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【For immediate release】

Value Partners Group announces 2023 interim results

Net profit turns positive despite challenging market conditions

Key highlights:

- The Group recorded a turnaround from loss to profit during the first six months of 2023 with a net profit of HK$4.9 million, compared to the HK$428.6 million losses from the same period last year.
- The Group managed to capture US$675 million in gross subscriptions during the review period.
- Two flagship funds, the Value Partners High-Dividend Stocks Fund and Value Partners Greater China High Yield Income Fund, posted strong returns of 8.3%[1] and 4.2%[2], respectively, during the review period.
- Good progress in capturing growth opportunities in Asian markets through:
  - Enhancing our client relationships and expansion strategy in Asia
  - Expanding our fund product suite and enhancing ESG capabilities
  - Ongoing developments in the Mainland China market

(Hong Kong, 11 August 2023) – Value Partners Group Limited (together with its subsidiaries, "Value Partners" or "the Group", Hong Kong Stock Code: 806) is pleased to announce its 2023 interim results for the six months ended 30 June 2023.

During the period under review, Value Partners recorded a turnaround from loss to profit with a net profit of HK$4.9 million, a significant improvement from the HK$428.6 million losses reported over the same period last year. The improved results were primarily driven by the rebound in investment returns on the Group's proprietary investments, which were mainly seed capital investments in its own funds and effective cost management.

As of the end of June 2023, the Group's assets under management stood at US$6.0 billion. In terms of fund flows, the Group managed to capture US$675 million in gross subscriptions during the first six months of 2023. Overall fund performance rose, led by two outperforming flagship funds, the Value Partners High-Dividend Stocks Fund and Value Partners Greater China High Yield Income Fund, which posted strong returns of 8.3%[1] and 4.2%[2], respectively, during the review period.

Value Partners was able to continue to roll out several initiatives to capture growth opportunities in the region and cement its status as a leader in Asia investing.

Enhancing client relationships and tapping new markets

On the wealth management front, our banking partners in Hong Kong and overseas continued to support us, with net inflows in some of our funds, especially our high-dividend and multi-asset strategies. With our enhanced brand image, we also expanded our banking network to include a Chinese bank with a strong local presence in Hong Kong as a new retail and private banking distribution partner.

We have continued to build our family office coverage in both Hong Kong and Singapore. To complement our already-strong Greater China coverage in our Hong Kong headquarters, we are putting in dedicated resources in Singapore to further enhance our Asia wealth management capabilities and capture the rising investors' interest in South East Asia. We also formed a strategic partnership with Aldiracita Group in Indonesia, which marks a significant milestone in our expansion strategy in the ASEAN, enabling Value Partners to bring innovative investment solutions to the fast-growing Indonesian market as well.

Expanding our product suite and enhancing ESG capabilities

During the period, the Group has set a deliberate plan to grow beyond our traditional long-only equity funds. This includes expanding our mutual fund product suite in other asset classes, including a money market fund and an investment grade bond product, which we expect to roll out later this year. We have also further strengthened our alternatives franchise, such as the launch of a Greater Bay Area ("GBA")-focused alternative strategy together with Shenzhen Capital (International) Asset Management Company Ltd. We are also planning to launch an Asian logistics real estate private equity fund in the second half to capture the increasing demand and investment opportunities in the logistics space.

On the ESG product front, we pioneered the launch of the first HKSFC-authorized[3] Asia ex-Japan-focused food and nutrition thematic ESG fund, the Value Partners Asian Food and Nutrition Fund, in May. It is our first SFDR Article 8, UCITS-compliant fund and is part of our ESG buildout. We are looking to upgrade our other funds to be SFDR Article 8 compliant in the next 12 months to meet the future expectations and requirements of global investors. This should also help solidify Value Partners' position as a market leader for ESG in Asia.

Ongoing efforts in the Mainland market

Mainland China remains a key strategic market for Value Partners, and we continued to expand our reach in the Mainland in different segments. We also strengthened our relationship with different distribution partners in the Mainland in order to include our funds under the Mainland-Hong Kong Mutual Recognition of Funds ("MRF") scheme on their priority sales lists.

We aim to expand our product offerings on the Mainland, and we will continue to watch out for new policies or cross-border schemes that would be conducive to the development of the Group.

June WONG, Chief Executive Officer at Value Partners Group, said, "We maintain an optimistic outlook on Asian investment markets over the longer term with growth potential while anticipating more demand for Asia assets from investors. As a pioneer in Asia investing, Value Partners is strategically positioned to capture these opportunities with our professional investment capabilities and wide range of high-quality investment solutions. We are now poised to capitalize on the market opportunities."

For more details on the Group's business and strategy updates, please download the 2023 Interim Results Announcement.

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About Value Partners Group Limited

Value Partners, one of Asia's leading independent asset management firms, seeks to offer world-class investment services and products. Since its establishment in 1993, the Company has been a dedicated, specialist value investor in Greater China and Asia. 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. Value Partners' investment strategies cover equities, fixed income, multi-asset, alternatives, real estate and quantitative investment solutions, for institutional and individual clients in Asia Pacific, Europe and the United States. Value Partners is one of the leaders in ESG investing in Greater China and is committed to developing its ESG capabilities further. For more information, please visit www.valuepartners-group.com.

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[1] *Annual calendar returns of Value Partners High-Dividend Stocks Fund (Class A1) over the past five years: 2018: -14.2%; 2019: +14.9%; 2020: +13.9%; 2021: +3.5%; 2022: -18.9%; 2023 (Year to date as at 30 June): +8.3%.*

[2] *Annual calendar returns of Value Partners Greater China High Yield Income Fund (Class P USD Acc) over the past five years: 2018: -4.9%; 2019: +9.4%; 2020: -0.3%; 2021: -22.5%; 2022: -30.2%; 2023 (Year to date as at 30 June): +4.2%.*

[3] *HKSFC 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.*

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.

Investment involves risk. The price of units may go down as well as up and past performance is not indicative of future results. Investors should read the explanatory memorandum for details and risk factors. This material has not been reviewed by the Securities and Futures Commission. Issuer: Value Partners.