
[For Immediate Release]

Value Partners to Launch Inaugural Private Equity Fund on the Mainland of China

(Hong Kong, 02 July 2018) – Value Partners Group Limited (“Value Partners” or “the Group”) is pleased to announce that its subsidiary Value Partners Private Equity Investment (Shen Zhen) Limited (“VP Shenzhen”) has entered into an agreement with Huajiao Education Technology (Jiangxi) Co., Ltd, a subsidiary of China Education Group Holdings Limited (“China Education Group”), to establish a **private equity fund that focuses on the Chinese education sector**.

The fund will be the inaugural fund of VP Shenzhen, the Group’s newly established private equity subsidiary on the mainland of China. VP Shenzhen is located in the Qianhai Special Economic Zone and is licensed to raise funds both on the mainland of China and overseas to invest in private equity projects in China’s domestic market.

The fund will primarily invest in private higher and vocational education on the mainland of China, with a focus on control investments. The fund has a target AUM of RMB5 billion and a term of five years that is extendable for two additional one year terms. Value Partners and China Education Group will be limited partners of the fund, while a subsidiary of each of Value Partners and China Education Group will serve as co-general partners of the fund. The co-general partners will continue to look for limited partners to invest in the fund.

“We are excited to launch our first private equity fund on the mainland of China at a time when Chinese investors are increasingly looking to diversify their investments and the ecosystem for private investments in the market is becoming increasingly more vibrant,” says **Dato’ Seri Cheah Cheng Hye, Chairman and Co-CIO of Value Partners**.

Dr. Au King Lun, CEO of Value Partners, adds, “This fund marks an important milestone in both Value Partners’ growth on the mainland of China and our expansion into the alternatives space as we broaden our product suite. Together with China Education Group, we aim to offer investors a unique opportunity to participate in the fast growing China education sector directly.”

Xie Ketao, Co-Chairman of China Education Group, said, “We see strong market demand for quality education reinforced by the intention of government bodies to improve the quality of human resources in their respective region. As an industry leader, the schools run by China Education Group have consistently ranked top in the country and region. Through establishing the Fund, we will further expand our market share and benefit more students with our superior reputation and capabilities in operating schools.”

Yu Guo, Co-Chairman of China Education Group, said, “Many private education operators have fallen into a development bottleneck after operating for more than a decade. They need capital and professional management for further growth. By setting up the Fund, we hope to provide a platform and win-win solutions to peers and partners for generating

synergies and contributing to the development and growth of China's private education sector.”

Value Partners is one of the first foreign asset managers to have established a presence on the mainland of China, with the opening of its Shanghai office in 2009. In November 2017, the Group became the first Hong Kong-based asset manager to be granted a Private Fund Management (“PFM”) license on the mainland of China via its Shanghai subsidiary and unveiled its first PFM fund in January 2018. As part of its expansion into the alternatives space, Value Partners launched its Asia-Pacific private equity real estate platform in June 2017.

For more information, please refer to [our announcement](#) on the Hong Kong Exchanges and Clearing website.

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About Value Partners Group Limited (Stock code: 806.HK)

Value Partners is one of Asia's largest independent asset management firms and seeks to offer world-class investment services and products. The firm had \$18.2 billion of assets under management as of 31 May 2018. Since its establishment in 1993, Value Partners has been a dedicated value investor in Asia and around the world. In November 2007, Value Partners 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, multi-asset, Quantitative Investment Solutions 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.

About China Education Group Holdings Limited (Stock code: 839.HK)

China Education Group Holdings Limited is a leading listed education management enterprise. As of 31 May 2018, the Group is China's number one and the world's third-largest listed higher education company based on market capitalization. The Group currently has 132,000 students and runs seven schools including private universities, private junior college, independent college, technician colleges and secondary vocational school. It is the only listed education enterprise covering the full industry chain of private higher and vocational education. Established in 1989, the Group has been providing dedicated and outstanding education services for nearly three decades. Schools under its management have won numerous awards including the top position in private universities in China for nine consecutive years, the number one ranking among private colleges in Guangdong Province for ten consecutive years, the number one position among private technical colleges in Guangdong Province for seven consecutive years. For details of the China Education Group, please visit www.chinaeducation.hk.

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