high yield bonds have outperformed Asian equities in the past year as investors chased for yields amid a low-rate environment where volatility continued.

In the past 12 months¹, Asian high yield bonds (represented by J.P. Morgan JACI Non-Investment Grade Corporates Total Return Index) delivered a return of 13.7%, higher than the 13.2% of Asian equities (represented by the MSCI AC Asia Ex Japan Index). In terms of five-year performance, Asian high yield bonds returned 54.6%, outshined Asian equities' 20.8% gain.

Mr. Gordon IP, Investment Director of Value Partners said, "Yield chasing will remain a key investment theme in 2017 as interest rates stay low globally, supported by negative interest rates and a slow and gradual US rate hike. With a shallow trajectory, the impact of US rate hike on bonds will be limited and the over-pessimism on bonds is unjustified.

"Against this backdrop, we see better risk-adjusted value in high yielding assets, including Asian high yield bonds. In particular, we are watching out for opportunities in lower-rated credits, under-researched credits, as well as opportunities driven by special situation and events."

In the first eight months of this year, monthly Asia ex Japan regional fixed income fund flows² already increased to US\$1,553 million in August from a negative flow of US\$248 million in January. The fixed income funds attracted a combined US\$4,647 million in the eight-month period, way more than US\$1,677 million gathered a year ago.

Investors seeking a balanced portfolio can consider allocating some of their investments in fixed income assets, such as Asia- and Greater China-focused high yield credits.

Value Partners Greater China High Yield Income Fund (the "Fund") is one of the best-selling products of Value Partners. Launched in March 2012, the Fund is the first public fund³ in Hong Kong that focuses on offshore Greater China high yield bonds. The Fund, available in major distribution channels in Hong Kong, targets to deliver an annualized yield⁴ of about 8%-9% each year. Assets under management⁵ ("AUM") of the Fund were about US\$1.8 billion as of 31 August 2016. Value Partners will continue to expand its suite of fixed income products.

1. Source: Bloomberg data, as of 31 August 2016.
2. Source: Bank of America Merrill Lynch Global Research and Bloomberg, as of 31 August 2016
3. SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.
4. Investors should note that the annualized yield is for reference only and does not represent the actual performance of the Fund or the dividend yield received by investors, nor does a positive yield imply a positive return. The manager intends to declare and pay monthly dividends equal to all or substantially all of the net income attributable to each of the Distribution Classes. However, there is neither a guarantee that such dividends will be made nor will there be a target level of dividend payout. No dividends will be paid with respect to the Accumulation Classes. Distribution may be paid from capital of the fund. Investors should note that where the payment of distributions are paid out of capital, this represents and amounts to a return or withdrawal of part of the amount that have been originally invested or capital gains attributable to that and may result in an immediate decrease in the value of units. Annualized yield of Class MDis is calculated as follows: (dividend amount/NAV as of ex-dividend date) x 12. Investors should note that yield figures are estimated and for reference only and do not represent the performance of the fund, and that there is no guarantee as to the actual frequency and/or amount of dividend payments. Please refer to the Explanatory Memorandum for further details including the distribution policy.
5. Source: Value Partners.

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About Value Partners Group Limited

Value Partners is one of Asia's largest independent asset management firms that seeks to offer world-class investment services and products. Assets under management of the firm were US\$13.8 billion as of 31 August 2016. Since its establishment in 1993, the firm has been a dedicated value investor in Asia and the world. In November 2007, Value Partners Group became the first asset management firm listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 806 HK). In addition to its Hong Kong headquarters, the firm operates in Shanghai, Beijing, Taiwan, Singapore and Chengdu. Value Partners' investment strategies cover absolute return long biased, fixed income, multi asset, alternative, relative return and thematic for institutional and individual clients in Asia Pacific, Europe and the United States. The Group also offers exchange-traded funds under the brand of Value ETF. For more information, please visit www.valuepartners-group.com.

About Gordon IP, Investment Director, Value Partners Limited

Mr. Gordon IP is an Investment Director of Value Partners, where he is responsible for credit and fixed income investments. He has over 20 years of experience in the fixed income industry. In 2016, he was named "Fund Manager of the Year – Long Only Fixed Income" by *The Asset*. He was also crowned one of the top 10 Astute Investors in Asian G3 bonds in Hong Kong by *The Asset* for two consecutive years (2014 and 2015).

He joined the Group in August 2009 as a Fund Manager and was promoted to the roles of Senior Fund Manager and Investment Director in 2015 and September 2016. Prior to joining the Group, he was a Director at HSBC Private Bank in Hong Kong, overseeing its fixed income advisory business. Before relocating to Hong Kong in 2008, Mr. IP worked at Prudential Fixed Income Management and Salomon Smith Barney in the United States. He started his career as an analyst at Goldman Sachs' fixed income, currency and commodity division in Hong Kong in 1995.

Mr. IP holds a Master's degree in Financial Mathematics from the University of Chicago and a Master's degree in Engineering from Cornell University in the United States. He is a CFA charterholder.

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Investors should note investment involves risk and past performance is not indicative of future results. Investors should refer to the explanatory memorandum for details and risk factors in particular those associated with investment in China and other markets in the Asian region, non-investment grade debt securities, and in companies with medium or small capitalization. This document has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.