

【For Immediate Release】
Value Partners Group announces 2016 final results
Highlights

- **Assets under management (“AUM”)** stood at US\$13.2 billion as of 31 December 2016, down 15% from US\$15.6 billion a year earlier because of US\$1.9 billion of net redemptions.
- **Net profit** fell 50% to HK\$138 million in 2016 from HK\$274 million a year earlier, mainly due to decrease in gross performance fees and gross management fees.
- **Business performance has been positive** in 2017.
 - AUM rebounded to US\$14.0 billion as of 31 January 2017.
 - Value Partners Classic Fund¹, the Group’s flagship fund, delivered a year-to-date return of +8.2% as of 28 February. Meanwhile, Value Partners High-Dividend Stocks Fund², the Group’s largest own-branded fund, yielded +9.8% in the same period.
- **Product diversification** is underway to manage the cyclical nature of the Group’s business.
 - Launched a Greater China preference shares income fund and the firm’s first Global Emerging Market (“GEM”) product – a GEM bond fund.
 - New products in the pipeline for 2017 include leveraged and inverse exchange-traded funds.
- **Opened an office in London** in 2016 which acts as the Group’s western hub.
- **Retail Licensed Fund Manager Company (“LFMC”) license was granted** to Value Partners Asset Management Singapore Pte Ltd, the Group’s wholly owned subsidiary, in September 2016, to strengthen the Group’s presence in Southeast Asia.

Financial results

(in US\$ billion)	31/12/2016	31/12/2015	Change
Assets under management	13.2	15.6	-15%
(In HK\$ million)	2016	2015	Change
Profit attributable to owners of the Company	137.5	273.6	-49.7%
Total revenue	1,433.1	1,768.3	-19.0%
Gross management fees	1,049.1	1,144.7	-8.4%
Gross performance fees	10.8	309.0	-96.5%
Total expenses	(530.3)	(595.8)	-11.0%
Basic earnings per share (HK cents)	7.4	14.8	-50.0%
Diluted earnings per share (HK cents)	7.4	14.8	-50.0%
Interim dividend per share	Nil	Nil	
Final dividend per share (HK cents)	4.8	10.0	-52.0%
Special dividend per share (HK cents)	7.2	6.0	+20.0%
Total dividends per share (HK cents)	12.0	16.0	-25.0%

(Hong Kong, 7 March 2017) — Value Partners Group Limited (together with its subsidiaries, “Value Partners” or “the Group”, Hong Kong Stock Code: 806) today announced financial results for the year ended 31 December 2016.

Dr. AU King Lun, Chief Executive Officer of Value Partners Group, commented on the Group’s business and financial performance:

Overview

2016 was a year of surprises. While navigating a turbulent market, we have been pursuing deliberate initiatives, including product and business diversification, as well as infrastructure enhancement, to mitigate market risks and explore new growth drivers.

Product and business diversification

Asia remains a major growth engine of the globe and its fundamentals will continue to be attractive over the long term. However, to mitigate the impact of a cyclical market correction as we saw last year, we are resolute in diversifying our product suite to manage the inherited cyclical nature of our business.

With our longstanding strength in China equity since 1993, we have been broadening our investment capabilities across asset class and geography. In 2016, fixed income has become a significant class to our Group accounting for 17% of total AUM. During the year, we also successfully launched a Greater China preference shares income fund and Qualified Domestic Limited Partnership products linked to this fund, which were popular among mainland investors.

Meanwhile, we have strengthened our investment team in Singapore and established an office in the United Kingdom as we extend our market coverage to Global Emerging Markets (“GEM”). Our first GEM fund, focusing on fixed income, has been launched in February 2017.

Looking forward, we are planning to develop alternative investment capabilities as part of our strategic initiative to further diversify our asset class coverage. Meanwhile, leveraged and inverse exchange-traded funds are also in our product pipeline for 2017.

Latest update

Although 2016 was a tough year, it is worth to note that signs of improvement began to emerge in the second half of the year and the positive momentum continued as we entered 2017.

In the second half of 2016, net profit for the six-month period surged to HK\$133 million from HK\$5 million in the first half of the year. Meanwhile, net redemptions of the Group also narrowed to US\$651 million in the second half of 2016 from US\$1.3 billion in the first half of the year.

Moving to 2017, we are delighted to see the Group’s AUM rebound to US\$14.0 billion at the end of January, up 6% from US\$13.2 billion at the end of last year. Meanwhile, performance of our funds also improved. Our flagship Value Partners Classic Fund¹ delivered a year-to-date return of +8.2% as of the end of February. Furthermore, Value Partners High-Dividend Stocks Fund², our largest own-branded fund, yielded +9.8% during the same period.

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1. *Performance of Value Partners Classic Fund (A Units) as of 28 February 2017, in USD, NAV to NAV, with dividend reinvested and net of fees. Annual performance over the past five years: 2012: +14.0%; 2013: +11.2%; 2014: +13.5%; 2015: -1.5%; 2016: -3.2%; 2017 (Year to date as at 28 February): +8.2%.*
 2. *Performance of Value Partners High-Dividend Stocks Fund (Class A1) as of 28 February 2017, in USD, NAV to NAV, with dividend reinvested and net of fees. Annual performance over the past five years: 2012: +25.2%; 2013: +8.1%; 2014: +9.4%; 2015: -3.7%; 2016: -0.2%; 2017 (Year to date as at 28 February): +9.8%.*

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About Value Partners Group Limited

Value Partners is one of Asia’s largest independent asset management firms that seeks to offer world-class investment services and products. Assets under management of the firm were US\$14.0 billion as of 31 January 2017. Since its establishment in 1993, the firm has been a dedicated value investor in Asia and the world. In November 2007, Value Partners Group became the first asset management firm 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, Beijing, Taiwan, Singapore, Chengdu and London. Value Partners’ investment strategies cover absolute return long biased, fixed income, multi asset, alternative, relative return and thematic for institutional and individual clients in Asia Pacific, Europe and the United States. The Group also offers exchange-traded funds under the brand of Value ETF. For more information, please visit www.valuepartners-group.com.

Media enquiries:

Anne LUI
Senior Director, Marketing and Communications
Email: annelui@vp.com.hk
Tel: (852) 2143 0653

Teresa YU
Associate Director, Marketing and Communications
Email: teresayu@vp.com.hk
Tel: (852) 2143 0320

Stephanie TONG
Manager, Marketing and Communications
Email: stephanietong@vp.com.hk
Tel: (852) 2143 0459