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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 SUBSCRIPTION OF LOAN NOTES**

On 8 December 2017 (after morning trading hours), Triple Inspiration (a wholly-owned subsidiary of the Company), VP Credit Opportunities, VP Greater China, the Finance Trust and the Investment Manager entered into the Loan Note Deed, pursuant to which each of Triple Inspiration, VP Credit Opportunities and VP Greater China agreed to subscribe for Loan Notes in the AUD equivalent amount of US\$52 million, US\$6 million and US\$6 million respectively. The aggregate amount of Loan Notes to be issued by the Finance Trust is US\$64 million (approximately HK\$496 million). As 25% of the seed money of VP Credit Opportunities is contributed by the Group, the total investment in the Finance Trust by the Group is US\$53.5 million (approximately HK\$414 million).

The proceeds from the issue of Loan Notes will be used solely by the Finance Trust to invest in approximately 75% of the units of the Property Unit Trust which holds the Property in Sydney, Australia. Subject to the Finance Trust having available cash, interest is to payable on the Loan Notes at the rate to be agreed in writing from time to time between the Noteholders and the Finance Trust acting reasonably and in good faith, which will reflect a premium to market rates.

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the subscription of the Loan Notes by Triple Inspiration, together with the portion to be subscribed by VP Credit Opportunities, is more than 5% but less than 25%, the transactions contemplated under the subscription of the Loan Notes constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

On 8 Decmeber 2017 (after morning trading hours), Triple Inspiration (a wholly-owned subsidiary of the Company), VP Credit Opportunities, VP Greater China, the Finance Trust and the Investment Manager entered into the Loan Note Deed in relation to the issue and subscription of the Loan Notes.

## **LOAN NOTE DEED**

The principal terms of the Loan Note Deed is as follow:

- Date: 8 December 2017
- Parties:
- (1) Triple Inspiration (as noteholder);
  - (2) VP Credit Opportunities (as noteholder);
  - (3) VP Greater China (as noteholder);
  - (4) the Finance Trust (as issuer); and
  - (5) the Investment Manager

Each of VP Credit Opportunities and VP Greater China is a fund established in the Cayman Islands whose objective is to generate dividend income and capital gains through investment activities. The fund manager of each of VP Credit Opportunities and VP Greater China is a subsidiary of the Company.

The Finance Trust is a trust established in Australia whose purpose is borrowing funds for the purpose of property investment and the Investment Manager is a company established in Australia whose principal business is management and implementation of real estate investments in Australia.

Save as disclosed above, to the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of the Investment Manager, its ultimate beneficial owners and the trustee of the Finance Trust is an Independent Third Party.

### **Subject matter**

Pursuant to the Loan Note Deed, the Finance Trust agreed to issue and each of Triple Inspiration, VP Credit Opportunities and VP Greater China agreed to subscribe for Loan Notes in the AUD equivalent amount of US\$52 million, US\$6 million and US\$6 million respectively. The aggregate amount of Loan Notes to be issued by the Finance Trust is US\$64 million (approximately HK\$496 million). As 25% of the seed money of VP Credit Opportunities is contributed by the Group, the total investment in the Finance Trust by the Group is US\$53.5 million (approximately HK\$414 million).

The subscription price of the Loan Notes was arrived at after arm's length negotiations having considered the market value of the Property and the expected rental income based on existing lease term of the Property.

It is expected that completion of the subscription of Loan Notes will take place on 15 December 2017.

## **Use of proceeds and investment in the Property Unit Trust**

The proceeds from the issue of Loan Notes will be used solely by the Finance Trust to invest in approximately 75% of the units of the Property Unit Trust which holds the Property. It is intended completion of the investment by the Finance Trust in the Property Unit Trust will take place on or about 15 December 2017 and AM 9 Hunter Street Investor Trust, an Independent Third Party, will be the holder of the remaining 25% of the units of the Property Unit Trust.

## **Redemption**

The Loan Notes must be redeemed on or before the date that falls 60 months (unless otherwise extended) after the issue date of the Loan Notes.

## **Returns and distribution**

Subject to the Finance Trust having available cash, interest is to payable on the Loan Notes at the rate to be agreed in writing from time to time between the Noteholders and the Finance Trust acting reasonably and in good faith, which will reflect a premium to market rates.

The Property Unit Trust may distribute cash to the Finance Trust from time to time which may be used by the Finance Trust to, among other things, pay interest to the Noteholders.

## **INFORMATION ON THE PROPERTY**

The Property is situated at 9 Hunter Street, Sydney, Australia. It is a tenanted-commercial building located in the central business district of Sydney, Australia with ground floor retail and 17 upper office floors with total area of approximately 15,500 square metre and had 100% occupancy rate as at 1 November 2017. The Property was valued at AUD 202,000,000 as at 1 November 2017.

## **REASONS FOR AND BENEFITS OF THE SUBSCRIPTION OF LOAN NOTES**

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

The Property is well-located commercial building in Australia with high occupancy rate. The Group considers that the indirect investment in the Property will continue to build the portfolio of the real estate supported investment of the Group and the Group's co-investment with two funds under its management allows the Group to continue to build the portfolio of its real estate private equity business. The Group believes that the indirect investment in the Property 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) build the track record and explore new fund management business platform.

In view of the above, the Board considers that the subscription of the Loan Notes 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 subscription of the Loan Notes by Triple Inspiration, together with the portion to be subscribed by VP Credit Opportunities, is more than 5% but less than 25%, the subscription of the Loan Notes 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 announcements of the Company dated 22 May 2017, 22 June 2017, 21 July 2017, 21 August 2017, 21 September 2017, 20 October 2017 and 20 November 2017 respectively 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 announcement dated 22 May 2017) 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.

## **DEFINITIONS**

In this announcement, unless the context otherwise required, the following terms have the following meanings:

“AUD”	Australia Dollars, the lawful currency of Australia
“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
“Director(s)”	the director(s) of the Company
“Finance Trust”	AM 9 Hunter Street Finance Unit Trust, a trust established in Australia
“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)
“Investment Manager”	Ashe Morgan Funds Management Pty Limited, a company established in Australia
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Loan Note”	the loan notes in the aggregate amount of US\$64 million to be issued by the Finance Trust and subscribed by the Noteholders pursuant to the Loan Note Deed
“Loan Note Deed”	the loan note deed dated 8 December 2017 entered into between Triple Inspiration, VP Credit Opportunities, VP Greater China, the Finance Trust and the Investment Manager in relation to the issue of the Loan Notes
“Noteholder(s)”	Triple Inspiration, VP Credit Opportunities and VP Greater China
“Property”	the property situated at 9 Hunter Street, Sydney, New South Wales
“Property Unit Trust”	AM 9 Hunter Street Unit Trust, a trust established in Australia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Triple Inspiration”	Triple Inspiration Limited, a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of the Company
“US\$”	United States Dollars, the currency of the United States of America
“VP Credit Opportunities”	Value Partners Credit Opportunities Fund SP, a fund registered in the Cayman Islands
“VP Greater China”	Value Partners Greater China Preference Shares Income Fund, a fund registered in the Cayman Islands
“%”	per cent

*In this announcement, for the purpose of illustration only, amounts quoted in US\$ have been converted into HK\$ at the rate US\$1 to HK\$7.74 respectively. 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, 8 December 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.*