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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 ACQUISITION OF PROPERTIES IN JAPAN

The Board is pleased to announce the setup of a limited partnership which is a new real estate private equity business targeting institutional investors. The Group has committed US\$100 million seed capital to such partnership, and intends to invite institutional investors to participate in the business going forward.

In connection with building portfolio for the partnership, on 27 July 2017 (after trading hours), the Group has entered into two preferred shares subscription agreements, under which it has agreed to subscribe the preferred shares of Grape TMK (representing 100% economic interests in Grape TMK). Grape TMK has entered into a memorandum concerning transfer of status as purchaser under the trust beneficiary interest purchase agreement in relation to its acquisition of the Trust Beneficiary Interest in the Properties for an aggregate consideration of JPY12,560 million (equivalent to approximately HK\$877 million).

As the applicable percentage ratios (as defined under the Listing Rules) in respect the acquisition of the Trust Beneficial Interest in the Properties is more than 5% but less than 25%, such acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE ACQUISITION

On 27 July 2017 (after trading hours), the Group has entered into two preferred shares subscription agreements, under which it has agreed to subscribe for the preferred shares of Grape TMK (the common shares of which are have been transferred to the Group as at the date of this announcement), which preferred shares represent 100% of the economic interests in Grape TMK. Grape TMK has entered into a memorandum concerning transfer of status as purchaser under the trust beneficiary interest purchase agreement with an Independent Third Party in relation to the acquisition by Grape TMK of the 100% Trust Beneficiary Interests in respect of the Properties from the owner of the Properties (who and its ultimate beneficial owners, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are Independent Third Parties), for an aggregate consideration of JPY12,560 million (equivalent to approximately HK\$877 million).

It is expected that completion of the acquisition of the Trust Beneficiary Interests by Grape TMK will take place on 3 August 2017. The consideration of JPY12,560 million is to be satisfied in cash through bank loan to Grape TMK (in the form of bond) in the amount of approximately JPY7,536 million and the Group's equity investment in Grape TMK (in the form of preferred shares as described above) of approximately JPY5,024 million.

The consideration for the Trust Beneficiary Interests was arrived at after arms' length negotiations having considered the market value of the Properties and the expected rental income based on the existing lease terms of the Properties.

INFORMATION OF THE PROPERTIES

Details of the Properties are set out in the table below: –

	Kakegawa Property	Higashi Matsuyama Property
Location:	102, Shobugaike, Kakegawa City, Shizuoka Prefecture, Japan	296-1, 294-1, 301-2, 300-1, 299-1, 302-1, 295-1, Shingo, Ooaza, Higashimatsuyama City, Saitama Prefecture, Japan
Gross floor area:	42,449 square meters	17,987 square meters
Property age (since completion):	2 years	9 years
Use:	Logistics centre	Logistics centre
Occupancy rate:	100%	100%

Rental income from the Properties for the two years ended 31 December 2015 and 31 December 2016 and the six months ended 30 June 2017 were JPY224,871,994, JPY772,153,376 and JPY391,513,298 respectively.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in provision of investment management services to investment funds and managed accounts.

The Group has set up a limited partnership which is a new real estate private equity business targeting institutional investors. The Group has committed US\$100 million seed capital to the partnership and the partnership will focus on the acquisition of stabilised income assets in Asia Pacific.

The Properties are well-located logistic centres in Japan conveniently accessible via major transportation network. With these Properties as part of the assets for the partnership, the Group will continue to build an attractive portfolio and will invite institutional investors to participate in the business going forward. The Group is currently exploring several other potential opportunities in Asia Pacific. The Group believes that the setup of the new partnership is in line with Group's business strategy to (i) scale up the third party asset under management; (ii) grow the Group's fee-based income and (iii) explore new fund management business platform.

In view of the above, the Board considers that the acquisition of the Trust Beneficiary Interests in respect of the Properties through Grape TMK is in the ordinary course of business of the Group, on normal commercial terms, fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the acquisition of the Trust Beneficiary Interests in respect of the Properties is more than 5% but less than 25%, such acquisition constitutes a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

TAKEOVERS CODE IMPLICATIONS

Reference is made to the announcement of the Company dated 22 May 2017 pursuant to Rule 3.7 of the Takeovers Code. For the purpose of Rule 4 of the Takeovers Code, having obtained written consent from the Potential Offeror (as defined in the said announcement) in connection with possible transaction involving an acquisition of interests in the Company by the Potential Offeror, the Company has applied for and the Executive has granted a waiver from the general requirement to obtain shareholders' approval under Rule 4 of the Takeovers Code.

“Board”	the board of Directors
“Company”	Value Partners Group Limited, a company incorporated under the laws of the Cayman Islands with limited liability, the securities of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“Grape TMK”	Grape Tokutei Mokuteki Ksaisha, a special purpose vehicle (<i>tokutei mokuteki kiasha</i> (TMK)) incorporated under the laws of Japan
“Higashi Matsuyama Property”	the logistic centre located in 296-1, 294-1, 301-2, 300-1, 299-1, 302-1, 295-1, Shingo, Ooaza, Higashi Matsuyama City, Saitama Prefecture, Japan
“JPY”	Japanese yen, the lawful currency of Japan
“Kakegawa Property”	the logistic centre located in 102, Shobugaike, Kakegawa City, Shizuoka Prefecture, Japan
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	third party independent of the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Properties”	Higashi Matsuyama Property and Kakegawa Property
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Trust Beneficiary Interests”	the 100% trust beneficiary interests in the Properties

In this announcement, for the purpose of illustration only, amounts quoted in JPY have been converted into HK\$ at the rate of JPY1,000 to HK\$69.86. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

By order of the board of
Value Partners Group Limited
CHEUNG Kwong Chi, Aaron
Company Secretary

Hong Kong, 27 July 2017

As of the date of this Announcement, our Directors are Dato' Seri Cheah Cheng Hye, Mr. So Chun Ki Louis, Dr. Au King Lun and Ms. Hung Yeuk Yan Renee as Executive Directors and Dr. Chen Shih Ta Michael, Mr. Lee Siang Chin and Mr. Nobuo Oyama as Independent Non-executive Directors.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.