

[For Immediate Release]

Value Partners Group announces 2020 final results

Deliver stellar financial results and fund performances;
Made significant inroads in global markets

Key highlights:

- The Group reported a **net profit of HK\$1.38 billion**, higher by 169% compared to 2019. It was the third highest financial results since 1993.
- Value Partners' investment performance continues to be its key competitive advantage. **Its performance fee funds remain to be a strong engine of revenue growth.**
- **Fund performances remain in the industry-leading tier.** Its flagship **Value Partners Classic Fund** and **Chinese Mainland Focus Fund** generated net returns of 37.6%¹ and 73.6%², respectively, in 2020. The latter was ranked by Morningstar as the world's top 10 Best Performing Offshore China Equity Fund.
- The Board of Directors recommended to pay a total dividend of HK\$ 0.34.
- Made significant breakthrough in the Group's key strategies:
 - **Strong growth in AUM from overseas markets**, including Europe, Japan and the North America; The Group won a prestigious £500 million China equities mandate from M&G;
 - **New asset class expansion** – total new funds launched by Value Partners in the past 5 years contribute to 27% of the Group's AUM;
 - **Further strengthened the Group's foothold in the mainland onshore market, to capture the growing opportunities in China** – targeting 3 major business segments, covering institutional investors, Private Fund Management mandates and retail investors via the Mutual Recognition of Funds scheme;

Financial highlights:

(In US\$ million)	31/12/2020	31/12/2019	Change
Assets under management	14,166	15,007	-5%
(In HK\$ million)	2020	2019	Change
Profit attributable to owners of the Company	1,379.5	513.4	+168.7%
Total revenue	2,561.5	1,603.9	+59.7%
Gross management fees	1,013.2	1,362.4	-25.6%
Gross performance fees	1,468.1	55.3	+2,554.8%
Total expenses	(824.8)	(552.7)	+49.2%
Operating profit (before other gains)	1,308.5	343.7	+280.7%
Other gains - net	263.7	193.8	+36.1%
Basic earnings per share (HK cents)	74.4	13.5	+168.6%
Diluted earnings per share (HK cents)	74.4	13.5	+168.6%
Interim dividend per share	Nil	Nil	
Final dividend per share (HK cents)	26.0	9.0	+188.9%
Special dividend per share (HK cents)	8.0	13.0	-38.5%
Total dividends per share (HK cents)	34.0	22.0	+54.5%

(Hong Kong, 11 March 2021) — Value Partners Group Limited (together with its subsidiaries, "Value Partners" or "the Group", Hong Kong Stock Code: 806) is pleased to announce its final results for the year ended 31 December 2020.

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Mr. Louis SO, Value Partners' Co-Chairman and Co-Chief Investment Officer commented on the Group's business and strategy updates:

Our net profit reached \$1.38 billion last year, up 169% year on year, which was the third highest profit in our 28 years of history. We achieved a return on equity of 28%.

We expect the financial markets to remain volatile and uncertain this year. However, most of our business lines are growing steadily. We have also made significant progress in our key strategies. They include: 1) diversifying our AUM from the Hong Kong home market into overseas markets, 2) further broadening our fund menu to leverage on our brand and platform, and 3) capturing opportunities in one of the world's largest savings pools, the China onshore market. These three areas will continue to be our key growth drivers in the coming years.

We promise to remain focused on providing the highest standard of service and value for clients. As with all storms, this will soon pass, and we have every confidence we will emerge from this stronger.

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

In 2020, the public health crisis led to volatile markets and affected investor confidence globally. Despite this challenging environment, Value Partners prevailed with decent performances and results. This is thanks to the Group's strong investment capabilities and robust operational foundation, which put us in a position to stay focused on executing our long-term and strategic priorities.

Our net profit increased significantly to HK\$1.38 billion. The majority of the strong profit was helped by the stellar fund performance during the year. In addition, total revenue rose by 59.7% to HK\$2.56 billion. Gross performance fees, the major source of our revenue in 2020, increased significantly to HK\$1.47 billion. Gross management fees is another major contributor to our revenue. It dropped by 25.6% to HK\$1.0 billion on a 22% decrease in the Group's average AUM to US\$12.6 billion. Our annualized net management fee margin remained stable at 61 basis points.

Furthermore, the Group's earnings per share is HK74.4 cents. It is a notable surge compared with HK27.7 cents in 2019.

Mr. William Zhong, Managing Director and Co-Head of China Business, who joined Value Partners in January 2021, shared updates on China business and strategies:

In China, our core business targeting mainland Chinese investors are in three segments, including institutional clients, Private Fund Management ("PFM") mandates and retail investors via the Mutual Recognition of Funds ("MRF") scheme. AUM contributed from China and related business stood at US\$1.4 billion as of the end of 2020.

We established our own office in Shanghai in 2019. We now have a full-fledged team in Shanghai and Shenzhen comprising dedicated local staff who are professionals with at least 13 years' experience in the financial and asset management industry.

Our effort to strengthen our presence in China was recognized by Z-Ben Advisors, China's leading fund industry consulting firm, in its 2020 Ranking of Top 25 Global Managers in China. Value Partners was placed ninth and was the only Asia-based asset manager amongst the top 10 Wholly Foreign-Owned Enterprises ("WFOE") list serving the Chinese mainland market. Furthermore, our China Business was named one of the "Most Promising WFOE Private Fund Houses" at the 11th Golden Sunshine Award by Shanghai Securities News.

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Our exposure to the onshore retail segment leverages the cross-border MRF scheme with two eligible equity products available, Value Partners Classic Fund and Value Partners High-Dividend Stocks Fund. We have made clear plans to partner with more distribution agencies to our network. Looking ahead, we will also continue to grow our institutional business, while expanding our collaboration with insurance companies and banks' asset managers.

There is no shortage of ambition at Value Partners to further broaden our foothold on the mainland market. The Group aims at the untapped demands from the populated market of China.

Achievements

Under the Group's Co-Chairmen and Co-Chief Investment Officers' joint stewardship, Value Partners' reputation grew significantly and made its mark in the industry. Value Partners' strong branding in the market and its dedicated team are among the other factors contributing to its many landmark achievements.

A testament to that is the awards and recognitions Value Partners has won since its establishment in 1993. In 2020, the Group added 17 prizes to take its grand total of performance accolades won throughout the years to 240. Last year, the new award titles include the "Top Investment Houses in Asian G3 Bonds" awarded by *The Asset*, a leading financial publication.

Mr. Gordon Ip, Value Partners' Chief Investment Officer of Fixed Income, was winner of "CIO of the Year for Fixed Income" both for Hong Kong and in Asia at *Insights & Mandate (I&M)* Professional Investment Awards.

Value Partners also received recognition as a leading Chinese asset manager and for its contribution to China's offshore fund industry at the 6th Annual Offshore China Fund Awards 2020, co-hosted by *Bloomberg* and China Asset Management Association of Hong Kong. The Company also took home accolades for its products. Value Partners Greater China High Yield Income Fund won the "Best Total Return Award of Greater China Fixed Income (5-Year)". In addition, the Chinese Mainland Focus Fund and Value Partners Multi-Asset Fund secured the third places in the "Greater China Equity (5-Year)" and the "Multi-asset Allocation (3-Year and 1-Year)" categories, respectively.

1. Annual calendar returns of Value Partners Classic Fund (A Units) over the past five years: 2016: -3.2%; 2017: +44.9%; 2018: -23.1%; 2019: +32.4%; 2020: +37.6%; 2021 (year to date as at 26 February): 7.1%.
2. Annual calendar returns of Chinese Mainland Focus Fund, a sub-fund of Value Partners Intelligent Funds, over the past five years: 2016: -10.3%; 2017: +61.2%; 2018: -28.3%; 2019: +36.6%; 2020: +73.6%; 2021 (year to date as at 26 February): 1.1%.
3. © Morningstar 2021. All Rights Reserved. Morningstar rating as of 31 January 2021. Morningstar ranks mutual funds on a scale of one to five stars, based on past performance relative to peer funds. Star ratings are graded on a curve; the top 10% of funds receive five stars, the next 22.5% receive four stars. Peer Group refers to Morningstar Category of China Equity (HKSF authorized funds) which includes all funds with performance history started between 27 November 2003 and 31 January 2021.
4. The fund is not authorised by the Securities and Futures Commission of Hong Kong ("SFC") and is not available to the general public in Hong Kong.

Source for performance figures: HSBC Institutional Trust Services (Asia) Limited and Bloomberg. Past performance is not indicative of future performance. Performance is calculated in USD, NAV to NAV, with dividend reinvested and net of fees.

SFC authorization is not a recommendation or endorsement of a scheme nor does it guarantee the commercial merits of a scheme or its performance. It does not mean the scheme is suitable for all investors nor is it an endorsement of its suitability for any particular investor or class of investors.

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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\$14.8 billion as of 31 January 2021. 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 office in Beijing. 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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