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VALUE PARTNERS GROUP LIMITED

惠理集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 806)

INTERIM RESULTS ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2025

FINANCIAL HIGHLIGHTS

The key financial highlights for the reporting period are as follows:

(In HK\$ million)	For the period ended 30 June		
	2025	2024	% Change
Total revenue	220.8	235.7	-6.3%
Gross management fees	185.6	200.8	-7.6%
Gross performance fees	5.8	9.7	-40.2%
Operating (loss)/profit (before other gains)	(19.7)	0.6	-3,383.3%
Profit attributable to owners of the Company	251.6	37.4	+572.7%
Basic earnings per share (HK cents)	13.8	2.0	+590.0%
Diluted earnings per share (HK cents)	13.8	2.0	+590.0%
Interim dividend per share	Nil	Nil	

INTERIM RESULTS

The Board of Directors (the “Board”) of Value Partners Group Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the period ended 30 June 2025.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Note	Six months ended 30 June	
		2025	2024
		HK\$'000 Unaudited	HK\$'000 Unaudited
Income			
Fee income	2	220,794	235,751
Distribution fee expenses		(107,737)	(106,491)
Net fee income		113,057	129,260
Other income		53,696	32,038
Total net income		166,753	161,298
Expenses			
Compensation and benefit expenses	4	(127,703)	(98,528)
Operating lease rentals		(2,852)	(3,372)
Depreciation of right-of-use assets – properties		(7,091)	(7,501)
Other expenses		(48,796)	(51,295)
Total expenses		(186,442)	(160,696)
Operating (loss)/profit (before other gains)		(19,689)	602
Net gains on investments		181,708	108,140
Net foreign exchange gains/(losses)		29,759	(17,636)
Gains on disposal of a subsidiary		–	965
Others		(93)	550
Other gains – net	3	211,374	92,019
Operating profit (after other gains)		191,685	92,621
Finance costs		(3,082)	(4,318)
Share of gains/(losses) on joint ventures	9	65,507	(45,965)
Share of losses of an associate		(454)	–
Profit before tax		253,656	42,338
Tax expense	5	(2,045)	(4,973)
Profit for the period		251,611	37,365
Other comprehensive income/(loss) for the period			
Net gains on financial assets at fair value through other comprehensive income		11,961	–
Foreign exchange translation		17,455	(8,930)
Total comprehensive income for the period		281,027	28,435
Profit attributable to			
Owners of the Company		251,568	37,365
Non-controlling interests		43	–
		251,611	37,365
Total comprehensive income for the period attributable to			
Owners of the Company		280,984	28,435
Non-controlling interests		43	–
		281,027	28,435
Earnings per share attributable to owners of the Company (HK cents per share)			
Basic earnings per share	6	13.8	2.0
Diluted earnings per share	6	13.8	2.0

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 June 2025

		30 June 2025 <i>HK\$'000</i> Unaudited	31 December 2024 <i>HK\$'000</i> Audited
	<i>Note</i>		
Non-current assets			
Property, plant and equipment		146,370	145,400
Right-of-use assets		25,843	31,250
Investment property	8	185,004	173,307
Intangible assets		8,657	9,357
Investments in joint ventures	9	555,899	479,666
Investment in an associate		934	1,388
Deferred tax assets		2,268	2,304
Investments	10	1,495,403	1,688,685
Other assets		6,943	6,943
		2,427,321	2,538,300
Current assets			
Investments	10	26,750	60,407
Fees receivable	11	40,958	37,674
Deposits for purchase of investments	12	15,774	15,614
Amounts receivable on sales of investments		–	19,634
Prepayments and other receivables		28,509	26,147
Cash and cash equivalents	13	1,524,960	1,077,437
		1,636,951	1,236,913
Current liabilities			
Distribution fee expenses payable	14	43,511	44,894
Other payables and accrued expenses	15	100,792	71,181
Lease liabilities		13,065	12,865
Borrowing		1,133	65,941
Tax payable		641	148
		159,142	195,029
Net current assets		1,477,809	1,041,884
Non-current liabilities			
Accrued expenses		1,162	1,852
Borrowing		68,692	–
Lease liabilities		12,743	18,559
		82,597	20,411
Net Assets		3,822,533	3,559,773
Equity			
Equity attributable to owners of the Company			
Issued equity	16	1,326,832	1,326,832
Other reserves		6,468	37,645
Retained earnings		2,481,480	2,187,586
		3,814,780	3,552,063
Non-controlling interests		7,753	7,710
Total equity		3,822,533	3,559,773

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

This interim condensed consolidated financial information for the six months ended 30 June 2025 has been prepared in accordance with HKAS 34 “Interim Financial Reporting”. The interim condensed consolidated financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2024, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants.

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2024. Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

2. REVENUE

Revenue consists of fees from investment management activities and fund distribution activities.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Management fees	185,565	200,789
Performance fees	5,830	9,748
Front-end fees	29,399	25,214
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Total fee income	220,794	235,751
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3. OTHER GAINS – NET

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Net gains on investments		
Net realized gains on financial assets at fair value through profit or loss	132,054	13,309
Net unrealized gains on financial assets at fair value through profit or loss	49,654	94,831
Gains on disposal of a subsidiary	–	965
(Losses)/gains on disposal of property, plant and equipment	(93)	550
Net foreign exchange gains/(losses)	29,759	(17,636)
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Total other gains – net	211,374	92,019
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4. COMPENSATION AND BENEFIT EXPENSES

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Salaries, wages, bonus and other benefits	124,723	95,840
Pension costs	2,980	3,682
Net reversal of share-based compensation	–	(994)
Total compensation and benefit expenses	127,703	98,528

5. TAX EXPENSE

Under current tax laws of the Cayman Islands, there are no income, estate, corporation, capital gains or other taxes payable by the Group. As a result, no provision for Cayman Islands income and capital gains taxes has been made in the interim condensed consolidated financial information.

Hong Kong profits tax has been provided on the estimated assessable profit for the six months ended 30 June 2025 at the rate of approximately 16.5% (2024: 16.5%). Tax outside Hong Kong is calculated at the rates applicable in the relevant jurisdictions.

	Six months ended 30 June	
	2025	2024
	HK\$'000	HK\$'000
	Unaudited	Unaudited
Current tax		
Hong Kong profits tax	535	336
Overseas tax	1,474	5,556
Adjustments in respect of prior years	–	(740)
Total current tax	2,009	5,152
Deferred tax		
Origination and reversal of temporary differences	36	(179)
Total tax expense	2,045	4,973

6. EARNINGS PER SHARE

The calculations of basic and diluted earnings per share are based on the profit attributable to owners of the Company of HK\$251,568,000 (2024: HK\$37,365,000).

The basic earnings per share is based on the weighted average number of shares in issue during the period of 1,826,710,000 (2024: 1,826,710,000). The diluted earnings per share is calculated by adjusting the weighted average number of shares in issue during the period of 1,826,710,000 (2024: 1,826,710,000) to assume conversion of all dilutive potential ordinary shares granted under the Company's share option scheme.

7. DIVIDENDS

Final dividend of HK\$18,267,000 declared by the Company was related to the year ended 31 December 2024 and HK\$18,267,000 was paid on 30 May 2025. No interim dividend was proposed by the Board of Directors for the six months ended 30 June 2025 (2024: Nil).

8. INVESTMENT PROPERTY

On 21 September 2018, the Group acquired the entire interest in a student accommodation investment property located in New Zealand with a consideration of HK\$146,390,000, which was subsequently revalued by the Group as at 30 June 2025 and 31 December 2024.

9. INVESTMENTS IN JOINT VENTURES

As at 30 June 2025 and 31 December 2024, “investments in joint ventures” on the interim consolidated balance sheet, amounting to HK\$555,899,000 (2024: HK\$479,666,000), represents the Group’s 50% equity interest in Value Investing Group Company Limited (“Value Investing”), Clear Miles Hong Kong Limited (“Clear Miles HK”), Golden Partners Investment Limited (“Golden Partners”), respectively, and 15% of the interest in AM 310 Ann Street Investor Unit Trust (“AM 310”). As at 30 June 2025, Value Investing has the trust beneficiary interests in one (31 December 2024: three) logistics center in Japan; AM 310 and Clear Miles HK hold two (31 December 2024: two) Australian commercial property projects; and Golden Partners has the beneficiary interests in seven (31 December 2024: seven) logistics centers in Italy.

During the period ended 30 June 2025, Value Investing sold the two logistic centers in Japan, with a total consideration of JPY6,430 million (equivalent to HK\$347 million) through its subsidiary and holding in the trust. As at 30 June 2025, the net sales proceeds were received and remained in the subsidiary of Value Investing.

As at 30 June 2025, Clear Miles HK has a 25% beneficial interest (31 December 2024: 50%) in AM Kent Street Investor Trust which owns an Australian Commercial project consisting of two office buildings. The 25% beneficial interest in AM Kent Street Investor Trust was sold in May 2025, with the proceeds settled through a loan receivable which will be matured in May 2027 and is secured by any collaterals or value received by the borrower from AM Kent Street Investor Trust.

10. INVESTMENTS

Investments include the following:

	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income		Total	
	30 June 2025 HK\$'000 Unaudited	31 December 2024 HK\$'000 Audited	30 June 2025 HK\$'000 Unaudited	31 December 2024 HK\$'000 Audited	30 June 2025 HK\$'000 Unaudited	31 December 2024 HK\$'000 Audited
Listed securities (by place of listing)						
Equity securities – Hong Kong	–	–	81,994	–	81,994	–
Debt securities – Asia Pacific*	–	59,580	12,011	–	12,011	59,580
Debt securities – Asia Pacific/Europe*	11,826	–	59,716	–	71,542	–
Debt securities – Europe*	–	–	35,156	–	35,156	–
Debt securities – Europe/Middle East*	–	–	11,798	–	11,798	–
Investment funds – Hong Kong	268,532	441,207	–	–	268,532	441,207
Investment funds – Malaysia	12,634	12,021	–	–	12,634	12,021
Market value of listed securities	292,991	512,808	200,676	–	493,667	512,808
Unlisted securities (by place of incorporation/establishment)						
Equity securities – China	9,879	9,778	–	–	9,879	9,778
Investment funds – Cayman Islands	16,959	18,619	–	–	16,959	18,619
Investment funds – China	19,858	56,968	–	–	19,858	56,968
Investment funds – Hong Kong	588,147	491,806	–	–	588,147	491,806
Investment funds – Ireland	319,115	551,764	–	–	319,115	551,764
Investment funds – United States	74,528	107,349	–	–	74,528	107,349
Fair value of unlisted securities	1,028,486	1,236,284	–	–	1,028,486	1,236,284
Representing:						
Non-current	1,318,953	1,688,685	176,450	–	1,495,403	1,688,685
Current	2,524	60,407	24,226	–	26,750	60,407
Total investments	1,321,477	1,749,092	200,676	–	1,522,153	1,749,092

* The securities are listed in more than one exchanges.

As at 30 June 2025, HK\$334 million (31 December 2024: HK\$568 million) of investments in associates are classified as “non-current investments” in the interim condensed consolidated balance sheet.

11. FEES RECEIVABLE

Fees receivable from investment management activities are mainly due at the end of the relevant valuation period of the investment funds and managed accounts. However, some of these fees receivable are only due after the relevant valuation period as a result of credit periods granted to certain investment funds and managed accounts which are generally within one month. The ageing analysis of fees receivable that were past due but not impaired is as follows:

	30 June 2025 HK\$'000 Unaudited	31 December 2024 HK\$'000 Audited
Fees receivable that were past due but not impaired		
1 – 30 days	1,249	–
31 – 60 days	–	1,077
61 – 90 days	113	35
Over 90 days	168	215
	<u>1,530</u>	<u>1,327</u>
Fees receivable that were within credit period	<u>39,428</u>	<u>36,347</u>
Total fees receivable	<u>40,958</u>	<u>37,674</u>

12. DEPOSITS FOR PURCHASE OF INVESTMENTS

During the year ended 31 December 2023, Sensible Asset Management Hong Kong Limited, a subsidiary of the Group, entered into a conditional subscription and share purchase agreement with PT Aldiracita Sekuritas Indonesia, to purchase 29.99% interest in PT Surya Timur Alam Raya Asset Management (“STAR”), with a consideration of US\$3.5 million (equivalent to HK\$27 million). Concurrently, the Group entered into a sales and purchase agreement with Aldiracita Global Investment Pte. Ltd, a subsidiary of PT Aldiracita Sekuritas Indonesia, to sell 29.99% interest in Value Partners Asset Management Singapore Pte. Ltd., a subsidiary of the Group, with a consideration of US\$758,000 (equivalent to HK\$6 million).

The sales of Value Partners Asset Management Singapore Pte. Ltd. was completed on 4 September 2024.

On 2 September 2024, an amendment agreement to the conditional subscription and share purchase agreement with PT Aldiracita Sekuritas Indonesia was entered and Sensible Asset Management Hong Kong Limited would purchase 20.13% interest in STAR instead of 29.99%, at a consideration of US\$2.0 million (equivalent to HK\$16 million). Hence, US\$1.5 million (HK\$11 million) was released from the escrow account. As at 30 June 2025, the purchase of STAR is still subject to the regulatory approval, the cash consideration of US\$2.0 million (equivalent to HK\$16 million) which had been deposited to escrow account was recognized as “Deposits for purchase of investments” in the condensed consolidated balance sheet (31 December 2024: same).

13. CASH AND CASH EQUIVALENTS

	30 June 2025 HK\$'000 Unaudited	31 December 2024 HK\$'000 Audited
Cash at banks and in hand	59,238	137,144
Short-term bank deposits	162,330	117,410
Investments in money market instruments	1,295,670	821,868
Deposits with brokers	7,722	1,015
Total cash and cash equivalents	<u>1,524,960</u>	<u>1,077,437</u>

14. DISTRIBUTION FEE EXPENSES PAYABLE

The carrying amounts of distribution fee expenses payable approximate their fair value due to the short-term maturity. The ageing analysis of distribution fee expenses payable is as follows:

	30 June 2025 HK\$'000 Unaudited	31 December 2024 HK\$'000 Audited
0 – 30 days	38,604	40,227
31 – 60 days	193	–
Over 90 days	4,714	4,667
	<hr/>	<hr/>
Total distribution fee expenses payable	43,511	44,894
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15. OTHER PAYABLES AND ACCRUED EXPENSES

The balance represents the other payables and accrued expenses for the ordinary operation of the Group including compensation and benefit expenses, information technology expenses, legal and professional fees, office expenses and research expenses. The balance is mainly denominated in Hong Kong dollar, Renminbi and United States dollar.

16. ISSUED EQUITY

	Number of shares	Total issued equity HK\$'000
Unaudited		
As at 1 January 2025 and 30 June 2025	1,826,709,831	1,326,832
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Audited		
As at 1 January 2024 and 31 December 2024	1,826,709,831	1,326,832
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MANAGEMENT DISCUSSION AND ANALYSIS

During the first half of 2025, Asian markets showed signs of gradual stabilization despite ongoing global uncertainties characterized by geopolitical tensions and renewed US tariffs. Investor sentiment rebounded, particular in Hong Kong and Mainland China, where equity markets delivered strong gains. Both the Hang Seng Index and the MSCI China Index recorded double-digit returns. Hong Kong's IPO market also experienced a sharp recovery, reflecting renewed risk appetite and improving market conditions.

Amid this upswing, Value Partners capitalized on positive market momentum, achieving sustained growth in assets under management (AUM), supported by strong inflows into dividend-oriented strategies, income-themed products and thematic investments. As global investors increasingly diversified away from the US and turned to Asia's resilient, growth-oriented markets, we are well-positioned to meet this changing demand.

We are confident about Asia's medium- to long-term investment outlook, bolstered by powerful structural tailwinds including dynamic demographics, cutting-edge technological innovation, and resilient consumer demand. The deepening integration of Mainland China and Hong Kong capital markets, combined with the rapid advancement of transformative technologies such as artificial intelligence (AI), blockchain, and virtual assets, is unlocking growth potential. Our team is actively developing new offerings to capture emerging opportunities and deliver long-term value.

Financial highlights

As of the end of June 2025, our AUM reached US\$5.3 billion, making a steady 4% increase from US\$5.1 billion at the end of 2024, supported by early signs of recovery in the external environment.

Despite market volatility, the Group successfully recorded gross performance fees of HK\$6 million during the period, driven by the standout performance of a Taiwan-focused investment strategy.

The Group delivered a net profit of HK\$252 million, a significant uplift from HK\$37 million recorded during the same period last year. The strong result was primarily driven by the investment gains from the proprietary investments, which more than offset a slight decline in management fees. Momentum continued on the fundraising front, with US\$733 million in gross subscriptions in the first half of 2025. Particularly encouraging were the strong inflows into the Chinese Mainland Focus Fund and high demand for the Value Partners USD Money Market Fund, alongside growing investor interest in our income-focused strategies, such as the Value Partners Asian Income Fund.

As of 30 June 2025, the Group maintained a solid balance sheet, with net assets of HK\$3.8 billion, including HK\$1.5 billion in cash and cash equivalents and HK\$2.3 billion in investments. We remain committed to prudent financial management, ensuring strategic flexibility and long-term strategic growth resilience.

Enhancing our client reach

During the first half of 2025, we continued to strengthen our client engagement by leveraging Hong Kong's strategic position as a "super-connector" between Mainland China and the international financial community. Through active participation in cross-border initiatives such as the Mutual Recognition of Funds (MRF) scheme, Wealth Management Connect (WMC), Qualified Domestic Limited Partnership (QDLP), and the Capital Investment Entrant Scheme 2.0 (CIES 2.0), we deepened connectivity with both Mainland China and global investors. These schemes have not only broadened our distribution channels but also reinforced Hong Kong's role as a gateway to China's vast capital markets.

The MRF scheme's 2025 enhancement, specifically the raised capital on unit sales to Mainland investors – marked a significant inflection point. Our flagship Value Partners High-Dividend Stocks Fund capitalized on this expansion, delivering strong returns and attracting notable inflows that reinforced investor confidence in our income-oriented strategies.

Due to ongoing onshore investor interest in MRF products and the potential for future growth, we are in the process of applying for MRF recognition for both multi-asset and fixed income strategy products. This step aims to expand our distribution channels to retail investors in Mainland China and broaden our current equity-focused MRF product offerings to include additional asset classes within our cross-border fund range.

We also continued to capitalize on the other cross-border programs, strengthening our partnerships with domestic Chinese institutions. Apart from intensifying collaboration with onshore insurers to co-develop bespoke investment solutions, we are also working closely with leading global banks in Hong Kong to distribute our multi-asset strategies, which have delivered outstanding performance. These efforts were supported by our robust infrastructure and expertise across both onshore and offshore markets, enabling us to deliver tailored products that meet the evolving needs of institutional and retail clients.

Hong Kong positions itself as a regional hub for virtual assets, as we are one of the leading Asset Managers in Hong Kong, we are actively exploring the integration of digital asset solutions into our investment platform. Following the passage of the Stablecoins Bill, we see compelling potential to launch virtual asset-linked products that address emerging investor demand in this rapidly evolving space. In line with this vision, we have established and strengthened partnerships with digital bank like WeLab Bank starting 2025. These collaborations have driven substantial fund inflows, and we anticipate this positive momentum to continue.

We continue having our presence in Southeast Asia, forging strategic partnerships in Singapore, Malaysia, other ASEAN and Taiwan markets, these allow us to tap into the region's dynamic growth and delivering long-term value to our clients. Meanwhile, we are focused on establishing new distribution channels across Asia, further expanding our reach and enhancing our ability to serve diverse investor needs.

During the period, we experienced strong inflows from a Chinese bank into our Value Partners High-Dividend Stocks Fund and Value Partners Asian Income Fund, driven by the stable performance of our income-themed strategies. This momentum highlights our strong relationships with leading Chinese distribution partners. Building on this success, we remain committed to further expanding our local distribution network to reach even more financial partners and broaden investor access to our offerings.

We are also actively working to further develop our private equity offerings, focusing particularly on high-potential sectors such as AI, biotechnology, and new consumption trends. These efforts aim to capture emerging growth opportunities and deliver enhanced value to our investors through innovative, future-oriented strategies.

Product expansion and strategic highlights

During the first half of 2025, we remained committed to delivering consistent income and growth through high-conviction, income-oriented strategies tailored to the evolving requirements of investors. Amid a dynamic market backdrop, our emphasis on high-dividend themes and resilient asset classes continued to resonate strongly across client segments.

Our flagship Value Partners High-Dividend Stocks Fund¹ continued to deliver strong results, achieving a YTD 14.5% return, and reached a high-water mark, underscoring its consistent ability to generate sustainable income and capital appreciation through a diversified portfolio of higher-yielding equities across Asia.

Complementing this, our suite of Asian income-focused funds also delivered robust results. The Value Partners Asian Income Fund² posted a YTD 10.7% return, ranking in the first quartile of its Morningstar peer group³ as of 30 June 2025, while the Value Partners Asian Innovation Opportunities Fund⁴ achieved a YTD return of 13.6%, also landing in the first quartile among competing products. These outcomes reflect our capability to harness Asia's rapidly evolving innovation and income-generating opportunities.

The Chinese Mainland continues to be a vital growth market for us. As at 30 June 2025, the Chinese Mainland Focus Fund⁵ delivered a YTD 13.9% return, attracting net inflows – testament to investor confidence in our local expertise. The Value Partners Taiwan Fund⁶ delivered a YTD 13.6% return, outperforming the Taiwan Stock Exchange Weighted Index (Total Return) and reached a high-water mark. Our Value Partners Multi-Asset Fund⁷, which tactically allocates across Asian equities and fixed income, achieved an impressive YTD 17.6% return, also placing in the first quartile of its Morningstar peer group³.

As market volatility intensified and geopolitical uncertainty grew, investors increasingly gravitated toward defensive strategies. The Value Partners USD Money Market Fund⁸ delivered a YTD 2.1% return, with net inflows of US\$86 million, reflecting strong demand for capital preservation and liquidity. Meanwhile, investors seeking inflation hedges turned to commodities, driving exceptional performance from our Value Gold ETF⁹, and achieved 26.6% return for the first half of the year, cementing its reputation as one of the region's best performers.

Adding to our thematic offerings, the Value Partners Health Care Fund¹⁰ launched in 2015, focused on healthcare innovation. The fund returned 21.2% during the period, outperforming both the CSI 300 Index (+3.3%) and the MSCI China All Shares Health Care 10/40 Index (+17.7%), attracting substantial market interest and further strengthened our commitment to health-care thematic public funds.

In addition, funds managed by the Group also secured strategic investments in innovative healthcare companies, such as AI-driven biotech and advanced diagnostics pioneers. Recent investments included being the lead investor of the US\$123 million Series E round for Insilico Medicine to accelerate AI-powered drug discovery, and another investment as the lead investor of the US\$34 million Series A round for PHASE Scientific to advance groundbreaking urine-based diagnostics for early disease detection. These landmark deals demonstrated our commitment to supporting transformative health technologies, accelerating product development, and creating long-term value to our healthcare private equity strategy.

The Group is proactively pursuing the expansion of its ETF portfolio to address the changing requirements of investors and maintain a leading position in market innovation. Initiatives under consideration include the introduction of money market fund ETFs, products focused on tokenization and virtual assets, as well as innovative ETFs covering diverse asset classes such as gold. As an initial priority, the Group will concentrate on the tokenization of both existing and upcoming products, while closely monitoring developments in the Web 3.0 ecosystem, particularly in relation to stable-coin-based tokenized real-world assets (RWA). Concurrently, efforts are being made to broaden ETF Connect eligibility, thereby fostering greater cross-border access and diversity of offerings in future.

In parallel, we continue to strengthen our core investment capabilities by optimizing allocations across Asia Pacific covering both equities and fixed income, as well as exploring both active and passive investment capacity in global assets. These initiatives reflect our commitment to delivering performance across asset classes and driving sustainable long-term growth.

Our consistent performance across asset classes has been widely recognized. At the Bloomberg Businessweek (Chinese Edition) 2025 Awards, Value Partners Asian Income (Class A USD) Fund was honored as the Best Performer – Mutual Funds (5 years) in the Asia Allocation category, reflecting our long-term commitment to delivering stable returns. Our Value Gold ETF also achieved the title of Outstanding Performer – ETFs (Total Return 1 year) in the Commodity-Gold category, underscoring our strength in thematic and alternative strategies. Additionally, at the Fund Selector Asia Fund Awards Singapore 2025, Value Partners China A Shares High Dividend Fund (Class V Unhedged Acc USD) was awarded Gold in the Greater China/China Equity category, further validating our deep expertise in the China market. These awards highlight our dedication to performance, innovation, and value-driven investment for our clients.

Business Outlook

While the US market shows signs of structural weakening, Asia is emerging as a key engine of global growth in the medium to long term. The region's robust macroeconomic fundamentals, favorable demographics, accelerating AI and biotech innovation, and expanding new consumption trends present compelling opportunities for long-term capital appreciation. Notably, we are optimistic that 2025 has marked a turning point and that our AUM has bottomed out. As global investors seek greater diversification and exposure to Asia's dynamic markets, we believe Value Partners is well-positioned to meet this demand.

We will continue to build on our core strengths – anchored by over 30 years of value investing and enduring partnerships with leading institutions across Mainland China and the broader region. Our proven expertise in developing cross-border investment products is aligned with regulatory schemes that equip us to capture cross-border capital flows and deliver differentiated value to our clients.

As we move forward, we are actively developing new products in response to rapid technological transformation across the investment landscape. Key initiatives include innovative ETF strategies and digital asset integration – leveraging tokenization, Web 3.0, and AI to meet the evolving needs of a new generation of investors.

Looking ahead, we are embracing the evolving investment landscape driven by technological advancements. Through ongoing collaboration with digital banks and fintech partners, we are strengthening distribution capabilities, diversifying our product offerings, and delivering high-quality, tech-enabled investment solutions. These initiatives reflect our continued commitment to anticipating investor needs, expanding market access, and driving sustainable growth – while positioning Value Partners for long-term success in an increasingly digital and interconnected financial ecosystem.

Appreciation

Last but not least, we would like to thank our colleagues, shareholders, clients, and business partners for their continued support and loyalty. We would also like to recognize our colleagues' dedication, commitment, and contribution toward the continued growth of Value Partners. We shall remain focused on providing the highest standard of service and value for clients and continue innovating in the ever-evolving asset and wealth management landscape.

1. Annual calendar returns of Value Partners High-Dividend Stocks Fund (Class A1 USD) over the past five years: 2020: +13.9%; 2021: +3.5%; 2022: -18.9%; 2023: +4.1%; 2024: +11.4%; 2025 (Year to date as at 30 June): +14.5%.
2. Annual calendar returns of Value Partners Asian Income Fund (Class A USD Unhedged Acc) over the past five years: 2020: +17.6%; 2021: +3.3%; 2022: -17.8%; 2023: +7.6%; 2024: +11.0%; 2025 (Year to date as at 30 June): +10.7%.
3. Source: Morningstar, for year-to-date performance as of 30 June 2025.
4. Annual calendar returns of Value Partners Asian Innovation Opportunities Fund (Class A USD Unhedged Acc) over the past five years: 2020: +43.0%; 2021: +9.0%; 2022: -24.7%; 2023: +20.5%; 2024: +6.6%; 2025 (Year to date as at 30 June): +13.6%.
5. Annual calendar returns of Chinese Mainland Focus Fund (Class A USD) over the past five years: 2020: +73.6%; 2021: -13.2%; 2022: -31.5%; 2023: -12.5%; 2024: +5.3%; 2025 (Year to date as at 30 June): +13.9%.
6. Annual calendar returns of Value Partners Taiwan Fund (Class A USD) over the past five years: 2020: +19.6%; 2021: +22.0%; 2022: -32.0%; 2023: +43.7%; 2024: +9.7%; 2025 (Year to date as at 30 June): +13.6%.
7. Annual calendar returns of Value Partners Multi-Asset Fund (Class A USD Acc) over the past five years: 2020: +8.1%; 2021: -14.0%; 2022: -18.6%; 2023: -9.7%; 2024: +5.9%; 2025 (Year to date as at 30 June): +17.6%.
8. Annual calendar returns of Value Partners USD Money Market Fund (Class A USD Acc) was launched on 18 August 2023. The fund's annual calendar returns since 1 January 2024: 2024: +4.8%; 2025 (Year to date as at 30 June): +2.1%.
9. Annual calendar returns of Value Gold ETF over the past five years: 2020: +23.1%; 2021: -3.6%; 2022: -0.8%; 2023: +13.5%; 2024: +25.3%; 2025 (Year to date as at 30 June): +26.6%.
10. Annual calendar returns of Value Partners Health Care Fund (Class A USD Unhedged) over the past five years: 2020: +34.4%; 2021: -14.8%; 2022: -17.8%; 2023: -7.4%; 2024: -14.2%; 2025 (Year to date as at 30 June): +21.2%.

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.

FINANCIAL REVIEW

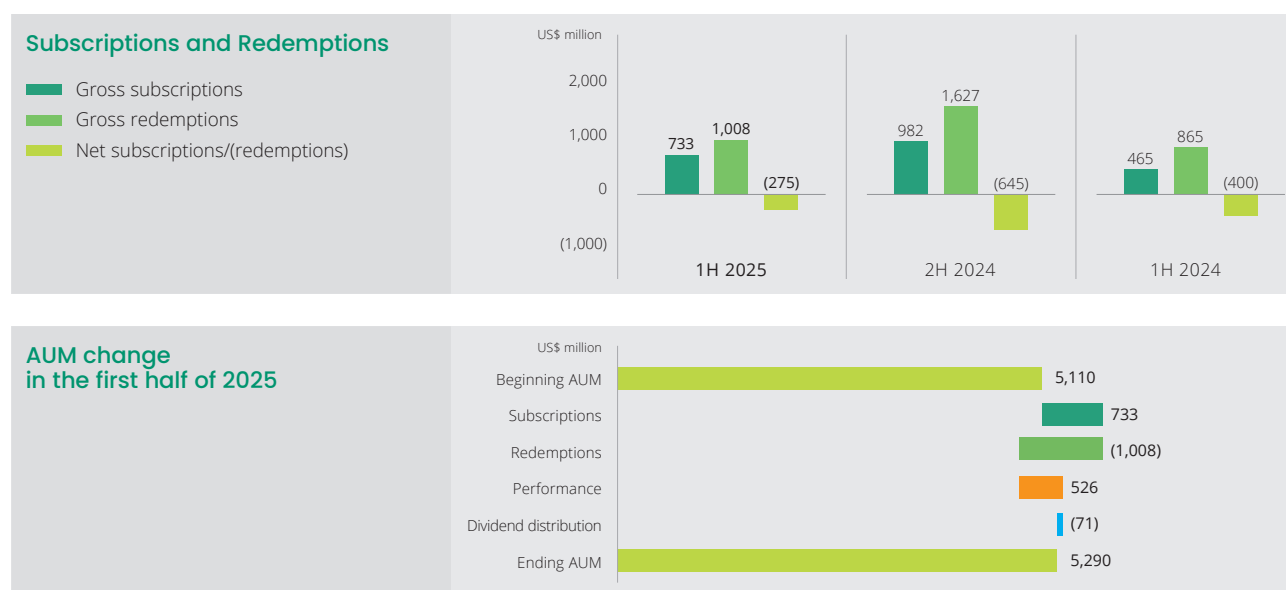
Assets Under Management (“AUM”)

AUM and return

The Group’s AUM stood at US\$5,290 million at the end of June 2025 (31 December 2024: US\$5,110 million). The slight increase was mainly attributable to the positive fund returns of US\$526 million in the first half of 2025.

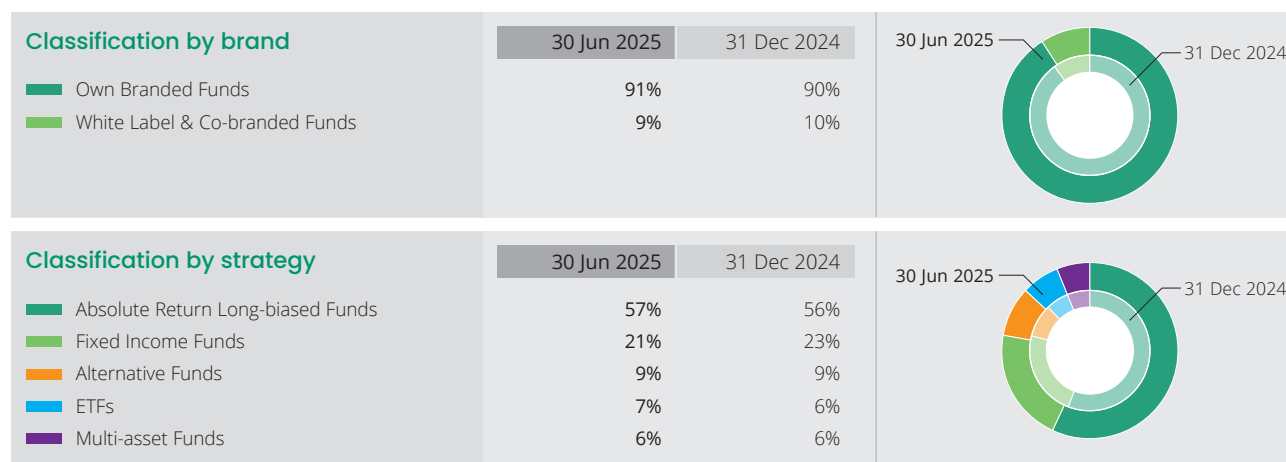
Our flagship funds, the Value Partners High-Dividend Stocks Fund¹ and the Value Partners Classic Fund², delivered strong performances during the six months ended 30 June 2025, rose by 14.5% and 14.1%, respectively. The Value Partners Greater China High Yield Income Fund³ also recorded a positive return of 3.7% over the same period. We saw robust inflows into the Value Partners Asian Income Fund⁴, supported by the stable performance of our income-focused strategies. The fund achieved a year-to-date return of 10.7%, ranking in the first quartile of its Morningstar peer group⁵ as of 30 June 2025. In addition, our Value Gold ETF⁶ benefited from rising gold prices, posting a year-to-date return of 26.6%, marking the highest year-to-date return since the fund’s inception.

In the first half of 2025, gross subscriptions decreased slightly to US\$733 million from US\$982 million in the second half of 2024. Gross redemptions for the first half of 2025 decreased significantly to US\$1,008 million from US\$1,627 million in the second half of 2024, with a net redemptions of US\$275 million (2H 2024: US\$645 million). During the period, we also recorded positive fund performance of US\$526 million.



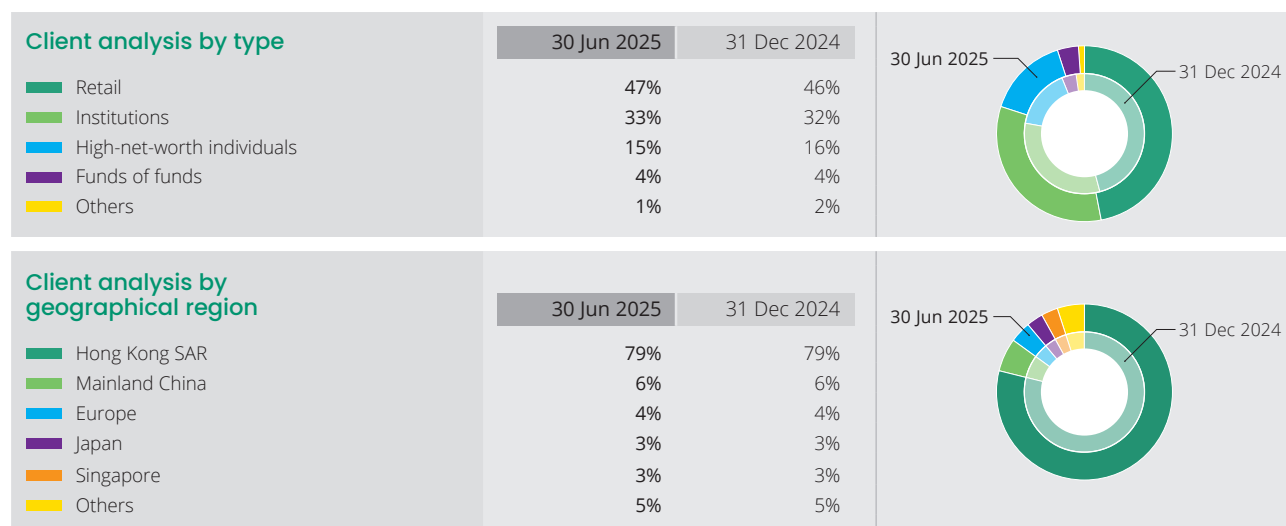
AUM by category

The charts below show breakdowns of the Group's AUM as at 30 June 2025 using two classifiers: brand and strategy. Own Branded Funds (91%) remained the biggest contributor to the Group's AUM. By strategy, Absolute Return Long-biased Funds (57%) continued to represent the largest share of the Group's AUM, followed by Fixed Income Funds (21%), in which the Value Partners Greater China High Yield Income Fund³ was the largest contributor.



Client base

During the period, institutional clients – including institutions, high-net-worth individuals, funds of funds, pension funds, endowments and foundations, and family offices and trusts – remained the Group's primary set of fund investors, accounting for 53% of the total AUM (31 December 2024: 54%). Meanwhile, retail clients contributed 47% of the total AUM (31 December 2024: 46%). In terms of geographic location, Hong Kong SAR clients continued to be the largest segment, contributing 79% of the Group's AUM (31 December 2024: same). The share of AUM contributed by clients in mainland China remained stable at 6% (31 December 2024: same).

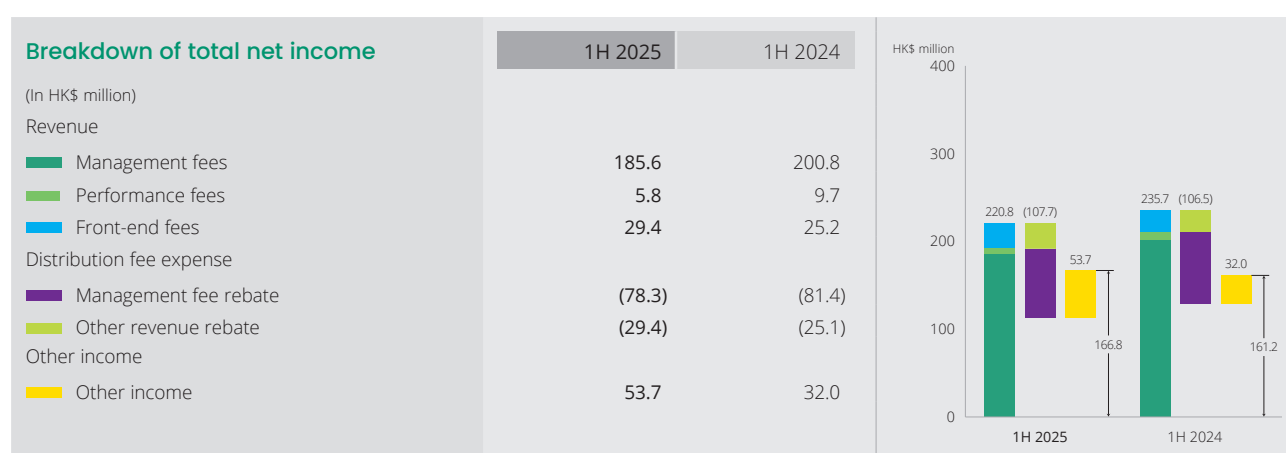


Summary of results

Key financial highlights for the reporting period are as follows:

(In HK\$ million)	1H 2025	1H 2024	% Change
Total revenue	220.8	235.7	-6.3%
Gross management fees	185.6	200.8	-7.6%
Gross performance fees	5.8	9.7	-40.2%
Operating (loss)/profit (before other gains/losses)	(19.7)	0.6	-3,383.3%
Profit attributable to owners of the Company	251.6	37.4	+572.7%
Basic earnings per share (HK cents)	13.8	2.0	+590.0%
Diluted earnings per share (HK cents)	13.8	2.0	+590.0%
Interim dividend per share (HK cents)	Nil	Nil	

Revenue and fee margin



The Group's profit attributable to owners of the Company amounted to HK\$251.6 million for the six months ended 30 June 2025 (1H 2024: HK\$37.4 million).

The drop in total revenue was due to the reduced gross management fees, the Group's largest revenue contributor, which dropped by 8% to HK\$185.6 million (1H 2024: HK\$200.8 million) with the decrease in the Group's average AUM to US\$5,071 million (1H 2024: US\$5,373 million). Performance fees amounted to HK\$5.8 million (1H 2024: HK\$9.7 million) for the current period as the return of a Taiwan strategy fund surpassed its previous high watermarks. Performance fees are generated when eligible funds, at their performance fee crystallization dates, report returns exceeding their high watermarks for the respective period up to the crystallization date.

During the period, our annualized gross management fee margin decreased to 96 basis points (1H 2024: 98 basis points), given the higher portion of income-themed products with a lower fee margin such as our money market fund, etc. Our annualized net management fee margin decreased to 56 basis points (1H 2024: 59 basis points), while our management fee rebates for distribution channels decreased to HK\$78.3 million (1H 2024: HK\$81.4 million).

Other revenue mainly included front-end load, of which a substantial amount was rebated to distribution channels (a usual practice in the market).

Other income, which mainly comprised of interest income, dividend income, and rental income from an investment property, totaled HK\$53.7 million (1H 2024: HK\$32.0 million).

Other gains or losses

(In HK\$ million)	1H 2025	1H 2024
Net gains on investments		
Net realized gains on financial assets at fair value through profit or loss	132.0	13.3
Net unrealized gains on financial assets at fair value through profit or loss	49.7	94.8
Net foreign exchange gains/(losses)	29.8	(17.6)
Gains on disposal of a subsidiary	–	1.0
(Losses)/gains on disposal of property, plant and equipment	(0.1)	0.5
Other gains – net	211.4	92.0

Other gains or losses mainly included fair value changes and realized gains or losses on seed capital investments, investments in our own funds and other investments, as well as net foreign exchange gains or losses. Seed capital investments are made by the Group to provide capital that was considered necessary to new funds during the initial phase of fund launches. The Group also invests in its own funds alongside investors, where appropriate, for better alignment of interests and investment returns. The significant increase from the same period in the prior year was mainly due to the realized and unrealized market-to-market changes of the Group's proprietary investments, especially over the Value Gold ETF, property valuation and foreign exchange gains from our Asian investments.

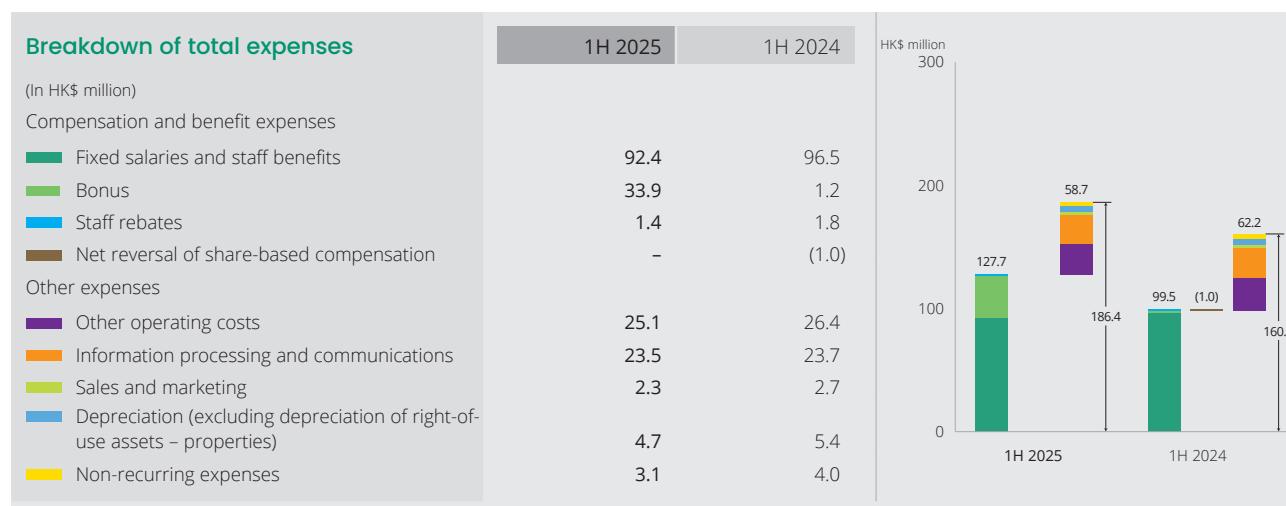
Investments in joint ventures

In 2017, the Group set up Value Partners Asia Pacific Real Estate Limited Partnership⁷ (the “Real Estate Partnership”) to engage in real estate private equity business. During the six months ended 30 June 2025, the Group sold its 50% interest in two logistic centers located in Higashi Matsuyama and Hadano, Japan at a total consideration of JPY3,215 million (equivalent to HK\$174 million). As at 30 June 2025, the Real Estate Partnership held one (31 December 2024: three) logistic center located in Japan, two (31 December 2024: two) commercial property projects located in Australia and seven (31 December 2024: seven) logistic centers located in Italy through four (31 December 2024: four) joint ventures. The Group's share of gains amounted to HK\$65.5 million (1H 2024: a loss of HK\$46.0 million), which was attributable to the rental income less outgoings, fair value changes of the properties and foreign exchange differences for the six months ended 30 June 2025 and 2024.

Significant investments

As at 30 June 2025, the Group held 6,217,775 units (31 December 2024: 9,981,524 units) or 12.1% (31 December 2024: 19.9%) in Value Gold ETF⁶, which is a fund listed on the Stock Exchange of Hong Kong Limited aiming to provide investment results that closely correspond to the performance of the London Bullion Market Association Gold Price. The investments, representing 8.8% (31 December 2024: 10.9%) of the Group's total assets with a fair value of HK\$356.4 million (31 December 2024: HK\$510.7 million) and a cost of HK\$180.9 million (31 December 2024: HK\$327.9 million), are for alignment of investors' interests and investment returns. For the period ended 30 June 2025, the Group recorded a net unrealized investment loss of HK\$7.1 million (31 December 2024: a gain of HK\$62.5 million) and a net realized investment gain of HK\$118.2 million (31 December 2024: HK\$37.4 million) with respect to such investments.

Cost management



Compensation and benefit expenses

During the period, salaries and staff benefits (excluding bonus) decreased by HK\$4.1 million to HK\$92.4 million (1H 2024: HK\$96.5 million). Bonus for the period increased to HK\$33.9 million (1H 2024: HK\$1.2 million) which was mainly resulted from the realized gain from the Group's investments. The Board of Director would reassess the bonus provision by end of 2025 after considering the full year operating result.

As part of its compensation policy, the Group normally distributes 20% to 23% of its annual realized net profit pool as a bonus to employees. The realized profit pool is calculated by deducting certain adjustments from net result before bonus and taxation. This discretionary bonus is maintained to promote staff loyalty and performance while aligning employee and shareholder interests. There is also a deferral bonus plan (the "Plan") for employees and a portion of the bonus awarded to certain employees of the Group will be under a deferral arrangement according to the Plan. The employee may elect to allocate all or part of the deferred amount into the nominated fund(s) managed by the Group or to retain the deferred amount in cash.

The staff of Value Partners is entitled to partial rebates of management fees and performance fees when investing in funds managed by the Group. Staff rebates for the period amounted to HK\$1.4 million (1H 2024: HK\$1.8 million).

During the six months ended 30 June 2024, the Group recorded a reversal of share-based compensation of HK\$1.0 million, which were related to stock options granted to employees. This item had no impact on cash flows and was recognized in accordance with Hong Kong Financial Reporting Standards.

Other expenses

Other non-staff operating costs – such as rent, information processing and communications, legal and professional fees, investment research fees, and other administrative and office expenses – amounted to HK\$48.6 million for the period (1H 2024: HK\$50.1 million), while sales and marketing expenses decreased slightly to HK\$2.3 million (1H 2024: HK\$2.7 million). Non-recurring expenses mainly represented one-off expenditures on write-off of reimbursement of fund expenditures and merger and acquisition related costs.

The Group will continue to take a cautionary stance in cost management and has implemented measures such as resource realignment and ongoing cost control to manage future business headwinds. Despite adherence to strict cost management, the Group will also continue investment in key strategic growth areas in order to bolster our competitive advantage in the longer term.

Dividends

The Group has been adopting a consistent dividend distribution policy that takes into account the relatively volatile nature of asset management income streams. This policy states that dividends (if any) will be declared annually at the end of each financial year to better align dividend payments with the Group's full-year performance and its financial position.

Liquidity and financial resources

Fee income is the Group's main source of income, while other income sources include interest income generated from bank deposits and dividend income from investments held. As at 30 June 2025, the Group's balance sheet and cash flow positions remained very strong with highly liquid assets, with a net cash balance of HK\$1,525 million (31 December 2024: HK\$1,077 million) and investments of HK\$2,263 million (31 December 2024: HK\$2,402 million). Other than relevant borrowings pledged with property asset by the Real Estate Partnership of HK\$69.8 million (31 December 2024: HK\$65.9 million), the Group had no other corporate bank borrowings and did not pledge any other assets as collateral for overdrafts or other loan facilities. The Group's debt-to-equity ratio, measured by interest bearing external borrowings (excluding borrowings as mentioned above) divided by shareholders' equity, was zero, while its current ratio (current assets divided by current liabilities) was 10.3 times (31 December 2024: 6.3 times).

Capital structure

As at 30 June 2025, the Group's shareholders' equity and total number of shares issued were HK\$3,822.5 million (31 December 2024: HK\$3,559.7 million) and 1.83 billion shares (31 December 2024: same), respectively.

1. Annual calendar returns of Value Partners High-Dividend Stocks Fund (Class A1 USD) over the past five years: 2020: +13.9%; 2021: +3.5%; 2022: -18.9%; 2023: +4.1%; 2024: +11.4%; 2025 (Year to date as at 30 June): +14.5%.
2. Annual calendar returns of Value Partners Classic Fund (A Units USD) over the past five years: 2020: +37.6%; 2021: -6.6%; 2022: -28.1%; 2023: -5.0%; 2024: +11.8%; 2025 (Year to date as at 30 June): +14.1%.
3. Annual calendar returns of Value Partners Greater China High Yield Income Fund (Class P USD Acc) over the past five years: 2020: -0.3%; 2021: -22.5%; 2022: -30.2%; 2023: +4.3%; 2024: +15.3%; 2025 (Year to date as at 30 June): +3.7%.
4. Annual calendar returns of Value Partners Asian Income Fund (Class A USD Unhedged Acc) over the past five years: 2020: +17.6%; 2021: +3.3%; 2022: -17.8%; 2023: +7.6%; 2024: +11.0%; 2025 (Year to date as at 30 June): +10.7%.
5. Source: Morningstar, for year-to-date performance as of 30 June 2025.
6. Annual calendar returns of Value Gold ETF over the past five years: 2020: +23.1%; 2021: -3.6%; 2022: -0.8%; 2023: +13.5%; 2024: +25.3%; 2025 (Year to date as at 30 June): +26.6%.
7. Value Partners Asia Pacific Real Estate Limited Partnership is not authorized by SFC and is not available to the general public in Hong Kong.
8. 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.

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.

OTHER INFORMATION

Dividends

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil).

Foreign exchange

As at 30 June 2025, other than the Renminbi-denominated bank deposits of approximately HK\$154 million (31 December 2024: HK\$117 million), the Group has no other significant foreign currency exposure because the majority of receipts and payments as well as assets and liabilities are denominated in the Hong Kong dollar (the Company's functional and presentation currency) and the United States dollar, which is linked to the Hong Kong dollar.

Human resources

As at 30 June 2025, the Group employed 106 staff (30 June 2024: 125) in Hong Kong SAR, 21 staff (30 June 2024: 22) in Shanghai, 4 staff (30 June 2024: 5) in Shenzhen and 4 staff (30 June 2024: 11) in Singapore and London. Remuneration packages that take into account of business performance, market practices and competitive market conditions are offered to employees in compensation for their contributions. In line with the Group's emphasis on recognition for performance and human capital retention, the Group rewards its employees with year-end discretionary bonus which is linked to the Group's level of profits for that financial year.

Purchase, sale or redemption of the Company's securities

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares) during the six months ended 30 June 2025.

Audit committee

In compliance with the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited, the Company has an audit committee which comprises three Independent Non-executive Directors. The Audit Committee has reviewed the accounting principles and practices adopted by the Group and discussed auditing, internal controls and financial reporting matters including a review of the unaudited interim results of the Group for the six months ended 30 June 2025.

Independent review of interim results

The unaudited interim results of the Group for the six months ended 30 June 2025 have been reviewed by the Company's external Auditor in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

Corporate governance

The Company is committed to maintaining high standards of corporate governance. As corporate governance requirements change from time to time, the Board periodically reviews its corporate governance practices to meet the rising expectations of shareholders and to comply with increasingly stringent regulatory requirements. In the Directors' opinion, the Company has complied with the code provisions of the Corporate Governance Code, as set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2025.

Since 17 May 2025, the members of the Leadership Committee have been Ms. LIN Xianghong, Mr. CHING Wing Tat, Vincent and Ms. NG Chuk Fa, Nikita.

Model Code for securities transactions by Directors

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") as contained in Appendix C3 to the Listing Rules as its own code of conduct regarding Directors' securities transactions.

The Company has made specific enquiries with all Directors and all of them confirmed that they have complied with the required standards set out in the Model Code for the six months ended 30 June 2025.

Publication of interim results and interim report on the Stock Exchange

The interim results announcement is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.valuepartners-group.com). The interim report will be despatched to the shareholders and will be available on the websites of the Stock Exchange and the Company in due course.

Our appreciation

Finally, we would like to express our gratitude to the Shareholders, business partners, distributors and customers for their unfaltering support. We would also like to thank our dedicated staff for their contributions to the success of the Group.

By order of the board of
Value Partners Group Limited
Ms. LIN Xianghong
Chairman and Executive Director

Hong Kong, 13 August 2025

As of the date of this Announcement, our Directors are Ms. Lin Xianghong, Mr. Li Qian and Ms. NG Chuk Fa, Nikita as Executive Directors; Dato' Seri Cheah Cheng Hye as Non-Executive Director; and Dr. Chen Shih Ta Michael, Mr. Wong Poh Weng and Mr. Lee Wai Wang Robert as Independent Non-executive Directors.