



Incorporated in the Cayman Islands with  
limited liability

**A company listed on the Hong Kong Stock Exchange**  
**Stock Code: 806.HK**



# 2017 Annual Results

**For the year ended 31 December 2017**

Results Presentation, 12 March 2018

# Disclaimer

This document has been prepared by Value Partners Group Limited (the "Company") solely for use at the presentation.

The information contained in this presentation has not been independently verified. No representation or warranty, express or implied, is made as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of information or opinions provided by third parties contained herein. The information and opinions contained in this presentation are provided as at the date of this presentation and are subject to change without notice and will not be updated to reflect material developments which may occur after the date of the presentation. None of the Company, nor any of their respective affiliates, or any of their directors, officers, employees, advisers or representatives shall have or accept any responsibility or liability whatsoever (in negligence or otherwise) for any loss howsoever arising from any use of this presentation or its contents or otherwise arising in connection with this presentation. The information contained in this presentation is not intended to provide professional advice and should not be relied upon in that regard or for any other purpose. You are advised to obtain appropriate professional advice when necessary.

This presentation contains statements that reflect the Company's current beliefs and expectations about the future as of the respective dates indicated herein. These forward-looking statements are based on a number of assumptions about the Company's operations and factors beyond the Company's control and are subject to significant risks and uncertainties, and, accordingly, actual circumstances may differ materially from these forward-looking statements. The Company undertakes no obligation to update these forward-looking statements for events or circumstances that occur subsequent to such dates.

This presentation does not constitute or form part of and should not be construed as, an offer to sell or issue, or the solicitation of an offer to buy or acquire, securities of the Company or any holding company or any of its subsidiaries in any jurisdiction or an inducement to enter into investment activity. No part of this presentation, nor the fact of its distribution, shall form the basis of or be relied upon in connection with any contract or commitment whatsoever.

This presentation and the information contained herein are given to you solely for your own use and information and no part of this presentation may be copied or reproduced, or redistributed or passed on, directly or indirectly, to any other person (whether within or outside your organization / firm) in any manner or published, in whole or in part, for any purpose. In particular, neither this presentation nor any copy hereof may be distributed to the press or other media. No part of this presentation, or any copy hereof, may be distributed, reproduced, taken or transmitted into Australia, Canada, the European Economic Area, France, Ireland, Italy, Japan, the People's Republic of China, Singapore, Switzerland, the United Arab Emirates, the United Kingdom or the United States or its territories or possessions. Any failure to comply with the restrictions may constitute a violation of the relevant securities laws.

The presentation of this document in other jurisdictions may be restricted by law and persons into whose possession this document comes should inform themselves about, and observe, any such restrictions. No securities of the Company may be sold in the United States or to U.S. persons without registration with the United States Securities and Exchange Commission except pursuant to an exemption from, or in a transaction not subject to, such registration. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under applicable securities laws of Canada, Australia or Japan and, subject to certain exceptions, may not be offered or sold within the United States, Canada, Australia or Japan or to any national or resident of Canada, Australia or Japan. No public offer of securities of the Company is being made in the United States, Canada, Australia or Japan.

# Financial highlights

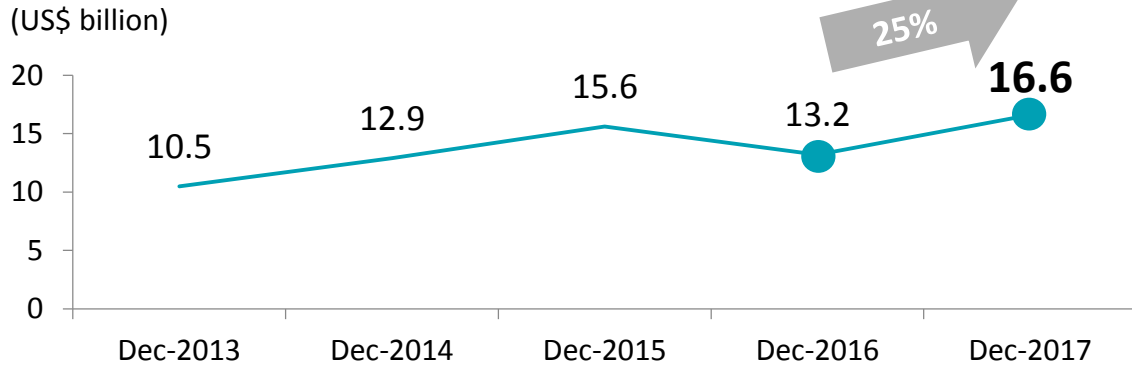
*By Icy WONG  
Chief Financial Officer*

# Financial highlights

(In HK\$ million)	2017	2016	Change
<b>Profit attributable to owners of the Company</b>	<b>2,048.1</b>	137.5	+1,390%
<b>Fee income and other revenue</b>	<b>4,105.9</b>	1,398.6	+194%
<b>Gross management fees</b>	<b>1,196.0</b>	1,049.1	+14%
<b>Gross performance fees</b>	<b>2,570.9</b>	10.8	+23,705%
<b>Total expenses</b>	<b>(1,091.8)</b>	(471.7)	+131%
<b>Operating profit (before other gains or losses)</b>	<b>2,207.3</b>	197.8	+1,016%
<b>Basic earnings per share (HK cents)</b>	<b>110.6</b>	7.4	+1,395%
<b>Diluted earnings per share (HK cents)</b>	<b>110.5</b>	7.4	+1,393%
<b>Interim dividend per share</b>	<b>Nil</b>	Nil	
<b>Final dividend per share (HK cents)</b>	<b>18.0</b>	4.8	+275%
<b>Special dividend per share (HK cents)</b>	<b>86.0</b>	7.2	+1,094%
<b>Total dividends per share (HK cents)</b>	<b>104.0</b>	12.0	+767%

# Assets under management

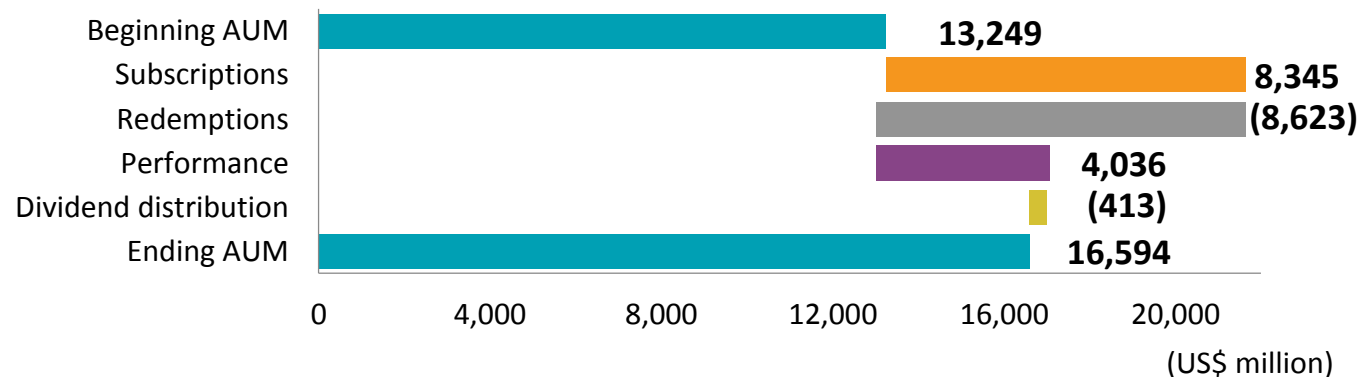
## Assets under management ("AUM")



Major reason of AUM increase

- Strong performance of US\$4 billion

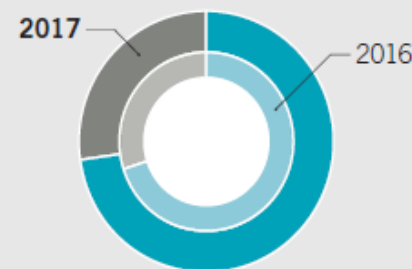
## AUM change in the year 2017



# AUM analysis

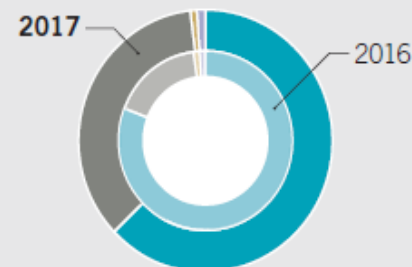
## Classification by brand

	2017	2016
Own Branded Funds	73%	70%
White Label & Co-branded Funds	27%	30%



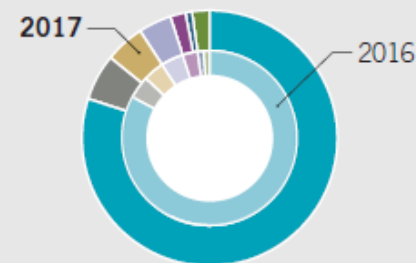
## Classification by strategy

	2017	2016
Absolute Return Long-biased Funds	68%	81%
Fixed Income Funds	30%	17%
Quantitative Funds & ETF	1%	1%
Alternative Funds	1%	1%



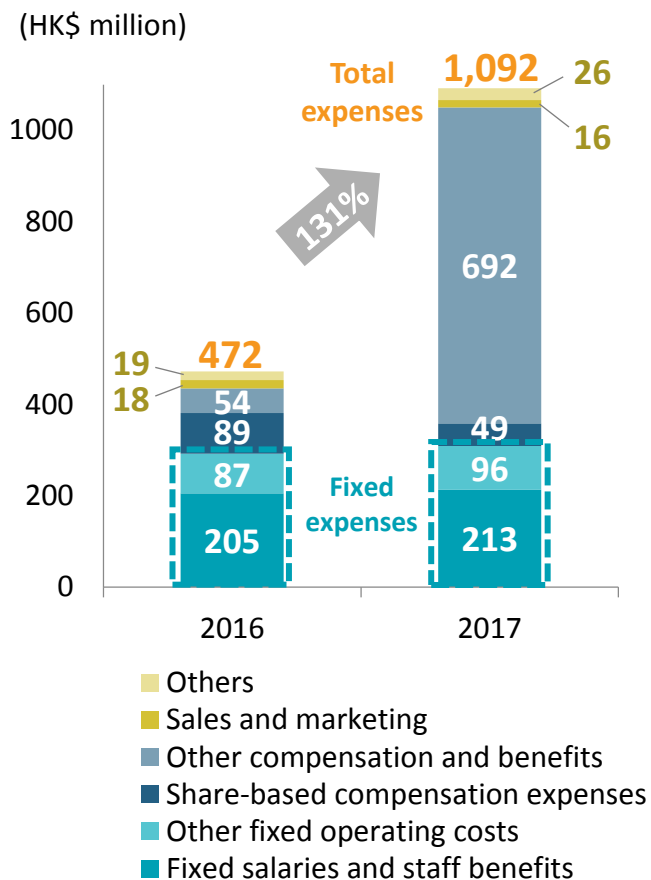
## Client analysis by geographical region

	2017	2016
Hong Kong	80%	83%
Singapore	6%	4%
China	5%	4%
United States	4%	4%
Europe	2%	3%
Australia	1%	1%
Others	2%	1%

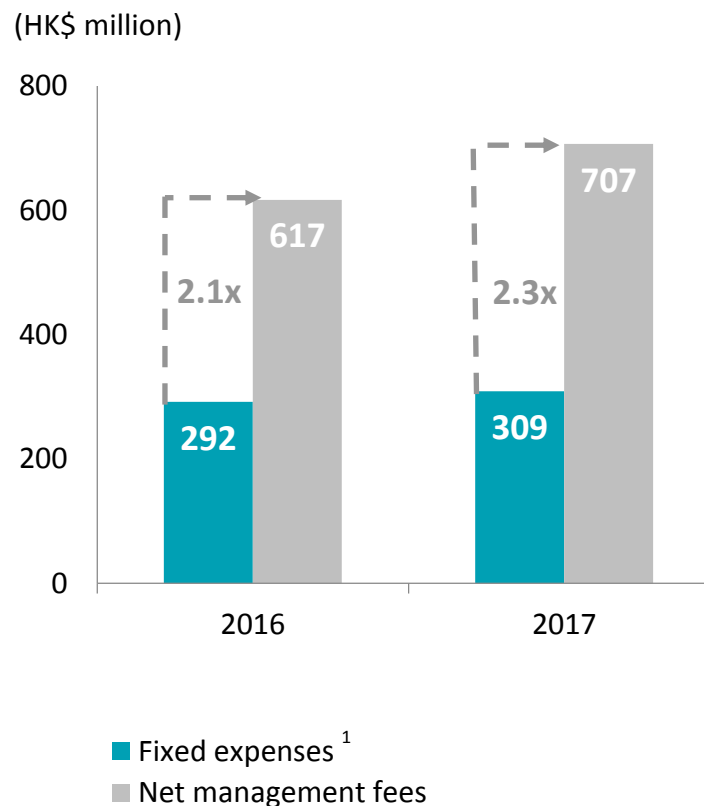


# Stringent cost control

## Total expenses

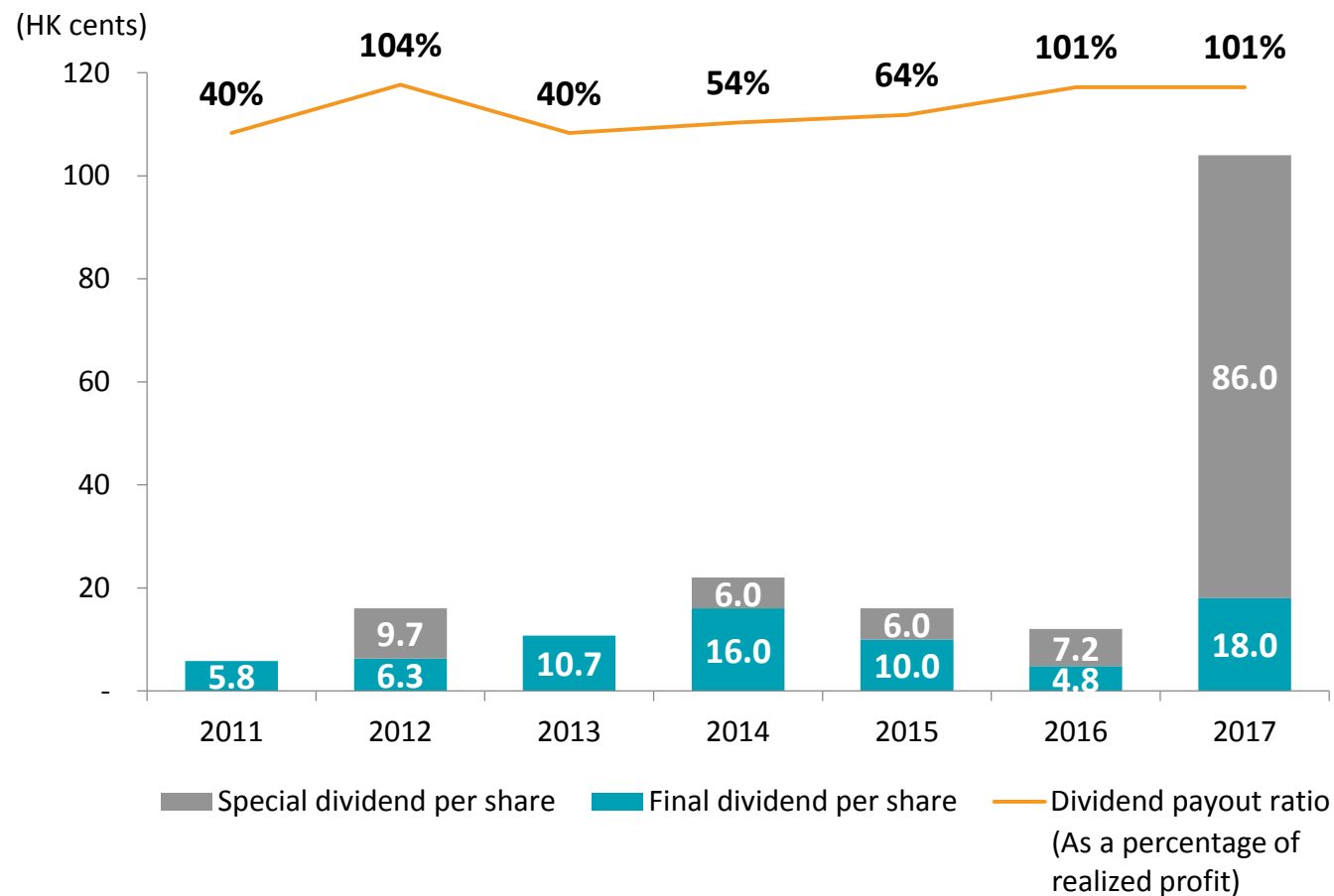


## Fixed cost coverage ratio



1. Fixed expenses mainly represent fixed salaries and benefits, rent, investment research, professional fees, other administrative and office expenses for asset management business.

# Dividends



1. Dividend per share is declared based on the Group's realized profit, which excluded unrealized gains/ losses recognized. However, earnings per share reflected the impact of net unrealized gains/ losses.



# Strong Balance Sheet

As at 31 December, 2017	HK\$ millions
<b>ASSETS</b>	
<b>Current assets</b>	5,106
• Cash & equivalents <sup>1</sup>	• 2,241
• Fees receivable	• 2,611
• Investments <sup>2</sup>	• 127
<b>Non-current assets</b>	1,772
• Investments (including investment in JV) <sup>2</sup>	• 1,702
<b>Total assets</b>	6,878
<b>LIABILITIES</b>	
<b>Current liabilities</b>	1,219
• Accrued bonus	• 663
• Distribution fee expenses payable	• 155
• Current tax liabilities	• 321
<b>Non-current liabilities</b>	19
<b>Total liabilities</b>	1,238
<b>EQUITY</b>	
<b>Equity attributable to owners of company</b>	5,640
• Issued equity	• 1,391
• Retained earnings	• 3,993
<b>Total equity</b>	5,640

1. Cash & equivalents includes the balance sheet items of Cash and cash equivalents and Deposits with brokers.

2. Net Investments (including investments, investment in a joint venture and investments held-for-sale) = HK\$1,818 million.

# Business review

*By Dr. AU King Lun MH, PhD  
Chief Executive Officer*

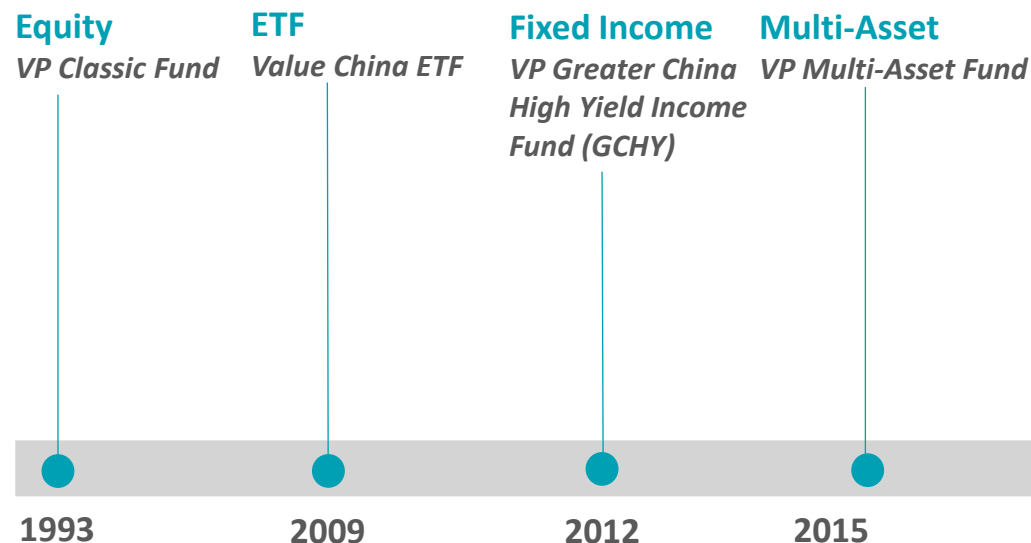
# Positioning for the future

- Expand product suite
- Strengthen distribution network
- Streamline operations



# Product suite expansion

## By asset class



### Private Equity Real Estate

- ✓ Established a private equity real estate platform
- ✓ Attracted Liu Chong Hing Investment (194.HK) as a co-investor<sup>1</sup>

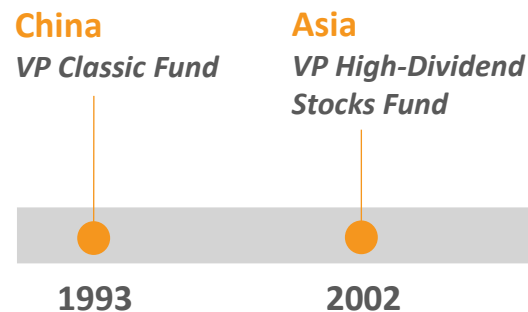
### Fixed Income

- ✓ Added 3 new funds to tap into strong demand for fixed income products
- ✓ AUM of flagship GCHY rose to \$4.5 billion<sup>2</sup>

### Multi-Asset

- ✓ Launched our Asian Income Fund and a pioneering MPF product with AIA MPF

## By geography



### Global Emerging Markets ("GEM")

- ✓ Launched the Group's first GEM bond and GEM equity funds

### Domestic China Market

- ✓ Launched first own-branded private securities investment fund in Mainland China in Jan 2018 after winning PFM license in Nov 2017

1. Liu Chong Hing Investment is a co-investor in the platform's two logistics warehouses in Japan.

2. AUM of Value Partners Greater China High Yield Income Fund as at 31 December 2017.

# Deepening our **China footprint**

*Adopting a multi-pronged approach to growing in Mainland China*

## Private Fund Management (“PFM”) WFOE

- ✓ Became first HK-based asset manager to be granted a PFM license in November 2017
- ✓ Launched first PFM fund in January 2018
- ✓ Allows foreign asset managers to offer their own-branded domestic private investment securities funds for institutional and HNW investors

## Mutual Recognition of Funds (“MRF”) Scheme

- ✓ Application being processed for VP Classic Fund
- ✓ Allows HK-domiciled funds to be sold to retail investors in Mainland China



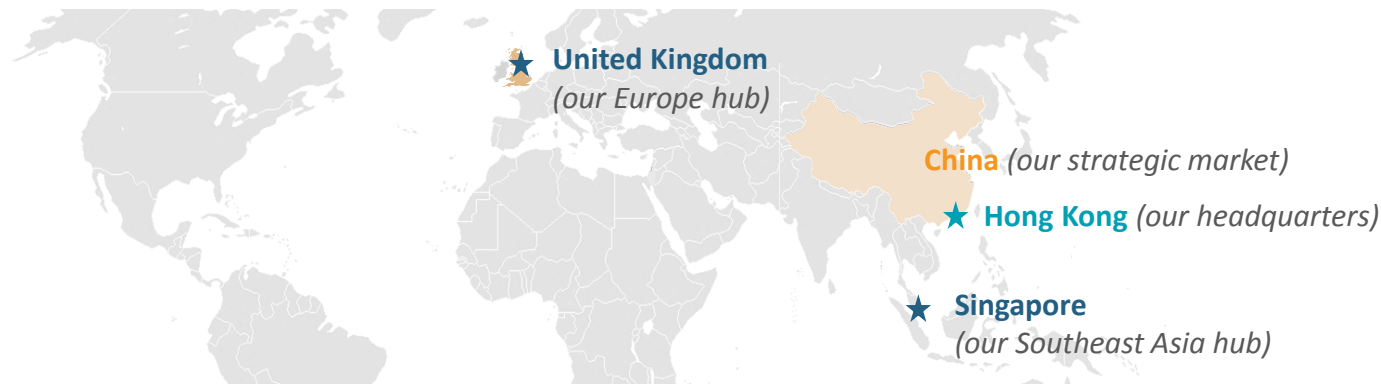
## Qualified Domestic Limited Partnership (“QDLP”)

- ✓ License granted in 2015 with US\$100m quota
- ✓ Allows foreign asset managers to raise funds from domestic institutional and HNW investors to invest overseas

## Qualified Foreign Limited Partnership (“QFLP”)

- ✓ Shenzhen subsidiary has already obtained QFLP license
- ✓ Preparing to launch a private equity business in Shenzhen
- ✓ Allows foreign institutional investors to raise funds offshore and onshore to invest in domestic private equity projects<sup>1</sup>

# Growing our international presence



## Value Partners as a China Investment Expert



- ✓ International distribution hubs in strategic locations around the world
- ✓ Build awareness of the Value Partners brand globally
- ✓ Strengthen international distribution network through working with leading local financial institutions and investment consultants
- ✓ SMART range of investment products to appeal to global institutional investors



**Singapore:** SEA distribution hub and Asia GEM research center



**London:** Europe distribution hub for Ireland UCITS funds



Exploring ways to tap into the **North American market**

# Investor relations contacts

## Value Partners Group Limited

9th Floor, Nexxus Building

41 Connaught Road Central, Hong Kong

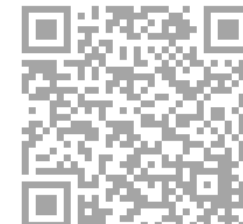
[www.valuepartners-group.com](http://www.valuepartners-group.com)

### Ms. Icy Wong

Chief Financial Officer

Email: [icywong@vp.com.hk](mailto:icywong@vp.com.hk)

Tel: (852) 2143 0464



Follow us on

WeChat



惠理投資

LinkedIn



### Ms. Isabella Zhong

Associate Director, Investor Relations and Communications

Email: [isabellazhong@vp.com.hk](mailto:isabellazhong@vp.com.hk)

Tel: (852) 2143 0449

## 170 awards and counting



AsiaHedge Awards 2017  
Management Firm of the Year<sup>1</sup>  
Value Partners



Best Fund Provider –  
Greater China Equity<sup>2</sup>  
Value Partners



WINNER OF THE 2017  
THOMSON REUTERS  
LIPPER FUND AWARDS  
HONG KONG

Best Asia Pacific Ex-Japan  
Equity (10 Years)<sup>3</sup>  
VP High-Dividend  
Stocks Fund



WINNER OF THE 2017  
THOMSON REUTERS  
LIPPER FUND AWARDS  
HONG KONG

Best Bond US Dollar –  
High Yield (3 Years)<sup>3</sup>  
VP Greater China High Yield  
Income Fund

1. Based on performance for the 12-month period from September 2016 to the end of August 2017. 2. Based on performance and achievements for 2016. 3. The Lipper Fund Awards Hong Kong 2017, reflecting performance as at December 2016. From Thomson Reuters Lipper Awards, ©2017 Thomson Reuters. All rights reserved. Used by permission and protected by the Copyright Laws of the United States. The printing, copying, redistribution, or retransmission of this Content without express written permission is prohibited. Past performance is not indicative of future results.