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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 –
FRAMEWORK AGREEMENT IN RESPECT OF
FORMATION OF CHINA EDUCATION FUND
WITH CHINA EDUCATION GROUP**

FRAMEWORK AGREEMENT

On 29 June 2018 (after trading hours), VP Shenzhen (a subsidiary of VPGL) and Huajiao Education (a subsidiary of CEG) entered into the Framework Agreement for the establishment of the China Education Fund[#], with a targeted AUM of RMB5 billion (approximately HK\$6 billion). VPGL (and/or its subsidiary(ies)) and CEG (and/or its affiliates and nominee(s)) will make an initial contribution of RMB370 million and RMB250 million respectively to the China Education Fund. It is expected that VP Shenzhen and Huajiao Education (or its nominee) are to be co-general partners of the China Education Fund.

LISTING RULES IMPLICATION

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Group's maximum possible contribution to the China Education Fund pursuant to the Framework Agreement is more than 5% but less than 25%, the transactions contemplated under the Framework Agreement constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE FRAMEWORK AGREEMENT

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The principal terms of the Framework Agreement are as follows:

Date: 29 June 2018

Parties: (i) VP Shenzhen (a subsidiary of VPGL) and
(ii) Huajiao Education (a subsidiary of CEG).

To the best of the Directors' knowledge, information and belief and having made all reasonable enquiries, each of Huajiao Education and CEG and its controlling shareholders is an Independent Third Party.

Name of the China Education Fund: VP-CEG China Education Fund* (中教惠理教育產業基金) (tentative)

Term of the China Education Fund: 5 years from the date of formation, extendable for two one-year terms.

Purpose of the Fund and scope of business: Primarily to invest in private higher and vocational education in the PRC, with a focus on control investment.

Capital contribution: The target AUM of the China Education Fund is RMB5 billion (approximately HK\$6 billion). VPGL (and/or its subsidiary(ies)) and CEG (and/or its affiliates and nominee(s)) will make an initial contribution of RMB370 million and RMB250 million respectively. The general partners will continue to look for potential investors to invest in the China Education Fund as Limited Partners.

The contribution from VPGL (and/or its subsidiary(ies)) and CEG (and/or its affiliates and nominee(s)) will not in aggregate exceed 30% of AUM. The total contribution from VPGL (and/or its subsidiary(ies)) will not exceed RMB1 billion.

VPGL's contribution was determined after arm's length negotiations between VPGL and CEG with reference to the anticipated capital requirements of the China Education Fund.

Fund structure and Distribution: Distribution rate and mechanism is to be set out in the definitive formation documentation of the China Education Fund. As at the date of this announcement, it is expected that there will initially be one single class, and preferential or mezzanine classes may be introduced if circumstances permit.

Management of the Fund: It is expected that VP Shenzhen and Huajiao Education (or its nominee) will be co-general partners to manage the China Education Fund. VP Shenzhen will be recorded as the Executive Partner of the China Education Fund at the Asset Management Association of China.

The management fee and performance fee will be set out in the definitive documentation for the formation of the China Education Fund.

Investment committee: As at the date of this announcement, it is intended that the investment committee will comprise 4 members, of which 2 is to be nominated by VPGL and 2 by CEG. Investment decision requires unanimous consent of the investment committee.

Right of first refusal: During the investment period of the China Education Fund, CEG agrees to grant a right of first refusal to the China Education Fund for any investment opportunity with sizes lower than the thresholds stipulated in the Framework Agreement.

When the China Education Fund exits an investment, CEG has a first right of refusal to acquire such investment on the same terms and conditions offered by a third party purchaser.

Exclusivity: During the initial fundraising period of the China Education Fund (which will commence from after the signing of the definitive fund formation documentation and up to 12 months thereafter), each of the parties to the Framework Agreement (including their respective controllers, directors, employees or associated companies) is prohibited from establishing any education fund with any third parties.

CEG and its affiliates are subject to certain restrictions in respect of cooperation with investors or potential investors introduced by VPGL (or its affiliate).

REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK AGREEMENT

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

The formation of the China Education Fund is a further step in deepening the Group's footprint in the PRC, and is also in line with the Group's strategy to grow its product offerings. The Directors also believe that the Group's cooperation with CEG, a leading large scale private higher and vocational education provider in China, can enhance the performance of the China Education Fund by combining the Group's investment expertise with CEG's experience in private higher and vocational education in China.

In view of the aforesaid, the Directors (including the independent non-executive Directors) consider that the transactions contemplated under the Framework Agreement 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.

IMPLICATIONS UNDER THE LISTING RULES

As the applicable percentage ratios (as defined under the Listing Rules) in respect of the Group's maximum possible contribution to the China Education Fund pursuant to the Framework Agreement is more than 5% but less than 25%, the transactions contemplated under the Framework Agreement constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meaning ascribed to them below:

“affiliate”	for the purposes of the Framework Agreement, in respect of any entity or individual, (i) any entity/individual directly or indirectly controlling, controlled by or under the same control of such entity or individual; (ii) any entity/individual holding more than 50% equity interest of such entity or individual; (iii) any entity/individual holding more than 50% voting right or other interests of such entity or individual, whereas (a) “control” means direct or indirect right to manage or influence the management and policies of the relevant entity, whether through equity interest carrying voting rights or contractual or other arrangements, and (b) any “affiliate” of an individual also includes his/her close relatives, including spouse, parents, grand grandparents parents, siblings and their spouses, children and their spouses, grandchildren and their spouses
“AUM”	assets under management
“Board”	the board of directors of the Company
“CEG”	China Education Group Holdings Limited, a company incorporated under the laws of the Cayman Islands with limited liability; the securities of which are listed on the Stock Exchange (stock code: 839)
“China Education Fund”	a limited partnership to be established in the PRC and tentatively named VP-CEG China Education Fund* (中教惠理教育產業基金)
“Company” or “VPGL”	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(s)”	has the meaning ascribed to such term in the Listing Rules
“Director(s)”	the director(s) of the Company
“Framework Agreement”	the framework agreement dated 29 June 2018 entered into between VP Shenzhen and Huajiao Education

“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Huajiao Education”	Huajiao Education Technology (Jiangxi) Co., Ltd* (華教教育科技(江西)有限公司), a company established in the PRC and a wholly-owned subsidiary of CEG
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“Limited Partners”	the limited partners of the Fund
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	People’s Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holder(s) of the Share(s)
“Shares”	ordinary share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VP Shenzhen”	Value Partners Private Equity Investment Management (Shen Zhen) Limited* (惠理股權投資管理(深圳)有限公司), a company established in the PRC and a wholly-owned subsidiary of the Company
“%”	percent

* *for identification purposes only*

For HK investors: China Education Fund is not authorized by the Securities and Futures Commission in Hong Kong and its shares are not available to the general public in Hong Kong.

For the purpose of this announcement, conversion of RMB into HK\$ is based on the exchange rate of RMB1 to HK\$1.2. Such exchange rate is for the purpose of illustration only and does not constitute a representation that any amounts in HK\$ or RMB have been, could have been or may be converted at such or any other rate or at all.

By Order of the Board
Value Partners Group Limited
CHEUNG Kwong Chi, Aaron
Company Secretary

Hong Kong, 29 June 2018

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.