

Value Partners Group Limited

Incorporated in the Cayman Island with limited liability
A company listed on the Hong Kong Stock Exchange
Stock code: 806 HK



2020 Interim Results

For the six months ended 30 June 2020

Results Presentation, 13 August 2020

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Financial highlights and business review

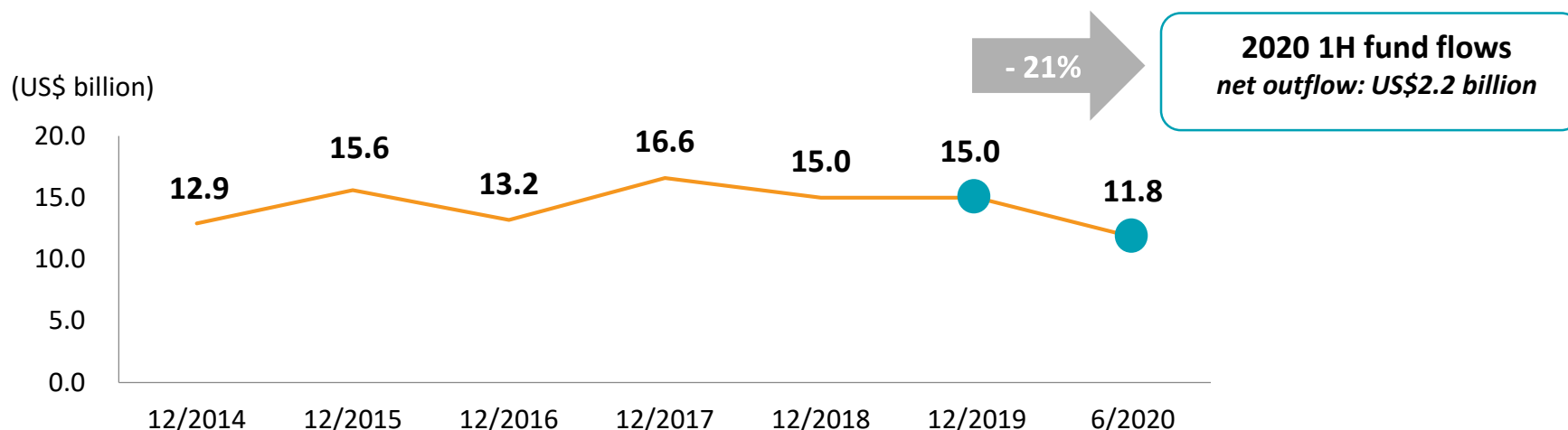
*By Icy WONG
Chief Financial Officer &
Chief Administrative Officer*

Financial highlights

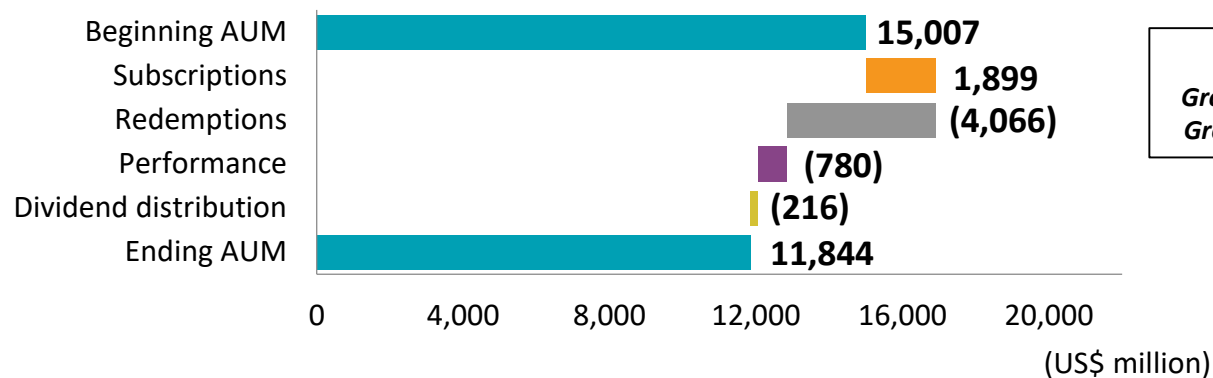
(In HK\$ million)	1H 2020 (unaudited)	1H 2019 (unaudited)	% Change
Profit attributable to owners of the Company	125.5	250.9	-50%
Total revenue	579.8	815.1	-29%
Gross management fees	519.6	679.5	-24%
Gross performance fees	15.6	3.4	+359%
Total expenses	(239.9)	(258.5)	-7%
Operating profit (before other 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	

Assets under management (“AUM”)

Value Partners’ AUM stood at US\$11.8 billion as of 30 June 2020



AUM change in 1H 2020



2020 1H fund flows
Gross subscriptions: US\$1.9 billion
Gross redemptions: US\$4.1 billion

AUM analysis

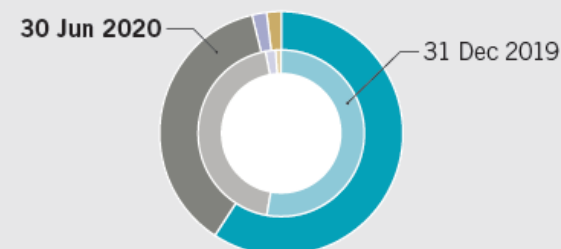
Classification by brand

	30 Jun 2020	31 Dec 2019
Own Branded Funds	80%	82%
White Label & Co-branded Funds	20%	18%



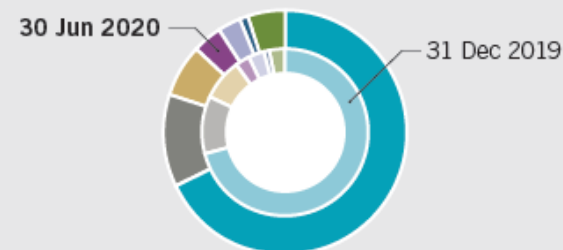
Classification by strategy

	30 Jun 2020	31 Dec 2019
Absolute Return Long-biased Funds	58%	53%
Fixed Income Funds	38%	44%
Alternative Funds	2%	2%
Quantitative Funds & ETF	2%	1%



Client analysis by geographical region

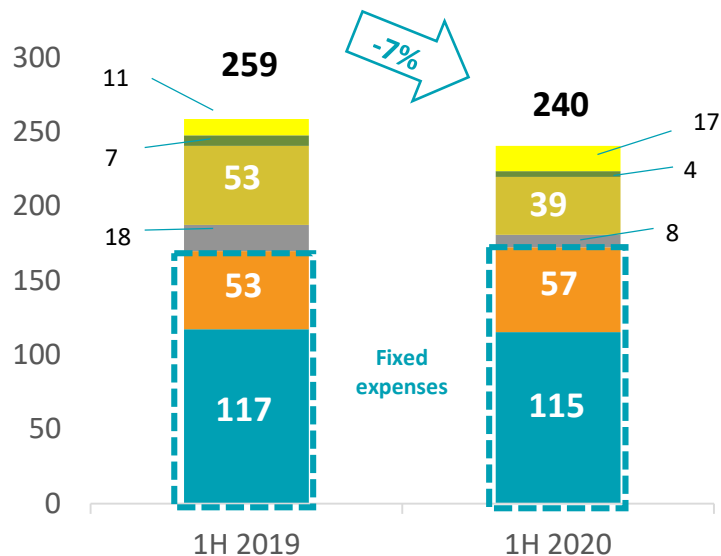
	30 Jun 2020	31 Dec 2019
Hong Kong SAR	68%	71%
Mainland China	12%	11%
Singapore	7%	8%
Europe	4%	3%
United States	3%	3%
Australia	1%	1%
Others	5%	3%



Stringent cost control

Total expenses

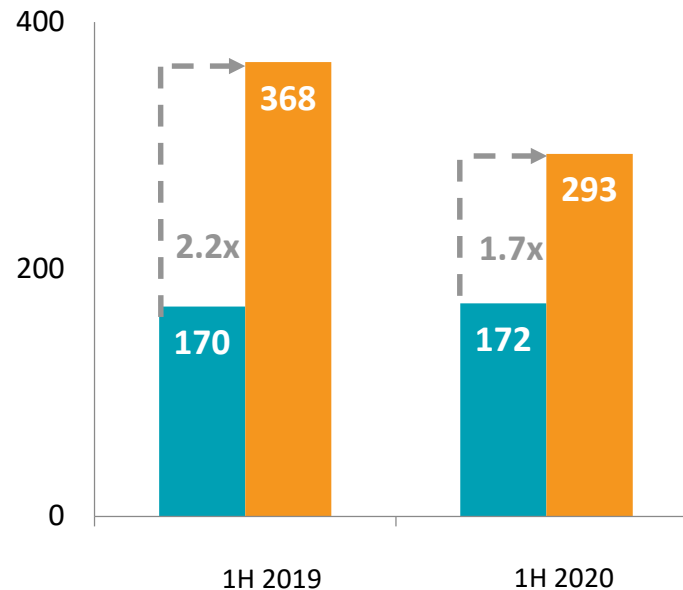
(HK\$ million)



- Others²
- Sales and marketing
- Other compensation and benefits³
- Share-based compensation
- Other fixed operating costs
- Fixed salaries and staff benefits

Fixed cost coverage ratio

(HK\$ million)



- Fixed expense¹
- Net management fees

1. Fixed expenses mainly represent fixed salaries and benefits, rent, investment research, other administrative and office expenses for asset management business.
2. Others includes depreciation and non-recurring expenses.
3. Other compensation and benefits includes the management bonus and staff rebates.

Strong balance sheet

As at 30 June 2020	HK\$ million
ASSETS	
Current assets	2,053
• Cash & cash equivalents ¹	• 1,810
• Investments ²	• 77
• Fees receivables	• 114
Non-current assets	2,384
• Investments (including investment in JV and investment property) ²	• 2,152
Total assets	4,437
LIABILITIES	
Current liabilities	245
• Accrued bonus	• 57
• Distribution fee expenses payable	• 110
Non-current liabilities	88
Total liabilities	333
EQUITY	
Equity attributable to owners of company	4,104
• Issued equity	• 1,407
• Retained earnings	• 2,458
Total equity	4,104

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

2. Net Investments (including investments, investment in joint ventures and investment property) = HK\$2,229 million

Value Partners key growth drivers



Capture growing opportunities in China



Expand asset classes to grow our product range

Further strengthen China onshore presence

China Business model and team

Institutional

- **Banks:** Provides investment advisory for more than 10 major banks / bank WMs, including many of the top 10 banks in China
- **Insurance companies:** Provides investment advisory for more than 5 major insurance players in China, including large state-owned and joint venture insurers

Private Fund Management (“PFM”)

- **11 PFM funds** launched as of July 2020, one of the most PFM funds out of all WFOE-PFMs
- **Private Banks:** partnerships established with 4 out of top 10 PBs, and in close discussion with the rest
- **Securities companies:** partnerships established with 5 major securities firms

Mutual Recognition of Funds (“MRF”)

- Launched **Classic Fund MRF** in March 2019, and **High-Dividend Stocks Fund MRF** in May 2020
- Classic MRF is distributed at **7 retail channels** and High-Dividend Stocks Fund MRF is distributed at Tianhong, and we are expanding the distribution network further



Full function local team of 41 Chinese professionals in Shanghai, Shenzhen, Beijing, Hong Kong with average 13 years experience, covering investment, business development, and support functions

Value Partners recognized as top 10 foreign asset managers in China

Recent awards and recognition in mainland China

Z-Ben ranking

Source: Z-Ben advisors 2020 China Rankings report



The top 25 foreign firms in China

The calm before the storm

Top ten remains intact with the most significant change right at the top

2020 Rank	2019 Rank	Firm	2020 Score	YoY change	Score distribution across the three business lines
9	8	Value Partners	30.19	-6.35	

Source: Z-Ben Advisors Proportion of overall score: Onshore Outbound Inbound

Z-BEN ADVISORS April 2020



2019 IAMAC Most Popular Investment Business Partners

- Best Offshore Trustee Institution for Insurers
- Most Popular Offshore Asset Manager for Insurers (offshore open market business)¹
Value Partners



11th Golden Sunshine Award

The Most Promising WFOE Private Fund House²
Value Partners



2019 Golden Changjiang Award
The Most Attractive Foreign Private Fund Award³
Value Partners

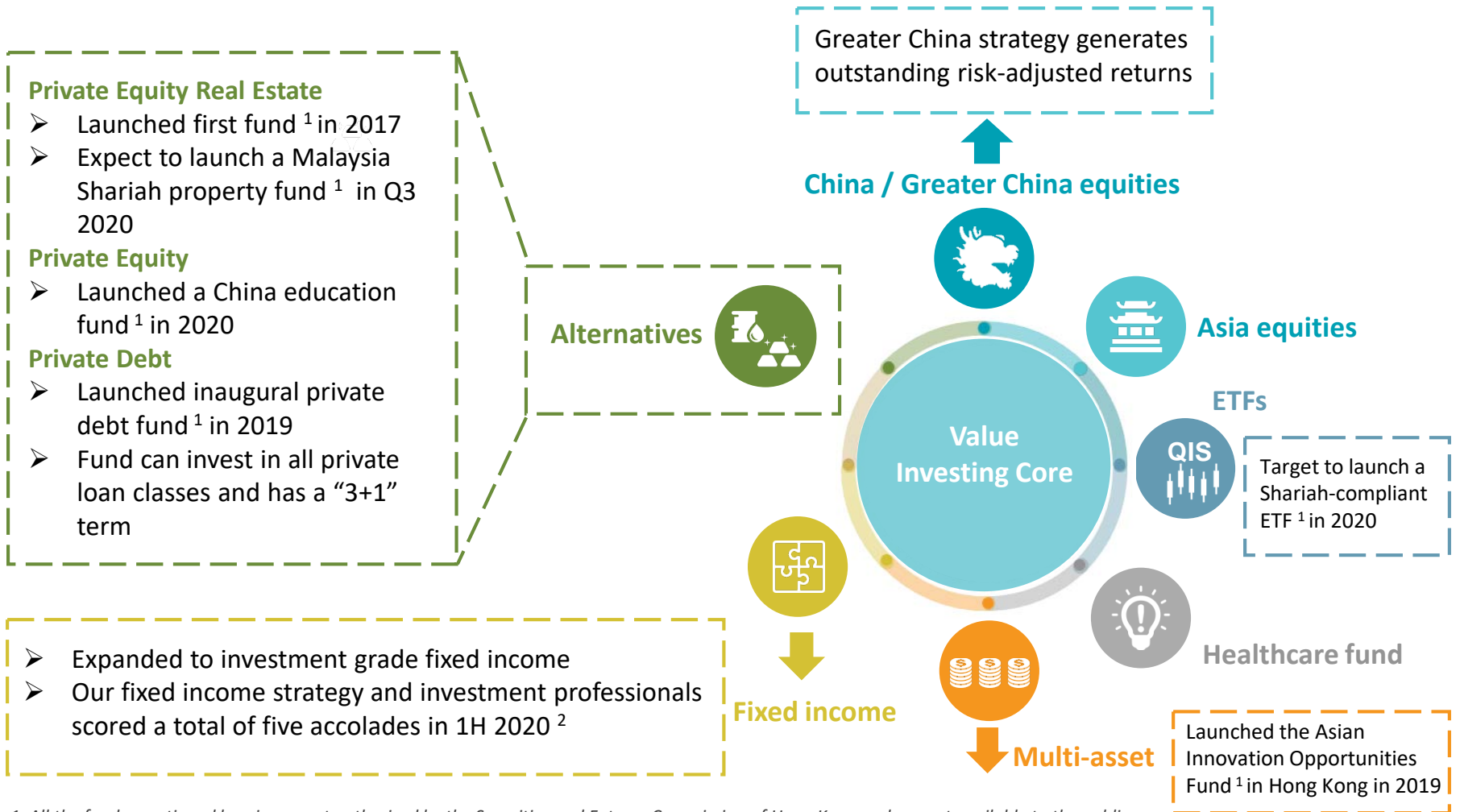


Best Private Fund Managers in China
Top 10 WFOE Houses⁴
Value Partners

1. Organized by Insurance Asset Management Association of China, the list reflects performance of offshore institutions up to 31 December 2019. 2. The 11th Golden Sunshine Award is held by Shanghai Securities News to award quality private fund houses operating in China. The award reflects performance up to 31 December 2019. WFOE stands for Wholly Foreign-Owned Enterprise. Value Partners received the award in July 2020. 3. The China Golden Changjiang Private Fund Development Summit is organized by Securities Times to recognize outstanding private fund firms and Value Partners received the award in January 2020. The award reflects performance up to 31 October 2019. 4. The award is organized by China's investment consulting firm HowBuy to endorse best private equity funds operated in China. The award reflects performance up to 31 December 2019.

Growing product suite

Expansion of product range to different asset classes



1. All the funds mentioned herein are not authorized by the Securities and Futures Commission of Hong Kong and are not available to the public
 2. Value Partners received fund performance awards in the Asian High Yield category over the 3-year and 5-year periods and Mr. Gordon IP, our Chief Investment Officer of Fixed Income, has been named the CIO of the Year for Fixed Income in the regional category and the market awards (Hong Kong) category in the Insights & Mandate Professional Investment Awards; Value Partners Greater China High Yield Income Fund has also been awarded as the Best High Yield Bond in USD over the 5-year period in the Refinitiv Lipper Fund Awards 2020.

Investor relations contacts

Value Partners Group Limited

43rd Floor, The Center

99 Queen's Road Central, Hong Kong

www.valuepartners-group.com

Ms. Icy Wong

Chief Financial Officer and Chief Administrative Officer

Email: icywong@vp.com.hk

Tel: (852) 2143 0464

Ms. Daphne Duan

Manager, Investor Relations and Communications

Email: daphneduan@vp.com.hk

Tel: (852) 2143 0449



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220+ awards 

Hong Kong Economic Journal
Outstanding Listed Company
(Main Board Category)
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Asia Asset Management
2019 Best of the Best Awards
Best WFOE House
Value Partners

Shanghai Securities News
Most Promising WFOE Private Fund Houses
11th Golden Sunshine Award
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Asia Ex-Japan Equity (Best-In-Class)
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