

- Value Partners Classic Fund (“the fund”) primarily invests in stock markets of the Asia-Pacific region, with a Greater China focus.
- The fund is established according to the laws of Hong Kong, and that its investment operations and information disclosure shall be regulated by Hong Kong laws and the rules and regulations of Securities and Futures Commission (“SFC”).
- Please pay particular attention to the risk of investment in China and other markets in the Asian region and in companies with medium or small capitalization. The value of the fund can be extremely volatile and could go down substantially within a short period of time. This is not a guarantee fund. It is possible that the entire value of your investment could be lost.
- The fund may also invest in derivatives which can involve material risks, e.g. counterparty default risk, insolvency or liquidity risk, and may expose the fund to significant losses.
- You should not make investment decision on the basis of this material alone. Please read the explanatory memorandum for details and risk factors.
- The fund’s registration with China Securities Regulatory Commission (“CSRC”) is not a CSRC recommendation or endorsement of the risk and return of the Fund.
- Ratings and rating results adopted in this material are sourced from rating agencies outside China. The rating methods and results are different from those that are adopted by mainland rating agencies.

【For Immediate Release】

Value Partners’ flagship fund receives approval to join Mutual Recognition of Funds scheme

***Value Partners Classic Fund will be distributed in China’s onshore market*

***Tianhong Asset Management appointed master agent for Value Partners Classic Fund on the mainland*

(Hong Kong, 19 December 2018) — Value Partners Hong Kong Limited (“Value Partners”), a wholly owned subsidiary of **Value Partners Group Limited** (Hong Kong Stock Code: 806), today announced its flagship **Value Partners Classic Fund** (“the fund”) has been approved by the China Securities Regulatory Commission as an eligible northbound fund under the Mainland-Hong Kong Mutual Recognition of Funds (“MRF”) scheme on 6 December 2018.

Value Partners has appointed **Tianhong Asset Management Co., Ltd.** (“Tianhong Asset Management” or “Tianhong”) as the fund’s master agent under the MRF scheme. Tianhong Asset Management is one of the leading mutual fund management companies on the mainland of China.

“Tianhong is a pioneer in China’s asset management industry and a long-term partner of Value Partners. We are delighted to be embarking on this new chapter of growth on the mainland of China with Tianhong,” **Mr. Louis SO, Deputy Chairman and Co-Chief Investment Officer of Value Partners Group**, said. “With this strategic partnership, we are in a great position to offer Chinese investors world-class funds that meet their unique and evolving needs. The MRF scheme will help mainland investors to have a broader selection of investment choices and diversify their portfolio risks.”

“We are pleased to partner with Value Partners. Value Partners is not only Hong Kong’s only listed asset management firm but also an industry leader in Asia that is renowned for being a pioneer of value investing in the region,” **Mr. Tony Liu, Director of International Business of Tianhong Asset Management** said. “Value Partners’ strong track record and product development capabilities position it well to deliver offshore investment solutions to Chinese investors, who are becoming increasingly hungry for overseas exposure to diversify their portfolios.”

Value Partners Classic Fund is the Group’s longest-standing fund, with a history of almost 26 years. The fund had US\$1.04 billion of assets under management as of the end of November 2018 and has weathered multiple financial crises to generate a cumulative return¹ of more than 2,909% since its inception in 1993. It is currently rated 4 stars² by Morningstar. Value Partners Classic Fund is a Greater China-focused strategy that aims to achieve consistent superior returns through a disciplined investment process that places emphasis on the fundamental value of potential investments.

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, further enhancing the Group’s capability in offering world-class investment solutions to institutions

and high-net-worth individuals (“HNWIs”) on the mainland. Earlier this year, the Group also announced the establishment of its first private equity fund in the domestic China market.

“China is a key strategic market for Value Partners and its importance has been growing ever since we established our footprint in the onshore market in 2009,” **Dr. AU King Lun, Chief Executive Officer of Value Partners Group** said. “By working with various distribution partners on the mainland, we will continue to bring our best-in-class investment solutions to the onshore market, giving retail and institutional investors a broader range of choices to meet their individual needs.”

1. Data as at 30 November 2018. Source: HSBC Institutional Trust Services (Asia) Limited and Bloomberg, in USD, NAV to NAV, with dividends reinvested and net of all fees. Past performance is not indicative of future performance. Annualized performance of Classic Fund (A Unit) since its inception on 1 April 1993: 2008: -47.9%, 2009: +82.9%, 2010: +20.2%, 2011: -17.2%, 2012: +14.0%, 2013: +11.2%, 2014: +13.5%, 2015: -0.5%, 2016: -3.2%, 2017: +44.9%, 2018(as at 30 November): -18.4%. Data of A Unit and P Unit are different. A Unit is not open for subscription until further notice. Mainland investors can subscribe Value Partners Classic Fund through P unit. 2. As of 31 October 2018. Calculation is based on NAV, annualized return and annualized volatility. Peers in the Greater China Equity sector refers to funds in the Morningstar Greater China Equity Category. .

This document does not constitute a prospectus, an offer or an invitation to subscribe any securities, or a recommendation in relation to any securities. Investors should note investment involves risk and past performance is not indicative of future results. Please refer to the explanatory memorandum for details and risk factors in particular those associated with investment in China, non-investment grade debt securities, and in companies with medium or small capitalization. This document has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners Hong Kong Limited.

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About Value Partners Group

Value Partners is one of Asia’s largest independent asset management firms offering world-class investment services and products for institutional and individual clients globally. The firm had \$15.1 billion of assets under management as of 30 November 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 has offices in Shanghai, Shenzhen, Beijing, Kuala Lumpur, Singapore and London. Value Partners’ investment strategies cover equities, fixed income, alternatives, multi-asset, and ETFs. For more information, please visit www.valuepartners-group.com.

About Tianhong Asset Management

Established on 8 November 2004, Tianhong Asset Management is one of the nationwide publicly offered fund management companies authorized by China Securities Regulatory Commission with registered capital of RMB 514.3 million Yuan. In 2013, Tianhong Asset Management promoted the first Internet fund – Yu’ebao, jointly with AliPay. As the fund manager of Yu’ebao, For more information, please visit <http://www.thfund.com.cn/en/>.

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