

【 For Immediate Release 】
Value Partners Group announces 2019 final results

The Company is strongly positioned for China's market opening
in its growing asset management industry

2019 key highlights

- **Net profit rose 123.7% to HK\$513.4 million** from HK\$229.5 million, driven by strong funds' performance and investment gains.
- **Total expenses increased moderately by 3%**; the Group continued to practice stringent cost control.
- **Strong balance sheet**, with net assets increased to HK\$4.4 billion.
- **Assets under management ("AUM") remained stable at US\$15.0 billion as at 31 December 2019**, with strong flows contributed by its core Fixed Income Fund and China Business segment.
- **The Group is strongly positioned for China's market opening in its growing asset management industry**, its mainland China and related business continues to expand fast with AUM jumped from 7% to 11% of the Group's total clientele.
- **Expansion of its product suite into different classes** will capture new market share
- **Performance fee is recurring and sustainable** over the mid-term; multiple funds including the Value Partners Classic Fund achieved their high-water mark

Financial results

(In US\$ million)	31/12/2019	31/12/2018	Change
Assets under management	15,007	15,025	-0.1%
(In HK\$ million)	2019	2018	Change
Profit attributable to owners of the Company	513.4	229.5	+123.7%
Total revenue	1,603.9	1,641.4	-2.3%
Gross management fees	1,362.4	1,347.5	+1.1%
Gross performance fees	55.3	56.2	-1.6%
Total expenses	(552.7)	(535.0)	+3.3%
Operating profit (before other gains or losses)	343.7	399.9	-14.1%
Other gains (losses) - net	193.8	(168.7)	+214.9%
Basic earnings per share (HK cents)	27.7	12.4	+123.4%
Diluted earnings per share (HK cents)	27.7	12.4	+123.4%
Interim dividend per share (HK cents)	Nil	Nil	
Final dividend per share (HK cents)	9.0	6.0	+50.0%
Special dividend per share (HK cents)	13.0	Nil	
Total dividends per share (HK cents)	22.0	6.0	+266.7%

(Hong Kong, 12 March 2020) — Value Partners Group Limited (together with its subsidiaries, "Value Partners" or "the Group", Hong Kong Stock Code: 806) is pleased to announce today its final results for the year ended 31 December 2019.

Ms. Icy Wong, Value Partners' Chief Financial Officer and Ms. Angel Teng, Value Partners' Managing Director and Chief Strategy Officer jointly commented on the Group's business and financial performance:

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When we transitioned into 2019 from 2018, markets were still at a challenging environment. Trade wars and market volatility were the normal headlines. That was the external environment, it was uncertain. Within Value Partners, we continued to employ stringent cost controls, and focus on delivering fund performances. We are pleased to report that we delivered a strong financial results for 2019 with 123.7% rise in profit attributable to owners of the Company.

Value Partners is one of the largest independent asset managers in Asia, and has been investing as an expert in Asia and China markets for the past 27 years. From business strategy perspective, we have identified two key growth areas, which are the increasing opportunities in Chinese mainland and expansion of our product suite into different asset classes. Both we had been building foundations and we believe they will lead our way in the middle of intensifying competition in the industry. Value Partners is strongly positioned for China's market opening in its growing asset management industry.

Mainland China business – receiving a steady stream of business licenses, awards and citations

2019 ushered a new chapter for China's capital markets as policymakers announced further measures to broaden the financial sector. 2019 also marked the 10th anniversary of the establishment of our Shanghai office.

During the past decade, we made significant inroads of opportunity in China, making them a crucial part of our success story. Our business in Chinese mainland continues to grow significantly - assets under management raised rose 60% in 2019 to finish at US\$1.7 billion.

Taking our role as a pioneer foreign investor in stride, we further consolidated our leading position - expanding our footprint and building up a seasoned and localized team of investment and business professionals. We increased four more China onshore funds under the private fund management ("PFM") scheme, bringing our total PFM funds to eight. Our flagship Value Partners Classic Fund and Value Partners High-Dividend Stocks Fund were approved by the China Securities Regulatory Commission under the Mainland-Hong Kong Mutual Recognition of Fund ("MRF") program with Tianhong Asset Management as the master agent of the funds on the mainland.

As the mainland quickens the pace of financial reforms, we will continue to seize every opportunity to further develop our China business and expand our services. We take a long term perspective on China's long term prospects, and continue to remain invested across market cycles.

Achievement and growth

Value Partners' product suite has grown from a single equity fund at the time of the Group's founding in 1993 to what is now a family of more than 40 funds spanning equities, fixed income, multi-asset, quantitative investment solutions and alternatives. Over the period, we made great inroads with our alternative investment capabilities, which cover private equity and private debt.

Fixed income has grown significantly as an asset class for Value Partners, accounting for 44% of the Group's total AUM, which has leapfrogged from 5% since 2012 when the first fixed income product – Value Partners Greater China High Yield Income Fund was launched.

Value Partners launched a total of six products in 2019 including an Asian innovation fund in February and an China equity fund for European investors in October. We also initiated a credit fund that covers the Asia market under our alternative investment capabilities. We rolled out three new products with fixed income, including a fixed maturity bond fund in July, Value Partners Asian Fixed Maturity Bond Fund 2022 in November, and a Greater China high yield bond fund under the UCITS scheme in December.

2019 was also a good year for real estate private equity. Our existing core real estate private equity fund posted positive returns as at the end of 2019, achieving an internal rate of return above both the initial target and the hurdle rate. Driving investor interest in real estate were low global bond yields underpinned by low interest rates as a result of accommodative monetary policy.

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As an asset class, core real estate remains one of the few investment opportunities currently offering solid income returns with low volatility. In view of the favourable backdrop, we plan to launch another new core fund within this year. Separately, the team will launch a Malaysia Shariah Fund in the second half of 2020. The fund had already been registered under Malaysia's Securities Commission in February 2020 and was met by robust investor interest when the team began marketing efforts in 2019.

Extending our footprint

Value Partners' accelerated marketing activities on the ground have greatly enhanced local recognition of the Group as a leading regional Asia and China specialist. In Europe, we have made significant progress in restructuring our UCITS platform and continuing to roll out our schedule for country registration. As such, our UCITS range is set to become available for cross-border distribution to a broad investor audience.

In Taiwan, we have further broadened our intermediary channels and received inflows from institutional investors. As Southeast Asia is an important component of China's Belt and Road initiative, we have been proactively preparing for business expansion in Malaysia, where we will be launching new innovative products, including Shariah-compliant funds and Southeast Asia-focused smart ETFs. In Singapore, the business has experienced significant inflows via private banking and intermediary channels throughout 2019. We increased client engagement efforts and further on-boarded funds through various client platform.

2020 outlook

Looking ahead, financial markets are set to weather risks for 2020, which could stem from geopolitical tussles, trade or diseases. However, Value Partners believes a distressed scenario has been priced into several countries, including China, which lays the ground for recovery and a buying opportunity.

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About Value Partners Group Limited

Value Partners is one of Asia's largest independent asset management firms that seek to offer world-class investment services and products. Assets under management (*unaudited*) of the firm were US\$15.0 billion as of 31 December 2019. Since its establishment in 1993, the firm has been a dedicated value investor in Asia and around the world. In November 2007, Value Partners Group 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 Shanghai, Shenzhen, Kuala Lumpur, Singapore and London, and maintains representative offices in Beijing and Boston. 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.

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