

【 For Immediate Release 】
Value Partners Group announces 2020 interim results

Solid investment track record and strong financial foundation
to weather market uncertainties
Well positioned to maximize opportunities in Mainland China

Key highlights:

- The Group reported an operating profit of HK\$114.7 million, and the treasury gains reached HK\$23 million.
- Maintains strong balance sheet with net assets of HK\$4.1 billion and cash and cash equivalents of HK\$1.8 billion as at 30 June 2020.
- Continues to fully take advantage of China's opening up of the asset management industry. The Group's China and related business saw a steady growth, which contributes 12% of its AUM.
- Expansion of the product range into different asset classes will capture new market share.
- New recognitions received:
 - Value Partners is ranked the 9th in the 2020 Top Foreign Firms in China by Z-Ben Advisors; Receives "Best Offshore Trustee Institution for Insurers" and "Most Favoured Offshore Asset Manager for Insurers (offshore open market business)" titles by Insurance Asset Management Association of China.
 - Mr. Gordon IP, Chief Investment Officer for Fixed Income has been named CIO of the Year for Fixed Income in the regional and the Hong Kong market categories, respectively, by Insights & Mandate ("I&M") 2020 Professional Investment Awards.
 - Value Partners Greater China High Yield Income Fund has been awarded the Best High Yield bond in USD over the 5-year period by Refinitiv Lipper Fund Awards 2020, and fund performance awards in the Asian High Yield category over the 3-year and 5-year periods by I&M..

Financial highlights:

(In US\$ million)	30/06/2020	31/12/2019	Change
Assets under management	11,844	15,007	-21%
(In HK\$ million)	1H 2020	1H 2019	Change
	(Unaudited)	(Unaudited)	
Profit attributable to owners of the Company	125.5	250.9	-50%
Total revenue	579.8	815.1	-29%
Gross management fees	519.6	679.5	-24%
Gross performance fees	15.6	3.4	+359%
Total expenses	(239.9)	(258.5)	-7%
Operating profit (before other gains)	114.7	162.0	-29%
Other gains - net	23.0	107.4	-79%
Basic earnings per share (HK cents)	6.8	13.5	-50%
Diluted earnings per share (HK cents)	6.8	13.5	-50%
Interim dividend per share	Nil	Nil	

(Hong Kong, 13 August 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 interim results for the period ended 30 June 2020.

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Ms. Icy Wong, Value Partners' Chief Financial Officer and Chief Administration Officer commented on the Group's financial performance and business updates:

The spread of COVID-19 has severely impacted the global financial markets in the first half of 2020. Within Value Partners, we continued to employ stringent cost controls, and focus on delivering fund performances.

As at 30 June 2020, the Group's assets under management ("AUM") stood at US\$11.8 billion, down from US\$15.0 billion on 31 December 2019. The decrease in AUM during the period sent its operating profit lower to HK\$114.7 million. Net profit came in at HK\$125.5 million during the period. Despite the surprising market conditions, the Group's generated treasury gains reached HK\$23 million.

Value Partners is one of the largest independent asset managers in Asia, and has been a pioneer in value investing in Asia and China markets for the past 27 years. With a strong balance sheet which can get the firm through all-weather market environment in the foreseeable future, the Group continues to fully take advantage of China's opening up of the asset management industry, and to expand Value Partners' product range covering different asset classes to capture new market share.

Mainland China-related growth and opportunities

In mainland China, Value Partners has made significant strides in continually strengthening its onshore presence, currently with 11 private fund management products under its wholly foreign-owned enterprises ("WFOE") entity and two eligible products under the Mainland-Hong Kong Mutual Recognition of Funds ("MRF") scheme. Currently, the Group's institutional business generated from the mainland contributes up to 80% of its China AUM.

The Group's subsidiary, Value Partners Investment Management (Shanghai) Limited, has obtained an Investment Advisory Qualification from the Asset Management Association of China. The qualification enables Value Partners Shanghai to provide investment advisory services on private asset management products to eligible third-party institutions in mainland China.

Performance and expanding product fleet

Despite challenges, the Group continues to deliver outperformance in the portfolios under its management. In terms of product offering expansion, the Group targets to launch additional strategies by the end of 2020.

- **Best performers:** The two best-performing funds among the Group's existing equities products are a healthcare fund¹ and the Chinese Mainland Focus Fund², which respectively returned 20.2%³ and 19.1%² during the period. Several equity funds have reached their respective high water marks, including the Group's flagship Value Partners Classic Fund.
- **Fund campaigns:** Launched digital campaigns for Chinese Mainland Focus Fund and Value Gold ETF in June 2020. The Group receives success in these promotions, with positive feedback from fund distributors and growing inquiries from potential investors.
- The Group targets to launch a Shariah-compliant ETF¹ tracking a China A-shares benchmark on the Malaysian bourse.
- Within the alternative segment, the Group expects the first closing of a Malaysia Shariah property fund¹ to be by the third quarter of 2020. This fund is likely to be the first Shariah-compliant strategy in the world that focuses on the PBWA sector – the purpose build workers accommodations.

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Outlook

As the Group highlighted in March this year, the financial markets are to weather risks for 2020, which could stem from geopolitical tussles, trade or diseases. China presents a “first in, first out” case with an orderly recovery since April. Overseas investors’ interest in Chinese equities and bonds is expanding and the trend is to sustain for at least the coming decade, given the underrepresentation of foreign investors in China’s onshore assets. Incremental growth in foreign interests have manifested itself in several institutional tenders for China specialists, in which Value Partners has been asked to participate. Ahead, the Group’s global arms will continue to build brand awareness for Value Partners across the world.

1. *These funds are not authorized by the Securities and Futures Commission of Hong Kong and are not available to the general public in Hong Kong.*
2. *Annual calendar returns of Value Partners’ Chinese Mainland Focus Fund over the past five years: 2015: +1.7%; 2016: -10.3%; 2017: +61.2%; 2018: -28.3%; 2019: +36.6%; 2020 (Year to date as at 30 June): +19.1%.*
3. *Annual calendar returns of the healthcare fund over the past 5 years : 2015: -3.7%; 2016: +1.9%; 2017: +20.8%; 2018: -5.4%; 2019: +21.0%; 2020 (Year to date as at 30 June): +20.2%.*

Source for performance figures: Value Partners and Bloomberg. Past performance is not indicative of future performance. Performance is in USD, NAV to NAV, with dividend reinvested and net of fees.

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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\$11.8 billion as of 30 June 2020. 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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