

【For Immediate Release】
**Value Partners Group announces 2017 annual results,
deepens footprint in Mainland China**
Highlights

- **Assets under management (“AUM”)** increased to US\$16.6 billion as of 31 December 2017, up 25% compared to a year ago.
- **Net profit** soared 1,390% to HK\$2.05 billion – the highest in Value Partners’ 25-year history – from HK\$138 million in 2016. The jump in net profit was mainly underpinned by a surge in performance fees.
- **Value Partners Classic Fund**, the Group’s flagship fund, returned a net 44.9%¹ in 2017 compared to the 39.5% increase recorded by the MSCI Golden Dragon Index and the 40.1% gain recorded by the Hang Seng Index.
- **Deepening footprint in China**
 - Value Partners became the first Hong Kong-headquartered asset manager to be granted a private fund management (“PFM”) license in Mainland China in November 2017.
 - Launched first PFM product – an A-share fund – in January 2018.
 - Preparing to launch a private equity business in Shenzhen. The Group’s Shenzhen subsidiary has already obtained the Qualified Foreign Limited Partnership (“QFLP”) license.
- **Product suite expansion**
 - Launched six new funds and a private equity real estate platform in 2017.
- **Growing global presence**
 - Signed global distribution agreements with a number of major European distributors for the Group’s entire product suite.
- Declared a **special dividend** of HK86 cents per share to mark Value Partners’ 25th Anniversary and in light of the Group’s strong financial performance in 2017 and solid financial position.

Financial results

| (in US\$ billion) | 31/12/2017 | 31/12/2016 | Change |
|--|-------------------|-------------------|---------------|
| Assets under management | 16.6 | 13.2 | +25% |
| (In HK\$ million) | 2016 | 2016 | Change |
| Profit attributable to owners of the Company | 2,048.1 | 137.5 | +1,390% |
| Fee income and other revenue | 4,105.9 | 1,398.6 | +194% |
| Gross management fees | 1,196.0 | 1,049.1 | +14% |
| Gross performance fees | 2,570.9 | 10.8 | +23,705% |
| Total expenses | (1,091.8) | (471.7) | +131% |
| Basic earnings per share (HK cents) | 110.6 | 7.4 | +1,395% |
| Diluted earnings per share (HK cents) | 110.5 | 7.4 | +1,393% |
| Interim dividend per share | Nil | Nil | |
| Final dividend per share (HK cents) | 18.0 | 4.8 | +275% |
| Special dividend per share (HK cents) | 86.0 | 7.2 | +1,094% |
| Total dividends per share (HK cents) | 104.0 | 12.0 | +767% |

(Hong Kong, 12 March 2018) — Value Partners Group Limited (together with its subsidiaries, “Value Partners” or “the Group”, Hong Kong Stock Code: 806) is pleased to announce today its financial results for the year ended 31 December 2017.

Dr. AU King Lun, Chief Executive Officer of Value Partners, commented on the Group’s business and financial performance:

2017 was a year of not only record profitability but also transformation as we took a number of major first steps towards our strategic goal of becoming an Investment Solutions Provider to Chinese investors and a China Investment Expert to investors around the world. Last November, Value Partners became the first Hong Kong-headquartered asset manager to be granted a PFM license by the Asset Management Association of China (“AMAC”), which significantly deepened our access to the burgeoning wealth management market in Mainland China. We also strengthened our distribution network, diversified our product suite with new funds and asset classes and streamlined our business operations in 2017.

As testament to our strong investment capabilities, we added 27 new awards last year to take our grand total of performance accolades won throughout the years to 170.

Deepening footprint in China

Value Partners is one of the first foreign asset managers to have tapped into the Mainland China market with the establishment of our Shanghai office in 2009.

We achieved another milestone in November 2017 when we became the first Hong Kong-headquartered asset manager to be granted a PFM license in China. The PFM license allows Value Partners to launch its own-branded domestic private securities investment funds for eligible investors in the Mainland China market. Moreover, the launch of our first PFM fund in January 2018, two months after we were awarded the PFM license, is testament to the capabilities of our strong team of investment, business development and legal and compliance professionals in Shanghai.

We’re also preparing to launch a private equity business in Shenzhen to capture demand for private equity investments in Mainland China. Our Shenzhen subsidiary has already obtained the Qualified Foreign Limited Partnership (“QFLP”) license. The QFLP license will allow us to raise funds offshore and onshore to invest in domestic private equity projects subject to regulations. Additionally, our Classic Fund is awaiting approval for the Mainland-Hong Kong Mutual Recognition of Funds (“MRF”) program, which will allow us to sell our flagship fund to Mainland Chinese retail investors.

Product suite expansion

Value Partners had a busy year on the product development front, launching six new funds and a private equity real estate platform. The new funds include a global emerging market (“GEM”) equity fund, three fixed income funds (including a GEM bond fund) and two multi-asset products. We also expect to launch another fixed income product in the first half of 2018. Fixed income is now a significant asset class for the Group. Our Greater China High Yield Income Fund, which was launched only six years ago, has grown into one of the largest funds of its kind in Hong Kong, with an AUM of US\$4.5 billion as of 31 December 2017. In mid-June, Value Partners established a private equity real estate platform to capture opportunities in the Asia-Pacific region. By the end of 2017, the platform had already made three investments and attracted a strategic co-investor.

Growing global presence

Value Partners has also been strengthening its international distribution network to connect foreign investor demand with attractive investments in China vetted by our intensive on-the-ground research-driven investment process. In Singapore, our Southeast Asia distribution hub, we have been exploring more collaboration opportunities with regional financial institutions including major retail banks, while our London office, which serves as our Europe distribution hub, has made good progress a year after its opening. We have signed global distribution agreements with a number of major European platforms for our entire product suite. To further deepen our presence in the Western Hemisphere, we are also exploring means to further tap into the North American market.

-
1. Performance of Value Partners Classic Fund (A Units) as of 31 December 2017, in USD, NAV to NAV, with dividend reinvested and net of fees. Annual performance over the past five years: 2013: +11.2%; 2014: +13.5%; 2015: -1.5%; 2016: -3.2%; 2017: +44.9%; 2018 (Year to date as at 28 February): +4.5%.

- End -

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\$18.4 billion as of 31 January 2018. Since its establishment in 1993, the firm has been a dedicated value investor in Asia and around the world. In November 2007, Value Partners Group became the first asset management firm to be 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 Beijing, Shanghai, Shenzhen, Singapore and London. Value Partners' investment strategies cover equities, fixed income, Quantitative Investment Solutions, SMART Investment Strategy, multi-asset and alternatives for institutional and individual clients in the Asia Pacific, Europe and the United States. For more information, please visit www.valuepartners-group.com.

Media enquiries:

Teresa YU
Associate Director, Marketing and Communications
Email: teresayu@vp.com.hk
Tel: (852) 2143 0320

Isabella ZHONG
Associate Director, Investor Relations and
Communications
Email: isabellazhong@vp.com.hk
Tel: (852) 2143 0449