



Incorporated in the Cayman Islands with
limited liability

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



2018 Interim Results

For the six months ended 30 June 2018

Results Presentation, 14 August 2018

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Financial highlights

*By Icy WONG
Chief Financial Officer*

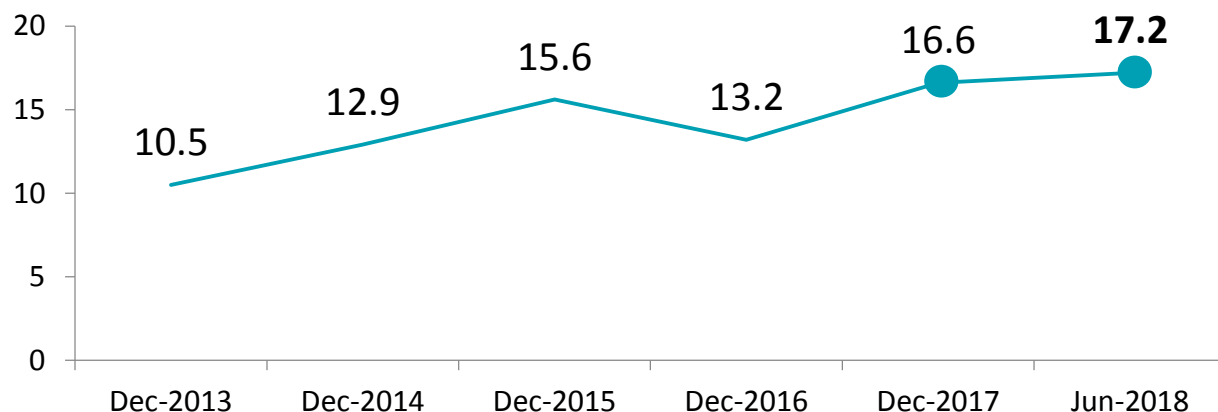
Financial highlights

(In HK\$ million)	1H 2018	1H 2017	Change
Fee income and other revenue	958.1	752.2	+27.4%
Gross management fees	712.9	546.7	+30.4%
Gross performance fees	50.7	22.3	+127.4%
Total expenses	(266.9)	(226.0)	+18.1%
Operating profit (before other gains or losses)	246.1	140.3	+75.4%
Profit attributable to owners of the Company	194.3	219.5	-11.5%
Basic earnings per share (HK cents)	10.5	11.8	-11.0%
Diluted earnings per share (HK cents)	10.5	11.8	-11.0%
Interim dividend per share (HK cents)	Nil	Nil	

Assets under management

Assets under management (“AUM”)

(US\$ billion)

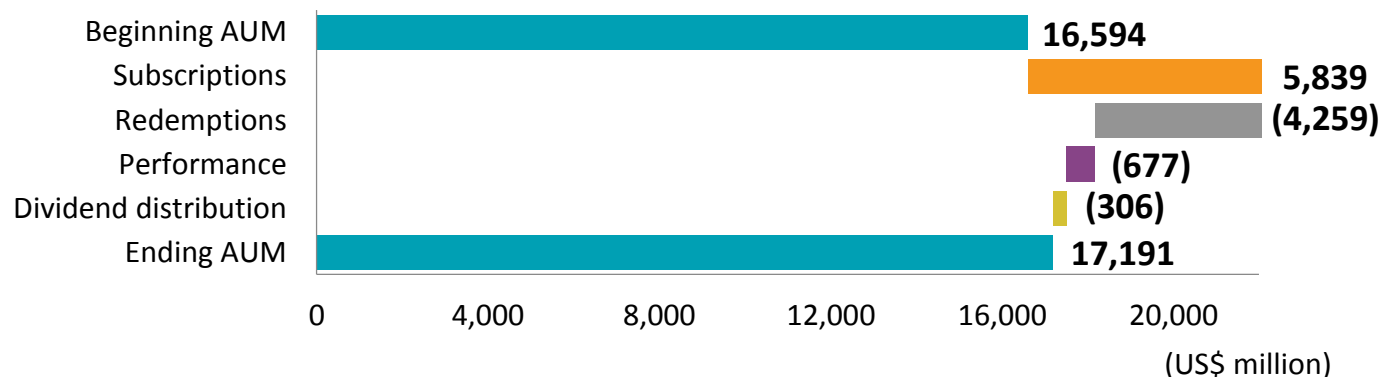


Key driver of AUM increase:

- **Strong net inflow** of US\$1.6 billion

(Reversed from a net outflow of US\$278 million in full-year 2017)

AUM change in 1H 2018



AUM analysis

Classification by brand

- Own Branded Funds
- White Label & Co-branded Funds

	30 Jun 2018	31 Dec 2017
Own Branded Funds	73%	73%
White Label & Co-branded Funds	27%	27%



Classification by strategy

- Absolute Return Long-biased Funds
- Fixed Income Funds
- Quantitative Funds & ETF
- Alternative Funds

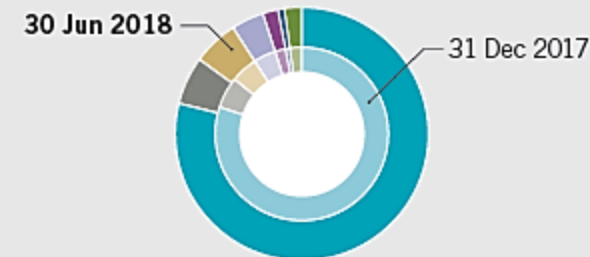
	30 Jun 2018	31 Dec 2017
Absolute Return Long-biased Funds	63%	68%
Fixed Income Funds	35%	30%
Quantitative Funds & ETF	1%	1%
Alternative Funds	1%	1%



Client analysis by geographical region

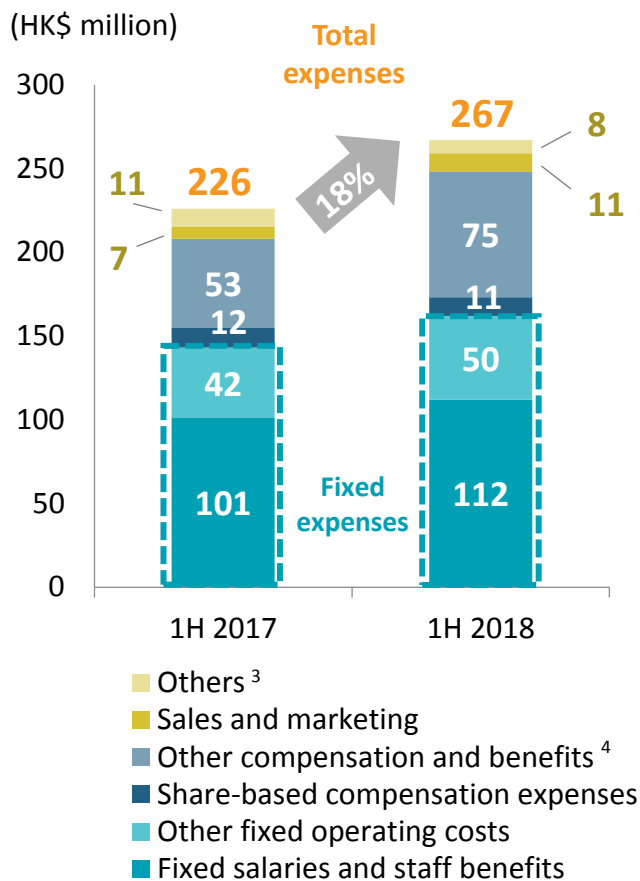
- Hong Kong
- Singapore
- China
- United States
- Europe
- Australia
- Others

	30 Jun 2018	31 Dec 2017
Hong Kong	79%	80%
Singapore	6%	6%
China	6%	5%
United States	4%	4%
Europe	2%	2%
Australia	1%	1%
Others	2%	2%

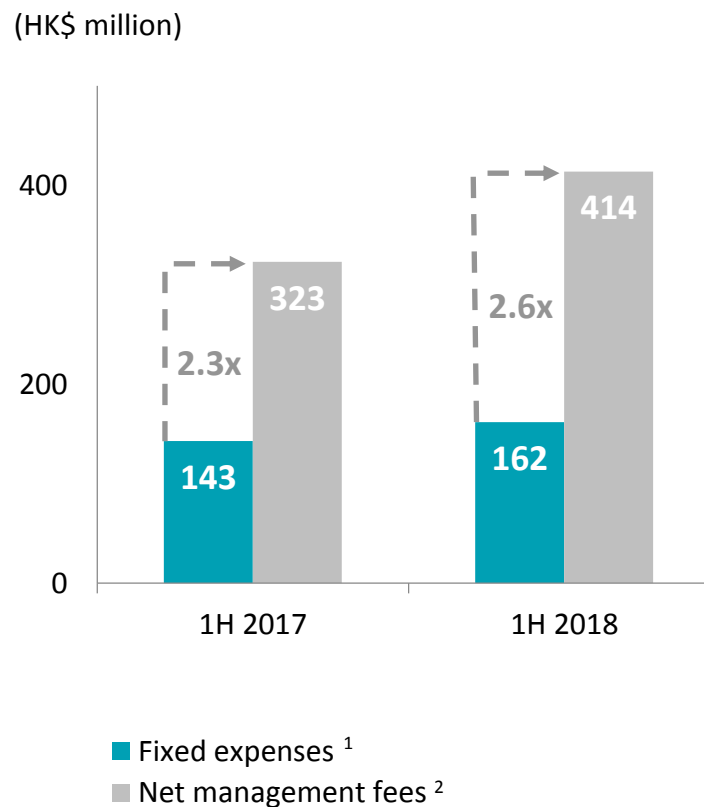


Stringent cost control

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.
2. The Group is deemed to be holding a controlling interest in certain investment funds, and net management fees before consolidation adjustments for such investment funds is used for calculating the fixed cost coverage ratio
3. Others includes depreciation and non-recurring expenses
4. Other compensation and benefits includes the management bonus and staff rebates

Strong Balance Sheet

As at 30 June, 2018	HK\$ millions
ASSETS	
Current assets	2,710
• Cash & equivalents ¹	• 1,691
• Fees receivable	• 162
• Investments ²	• 784
Non-current assets	1,913
• Investments (including investment in JV) ²	• 1,824
Total assets	4,623
LIABILITIES	
Current liabilities	675
• Accrued bonus	• 97
• Distribution fee expenses payable	• 154
• Current tax liabilities	• 344
Non-current liabilities	13
Total liabilities	688
EQUITY	
Equity attributable to owners of company	3,935
• Issued equity	• 1,410
• Retained earnings	• 2,300
Total equity	3,935

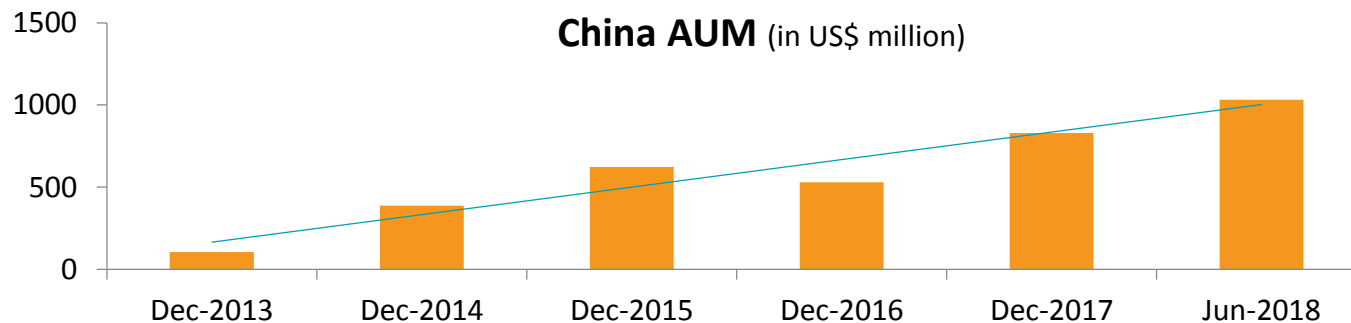
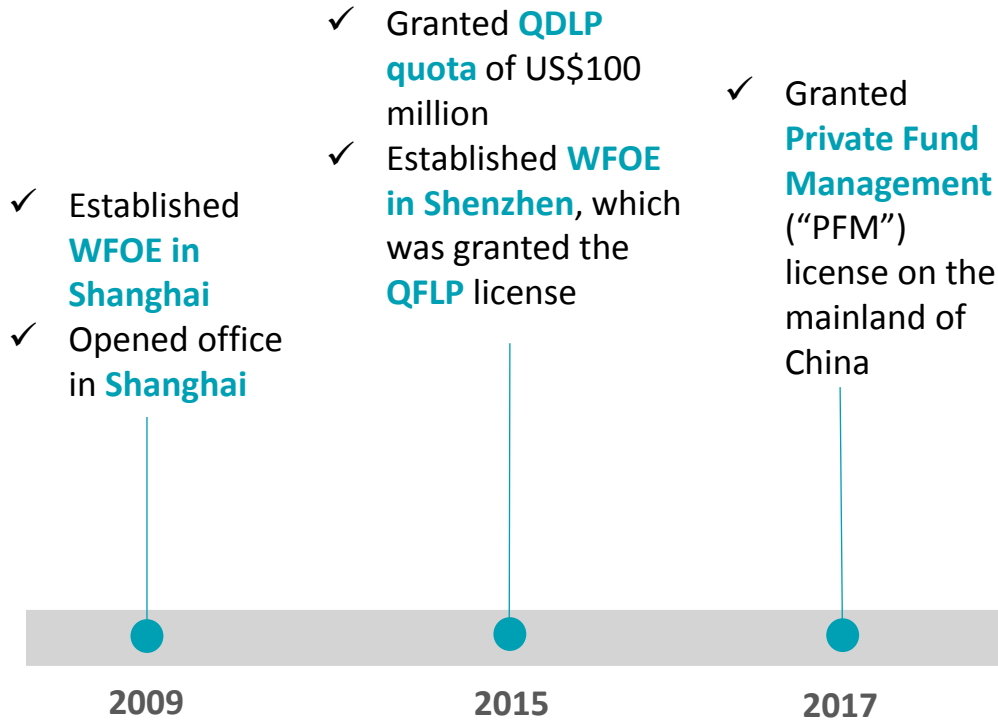
1. Cash & equivalents includes the balance sheet items of Cash and cash equivalents and Deposits with brokers;

2. Net Investments (including investments and investment in a joint venture) = HK\$2,590 million

Business review

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

Gathering momentum in China



Product suite expansion

Alternatives



Private Equity Real Estate

- Launched first fund in June 2017
- Preparing to launch second fund, which has the same investment strategy as our first fund

Private Equity

- China Education Fund will be launching in early 2019, subject to regulatory approval

Private Debt

- Preparing to launch a sizeable private debt fund in the coming year

Hedge Funds

- Launched the VP Credit Opportunities Fund in late 2017



A global presence

U.S. Office

- Expected to open by the end of 2018
- Will serve as our **North America distribution hub**
- To better access and engage with institutional investors in the world's largest asset management market

London Office

- Received approval from the **Financial Conduct Authority** in March
- Growing the suite of products available for distribution in Europe

Other Markets

- Strong investor interest in our products in the **Middle East** and **Africa**
- **Taiwan**: Inflows from major institutional clients; Planning a number of distribution partnerships
- **South Korea**: Distribution partnerships with major investment houses and securities firms
- **Japan**: Inflows from key business partner

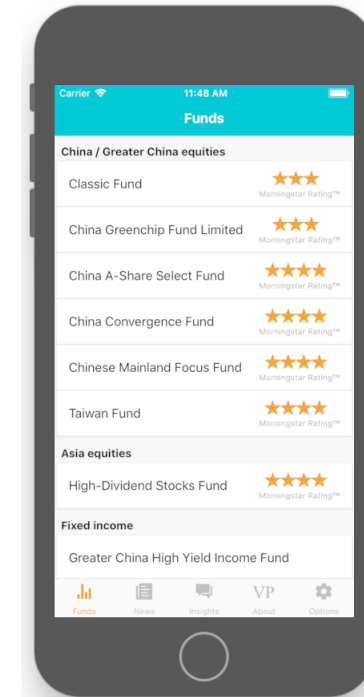
Malaysia Office

- Expected to open by the end of 2018
- **Distribution and investment hub** that will complement our existing Singapore office to serve **Southeast Asia**
- Will focus on QIS and potential new businesses

Enhancing **distribution**

Institutional

Intermediary/ Retail



Attract

Convert

Nurture

Attract

Convert

Nurture

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170 awards and counting



AsiaHedge Awards 2017
Management Firm of the Year¹
Value Partners



Best Fund Provider –
Greater China Equity²
Value Partners



WINNER OF THE 2017
THOMSON REUTERS
LIPPER FUND AWARDS
HONG KONG

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



WINNER OF THE 2017
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Best Bond US Dollar –
High Yield (3 Years)³
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.