



Incorporated in the Cayman Islands with
limited liability

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

2018 Final Results

For the year ended 31 December 2018

Results Presentation, 12 March 2019

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Financial highlights

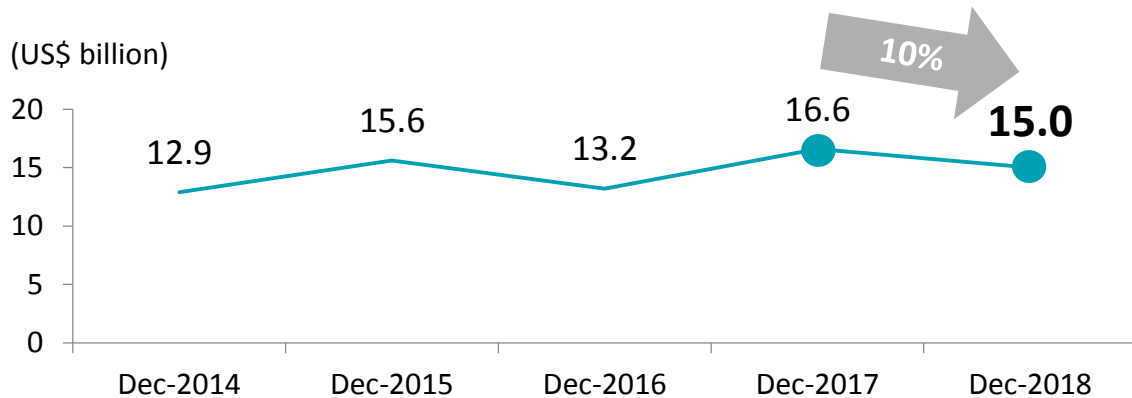
*By Icy WONG
Chief Financial Officer*

Financial highlights

(In HK\$ million)	2018	2017	Change
Profit attributable to owners of the Company	229.5	2,048.1	-89%
Fee income and other revenue	1,641.4	4,105.9	-60%
Gross management fees	1,347.5	1,196.0	+13%
Gross performance fees	56.2	2,570.9	-98%
Total expenses	(535.0)	(1,091.8)	-51%
Operating profit (before other gains or losses)	399.9	2,207.3	-82%
Basic earnings per share (HK cents)	12.4	110.6	-89%
Diluted earnings per share (HK cents)	12.4	110.5	-89%
Interim dividend per share (HK cents)	Nil	Nil	
Final dividend per share (HK cents)	6.0	18.0	-67%
Special dividend per share (HK cents)	Nil	86.0	-100%
Total dividends per share (HK cents)	6.0	104.0	-94%

Assets under management

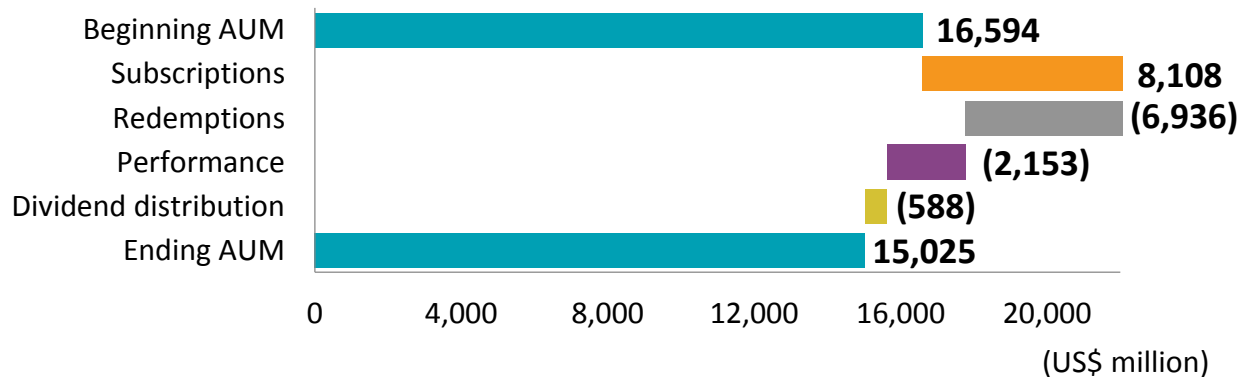
Assets under management (“AUM”)



Major reason for AUM decrease

- **Strong inflows** of US\$1.2 billion
- **Weak performance** of (US\$2.1 billion)

AUM change in the year 2018



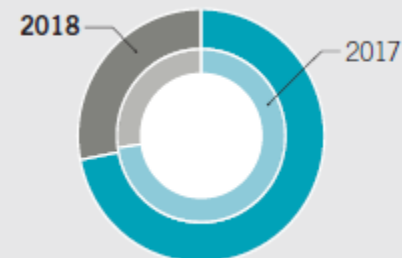
2018 fund flows

Gross subscriptions: US\$8.1 billion;
Gross redemptions: US\$6.9 billion

AUM analysis

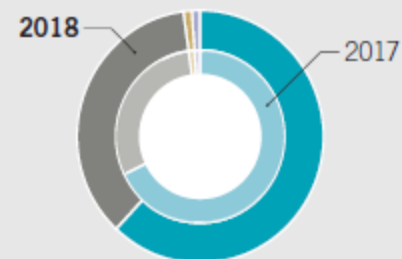
Classification by brand

	2018	2017
Own Branded Funds	72%	73%
White Label & Co-branded Funds	28%	27%



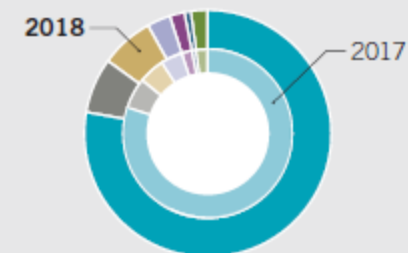
Classification by strategy

	2018	2017
Absolute Return Long-biased Funds	62%	68%
Fixed Income Funds	36%	30%
Quantitative Funds & ETF	1%	1%
Alternative Funds	1%	1%



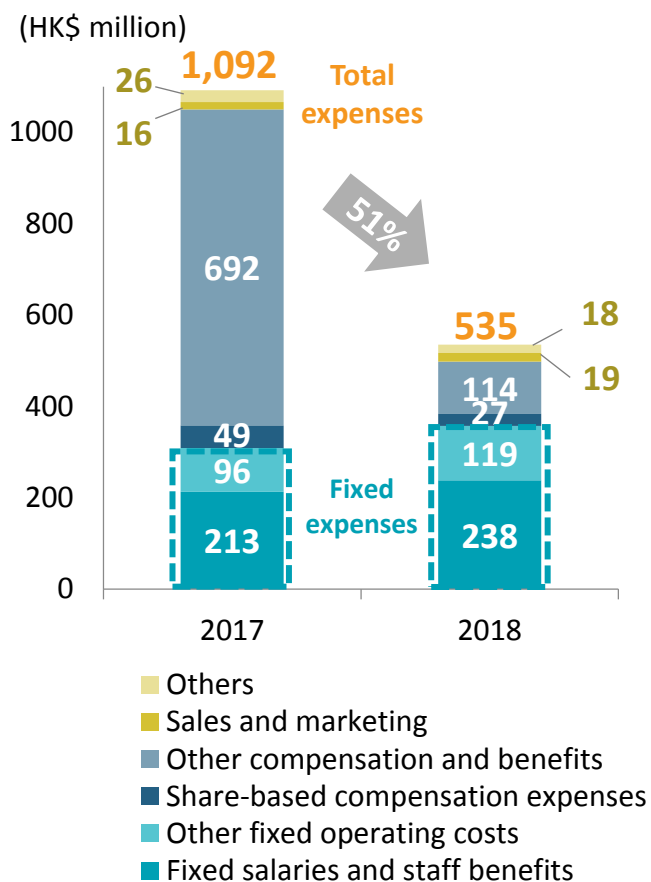
Client analysis by geographical region

	2018	2017
Hong Kong	78%	80%
Singapore	7%	6%
China	7%	5%
United States	3%	4%
Europe	2%	2%
Australia	1%	1%
Others	2%	2%

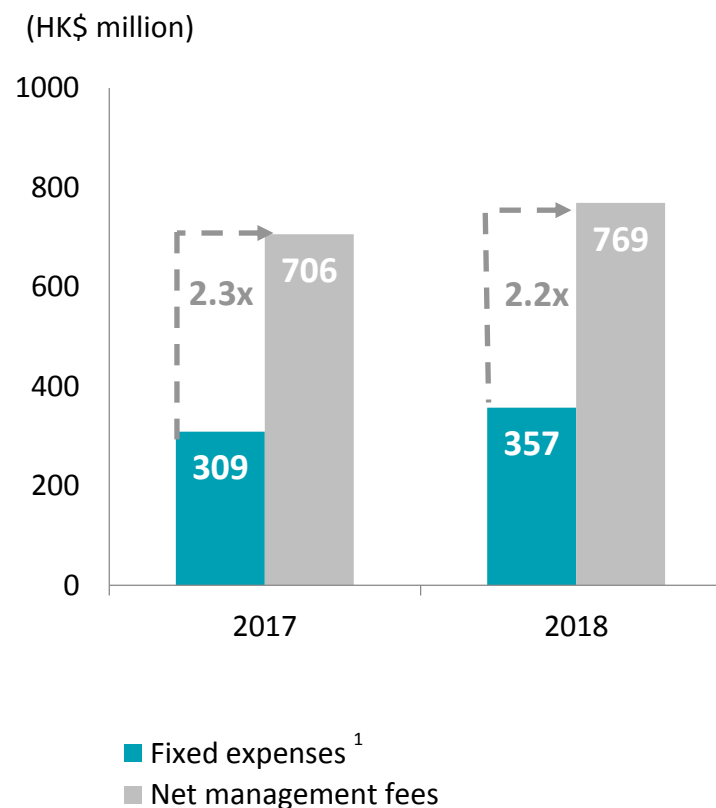


Stringent cost control

Total expenses

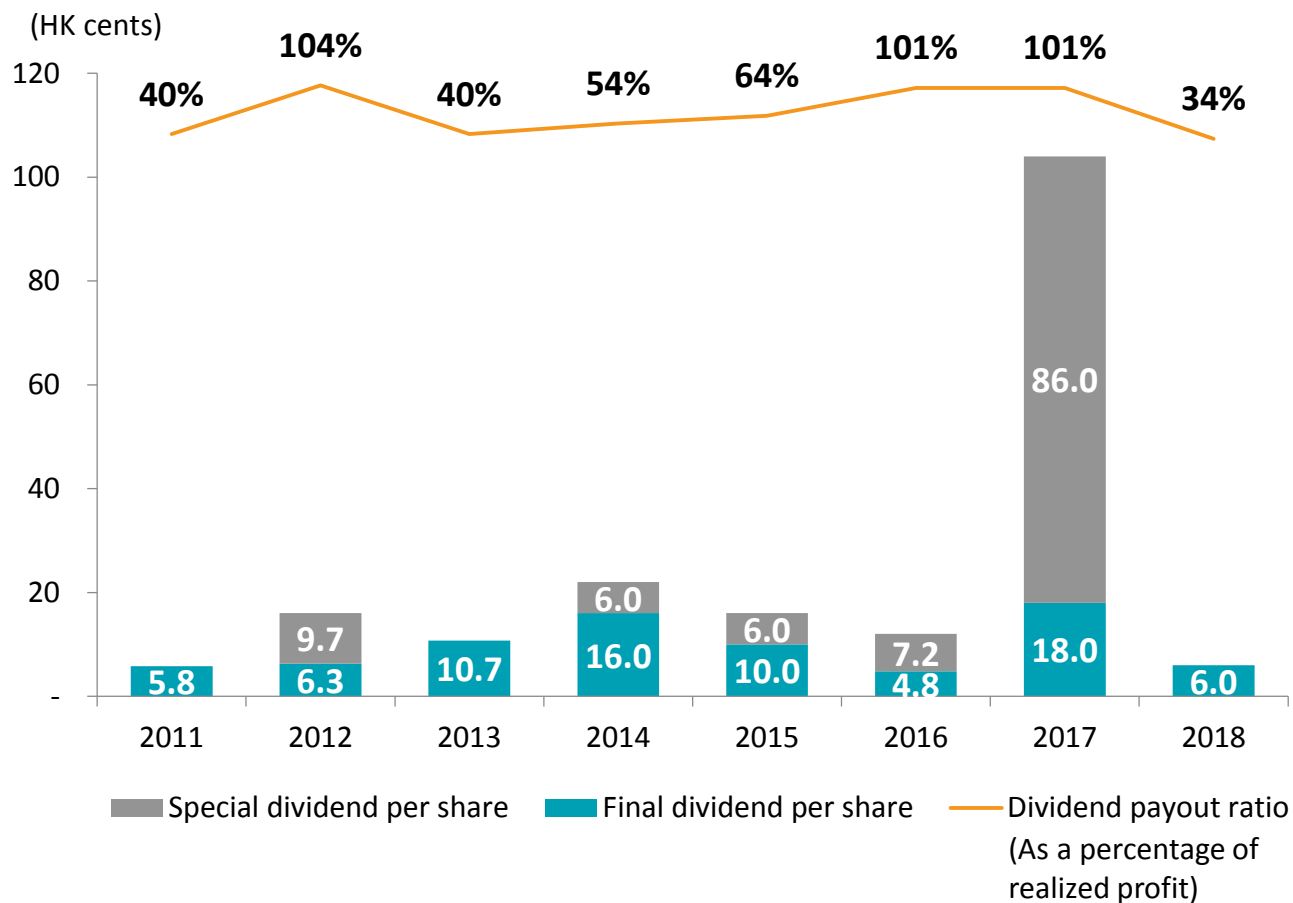


Fixed cost coverage ratio



1. Fixed expenses mainly represent fixed salaries and benefits, rent, investment research, professional fees, other administrative and office expenses for asset management business.

Dividends



1. Dividend per share is declared based on the Group's realized profit, which excluded unrealized gains/ losses recognized. However, earnings per share reflected the impact of net unrealized gains/ losses.

Strong Balance Sheet

As at 31 December, 2018	HK\$ millions
ASSETS	
Current assets	2,528
• Cash & equivalents ¹	• 1,629
• Fees receivable	• 129
• Investments ²	• 517
Non-current assets	1,868
• Investments (including investment in JV and investment property) ²	• 1,781
Total assets	4,396
LIABILITIES	
Current liabilities	316
• Accrued bonus	• 130
• Distribution fee expenses payable	• 130
Non-current liabilities	102
Total liabilities	417
EQUITY	
Equity attributable to owners of company	3,978
• Issued equity	• 1,410
• Retained earnings	• 2,336
Total equity	3,978

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

2. Net Investments (including investments, investment in a joint venture and investment property) = HK\$2,298 million

Business review

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

Delivering growth



Global Footprint

- ✓ Opened **Kuala Lumpur office** in October 2018 to further strengthen our presence in Southeast Asia
- ✓ Opened **Boston office** to act as a distribution hub for North America
- ✓ **London office** continues to make good progress in growing our business in Europe
- ✓ Inked strategic partnership in **Japan** and seeing strong investor interest from elsewhere in **North Asia** and the **Middle East**

Product Suite Expansion

- ✓ **Alternatives** as the focus of the next phase of our product suite expansion. Strong pipeline of funds to launch in 2019
- ✓ Developed a number of **thematic products** in light of strong investor appetite
- ✓ **Fixed income** product suite now encompasses six funds that cover most of the risk spectrum

China Business

- ✓ Established domestic **private equity** business in Shenzhen and announced the formation of our inaugural private equity fund on the mainland of China
- ✓ Have launched four domestic private investment securities funds since winning a **Private Fund Management** (“PFM”) license in November 2017
- ✓ Flagship Classic Fund received northbound approval for the **Mutual Recognition of Funds** (“MRF”) program. Applied for High-Dividend Stocks Fund to also join program

Alternatives: The next phase of our product suite expansion

Alternatives



Private Equity Real Estate

- Launched first fund in June 2017
- Preparing to launch second fund in 2019

Private Equity

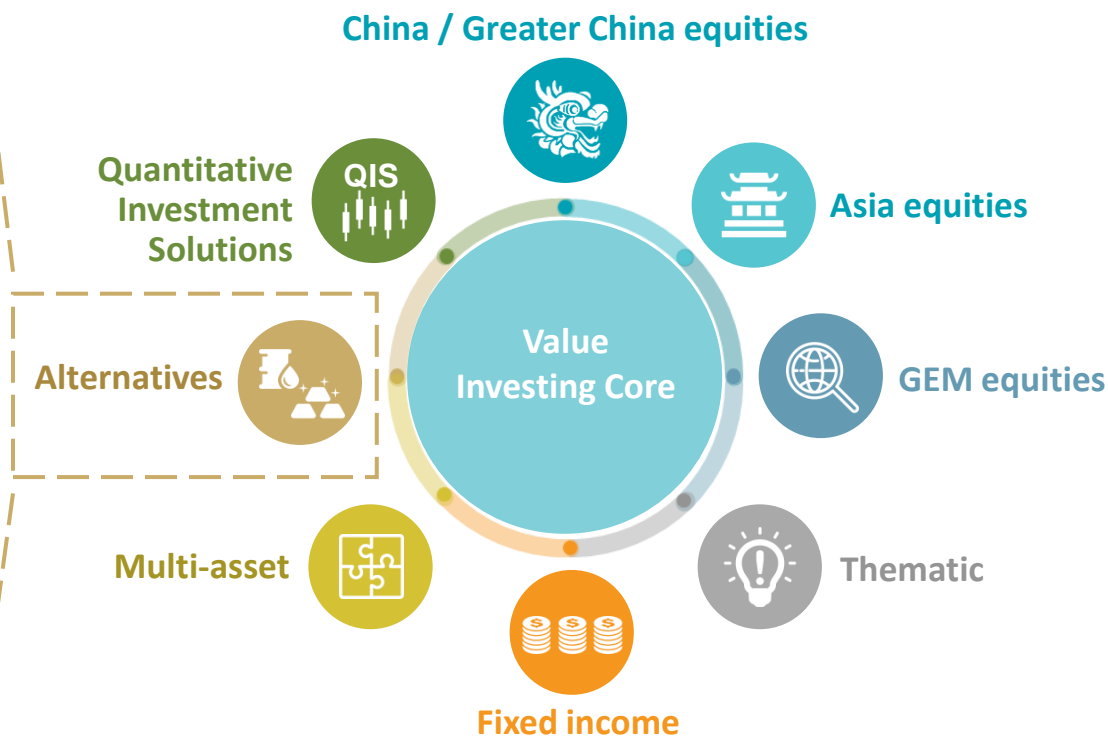
- Will be launching a fund that's focused on China's higher education sector in early 2019, subject to regulatory approval
- The fund has a "5+1+1" term

Private Debt

- Launched inaugural private debt fund in January 2019
- The fund has a "3+1" term

Hedge Funds

- Established a Credit Opportunities fund in late 2017
- Fund has built a strong track record



China: Further breakthroughs and accelerating growth

- ✓ Established **WFOE in Shanghai** to provide investment advisory services
- ✓ Opened office in **Shanghai**

- ✓ Granted **QDLP quota** of US\$100 million
- ✓ Established **WFOE in Shenzhen**, which was granted the **QFLP** license

- ✓ First HK asset manager to be granted a **Private Fund Management** (“PFM”) license on the mainland of China

Private Funds/ PFM Business

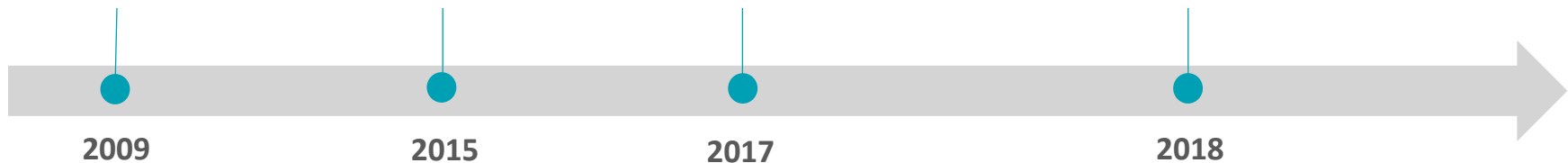
- ✓ Launched first PFM fund in January
- ✓ Launched another three PFM funds in June, July and September

Onshore Private Equity Business

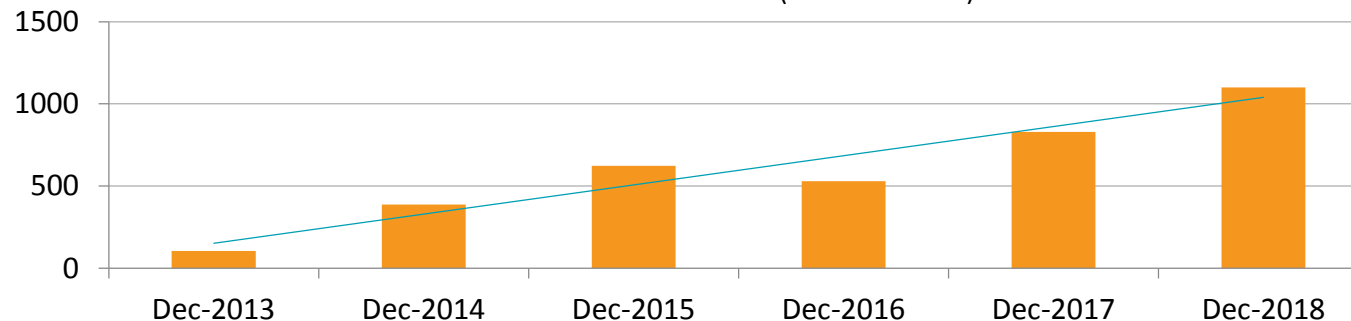
- ✓ Opened Shenzhen office in January
- ✓ Signed agreement with China Education Group to establish a China education-focused fund

Mutual Recognition of Funds

- ✓ Classic Fund received approval
- ✓ Applied for High-Dividend Stocks Fund to join



China AUM (in USD millions)



Making inroads globally

Europe

- UCITS funds are seeing strong inflows following revamp of products to better fit European institutional investors
- Added new Asia ex-Japan equity fund to UCITS suite in 2018 and will continue to grow offerings
- Won substantial institutional mandate from a major European investor
- London office has obtained a FCA license

Other Growth Markets

- **Middle East:** Prospecting activities revealed strong institutional investor interest in products
- **Taiwan:** Inflows from major institutional clients. Planning a number of distribution partnerships
- **Japan:** Launched an A-share Innovation fund with key business partner Daiwa Securities Group

London office

Boston office

North America

- Distribution hub for North America that opened in Jan 2019
- Initial focus will be institutional and professional investors

Beijing office

Shanghai office

Shenzhen office

Singapore office

Kuala Lumpur office

Southeast Asia

- Established Kuala Lumpur office in October 2018 to act as a distribution, product development and investment management hub for Southeast Asia
- Launch of new smart beta ETF products to begin in Q4 of 2019. New products will include thematic and Southeast Asia-focused factor-based ETFs
- To manufacture and manage Shariah-compliant products for global distribution
- Formed distribution partnerships with major financial institutions

Investor relations contacts

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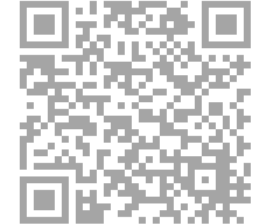
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200+ awards and counting



Benchmark Fund of the Year Awards 2018
Asia ex-Japan Equity House – Best in Class¹
Value Partners



Asia Asset Management 2019 Best of the Best Awards
Best WFOE House²
Value Partners

1. The award reflects performance up to 30 September 2018. 2. Announced in January 2019, the award recognizes a WFOE house's ability to expand in a fast growing market, enhance its product and distribution arrangements, gain market acceptance and raise funds in the past year