



# PIONEER IN VALUE INVESTING SINCE 1993

An award-winning asset manager,  
with 280+ performance awards won since inception.

ANNUAL REPORT **2024**

**Value Partners Group Limited**

**惠理集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

**Stock Code: 806**

## Corporate profile

Established in 1993, Value Partners is one of Asia's largest independent asset management firms offering world-class investment services and products for institutional and individual clients globally. The firm has been a dedicated value investor in Asia and around the world. Its investment strategies cover equities, fixed income, alternatives, multi-asset and quantitative investment solutions. In addition to its Hong Kong headquarters, the firm operates in Shanghai, Shenzhen, Singapore and London.

Value Partners was the first asset management firm listed on the Main Board of the Hong Kong Stock Exchange (Stock code: 806 HK) after it went public in November 2007.

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## Board of Directors

### Chairman and Executive Director

Ms. LIN Xianghong

### Executive Directors

Mr. SO Chun Ki Louis  
Ms. HUNG Yeuk Yan Renee  
Mr. LI Qian

### Honorary Chairman and Non-executive Director

Dato' Seri CHEAH Cheng Hye

### Independent Non-executive Directors

Dr. CHEN Shih-Ta Michael  
Mr. WONG Poh Weng  
Mr. LEE Wai Wang Robert

### Company Secretary

Mr. CHEUNG Kwong Chi, Aaron

### Authorized Representatives

Mr. CHEUNG Kwong Chi, Aaron  
Mr. SO Chun Ki Louis

### Members of the Audit Committee

Mr. WONG Poh Weng (*Chairman*)  
Dr. CHEN Shih-Ta Michael  
Mr. LEE Wai Wang Robert

### Members of the Nomination Committee

Ms. LIN Xianghong (*Chairman*)  
Dr. CHEN Shih-Ta Michael  
Dato' Seri CHEAH Cheng Hye  
Mr. LEE Wai Wang Robert  
Mr. WONG Poh Weng

### Members of the Remuneration Committee

Dr. CHEN Shih-Ta Michael (*Chairman*)  
Dato' Seri CHEAH Cheng Hye  
Mr. SO Chun Ki Louis  
Mr. LEE Wai Wang Robert  
Mr. WONG Poh Weng

### Members of the Risk Management Committee

Mr. LI Rui, Ray (*Chairman*)  
Mr. CHING Wing Tat, Vincent  
Ms. LAM Mei Kuen Winnie  
Ms. LEE Vivienne  
Mr. LUO Jing  
Ms. NG Chuk Fa, Nikita

## Registered Office

Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

## Principal Office

43rd Floor, The Center  
99 Queen's Road Central  
Hong Kong

## Cayman Islands Principal Share Registrar and Transfer Office

Suntera (Cayman) Limited  
Suite 3204, Unit 2A, Block 3, Building D  
P.O. Box 1586, Gardenia Court, Camana Bay  
Grand Cayman, KY1-1100  
Cayman Islands

## Hong Kong Branch Share Registrar and Transfer Office

Tricor Investor Services Limited  
17th Floor, Far East Finance Centre  
16 Harcourt Road  
Hong Kong

## Auditor

PricewaterhouseCoopers  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## Legal Advisor

Reed Smith Richards Butler

## PRC Legal Advisor

LLinks Law Offices

## Principal Bankers

The Hongkong and Shanghai Banking Corporation Limited  
Bank of China (Hong Kong) Limited

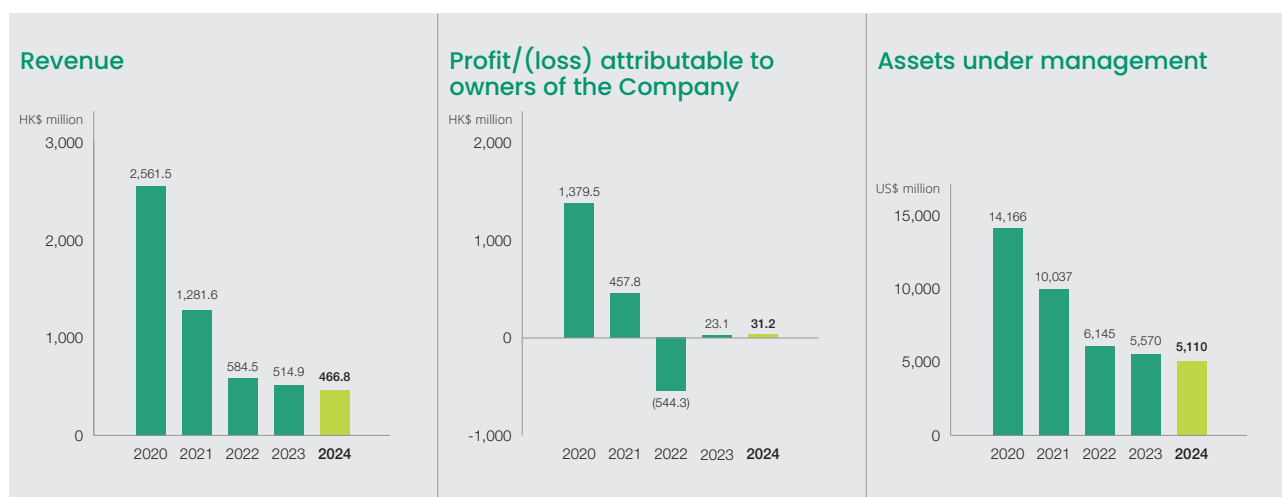
## Website

[www.valuepartners-group.com](http://www.valuepartners-group.com)

## Stock Code

Stock Exchange of Hong Kong: 806

# Financial highlights



(In HK\$ million)	Results for the year ended 31 December					
	2024	2023	% Change	2022	2021	2020
Revenue	466.8	514.9	-9.3%	584.5	1,281.6	2,561.5
Operating (loss)/profit (before other gains/losses)	(46.4)	(35.3)	31.4%	(68.6)	360.3	1,308.5
Net gains/(losses) on investments	179.3	60.8	194.9%	(336.8)	112.6	257.6
Profit/(loss) attributable to owners of the Company	31.2	23.1	35.1%	(544.3)	457.8	1,379.5
Earnings/(loss) per share (HK cents)						
– Basic	1.7	1.3	30.8%	(29.6)	24.7	74.4
– Diluted	1.7	1.3	30.8%	(29.6)	24.6	74.4

(In HK\$ million)	Assets and liabilities as at 31 December					
	2024	2023	% Change	2022	2021	2020
Total assets	3,775.2	4,678.1	-19.3%	4,747.9	5,670.3	6,298.8
Less: Total liabilities	215.4	1,135.4	-81.0%	253.7	405.5	880.8
Total net assets	3,559.8	3,542.7	0.5%	4,494.2	5,264.8	5,418.0

(In US\$ million)	Assets under management as at 31 December					
	2024	2023	% Change	2022	2021	2020
Assets under management ("AUM")	5,110	5,570	-8.3%	6,145	10,037	14,166

Note: Except for the AUM, the above financial information was prepared based on the principal accounting policies as described in the notes to the consolidated financial statements.

## NEW DEVELOPMENT

On 7 November 2024, Value Partners Group, Daiwa Securities Group and Daiwa Asset Management (“Daiwa”) signed a Memorandum of Understanding to formally establish a strategic partnership.

Over the past decade, Value Partners has worked closely with Daiwa, laying a solid foundation for this strategic partnership. Value Partners looks forward to working with Daiwa to bring more innovative investment solutions to our clients in future.



On 23 September 2024, Value Partners and Bank of China (Hong Kong) announced a distribution partnership to introduce the Value Partners Japan REIT Fund to Hong Kong investors.

The Fund is the first Japan REIT industry fund recognized by the SFC, which aims to assist investors in achieving capital appreciation and generating sustainable income by investing in different sectors in the Japan REIT market.





# Highlights of the year

## MEDIA COVERAGE

Vincent CHING, Head of Intermediary Business, Asia Pacific at Value Partners, shared with Hong Kong media about the opportunity to invest in Value Partners Japan REIT Fund.



## THE GOLDEN OPPORTUNITY IN GOLD

Alex CHIU, Senior Strategist of ETF Business at Value Partners, shared with local media about the opportunity in gold investment, and projected that the gold price would hit US\$3,000 per ounce in 2024/2025 as geopolitical tensions rise. During 2024, Value Partners Value Gold ETF (3081.HK) has recorded an investment return of 25.3% with a recorded high of gold price.



## EVENTS AND SUMMITS

### 22 August | Our Hong Kong Foundation

Dato' Seri CHEAH Cheng Hye shared his journey from Malaysia to Hong Kong, detailing his remarkable life journey and the founding of Value Partners Group.



### 11 September | The Belt & Road Summit

Dato' Seri CHEAH Cheng Hye stated at the forum that the Belt and Road Initiative offers tremendous opportunities for the market and its participants.



### 21 March | Bloomberg China Credit Forum

Gordon IP, Chief Investment Officer, Fixed Income at Value Partners, was one of the keynote speakers at the Bloomberg China Credit Forum, sharing how to balance political and regulatory risks in order to capture market opportunities.



## Highlights of the year

### 27 September | VP x CLSA x Tiger Trade at ET-net Investment Seminar

Value Partners ETF Senior Strategist Alex CHIU explained to more than 200 retail clients at the ET-net Investment Seminar on why Gold ETF is a good investment option for investors given the market volatility.



### 21 October | Bright Smart Securities Global Summit

Alex CHIU, our Senior Strategist of ETF Business, shared more gold investment strategies.



### 6 November | HKEX ETF Summit

Value Partners was one of the sponsors of the HKEX ETF (Exchange Traded Fund) Summit. Over 300 participants attended the event.





## AWARDS

Value Partners has garnered over 280 performance awards since inception. We have been pioneers in value investing since 1993 and are well-recognized by industry peers for our proven track record.

### Bloomberg Businessweek (Chinese Edition) Top Funds Awards 2023

#### Value Partners Asian Innovation Opportunities Fund

Best Performer | Mutual Funds (1 year)  
Mixed Allocation – Asia Pacific

#### Value Partners Taiwan Fund

Best Performer | Mutual Funds (1 year)  
Equity – Taiwan

#### Value Partners Asian Income Fund

Outstanding Performer | Mutual Funds (1 year) | Mixed Allocation – Asia Pacific  
Best Performer | Mutual Funds (5 years) | Mixed Allocation – Asia Pacific

#### Value Gold ETF

Outstanding Performer Commodity (NAV Tracking Error 1 year)



### THE ASSET



We were honored to receive the following two benchmark research awards by THE ASSET:

- Value Partners – Top Investment House
- Tiffany CHOI, Vice Fund Manager of Value Partners – Most Astute Investor – Highly Commended

## Highlights of the year

### China Fund News 2nd YingHua Award (Overseas) Fund Award by China Fund News



Value Partners Greater China High Yield Bond Fund (A USD Acc Unhedged)  
China Bond (1 Year) award



Value Partners China A Shares High Dividend Fund (V USD Acc)  
China Equity (3 Year) award

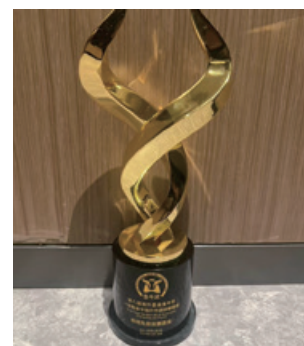


China Fund News  
The 9th Yinghua China Private Fund Company Awards  
Value Partners Shanghai won the "Exemplary Foreign Private Equity Institution" award



### Guangdong-Hong Kong-Macao Greater Bay Area Listed Companies Summit 2024

Value Partners Group garnered the GBA Listed Companies ESG100 Green Advancement Award – Governance Excellence Award



### The 8th Golden Bull Overseas China Equity Fund Award Ceremony hosted by China Securities Journal

Value Partners High-Dividend Stocks Fund was awarded the One-Year Golden Bull Overseas China Equity Fund 2024

## CHARITY ACTIVITIES



### Xiamen | Dato' Seri CHEAH Cheng Hye Education Foundation

This year, 13 students in Xiamen, China, received cash awards from an annual scholarship program donated by Dato' Seri CHEAH Cheng Hye. This program assists the children in covering their college expenses.

The award ceremony was held in the ancestral temple, which was renovated with financial support from Dato' Seri CHEAH Cheng Hye.



## Message from Honorary Chairman



Value Partners was founded by me and my partner, Mr. V-Nee YEH, in February, 1993. We were young and passionate about value investing. Value Partners was intended to be a hobby shop and it started with only two full-time staff, my secretary and I.

But the firm quickly transformed into a pioneer in the development of fund management in Hong Kong. In the early 1990s, China was opening up and we seized what was a historic opportunity to build a strong and trusted brand, setting the highest standards for investment research, professional management and client services.

On the Chinese mainland, the stock market, as we know it today, only started in 1990, and it wasn't until the late 1990s that the first mainland asset management firms appeared. Thus, my team and I were an early mover, with a deep and long learning curve.

In life, being lucky is not enough, you have to show you deserve the luck. In our case, over the past 31 years, my team and I have won more than 280 performance awards and prizes and in November, 2007, we successfully listed Value Partners on the Hong Kong Stock Exchange, a first for the local fund management industry.

On 2 January 2025, the Board appointed Ms. LIN Xianghong as our new Chairman and I retired from Value Partners, with the title of Honorary Chairman.

Ms. LIN has outstanding standards and high personal and professional values based on integrity and commitment to quality products and services. I believe Ms. LIN is the right person to lead Value Partners on a new journey of evolution and creating value for all stakeholders.

As a Honorary Chairman, Board Director and substantial shareholder, I will continue to support Value Partners sincerely.

Allow me here to thank deeply the many generous and remarkable individuals and organisations I have encountered in my career going back several decades. I am genuinely grateful and humbled.

**Dato' Seri Cheah Cheng Hye**  
*Honorary Chairman*

13 March 2025





**LIN Xianghong**  
Chairman and  
Executive Director

In 2024, we faced a global landscape marked by significant challenges and uncertainties. Markets worldwide continued to fluctuate amid inflationary pressures and geopolitical conflicts. Despite this complex and dynamic environment, Value Partners Group demonstrated resilience, achieving a net profit of HK\$31 million and earnings per share of HK\$1.7 cents for the year. Our flagship funds maintained steady performance against market fluctuations, further strengthening our leading position in the Hong Kong asset management industry.

## Deepening Cross-Border Connectivity to Fulfill Investors' Needs Across Markets

Year 2024 marks the launch of Wealth Management Connect 2.0 (WMC 2.0) and the 10th anniversary of the Connect Programme. The deepening of cross-border connectivity has invigorated Hong Kong's asset management industry by further diversifying investment channels for Mainland investors and increasing accessibility for global investors to China markets. Value Partners Group has actively participated in and continuously benefited from the deepened connect schemes with our qualified funds. We will further expand and strengthen our distribution partners' strong network in Mainland China to offer more cross-border investment products to onshore and offshore clients, enhancing their access to more diversified global asset allocation options.

## Enhancing Investment Research Capabilities and Diversifying Product Offerings

Value Partners is distinguished by its disciplined investment approach, seasoned research expertise, and consistent medium-to-long-term investment performance. We are deeply aware of the importance of fiduciary responsibility and are committed to continuously enhancing our investment capabilities with higher standards. While the technology landscape is ever-evolving – driven by advancements in artificial intelligence – the implementation of AI technology in research and operation will significantly transform the asset management sector. Capitalising on such advancement, we will continue to strengthen our investment research capabilities, product innovation and operation efficiency through technology integration. We will also strategically focus our resources on core businesses, diversify product offerings and explore Web 3.0 and Real World Assets (RWA), aiming to provide more diverse investment options to our investors.

# Chairman's Statement

## Looking Forward

As we look ahead, Value Partners will steadfastly adhere to our core philosophy of value investing. Our commitment to prioritizing client interests through rigorous portfolio optimization and enhanced risk management capabilities will remain unwavering. Equally important is our investment in our greatest asset – our people. By rewarding employee contributions through equitable incentive programs, we aim to foster a stronger team spirit and fortify the Group's foundation for sustainable growth.

For 2025, Global GDP growth is projected at 3.3%. Amidst heightened policy uncertainties, trade frictions, geopolitical tension and technology innovation are reshaping the global landscape. While challenges persist, the global economy shows resilience. At this pivotal moment of change, by adopting an open-minded and execution-oriented approach, we will leverage on the opportunities of Chinese economy's transition and opening up, address emerging challenges with resilience, and deliver long-term value to our investors, shareholders, and employees.

## Appreciation

To the many clients, shareholders, service providers, and friends who have supported and encouraged us, we shall always be grateful. May I also express special appreciation to the staff of Value Partners, who are characterized by a strong and steady devotion to serving clients with the highest professional standards.

Lastly, on behalf of the Board, I extend our sincere gratitude to Dato' Seri CHEAH Cheng Hye for his extraordinary contributions and leadership over the past 31 years. His vision and dedication have been instrumental in transforming the Group into one of the industry leaders in Asia. We deeply appreciate his legacy and look forward to building upon the strong foundation he has established.

**LIN Xianghong**  
*Chairman and Executive Director*

13 March 2025

# Management discussion and analysis

In 2024, Asian markets experienced significant volatility, largely driven by escalating US-China political tensions, ongoing trade disputes, and geopolitical conflicts. This created an uncertain environment. Elevated interest rates throughout the year further contributed to market instability, impacting both equity and fixed-income markets. Consequently, our assets under management (“AUM”) saw a slight decline during the year, influenced by the market’s lackluster performance and modest outflows from some of our actively managed funds.

Despite short-term challenges, we remain confident in delivering stable returns and promoting sustainable growth for our clients and shareholders. We will leverage business opportunities from Mainland China-Hong Kong cross-border schemes, potential growth in the asset management sector through advancing Artificial Intelligence (“AI”) technology together with Web 3.0 and Real World Assets (RWA), and our value investment capabilities. Furthermore, our strategic partnership with GF Securities (“GF”) enhances our competitive advantage in wealth and asset management and together with other distribution partners, provide greater access to Mainland Chinese investors through their extensive distribution network.

Looking ahead, while uncertainties persist in the short to medium term, we remain cautiously optimistic regarding the long-term prospects of the wealth management industry in Asia. Specifically, we believe that the wealth management sector in China is entering a new era of substantial growth, and with Hong Kong’s unique role as asset management hub, we are fully prepared to seize the emerging opportunities this presents. Our ongoing commitment to being a leader in Asian investments, combined with our expertise and resources, positions us well to capitalize on the growth opportunities in the region.

## Financial highlights

As of the end of December 2024, our AUM amounted to US\$5.1 billion, representing a 8% decline from US\$5.6 billion in 2023. This decrease was primarily attributed to a weak market environment and a risk-averse stance by global investors towards China assets. Consequently, gross management fees decreased by 15% year-on-year, amounting to HK\$397 million in 2024.

Despite these market challenges, the Group’s net profit increased by 35%, rising to HK\$31 million from HK\$23 million in 2023. This enhancement in profitability was driven by substantial gains from the Group’s proprietary investments and a reduction in total expenses, which partly mitigated the impact of reduced management fees.

We managed to secure US\$1.4 billion in gross subscriptions in 2024, outperforming many industry peers. There was high demand for our high-dividend income series and alternatives, with consistent net inflows into the Value Partners USD Money Market Fund, Value Partners Japan REIT Fund, Asian dynamic bond strategies, and alternative products such as the Value Gold ETF (3081.HK) and healthcare private equity funds.

Throughout the year, the Group maintained strict cost controls and streamlined team structures to boost productivity despite challenging market conditions. These initiatives aligned the workforce with future needs and ensured financial stability. Total expenses, including salaries, rent, research, IT, and administrative costs, were HK\$361 million in 2024, down 7% from HK\$390 million in 2023.

As of 31 December 2024, the Group continued to run a solid balance sheet, with net assets of HK\$3.6 billion, comprising HK\$1.1 billion in cash and cash equivalents and HK\$2.4 billion in investments. We shall continue to manage our balance sheet prudently to support future business needs and longer-term strategic growth plans.

# Management discussion and analysis

## Enhancing our client reach

As a Hong Kong head-quartered asset manager, we are strategically positioned to utilize Hong Kong's role as a "super-connector" to mainland China through various cross-border schemes that enable international investors to invest in the Mainland China and vice-versa. There is a notable demand from mainland China investors for overseas market investments. Through our strategic partnership with GF and other local distributors, we plan to focus on cross-border schemes such as the Mutual Recognition of Funds ("MRF") scheme, Wealth Management Connect ("WMC") scheme, Qualified Domestic Limited Partnership ("QDLP") and Capital Investment Entrant Scheme 2.0 ("CIES 2.0"), among others, to offer investors a broad spectrum of investment opportunities. These schemes effectively bridge the gap between international and Mainland Chinese investors, giving Hong Kong greater access to China's extensive capital market and fostering deeper financial integration between the two regions.

With the enhancement to the MRF scheme taking effect on 1 January 2025, which increases the cap on the value of units sold to Mainland Chinese investors, our flagship High-Dividend Stocks Fund, one of the largest Asian high-dividend equity funds available to both institutional and retail clients in mainland China through the MRF scheme, has experienced significant benefits from this increased market reach, with remarkable inflows during the fourth quarter. This enhanced accessibility expands our investor pool, boosts brand visibility, attracts more capital, and strengthens our market presence in China. We will continue to enhance our MRF offerings to broaden the range of investment products available to investors and grow our client base.

To meet the growing investment needs of mainland China's insurance companies, we have collaborated with onshore insurers to create tailored investment products, leveraging our strong investment capabilities and robust infrastructure both onshore and offshore.

We are exploring new markets in Southeast Asia, focusing on Singapore, Malaysia, Thailand, and Indonesia, to expand our presence and leverage the region's growth potential. The increasing number of high-net-worth individuals is expected to boost demand for quality asset and wealth management services.

Meanwhile, interest in our Asia and Greater China products has grown, especially among institutions in Asia, the Middle East and Europe. Investors are now showing renewed interest in risk assets due to observed market improvements in China, a trend likely to accelerate in 2025, benefiting Asian investment specialists like us. With our expanded resources for better institutional coverage, we are well positioned to undertake additional brand-building efforts and secure more mandates.

## Product expansion and highlights

In 2024, our primary focus was on expanding and diversifying our product suite to meet the evolving needs of investors.

Our fixed income products experienced significant inflows as short-term interest rates reached their peak. Our Money Market Fund became a favored choice for investors seeking capital preservation and attractive returns, offering low volatility and serving as a safe haven during market uncertainties. This fund provides liquidity through daily dealing and has no lock-in period. We have also observed substantial inflows into other fixed income strategies, including the Asian Dynamic Bond Fund<sup>1</sup> and Enhanced Total Return Bond Fund<sup>1</sup>. Given the continuous demand for income-themed products, we will also streamline our fixed income fund offerings with clearer investment-grade and/or high-yield features to cater to the diverse investment needs of our clients.

We launched the Japan REIT Fund in April 2024 to capture income and growth prospects in the Japanese real estate market. As the largest REIT market in Asia, with a market capitalization exceeding JPY 15 trillion, our Japan REIT Fund managed to deliver an annualized yield<sup>2</sup> of 9.5% and 4.0% for the year 2024 for USD hedged class and JPY unhedged class, respectively. The fund is diversified across sectors, including offices, logistics, retail, hotels, and residential properties, ensuring a sustainable dividend yield.



## Management discussion and analysis

A significant achievement was the execution of a Memorandum of Understanding (“MOU”) with Daiwa Securities Group Inc. and Daiwa Asset Management in November 2024. This strategic partnership is designed to enhance collaboration in asset management, merging our expertise in the Asian market with Daiwa’s specialization in the Japanese market. The MOU enables cross-selling, joint product development, and collaborative marketing strategies, thereby positioning both firms for considerable growth and innovative investment solutions.

We continue to focus on high-dividend themed products for Asia and China. Our flagship High Dividend Stocks Fund, known for its flexible high-dividend equity strategy, continues to deliver sustainable income and capital appreciation by investing in higher-yielding debt and equities across Asia. Additionally, our multi-asset fund, the Asian Income Fund, provides a diversified portfolio of Asian equities and fixed income securities, appealing to investors seeking lower volatility and attractive returns. These two funds remain the preferred choice for investors seeking both income and growth opportunities.

In 2024, our Value Gold ETF garnered significant interest from investors, resulting in a record fund size of US\$334 million. This growth was driven by rising gold prices and substantial subscriptions supported by our successful marketing efforts. Gold investments provide diversification for our clients and can deliver risk-adjusted returns during periods of market volatility and geopolitical tension. In addition, ETFs are anticipated to play a crucial role in addressing market demand in Mainland China. Considering the performance and distinctiveness of our Gold ETF, coupled with our expertise in the ETF sector, we will continue to explore both active and passive ETFs that align with our business model moving forward.

We also continued to explore other new product offerings to maximize returns for investors, expanding into sectors such as healthcare strategies, which have been one of our core investment strengths. In 2024, we successfully launched a healthcare thematic private equity fund, securing significant capital commitments from new investors. We shall continue to identify opportunities in private equity and private credit markets as they arise.

Given the increasing market awareness of virtual assets and related asset management opportunities, alongside recent advancements in AI technology in Mainland China and technology advancement such as Web 3.0, there are significant opportunities for the development of the business landscape. We will continue to explore new initiatives and expand our product suite, particularly in the ETF space, to address the evolving needs of our investors.

Our investment capabilities continued to gain recognition in the industry, solidifying further our reputation as a trusted and successful asset manager in Asia. In 2024, our flagship Value Partners High-Dividend Stocks Fund won the 8th Golden Bull Overseas Award – One Year Golden Bull Overseas China Equity Fund organized by China Securities Journal. Our Greater China High Yield Bond Fund<sup>1</sup> and China A Shares High Dividend Fund<sup>1</sup> received the 2nd YingHua Award (Overseas) Fund awards for 1-year China bond and 3-year China equity categories respectively by China Fund News. The Value Partners China A Shares High Dividend Fund1 also won Fund Selector Asia’s Fund Gold Awards in Singapore in the Greater China/China Equity category in 2025. Furthermore, our fixed income team received the Asset Benchmark Research Awards 2024 “Top Investment House” award in G3 Bonds 2024 category and “Most Astute Investor” highly commended awards in the G3 Bonds 2024 category.

# Management discussion and analysis

## Business outlook

The year 2024 presented its own set of challenges, but we emerged stronger and more resilient. A 31-year legacy of navigating various business cycles, combined with our team's dedication, has been invaluable. We will continue to focus on developing innovative, differentiated, and unique product offerings to address investors' needs. Additionally, we are open to forming strategic partnerships with various industry participants to introduce more diverse investment solutions to our markets.

Our robust financial position and ongoing efforts to enhance investment capabilities position us well to seize these growth opportunities. A commitment to a bottom-up and selective approach to value investing remains a cornerstone of our competitive edge, making us a trusted investment partner.

Looking ahead, the goal is to further expand our business by introducing more high-quality investment solutions to meet the evolving needs of investors. Efforts will be made to strengthen our presence in various markets and segments, ensuring a leading position in the wealth management industry. Emphasis on innovation and client-centric solutions will drive growth in the coming year, with a steadfast commitment to fund performance and adherence to the highest professional standards in our value-investing strategy.

## Appreciation

Lastly, we would like to acknowledge all of our colleagues, shareholders, clients, and business partners for their continued support. We also recognize our colleagues' dedication, commitment, and contribution towards the growth of Value Partners. We will remain focused on providing high-quality service and value for clients, and continue to innovate in the continually evolving asset and wealth management sector.

1. Value Partners Enhanced Total Return Bond Fund SP, Value Partners Ireland Fund ICAV – Value Partners Asian Dynamic Bond Fund, Value Partners Ireland Fund ICAV – Value Partners Greater China High Yield Bond Fund and Value Partners Ireland Fund ICAV – Value Partners China A Shares High Dividend Fund are not authorised by SFC and are not available to the general public in Hong Kong.
2. As dividends may be paid out from capital, this may result in an immediate decrease in the NAV per share/unit and may reduce the capital available for the Fund for future investment and capital growth. Distributions are not guaranteed and may fluctuate. Past distributions are not necessarily indicative of future trends, which may be lower. Distribution payouts and its frequency are determined by the manager. The payment of distributions should not be confused with the Fund's performance, rate of return or yield. Positive distribution yield does not imply positive return. Annualized yield of MDis Class calculated as follows: (Latest dividend amount/NAV as at ex-dividend date)×12. Please refer to the offering document further details including the distribution policy.

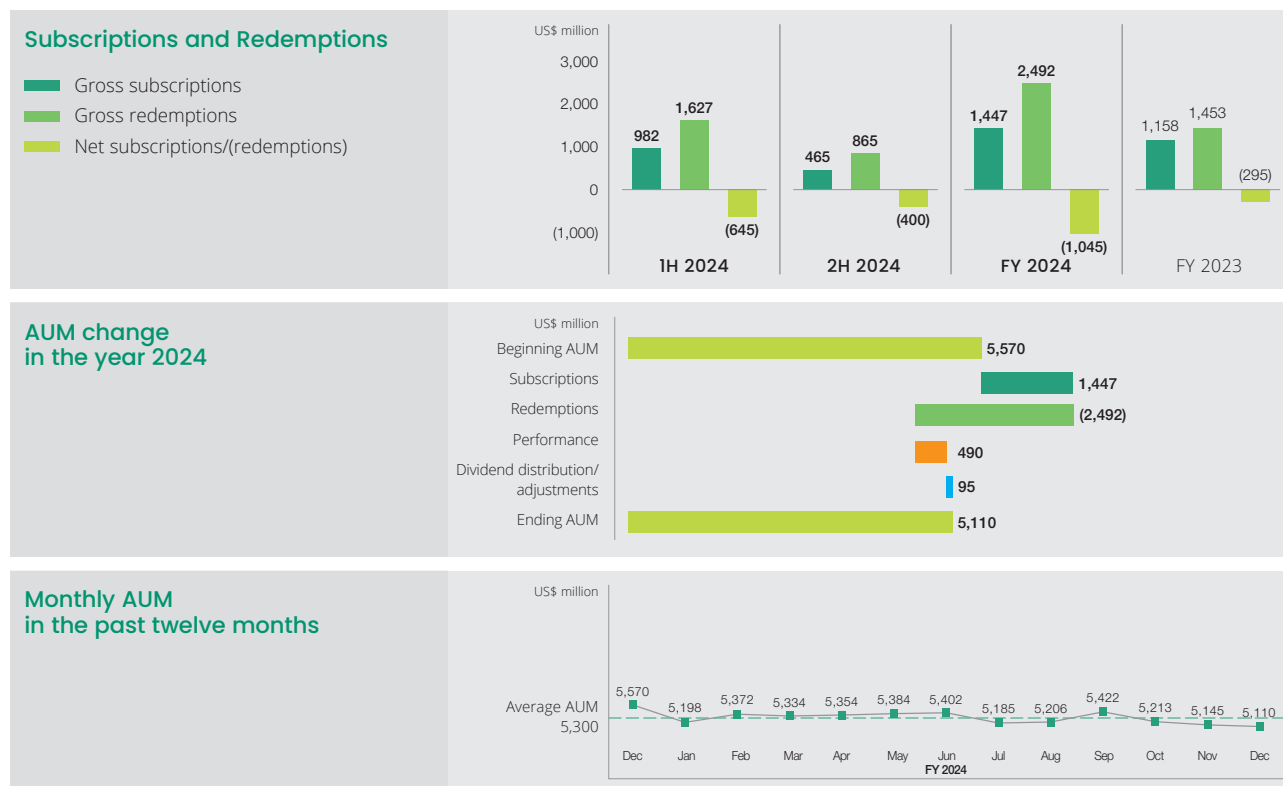
## Assets Under Management (“AUM”)

### AUM and return

The Group’s AUM stood at US\$5,110 million at the end of December 2024 (31 December 2023: US\$5,570 million). The decline of 8% was mainly attributable to the net redemptions of US\$1.0 billion in 2024 offset by the positive fund returns of US\$490 million.

Overall fund performance<sup>1</sup>, calculated as the asset-weighted average return of funds under management, rose 11.7%. Among our funds, the Value Partners High-Dividend Stocks Fund<sup>2</sup>, the Group’s largest public fund<sup>3</sup>, recorded a gain of 11.4% during the year. The Value Partners Greater China High Yield Income Fund<sup>4</sup> and the Value Partners China Greenchip Fund Limited<sup>5</sup> gained 15.3% and 13.0%, respectively.

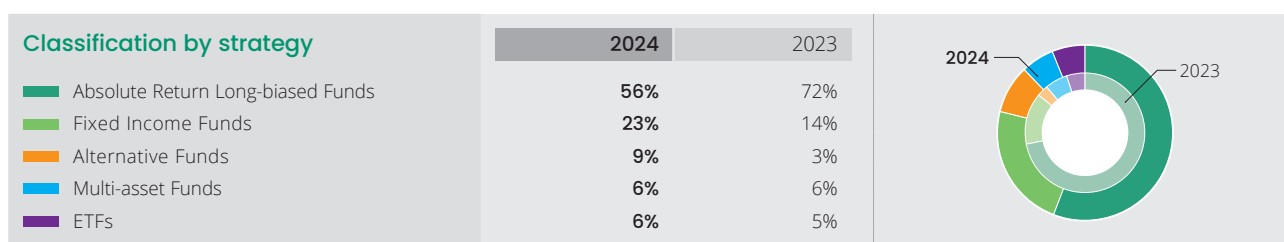
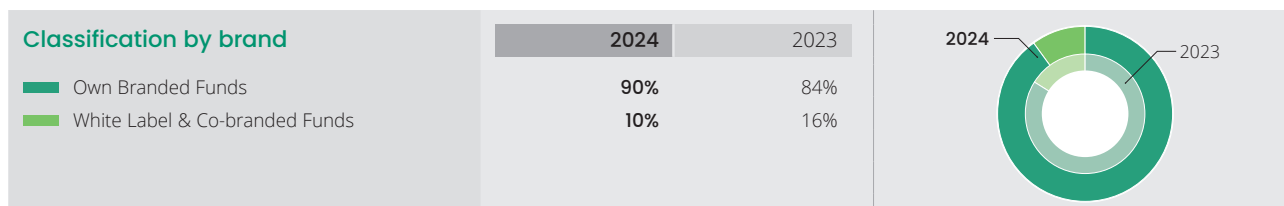
During 2024, we recorded increased gross subscriptions of US\$1,447 million (2023: US\$1,158 million) and a gross redemptions of US\$2,492 million (2023: US\$1,453 million) with net redemption of US\$1,045 million (2023: net redemption of US\$295 million).



## Financial review

### AUM by category

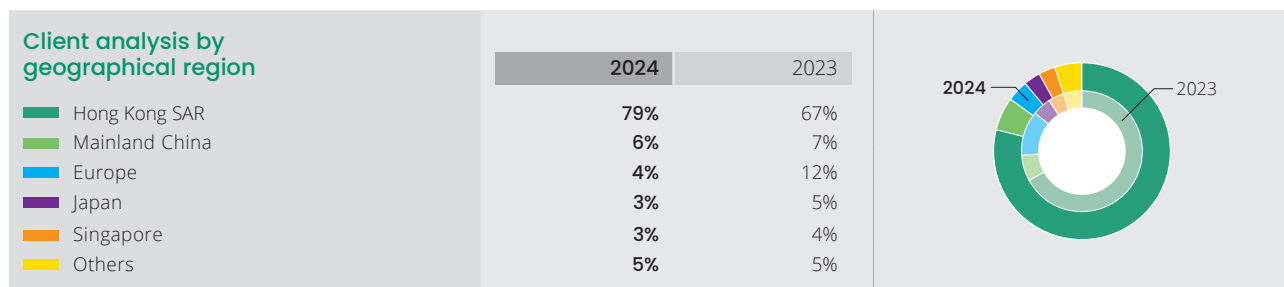
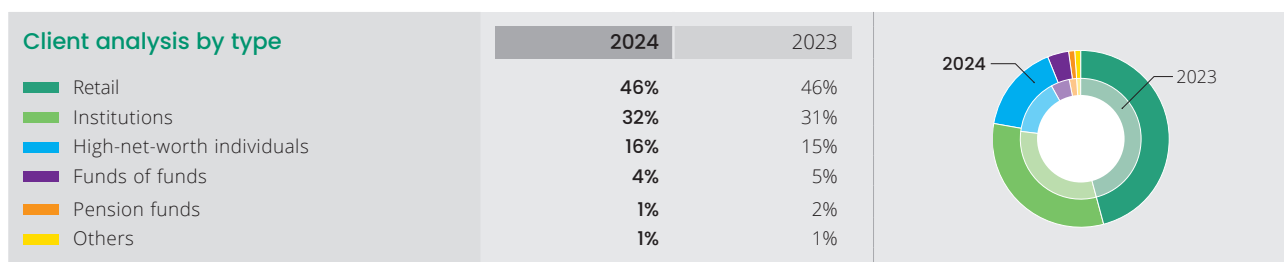
The charts below show the breakdown of the Group's AUM as at 31 December 2024 using two classifiers: brand and strategy. Own Branded Funds (90%) remained the biggest contributor to the Group's AUM. By strategy, Absolute Return Long-biased Funds (56%) continued to represent the largest share of the Group's AUM, followed by Fixed Income Funds (23%), where the Value Partners Greater China High Yield Income Fund was the largest contributor.



### Client base

During the year, institutional clients – including institutions, high-net-worth individuals, pension funds, endowments and foundations, funds of funds, and family offices and trusts – remained the Group's primary set of fund investors, accounting for 54% of total AUM (31 December 2023: 54%). Meanwhile, retail clients contributed 46% of total AUM (31 December 2023: 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 2023: 67%). The share of AUM contributed by clients in mainland China remained stable at 6% (31 December 2023: 7%).

AUM from Hong Kong increased by 12% during the year due to increased AUM from institutional investors on private equity funds, while the AUM from Europe region reduced by 8% which mainly resulted from termination of an institutional investment mandate focusing at China assets.



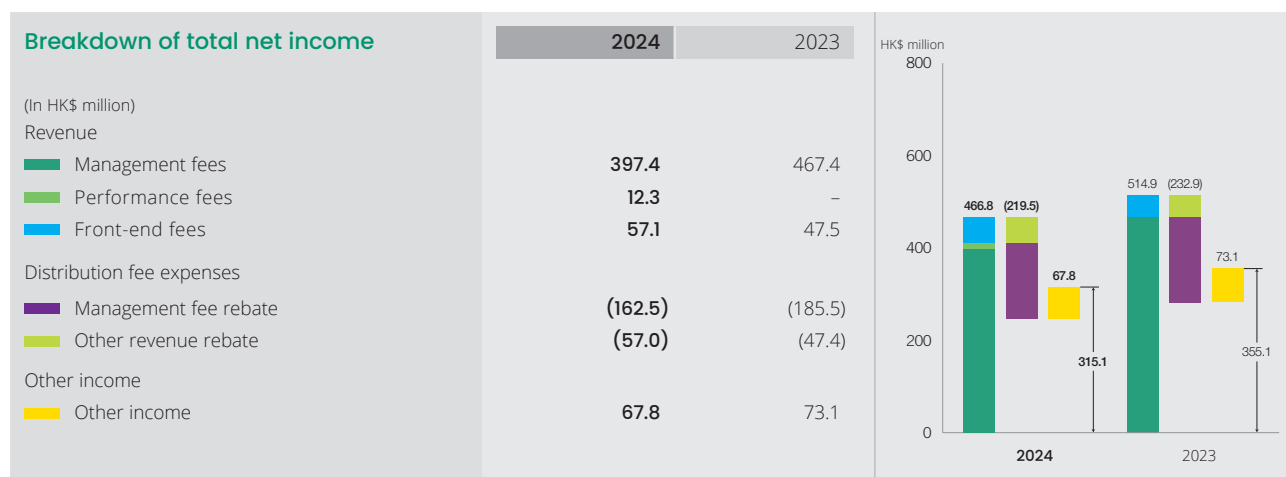


Summary of results

Key financial highlights for the reporting period are as follows:

(In HK\$ million)	2024	2023	% Change
Total revenue	<b>466.8</b>	514.9	-9.3%
Gross management fees	<b>397.4</b>	467.4	-15.0%
Gross performance fees	<b>12.3</b>	–	–
Operating loss (before other gains/losses)	<b>46.4</b>	35.3	+31.4%
Net gains on investments	<b>179.3</b>	60.8	+194.9%
Profit attributable to owners of the Company	<b>31.2</b>	23.1	+35.1%
Basic earnings per share (HK cents)	<b>1.7</b>	1.3	+30.8%
Diluted earnings per share (HK cents)	<b>1.7</b>	1.3	+30.8%
Interim dividend per share (HK cents)	<b>Nil</b>	Nil	
Special dividend per share (HK cents)	<b>–</b>	50.0	
Proposed final dividend per share (HK cents)	<b>1.0</b>	Nil	

Revenue and fee margin



The Group’s profit attributable to owners of the Company amounted to HK\$31.2 million in 2024 (2023: HK\$23.1 million).

The drop in total revenue was due to reduced gross management fees, the Group’s largest revenue contributor, which dropped by 15.0% to HK\$397.4 million (2023: HK\$467.4 million) on a 12.3% decrease in the Group’s average AUM to US\$5,300 million (2023: US\$6,044 million). Performance fee amounted to HK\$12.3 million (2023: Nil) for the current year 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 year, our annualized net management fee margin slightly decreased to 58 basis points (2023: 61 basis points) with higher portion of fixed income strategy out of total AUM. Meanwhile, the management fee rebates for distribution channels decreased 12.4% (2023: 15.2%) correspondingly to HK\$162.5 million (2023: HK\$185.5 million) with the reduction in gross management fees.

## Financial review

Other revenue mainly included front-end fees, 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 as well as rental income from an investment property, totaled HK\$67.8 million (2023: HK\$73.1 million).

### Other gains or losses

(In HK\$ million)	2024	2023
Net gains on investments		
Net realized losses on financial assets at fair value through profit or loss	(37.7)	(56.0)
Net unrealized gains on financial assets at fair value through profit or loss	216.9	116.7
Fair value loss of an investment property	–	(3.8)
Net foreign exchange losses	(44.0)	(11.6)
Gain on disposal of a subsidiary	1.0	–
Loss on disposal of property, plant and equipment	(0.5)	–
Other gains – net	135.7	45.3

Other gains or losses mainly included realized and unrealized 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 prior year was mainly due to the realized and unrealized mark-to-market changes of the Group's proprietary investments given the market volatility across different asset classes.

### Investments in joint ventures

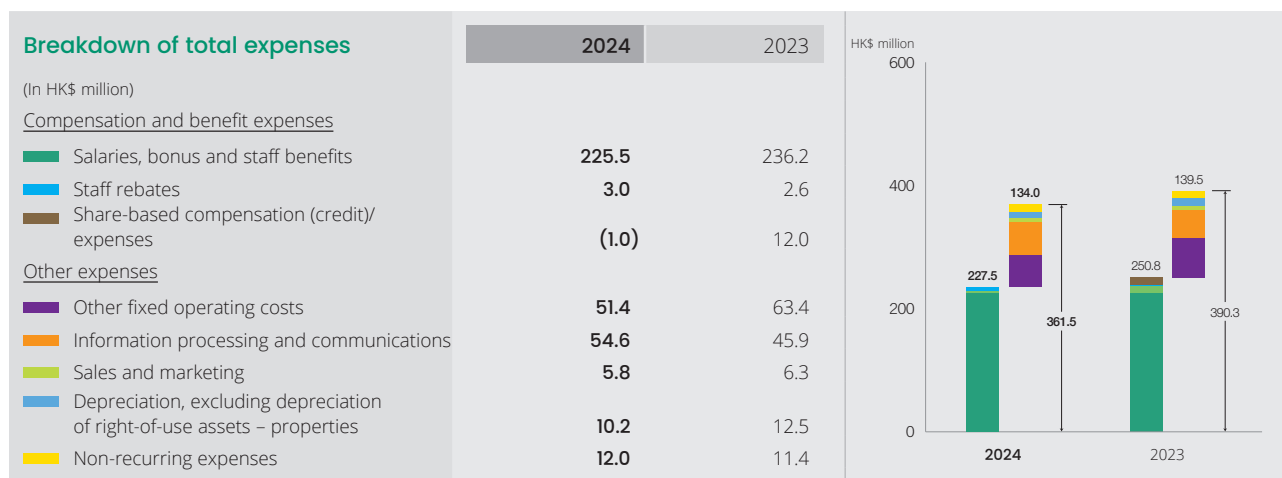
In 2017, the Group set up the Value Partners Asia Pacific Real Estate Limited Partnership<sup>6</sup> (the "Real Estate Partnership") to engage in real estate private equity business. During the year, the Group sold its 50% interest in a logistic center located in Hokkaido, Japan at a consideration of JPY1,615 million (equivalent to HK\$81 million). As at 31 December 2024, the Real Estate Partnership held three (2023: four) logistic centers located in Japan, two (2023: two) commercial property projects located in Australia and seven (2023: seven) logistic centers located in Italy through four (2023: four) joint ventures. The Group's share of losses amounted to HK\$46.7 million (2023: profit of HK\$25.0 million), which consisted of property revaluation losses of HK\$63.4 million (2023: gain of HK\$9.3 million), rental income less outgoings of HK\$29.7 million (2023: HK\$27.9 million) and foreign exchange losses of HK\$13.0 million (2023: HK\$12.2 million).

### Significant investments

As at 31 December 2024, the Group held 9,981,524 units (31 December 2023: 12,621,950 units) or 19.9% (31 December 2023: 28.5%) in Value Gold ETF, 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 10.9% (31 December 2023: 11.6%) of the Group's total assets with a fair value of HK\$510.7 million (31 December 2023: HK\$540.5 million) and a cost of HK\$327.9 million (31 December 2023: HK\$420.3 million), are for alignment of investors' interests and investment returns. For the year ended 31 December 2024, the Group recorded a net unrealized investment gain of HK\$62.5 million (31 December 2023: HK\$65.6 million) and a net realized investment gain of HK\$37.4 million (31 December 2023: Nil) with respect to such investments.

As at 31 December 2024, the Group held 2,992,816 units (31 December 2023: 4,293,489 units) in Value Partners Ireland Fund ICAV – Value Partners Greater China High Yield Bond Fund<sup>6</sup> (“ICAV – GCHY Bond Fund”), which represents 21.8% (31 December 2023: 20.3%) of the net asset value of Value Partners Ireland Fund ICAV. The ICAV – GCHY Bond Fund primarily invests in a portfolio of fixed and floating rate bonds and other debt securities in the Greater China region. The investments, representing 6.6% (31 December 2023: 6.8%) of the Group's total assets with a fair value of HK\$250.9 million (31 December 2023: HK\$319.0 million) and a cost of HK\$244.6 million (31 December 2023: HK\$350.5 million), are primarily seed capital investment and also for investment returns. For the year ended 31 December 2024, the Group received dividends amounting to HK\$0.5 million (31 December 2023: HK\$0.5 million) and recorded a net unrealized investment gain of HK\$37.8 million (31 December 2023: HK\$12.0 million) and a net realized investment gain of HK\$3.9 million (31 December 2023: HK\$2.4 million) in relation to such investments.

### Cost management



## Financial review

### Compensation and benefit expenses

During the year, salaries, bonus and staff benefits decreased by 4.5% to HK\$225.5 million (2023: HK\$236.2 million).

As part of its compensation policy, the Group normally distributes 20% to 23% of its annual realized net profit pool as bonus to employees. The realized profit pool is calculated by deducting certain adjustments from net result before bonus and taxation. At times when such realized profit pool is insufficient to substantiate a reasonable amount for staff incentive or talent retention, management may at its discretion, subject to the approval of the Remuneration Committee, determine an appropriate and justified amount of discretionary bonus under the circumstances.

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 directors and staff of Value Partners is entitled to partial rebates of management fees and performance fees when investing in funds managed by the Group. Such rebates for the year amounted to HK\$3.0 million (2023: HK\$2.6 million).

During the year, the Group recorded a reversal of share-based compensation of HK\$1.0 million (2023: share-based compensation expense of HK\$12.0 million), which were related to stock options granted to employees. This expense item had no impact on cash flow 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\$106.0 million for the year (2023: HK\$109.3 million), information processing and communications expenses increased to HK\$54.6 million (2023: HK\$45.9 million) with upgraded systems and software tools, while sales and marketing expenses decreased to HK\$5.8 million (2023: HK\$6.3 million). Non-recurring expenses represented one-off expenditures on write-off of reimbursement of fund expenditures, special recruitment expenses 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. Nevertheless, the Group will also continue investment on technology advancement and key strategic growth areas in order to bolster our competitive advantage in the longer term.

### Dividends

The Group has adopted a 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.

For 2024, the Board of Directors recommended a final dividend of 1.0 HK cent per share to shareholders.

### 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, interest, dividend and rental income from investments held. At the end of 2024, the Group's balance sheet and cash positions remained strong, with a cash and cash equivalents balance of HK\$1,077.4 million (2023: HK\$1,558.9 million). Other than relevant borrowings pledged with property asset by the Real Estate Partnership of HK\$65.9 million (31 December 2023: HK\$73.9 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 6.3 times (2023: 1.9 times).

### Capital structure

As at 31 December 2024, the Group's shareholders' equity and total number of shares issued were HK\$3,559.8 million and 1.83 billion, respectively.

1. Overall fund performance is calculated by taking an asset-weighted average of returns of the most representative share class of all funds managed by Value Partners.
2. Annual calendar returns of Value Partners High-Dividend Stocks Fund (Class A1) 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 28 February): +0.3%.
3. 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.
4. 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 28 February): +3.1%.
5. Annual calendar returns of Value Partners China Greenchip Fund Limited (Class A HKD) over the past five years: 2020: +32.6%; 2021: -6.6%; 2022: -27.5%; 2023: -6.1%; 2024: +13.0%; 2025 (Year to date as at 28 February): +8.4%.
6. Value Partners Asia Pacific Real Estate Limited Partnership and Value Partners Ireland Fund ICAV – Value Partners Greater China High Yield Bond Fund are not authorised by SFC and are 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 or HKD, NAV to NAV, with dividend reinvested and net of fees.



# Biographies of directors and senior management

## Board of Directors

### LIN Xianghong

Chairman and Executive Director

Ms. LIN Xianghong, aged 54, is Chairman and Executive Director of Value Partners Group.

Ms. LIN has served as vice chairman of GF Holdings (Hong Kong) Corporation Limited (“GF Holdings”) (a wholly owned subsidiary of GF Securities Co., Ltd. (“GF Securities”, a company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1776) and the Shenzhen Stock Exchange (stock code: 000776)) since April 2017. She served as chief executive officer of GF Holdings for the period from February 2007 to April 2017. From November 1999 to January 2007, Ms. LIN successively served as business manager of the International Business Department and the Investment Banking Department of GF Securities, head of the Marketing Department of GF Fund Management Co., Ltd and head of the preparatory group of GF Holdings. From July 1992 to October 1999, Ms. LIN served as an employee and deputy manager of the International Business Department of Guangdong International Trust and Investment Corporation.

Ms. LIN is also a director of GF Holdings, which is the substantial shareholder (as defined in the Rules Governing the Listing of Securities on the Stock Exchange, the “Listing Rules”) of the Company.

Ms. LIN graduated from Nankai University with a Bachelor’s Degree in Economics in 1992, Ms. LIN also obtained a Master’s Degree in Business Administration (MBA) from Jinan University in 1997, and an Executive Master of Business Administration (EMBA) from the Hong Kong University of Science and Technology in 2015.

## Biographies of directors and senior management

### SO Chun Ki Louis

#### Chief Investment Officer and Executive Director

Mr. Louis SO, aged 49, is Chief Investment Officer (“CIO”) and Executive Director of Value Partners Group. He works closely with LIN Xianghong on all aspects of providing leadership to Value Partners, including overseeing all group affairs and activities, daily operations and management of the firm’s investment management team. Mr. SO holds a leadership role in the Group’s investment process, including a high degree of responsibility over portfolio management.

Mr. SO has over 26 years of asset management industry experience, with a solid track record in research and portfolio management. He joined Value Partners in May 1999 and was promoted to take up various research and fund management roles since then. His extensive management capability and on-the-ground experience helped the Group establish an unparalleled research and investment team.

Mr. SO was named “Outstanding Manager of the Year – Greater China equity category” in the Fund of the Year Awards 2017 by *Benchmark*. In the 2011 Best of the Best Awards by *Asia Asset Management*, he was the co-winner of the “CIO of the Year in Asia” award alongside Dato’ Seri CHEAH Cheng Hye.

Mr. SO graduated from the University of Auckland in New Zealand with a Bachelor’s degree in Commerce and obtained a Master’s degree in Commerce from the University of New South Wales in Australia.

### HUNG Yeuk Yan Renee

#### Senior Investment Director and Executive Director

Ms. Renee HUNG, aged 50, is Senior Investment Director and Executive Director of Value Partners Group. She is a leader in the Group’s investment process, with a high degree of responsibility over portfolio management.

Ms. HUNG has over 27 years of asset management experience, with a solid track record in research and portfolio management. She joined Value Partners as an Analyst in April 1998. She was promoted to the roles of Fund Manager and Senior Fund Manager in 2004 and 2005, respectively. In 2009, she was promoted to her current role.

Ms. HUNG served as a member of the Board of Directors of Tung Wah Group of Hospitals in Hong Kong from 2012/2013 to 2016/2017 and in 2020/2021.

Ms. HUNG holds an Executive MBA degree from the City University of Hong Kong, and a Bachelor of Science degree in Applied Mathematics from the University of California in Los Angeles.

### LI Qian

#### Executive Director

Mr. LI, aged 40, is Executive Director of Value Partners Group. Mr. LI has served as deputy general manager of GF Securities since July 2021, chairman of Fixed Income Business Committee of GF Securities since December 2024, and chairman of GF Holdings since December 2024. Mr. LI successively served as deputy general manager of Fixed Income Sales and Trading Department of GF Securities (responsible for the overall work of the department), general manager of Fixed Income Sales and Trading Department of GF Securities, general manager of management headquarters of GF Securities’ securities investment business and assistant general manager of GF Securities from November 2014 to December 2024. Mr. LI’s primary working experience included trader and head (responsible for the overall work of the office) of RMB interest rate trading office of Financial Market Department of the Industrial and Commercial Bank of China from July 2009 to November 2014.

Mr. LI is also a director of GF Holdings, which is the substantial shareholder (as defined in the Listing Rules) of the Company.

Mr. LI obtained a Bachelor’s Degree, a Master’s Degree and a Doctorate Degree in Economics from Renmin University of China in 2004, 2006 and 2009, respectively.

## Biographies of directors and senior management

### Honorary Chairman and Non-Executive Director

#### CHEAH Cheng Hye MAoF

##### Honorary Chairman and Non-Executive Director

Dato' Seri CHEAH Cheng Hye, aged 71, is Honorary Chairman and Non-Executive Director of Value Partners Group. Dato' Seri CHEAH co-founded the firm in February 1993 with his partner, Mr. V-Nee YEH.

Dato' Seri CHEAH has more than 36 years of investment experience, and is considered one of the leading practitioners of value-investing in Asia and beyond. Value Partners and he personally received more than 250 performance awards and prizes during his full-time employment with the firm.

Dato' Seri CHEAH currently serves as a member of the Board of Directors of Hong Kong Exchanges and Clearing Limited ("HKEX"), and he chairs the Investment Committee of HKEX. He is a member of the Hong Kong University of Science and Technology ("HKUST") Business School Advisory Council, a member of the Hong Kong Trade Development Council ("HKTDC") Belt and Road & Greater Bay Area Committee, a member of the HKTDC Mainland Business Advisory Committee, a member of the Hong Kong-Europe Business Council, a Fellow of the Hong Kong Management Association and a member of the Hong Kong Academy of Finance ("MAoF").

Prior to starting Value Partners, Dato' Seri CHEAH worked at Morgan Grenfell Group in Hong Kong. He founded the Company's Hong Kong/China equities research department in 1989 and also served as a proprietary trader for the firm. Prior to this, he was a financial journalist with the Asian Wall Street Journal and Far Eastern Economic Review, covering politics and finance across East and Southeast Asia. He started his career as a reporter in The Star, Malaysia.

### Independent Non-executive Directors

#### CHEN Shih-Ta Michael

Dr. Michael Shih-Ta CHEN, aged 79, was appointed as an Independent Non-executive Director of Value Partners Group on 22 October 2007.

Dr. CHEN serves as an Adjunct Professor of Management and of Public Policy, as well as Advisor of the Thompson Center for Business Case Studies, all at The Hong Kong University of Science and Technology. He was a Senior Advisor to the Director of the Case Research Center at Peking University, Guanghua School of Management and a Research Scholar at Central Bank of Indonesia Institute. He was appointed as a member of the Investment Committee of the Croucher Foundation in Hong Kong in January 2015. He was the Executive Director of the Harvard Business School Asia Pacific Research Center, the first international research office established by the Harvard Business School. Prior to joining the Center in October 2005, he worked in both the private and public sectors. Previously, he served as Head of the Risk Management Unit of the Private Sector Operations Department of the Asian Development Bank from 2005 to 2014, Head of International Private Banking in Hong Kong of Standard Chartered Bank, and Regional Director of National Westminster Bank in addition to senior positions at Citibank. He served on the boards of a number of companies invested by the Asian Development Bank. He also wrote cases and taught at various educational entities and universities.

Dr. CHEN graduated with a BA (Honors) Degree in Economics from the University of California, Berkeley in the U.S.A. in 1966, received an MBA from Harvard University in the U.S.A. in 1972 and obtained a PhD in Economics from Cornell University in the U.S.A. in 1973.

## Biographies of directors and senior management

### WONG Poh Weng

Mr. WONG Poh Weng, aged 72, was appointed as an Independent Non-executive Director of Value Partners Group on 14 August 2018.

Mr. WONG has over 50 years of experience in professional accounting firms, and is currently the Chairman of RSM Hong Kong. Mr. WONG has been a partner of RSM Hong Kong since 1986 and has served in various capacities in the RSM International Network. He started his career at Coopers & Lybrand, London in 1972, qualified as a Chartered Accountant in 1976 and was seconded to Coopers and Lybrand Hong Kong in 1978.

Mr. WONG graduated with a Bachelor of Science degree from University of Essex in United Kingdom. He has been a fellow member of the Hong Kong Institute of Certified Public Accountants since 1986 and a fellow member of the Institute of Chartered Accountants in England and Wales since 1983.

### LEE Wai Wang Robert

Mr. Robert LEE, aged 44, was appointed as an Independent Non-executive Director of Value Partners Group on 13 March 2025. He has over 20 years of experience in the financial services industry. Currently, he serves as a member of the Legislative Council of Hong Kong SAR, representing the Financial Services Functional Constituency. He holds or held a few roles within the council, including being the Chairman of the Panel on Financial Affairs of the Legislative Council for 2025, after being the Panel's Chairman in 2024 and Vice Chairman in 2023. He is also the Chairman of Grand Finance Group Company Limited with effect from November 2024. Additionally, he is a member of the Hong Kong SAR Election Committee (Financial Services Subsector) since 2016, and a member of the Zhejiang Provincial Committee of the Chinese People's Political Consultative Conference, the Task Force on Enhancing Stock Market Liquidity, and the Working Group on Promoting Gold Market Development. His current executive roles include being the Executive Manager of Grand Investment (Bullion) Limited and the Executive Director of the Securities Division of Xin Yongan International Financial Holdings Limited. He holds the title of Permanent Honorary President of the Hong Kong Securities Association, where he served as Chairman from 2021 to 2023. Furthermore, he is the Vice Chairman of each of the Hong Kong Gold Exchange Limited (Chinese Gold & Silver Exchange Society), The Chinese General Chamber of Commerce, and the United Zhejiang Residents Association (Hong Kong) Limited, and the Vice President of the Shanghai Fraternity Association Hong Kong Limited.

Previously, he was an Executive Director of Grand Capital Securities Limited and Grand Capital Futures Limited from 2020 to 2023, and was an Executive Director of Grand Investment International Limited (SEHK Main Board: 1160) from 2013 to 2017. He also served as an Executive Director of Grand Investment (Securities) Limited and Grand Investment (Futures) Limited from 2011 to 2019. He was also a Senior Vice President from 2007 to 2011 and an Executive Director from 2011 to 2024 of Grand Finance Group Company Limited. He was a member of the Cash Market Consultative Panel of Hong Kong Exchanges and Clearing Limited from 2018 to 2024, a member of the Standing Committee on Company Law Reform from 2016 to 2022, and a member of the Process Review Panel of the Securities and Futures Commission from 2012 to 2018.

He holds a Bachelor of Arts degree from Bard College and a Master of Science degree from the University of Pennsylvania.

## Biographies of directors and senior management

### Other senior management members

#### *Investment Management Team*

##### **HO Man Kei, Norman CFA**

###### **Senior Investment Director – Equity**

Mr. Norman HO, aged 58, is Senior Investment Director of Value Partners Group. He is a leader in the Group's investment process, with a high degree of responsibility over portfolio management.

Mr. HO has over 34 years of asset management and financial industry experience, with a solid track record in research and portfolio management. Mr. HO joined Value Partners in November 1995. He was promoted to the roles of Investment Director and Senior Investment Director in 2010 and 2014, respectively. Mr. HO is a member of the Board of Directors of Value Partners Group, and is also a director of certain subsidiaries of the Group.

Prior to joining the Group, Mr. HO was an Executive with Dao Heng Securities Limited and had started his career with Ernst & Young.

Mr. HO graduated with a Bachelor's degree in Social Sciences (majoring in Management Studies) from The University of Hong Kong. He is a CFA charterholder.

##### **IP Ho Wah Gordon CFA**

###### **Chief Investment Officer – Fixed Income**

Mr. Gordon IP, aged 54, is Chief Investment Officer, Fixed Income of Value Partners Group, where he oversees the firm's credit and fixed income investments and portfolio management. He has over 29 years of experience investing across fixed income sectors. Mr. IP joined Value Partners in August 2009 as a Fund Manager and was promoted to the roles of Senior Fund Manager and Investment Director in 2015 and 2016, respectively. In July 2017, he was promoted to his current role.

Prior to joining the firm, he was a Director at HSBC Private Bank in Hong Kong, overseeing its fixed income advisory business. Before relocating to Hong Kong in 2008, Mr. IP served at Prudential Fixed Income Management in the United States for four years, specializing in relative value and credit analysis of securitized products. Besides performing security selection, he was also involved in the day-to-day management and performance attribution of fixed income portfolios. Prior to Prudential, he was a Vice President in Fixed Income Research at Salomon Smith Barney in New York, contributing to the analysis and structuring of active as well as passive fixed income portfolios for many Fortune 500 companies, sovereign wealth funds and Asian government agencies. Mr. IP started his career as an analyst at Goldman Sachs' fixed income, currency and commodity division in Hong Kong in 1995.

Mr. IP holds a Master's degree in Financial Mathematics from the University of Chicago and a Master's degree in Engineering from Cornell University in the United States. He is a CFA charterholder.



## Biographies of directors and senior management

### CHUNG Wai Yan, Kelly CFA

#### Chief Investment Officer – Multi Assets

Ms. Kelly CHUNG, aged 46, is Chief Investment Officer, Multi Assets of Value Partners Group. She has been playing a key role in investment allocation and the portfolio construction process of the Group's multi-asset portfolios, leading the development of the Group's asset allocation platform. She is also in charge of the Group's multi-asset strategy and execution.

Ms. CHUNG is a veteran investor with over 20 years of experience managing multi-asset portfolios. She joined Value Partners in April 2016 as Senior Fund Manager, and was promoted to Chief Investment Officer, Multi Assets in 2024.

Prior to joining Value Partners, she was with LGT Bank (Hong Kong) as Managing Director, Head of Managed Solutions. She also worked in SEI Investments as Senior Investment Analyst, Merrill Lynch Global Wealth Management as Vice President, and HSBC Asset Management as Investment Manager. She started her career at J.P. Morgan Asset Management in New York as Strategic Investment Advisor.

Ms. CHUNG graduated from Kellogg School of Management, Northwestern University in the United States with an MBA degree and Stern, New York University with a Bachelor's degree in Finance and Actuarial Science. She is a CFA charterholder.

### *Business Management Team*

### LAM Mei Kuen Winnie CPA ACCA

#### Chief Operating Officer

Ms. Winnie LAM, aged 57, is Chief Operating Officer of Value Partners Group. She oversees the Group's overall operations and back office functions, covering information technology, fund operations and product development, across the Group's Hong Kong headquarters and overseas offices.

Ms. LAM joined Value Partners in July 2021. She is an esteemed industry veteran with more than 30 years of experience in the fund management and financial services industry across Asia. Most recently, she spent 14 years as the Head of Operations, Asia at First Sentier Investors (formerly known as First State Investments), based in Hong Kong. Before this, she was Head of Settlement and Fund Administration at Lloyd George Management, and headed up the teams on operations control and data management at J.P. Morgan Securities. Before that, Ms. LAM has held various senior positions in fund management companies, investment banks and financial services firms, including Kerry Investment Management, Kerry Securities and American Express.

Ms. LAM graduated from the University of South Australia with a Master's degree in Business Administration, and obtained a Bachelor's degree in Business Studies from the City University of Hong Kong. She is a member of the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the Association of Chartered Certified Accountants ("ACCA").

## Biographies of directors and senior management

### NG Chuk Fa, Nikita CPA

#### Chief Financial Officer

Ms. Nikita NG, aged 45, is Chief Financial Officer of Value Partners Group. She oversees the overall finance and human capital as well as corporate service functions for the Group.

Ms. NG joined Value Partners in July 2021 as Finance Director and was promoted to her current role in February 2023. She has broad experience in the financial services industry, with a particular focus in financial reporting, internal control assessment and corporate transactions, combined with strong regulatory knowledge.

Before joining Value Partners, Ms. NG was the Financial Controller at Fortress Investment Group & Mount Kellett Capital, a US-based multi strategy investment firm, for 8 years. Prior to that, she had worked at a family fund private equity firm and served as the finance head for an asset management portfolio company regulated by the National Financial Regulatory Administration, and involved in other investment projects. She started her career as an Auditor at PricewaterhouseCoopers Hong Kong.

Ms. NG graduated with a Bachelor's degree in Professional Accountancy from The Chinese University of Hong Kong. She is a member of the HKICPA.

### CHING Wing Tat, Vincent

#### Head of Intermediary Business, Asia Pacific

Mr. Vincent CHING, aged 46, oversees the management and development of fund distribution business in the Asia Pacific region. He has more than 20 years of experience in asset management and financial services industry.

Mr. CHING joined Value Partners in March 2015 as an Associate Director of Intermediary Business. He was promoted to Head of Hong Kong, Retail Distribution in 2019, and was appointed to his current role as Head of Intermediaries, Asia Pacific, in July 2022.

Prior to joining Value Partners, he was Vice President at BlackRock Asset Management North Asia, focusing on fund distribution business in Hong Kong and North Asia. He also had stints with First State Investments.

Currently serves on the Executive Committee of the Hong Kong Investment Funds Association. Graduated with a Master's degree in Commerce and a Bachelor's degree in Commerce from the University of Wollongong in Australia.

### ZHAO Zhao, Clare

#### Head of Institutional Business, APAC & Head of China Business & Head of ETF Business

Ms. Clare ZHAO, aged 42, is responsible for leading the effort in developing the firm's APAC Institutional Business, China Business and ETF Business. She joined Value Partners in April 2024 and has 20 years of experience in asset management and financial services industry.

Prior to joining the firm, Ms. ZHAO was most recently the Managing Director, Head of China Business at Amundi. She oversees Amundi's China institutional business and leads the QDLP/WFOE teams in Beijing. Prior to joining Amundi, she worked at Vanguard since 2012. She was Managing Director, Head of Distribution, mainland China and Hong Kong, leading the development of the company's business strategy in China. She also managed operations of WFOE office and oversight Beijing Representative Office as the General Manager of the company's China business since 2017. Before that, she served as an ETF sales manager at Value Partners. She also worked at BNP Paribas and Societe Generale as equity and commodity derivatives sales in Greater China.

Ms. ZHAO graduated with a Bachelor's and Master's degree in Economics from the Beijing Institute of Technology. She also attended Senior Executive Leadership Program of Harvard Business School.

# Report of the directors

The Board of Directors (the “Board” or the “Directors”) of Value Partners Group Limited (the “Company”, together with its subsidiaries, the “Group”) is pleased to present the annual report and the audited consolidated financial statements of the Group for the year ended 31 December 2024.

## Principal activities

The Company is an investment holding company. The Group is principally engaged in value-oriented asset management businesses. The activities of its principal subsidiaries are set out in Note 15 to the consolidated financial statements.

## Results

The results of the Group for the year are set out in the Consolidated Statement of Comprehensive Income on page 82.

## Dividends

No interim dividend was paid during the year. The Directors recommend the payment of a final dividend of 1.0 HK cent per share for the year ended 31 December 2024 to the shareholders whose names are registered on the register of members of the Company on 9 May 2025. Subject to the approval of shareholders of the Company at the Annual General Meeting for the year 2025, the final dividend will be payable on or about 30 May 2025. Dividend per share is declared with reference to the Group’s dividend policy.

## Summary of results, assets and liabilities

Summary of results, assets and liabilities for the years of 2020 to 2024 are set out on page 2 of this report.

## Share issued in the year

Details of the shares issued in the year ended 31 December 2024 are set out in Note 28 to the consolidated financial statements.

Save as disclosed in the section headed “Share options” below, no equity-linked agreement was entered into by the Company, or subsisted during the year.

## Reserves

In addition to the retained earnings of the Company, the share premium account which is included in issued equity, and other reserves of the Company as set out in Note 41 to the consolidated financial statements, are also available for distribution to shareholders provided that the Company will be able to pay its debts as they fall due in the ordinary course of business immediately following the date on which any such distribution is proposed to be paid in accordance with the Companies Act of the Cayman Islands.

As at 31 December 2024, the Company’s distributable reserve was approximately HK\$2,300,461,000.

## Charitable contributions

During the year, the Group made charitable contributions totalling HK\$23,000.

# Report of the directors

## Board of Directors

During the year ended 31 December 2024 and up to the date of this report the Board comprised:

### Executive Directors

Ms. LIN Xianghong (*Chairman*) (*appointed on 23 August 2024*)

Dato' Seri CHEAH Cheng Hye (*redesignated as a non-executive director on 2 January 2025*)

Mr. SO Chun Ki Louis

Ms. HUNG Yeuk Yan Renee

Mr. LI Qian (*appointed on 23 August 2024*)

Mr. HO Man Kei, Norman (*resigned on 23 August 2024*)

Ms. WONG Wai Man June (*resigned on 26 April 2024*)

### Non-executive Director

Dato' Seri CHEAH Cheng Hye (*redesignated as a non-executive director on 2 January 2025*)

### Independent Non-executive Directors

Dr. CHEN Shih-Ta Michael

Mr. Nobuo OYAMA (*retired on 7 May 2024*)

Mr. WONG Poh Weng

Mr. Till ROSAR (*appointed on 7 May 2024 and resigned on 13 March 2025*)

Mr. LEE Wai Wang Robert (*appointed on 13 March 2025*)

In accordance with articles 86 and 87 of the Company's articles of association, Ms. LIN Xianghong, Ms. HUNG Yeuk Yan Renee, Mr. LI Qian, Mr. WONG Poh Weng and Mr. LEE Wai Wang Robert will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company has received from each of the Independent Non-executive Directors an annual confirmation of his independence pursuant to Rule 3.13 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). The Company considers all of the Independent Non-executive Directors are independent.

Biographical details of the Directors as at the date of this annual report are set out on pages 24 to 27.

## Directors' service contracts

The service contract of Executive Directors can be terminated in accordance with the provisions of the service contract or, throughout the term of the appointment, by either party giving to the other party not less than six months' prior notice in writing (other than Ms. HUNG Yeuk Yan Renee and Mr. LI Qian whose notice period are three months).

Dr. CHEN Shih-Ta Michael and Mr. WONG Poh Weng have entered into a service contract with the Company for one year commencing on 22 November 2024. Mr. LEE Wai Wang Robert has entered into a service contract with the Company for the three years commencing on 13 March 2025. Either the Company or the Independent Non-executive Director may terminate the appointment by giving at least three months' notice in writing.

None of the Directors have entered or have proposed to enter into any service agreement with the Company or any member of the Group which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

## Directors' interests in shares, underlying shares and debentures

As at 31 December 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which had been notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which had been required, pursuant to section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules, were as follows:

### (a) Long position in shares of the Company ("Shares")

Name of Director	Nature of interest	Number of Shares	Approximate percentage of issued Shares (For number of Shares only)	Shares in which the Directors hold under the share option scheme <sup>(3)</sup>	Approximate percentage of issued Shares (For the aggregate number of Shares held/interested and the underlying Shares under the share option scheme)
Dato' Seri CHEAH Cheng Hye	Founder of trust/ beneficial <sup>(1)</sup>	180,983,292	9.90%	-	9.90%
	Beneficial	69,887,927	3.82%	1,855,000	3.92%
Mr. SO Chun Ki Louis	Beneficial	-	-	42,162,000	2.30%
Ms. HUNG Yeuk Yan Renee	Founder of trust <sup>(2)</sup>	1,330,927	0.07%	-	0.07%
	Beneficial	-	-	13,316,000	0.72%
Dr. CHEN Shih-Ta Michael	Beneficial	-	-	350,000	0.01%
Mr. WONG Poh Weng	Beneficial	-	-	350,000	0.01%

Notes:

- (1) These Shares are directly held by Cheah Capital Management Limited ("CCML") which is wholly-owned by Cheah Company Limited ("CCL") which is in turn wholly-owned by Zedra Jersey Nominee Company Limited, a company incorporated in Jersey, Channel Islands, holding the shares in CCL as nominee for Zedra Jersey Trust Corporation Limited as trustee for a discretionary trust, the discretionary objects of which include Dato' Seri CHEAH Cheng Hye and certain members of his family. For the purposes of the SFO, Dato' Seri CHEAH Cheng Hye is the founder of this trust. The ultimate holding company of Zedra Jersey Trust Corporation Limited is Zedra SA.
- (2) These Shares are directly held by Bright Starlight Limited which is wholly-owned by Scenery Investments Limited which is in turn wholly-owned by East Asia International Trustees Limited, a company incorporated in the British Virgin Islands, as trustee for a discretionary trust, the discretionary objects of which include certain members of the family of Ms. HUNG Yeuk Yan Renee.
- (3) The number of underlying Shares in which the Directors hold under the share option scheme are detailed in "Share options" section below.



## Report of the directors

### (b) Share options

The Company adopted a share option scheme (the “Scheme”) at the annual general meeting held on 4 May 2017. A summary of the movements of the outstanding share options during the year ended 31 December 2024 is as follows:

Grantee	Date of grant <sup>(4)</sup>	Exercise period	Exercise price (HK\$)	As at 01/01/2024	Number of Share Options			As at 31/12/2024
					Granted during the year <sup>(5)</sup>	Exercised during the year	Lapsed during the year	
<b>Director</b>								
Dato' Seri CHEAH Cheng Hye	23/11/2020	23/05/2022-22/08/2026	4.14	927,500	-	-	-	927,500
		23/11/2023-22/08/2026	4.14	927,500	-	-	-	927,500
Mr. SO Chun Ki Louis	15/10/2018	15/04/2019-14/04/2025	5.87	6,000,000	-	-	-	6,000,000
		15/04/2020-14/04/2025	5.87	6,000,000	-	-	-	6,000,000
		15/04/2021-14/04/2025	5.87	6,000,000	-	-	-	6,000,000
	23/11/2020	23/05/2022-22/08/2026	4.14	12,081,000	-	-	-	12,081,000
		23/11/2023-22/08/2026	4.14	12,081,000	-	-	-	12,081,000
Ms. HUNG Yeuk Yan Renee	23/11/2020	23/05/2022-22/08/2026	4.14	6,658,000	-	-	-	6,658,000
		23/11/2023-22/08/2026	4.14	6,658,000	-	-	-	6,658,000
Mr. HO Man Kei, Norman	23/11/2020	23/05/2022-22/08/2026	4.14	6,658,000	-	-	-	6,658,000
		23/11/2023-22/08/2026	4.14	6,658,000	-	-	-	6,658,000
Dr. CHEN Shih-Ta Michael	23/11/2020	23/05/2022-22/08/2026	4.14	175,000	-	-	-	175,000
		23/11/2023-22/08/2026	4.14	175,000	-	-	-	175,000
Mr. WONG Poh Weng	23/11/2020	23/05/2022-22/08/2026	4.14	175,000	-	-	-	175,000
		23/11/2023-22/08/2026	4.14	175,000	-	-	-	175,000
<b>Other employees in aggregate<sup>(3)</sup></b>								
	15/10/2018	15/04/2019-14/04/2025	5.87	833,333	-	-	-	833,333
		15/04/2020-14/04/2025	5.87	833,333	-	-	-	833,333
		15/04/2021-14/04/2025	5.87	833,334	-	-	-	833,334
	23/11/2020	23/05/2022-22/08/2026	4.14	3,255,000	-	-	-	3,255,000
		23/11/2023-22/08/2026	4.14	3,255,000	-	-	-	3,255,000
	12/03/2021	12/09/2022-11/12/2026	5.55	4,000,000	-	-	-	4,000,000
		12/03/2024-11/12/2026	5.55	4,000,000	-	-	-	4,000,000
	11/03/2022	11/09/2023-10/03/2027	3.47	4,625,000	-	-	4,625,000	-
		11/03/2025-10/03/2027	3.47	4,625,000	-	-	4,625,000	-
<b>Other<sup>(4)</sup></b>								
	23/11/2020	23/05/2022-06/05/2026	4.14	175,000	-	-	-	175,000
		23/11/2023-06/05/2026	4.14	175,000	-	-	-	175,000
<b>Total</b>				<b>97,959,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>88,709,000</b>

#### Notes:

- The closing prices of the Shares immediately before the share options granted on 15 October 2018, 23 November 2020, 12 March 2021 and 11 March 2022 were HK\$5.87, HK\$4.14, HK\$5.55 and HK\$3.26 respectively.
- No share option was cancelled during the year.
- The vesting period of the share options is from the respective date of grant up to the date immediately preceding the commencement date of the exercise period.
- An amount of 350,000 share options were granted to Mr. Nobuo OYAMA on 23 November 2020. Mr. Oyama retired as an Independent Non-executive Director with effect from 7 May 2024, and pursuant to the Scheme, the Board approved to extend the exercise period of Mr. Oyama's share options for two years from the effective date of his retirement.
- Please refer to Note 28 to the consolidated financial statements for information relating to the fair value of the options granted.

The number of options available for grant under the Scheme was 87,212,483 at the beginning of the year and 96,462,483 at the end of the year.

Save as disclosed above, at no time during the year was the Company or its subsidiaries a party to any arrangement that enabled the Directors or any of their spouses or children under the age of 18 to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

All the options forfeited before expiry of the Scheme will be treated as lapsed options which will not be added back to the number of shares available to be issued under the Scheme.

### Substantial shareholders' interests

As at 31 December 2024, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who are, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group:

### Long position in the shares under the SFO

Name	Nature of interest	Number of Shares held/interested	Approximate percentage of issued Shares held/interested (For number of Shares only)	Number of Shares under the share option scheme	Approximate percentage of issued Shares (For the aggregate number of Shares and the underlying Shares under the share option scheme)
GF Securities Co., Ltd. <sup>(1)</sup>	Corporate	366,000,000	20.04%	-	20.04%
GF Holdings (Hong Kong) Corporation Limited <sup>(1)</sup>	Beneficial	366,000,000	20.04%	-	20.04%
Ms. TO Hau Yin <sup>(2)</sup>	Spouse	250,871,219	13.73%	1,855,000	13.83%
Cheah Capital Management Limited <sup>(3)</sup>	Beneficial	180,983,292	9.9%	-	9.9%
Cheah Company Limited <sup>(3)</sup>	Corporate	180,983,292	9.9%	-	9.9%
Zedra Jersey Nominee Company Limited <sup>(3)</sup>	Nominee	180,983,292	9.9%	-	9.9%
Zedra Jersey Trust Corporation Limited <sup>(3)</sup>	Trustee	180,983,292	9.9%	-	9.9%
Mr. YEH V-Nee	Beneficial	163,072,715	8.93%	-	8.93%
Mrs. YEH Mira <sup>(4)</sup>	Spouse	163,072,715	8.93%	-	8.93%

#### Notes:

- (1) GF Holdings (Hong Kong) Corporation Limited is wholly owned by GF Securities Co., Ltd., a joint stock company incorporated in the People's Republic of China.
- (2) Ms. TO Hau Yin is the spouse of Dato' Seri CHEAH Cheng Hye.
- (3) Cheah Capital Management Limited ("CCML") is wholly-owned by Cheah Company Limited ("CCL") which in turn is wholly-owned by Zedra Jersey Nominee Company Limited, a company incorporated in Jersey, Channel Islands, holding the shares in CCL as nominee for Zedra Jersey Trust Corporation Limited as trustee for a discretionary trust, the discretionary objects of which include Dato' Seri CHEAH Cheng Hye and certain members of his family. For the purposes of the SFO, Dato' Seri CHEAH Cheng Hye is the founder of this trust. The ultimate holding company of Zedra Jersey Trust Corporation Limited is Zedra SA.
- (4) Mrs. YEH Mira is the spouse of Mr. YEH V-Nee.

## Report of the directors

### Directors' interests in transactions, arrangements or contracts of significance

No transaction, arrangements or contract of significance to which the Company or any of its subsidiaries was a party and in which a Director or entities connected with any Director had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### Share options

The Company adopted a share option scheme at an annual general meeting of the Company held on 4 May 2017 (the "Scheme"). A summary of the principal terms of the Scheme is set out below.

#### 1. Purpose of the Scheme

To reward Participants as defined in item 2 below who have contributed to the Group and to encourage Participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its Shareholders as a whole.

#### 2. Participants of the Scheme

Directors (including Executive Directors, Non-executive Directors and Independent Non-executive Directors) and employees of the Group and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers of any member of the Group who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

#### 3. Total number of Shares available for issue under the Scheme and percentage of issued share capital it represents as at the date of this Annual Report

185,171,483 shares (10.14%)

#### 4. Maximum entitlement of each participant under the Scheme

In any 12-month period, in aggregate not over:

- (a) 1% of the issued share capital (excluding substantial shareholders and Independent Non-executive Directors); and
- (b) 0.1% of the issued share capital and exceeding HK\$5 million in aggregate value (for substantial shareholders and Independent Non-executive Directors).

Such further grant of options shall be subject to prior approval by a resolution of the Shareholders.

#### 5. The period within which the Shares must be taken up under an option and the vesting period of options granted under the Scheme

In respect of any particular option, the period is to be determined and notified by the Board to the grantee at the time of making an offer which shall not expire later than 10 years from the date of grant.

#### 6. The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid

Upon acceptance of the option, the grantee shall inform the Company together with HK\$1 by way of consideration for the grant within 28 days from the date of offer.

### 7. The basis of determining the exercise price

The exercise price shall be determined by the Board in its absolute discretion but in any event shall not be less than the higher of:

- (a) the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of grant which must be a business day;
- (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of grant; and
- (c) the nominal value of the Shares.

### 8. The remaining life of the Scheme

The Scheme will remain valid until 3 May 2027.

## Connected transactions and continuing connected transactions

During the year, the Company did not have any connected transactions and continuing connected transactions which were subject to the disclosure requirements of the Listing Rules. The related-party transactions as disclosed in Note 40 to the consolidated financial statements were not connected transactions or continuing connected transactions which were subject to the disclosure requirements under the Listing Rules.

## Management contracts

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year.

## Directors' and the five highest-paid individuals' emoluments

The Directors' fees and remuneration and the emoluments of the five highest-paid individuals are disclosed in Note 40 and Note 8 to the consolidated financial statements respectively. The emoluments of the Directors are determined with regard to their duties and responsibilities, the Company's performance, prevailing market conditions and after considering the market emoluments for Directors of other listed companies.

## Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme.

The employees of the Group's subsidiaries which operate in Mainland China and overseas are required to participate in central pension schemes operated by the local government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension schemes.

Pension costs for the year are set out in Note 8 to the consolidated financial statements.

## Report of the directors

### Sufficiency of public float

As at the latest practicable date prior to the issue of this annual report, to the best knowledge of the Directors and based on the information publicly available to the Company, there is a sufficient public float as required by the Listing Rules.

### Purchase, redemption or sale of listed shares of the Company

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company's listed securities during the year.

The Board may exercise its powers to buy back the shares in the open market under the general mandate to buy back shares when the trading price of the shares does not reflect their intrinsic value.

### Pre-emptive rights

There is no provision for pre-emptive rights under the Company's articles of association although there are no restrictions against such rights under the Companies Act in the Cayman Islands.

### Major customers and suppliers

The Group's five largest customers (in terms of AUM as of 31 December 2024) accounted for 36% of the Group's total fee income, and the Group's five largest suppliers accounted for 41% of the Group's distribution fee expenses for the year ended 31 December 2024.

The Group's largest customer (in terms of AUM as at the end of year) accounted for approximately 13% of the Group's total fee income whereas the Group's largest supplier accounted for approximately 13% of total distribution fee expenses for the year ended 31 December 2024.

None of the Directors or any of their associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's top five largest customers or suppliers.

### Relationship with stakeholders

The Group recognizes that employees, customers and business partners are key to its sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality services to its customers and enhancing cooperation with its business partners.

The Company provides a fair and safe workplace, promotes diversity to our staff, and provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate training and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their performance and self-fulfilment in their positions.

The Group understands that it is important to maintain good relationship with customers and provide the products and services in a way that satisfies the needs and requirements of the customers. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the products so that the Group can respond proactively.

The Group is also dedicated to develop and maintain good and long term relationships with suppliers and contractors to ensure stability of the Group's business.

## Business review

Particulars of a discussion and analysis on the matters specified in Schedule 5 to the Companies Ordinance (Cap. 622 of the Laws of Hong Kong), including a fair review of the Group's business, a discussion on the principal risks and uncertainties faced by the Group, particulars of important events affecting the Group for the year ended 31 December 2024, and an indication of likely future development in the Group's business are set out in this section and the sections headed "Chairman's Statement", "Management Discussion and Analysis", "Financial Review", "Corporate governance report", "Environmental, social and governance report" and "Consolidated financial statements" of this Annual Report. The above sections form an integral part of this Report of the Directors.

Certain laws and regulations are considered to have a significant impact on the operations of the Group, such as, the Securities and Futures Ordinance and ancillary regulations, the SFC Handbook on Unit Trusts and Mutual Funds, and the Fund Manager Code of Conduct, Anti-Money laundering legislation and the Guideline on Anti-Money Laundering published by the SFC, Personal Data (Privacy) Ordinance. The Legal and Compliance department is primarily responsible for overseeing regulatory compliance matters of all Group companies. It analyzes and monitors the regulatory frameworks within which the Group operates. During the year, there has been no reported case/finding of any non-compliance of such relevant laws and regulations that caused material impact to the Group. The discussions of ESG matters are summarized in the "Environmental, social and governance report".

## Disclosures on risk management and environmental policies

Details of disclosures on risk management and environmental policies are set out in the "Corporate governance report" and the "Environmental, social and governance report" of this Annual Report.

## Auditor

The consolidated financial statements for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers, who retire and, being eligible, offer themselves for reappointment.

A resolution to re-appoint PricewaterhouseCoopers as auditor of the Company will be submitted at the forthcoming annual general meeting of the Company.

On behalf of the Board  
**LIN Xianghong**  
*Chairman*

Hong Kong, 13 March 2025



# Corporate governance report

The Board of Directors of the Company (the “Board” or “Directors”) strives to attain and maintain high standards of corporate governance as it believes that effective corporate governance practices are fundamental to enhancing shareholder value and safeguarding interests of shareholders, clients and other stakeholders. In running a regulated business, the Group adopts sound corporate governance principles that emphasize a quality Board, effective risk management and internal control, stringent compliance practices and transparency and accountability to all stakeholders.

In the Directors’ opinion, save for code provision C.2.1 which was the Company has deviated from with considered reasons and explanation, the Company has complied with the code provisions of the Corporate Governance Code (the “Corporate Governance Code”) as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) throughout the year of 2024. The Company continued to maintain high standards of corporate governance and business ethics, and to ensure the full compliance of our operations with applicable laws and regulations.

## Compliance with the Model Code

The Company has adopted the Model Code for Securities Transactions by Directors (the “Model Code”) set out in Appendix C3 of the Listing Rules as the code of conduct in respect of transactions in securities of the Company by Directors. The Company, having made specific enquiries of all the Directors, was not aware of any non-compliance with the Model Code by the Directors during the year of 2024. The blackout periods in respect of transactions in securities of the Company by Directors also apply to all staff of the Group.

## Board of Directors

As at the date of this report, the Board consists of eight Directors, including Ms. LIN Xianghong (Chairman), Mr. SO Chun Ki Louis, Ms. HUNG Yeuk Yan Renee, Mr. LI Qian 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. The Board of which over one third of the Board members are Independent Non-executive Directors, is responsible for overseeing and directing the senior management of the Company. The major duties of the Board include:

- Formulating the vision of the Group;
- Reviewing and approving the interim and final results of the Group;
- Recommending any final/special dividend to the shareholders of the Group;
- Reviewing and approving, if considered fit, the business plans and financial budgets of the Group;
- Reviewing the business and financial updates of the Group;
- Ensuring a high standard of corporate governance, compliance, risk management and internal control;
- Overseeing the environmental, social and governance management; and
- Overseeing the performance of senior management.

In 2024, the Board reviewed the following corporate governance matters:

- reviewing the compliance with the Corporate Governance Code; and
- conducting an annual review of the risk management and internal control systems of the Group.

## Corporate governance report

All Directors have separate and independent access rights to the senior management about the conduct of the business and development of the Group. In order to facilitate the Directors in discharging their duties, a monthly management report covering key financial highlights, income and expense analysis, movement and analysis of Assets Under Management will be circulated to the Directors on a timely basis for their review and management team will address any questions that the Directors may have regarding the Group's operating result.

The Board held 7 meetings in 2024 and the attendance record of each Director at the board meetings is set out below:

	No. of board meetings attended/held during the Directors' term of office
<b>Executive Directors</b>	
Dato' Seri CHEAH Cheng Hye ( <i>Co-Chairman</i> )	7/7
Mr. SO Chun Ki Louis ( <i>Co-Chairman</i> )	7/7
Ms. HUNG Yeuk Yan Renee	7/7
Mr. HO Man Kei, Norman (Note)	5/5
Ms. WONG Wai Man June (Note)	1/1
Ms. LIN Xianghong (Note)	2/2
Mr. LI Qian (Note)	2/2
<b>Independent Non-executive Directors</b>	
Dr. CHEN Shih-Ta Michael	7/7
Mr. Nobuo OYAMA (Note)	1/2
Mr. WONG Poh Weng	7/7
Mr. Till ROSAR (Note)	4/4

*Note:*

1. Ms. WONG Wai Man June resigned on 26 April 2024
2. Mr. Nobuo OYAMA retired on 7 May 2024
3. Mr. Till ROSAR was appointed on 7 May 2024
4. Mr. HO Man Kei, Norman resigned on 23 August 2024
5. Ms. LIN Xianghong was appointed on 23 August 2024
6. Mr. LI Qian was appointed on 23 August 2024

The Group ensures that appropriate and sufficient information is provided to Directors in a timely manner to keep them abreast of the Group's latest developments thereby assisting them in the discharge of their duties.

Both Co-Chairmen had regular meetings with the Independent Non-executive Directors without the presence of other Executive Directors in 2024.

To the best knowledge of the Directors, the Board is not aware of any financial, business, family or other material/relevant relationships among the Board members. All the Directors had received training/briefing which covered topics in directors' duties and liabilities, continuing obligations of a listed company, corporate governance and compliance issues after their appointments. Ongoing updates of any applicable laws and regulations were provided by the Company to the Directors in a reasonable time frame.

## Corporate governance report

According to the records provided by the Directors, a summary of training received by the Directors during 2024 is as follows:

	Type of continuous professional development programmes (Note)
<b>Executive Directors</b>	
Dato' Seri CHEAH Cheng Hye ( <i>Co-Chairman</i> )	A, B
Mr. SO Chun Ki Louis ( <i>Co-Chairman</i> )	A, B
Ms. HUNG Yeuk Yan Renee	A, B
Mr. HO Man Kei, Norman	A, B
Ms. WONG Wai Man June	A, B
Ms. LIN Xianghong	A, B
Mr. LI Qian	A, B
<b>Independent Non-executive Directors</b>	
Dr. CHEN Shih-Ta Michael	B
Mr. Nobuo OYAMA	B
Mr. WONG Poh Weng	B
Mr. Till ROSAR	A, B

Note:

- A: Attending seminars/webinar and/or courses relating to business and regulatory updates and development  
B: Reading materials relating to regulatory, economy and industry updates

Mr. Till ROSAR obtained the legal advice pursuant to Rule 3.09D of the Listing Rules on 30 April 2024. Ms. LIN Xianghong and Mr. LI Qian obtained the legal advice pursuant to Rule 3.09D of the Listing Rules on 21 August 2024. Mr. LEE Wai Wang Robert obtained legal advice pursuant to Rule 3.09D of the Listing Rules on 7 March 2025. Each of Mr. Till ROSAR, Ms. LIN Xianghong, Mr. LI Qian and Mr. LEE Wai Wang Robert confirmed that he or she understood his/her obligations as a director of a listed issuer.

During the year, the Company Secretary received no less than 15 hours of relevant professional training to update his skills and knowledge.

Each of the Executive Directors entered into a service contract with the Group and each of the Independent Non-executive Directors entered into a letter of appointment with the Company. Under the Company's articles of association, one-third of the Directors, who have served longest on the Board, must retire, thus becoming eligible for re-election at each annual general meeting.

The Company has received the annual confirmation of independence from all the Independent Non-executive Directors pursuant to Rule 3.13 of the Listing Rules and considered them independent to the Group.

The Company has arranged appropriate director and officer liability and professional indemnity insurance coverage since 2007, which is reviewed on an annual basis, for liabilities arising out of corporate activities from being the Directors and senior management of the Group.

### Co-Chairmen and Chief Executive Officer

Co-Chairman of the Board, Dato' Seri CHEAH Cheng Hye, chaired all the board meetings and the annual general meeting. He was leading the overall business and investment strategies of the Group. Mr. SO Chun Ki Louis, Co-Chairman of the Board, who was mainly responsible for managing the Group's investment research and portfolio management functions, continued working closely with Dato' Seri CHEAH to oversee the overall business strategies of the Group. The function of the chief executive was taken up by the Leadership Committee, comprising Dato' Seri CHEAH Cheng Hye and Mr. SO Chun Ki Louis, which was responsible for overall business development of the Group and took up the role in devising corporate strategy, as well as managing the Company's business operations and corporate affairs.

In respect of code provision C.2.1 of the Corporate Governance Code, after the resignation of Ms. Wong Wai Man June as chief executive officer with effect from 26 April 2024, the roles of chief executive were taken up by the Leadership Committee, comprising Dato' Seri CHEAH Cheng Hye and Mr. SO Chun Ki Louis who were also the Co-Chairmen as of 31 December 2024. In view of the nature of the Group's business, the chairman and chief executive must have a deep understanding of asset management operations in order to lead the Group in developing prompt response to market changes. Further, all major decisions of the Company have been made in consultation with the Board, the appropriate board committees and/or senior management of the Group. The Board therefore considers that the current arrangement provides a balance of power and authority and avoids power being concentrated in any one individual which is in line with principle C.2 of the Corporate Governance Code.

Since 2 January 2025, the members of the Leadership Committee have been Ms. LIN Xianghong and Mr. SO Chun Ki Louis.

## Board committees

The Board has established the following committees with specific responsibilities as described in the respective terms of reference available on the Company's and/or the Stock Exchange's website(s):

### 1. Audit Committee

The Company established the Audit Committee on 24 October 2007 with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the Audit Committee include providing an independent review of the effectiveness of the financial reporting process, certain corporate governance functions, as well as risk management and internal control systems. The Audit Committee also oversees the appointment, remuneration and terms of engagement of the Company's auditor, as well as their independence. As of 31 December 2024, the Audit Committee comprised Dr. CHEN Shih-Ta Michael, Mr. WONG Poh Weng and Mr. Till ROSAR, all of which were Independent Non-executive Directors. The Audit Committee was chaired by Mr. WONG Poh Weng.

The Audit Committee held four meetings in 2024. The Chief Executive Officer, Chief Operating Officer, the Chief Compliance Officer, the Chief Financial Officer, the Chief Risk Officer (or Senior Director, Head of Risk), the Head of Internal Audit and the Company Secretary were normally invited to attend the meetings and representatives of the Auditor also joined three meetings involving the discussions of the Group's interim and annual results. The attendance records of each member at the Audit Committee meetings is set out below:

	No. of Audit Committee meetings attended/held
Mr. WONG Poh Weng ( <i>Chairman</i> )	4/4
Dr. CHEN Shih-Ta Michael	4/4
Mr. Nobuo OYAMA (Note)	1/2
Mr. Till ROSAR (Note)	2/2

Note:

- 1 Mr. Nobuo OYAMA ceased to be a member on 7 May 2024.
- 2 Mr. Till ROSAR was appointed as a member on 7 May 2024.

In 2024, the Audit Committee reviewed, discussed and/or approved the matters related to:

- The Group's interim and annual results, preliminary announcements and reports and periodic financial updates.
- The auditor's remuneration (including the non-audit services) and its terms of engagement.
- The IT transformation update of the Group.

## Corporate governance report

- The 2024 external and 2025 internal audit plans.
- The reports prepared by the Risk Management, Compliance and Internal Audit departments.

In order to further enhance independent reporting, the members met in separate private session with the auditor once a year without the presence of management.

### 2. Remuneration Committee

The Company established the Remuneration Committee on 24 October 2007 with written terms of reference in compliance with the Corporate Governance Code. The primary duties of the Remuneration Committee include determining the policy and structure for the remuneration of Executive Directors and senior management, reviewing incentive schemes and Independent Non-executive Directors' service contracts, and confirming the performance based remuneration packages for all Directors and senior management. As of 31 December 2024, the Remuneration Committee comprised Dato' Seri CHEAH Cheng Hye, Mr. SO Chun Ki Louis, Dr. CHEN Shih-Ta Michael, Mr. WONG Poh Weng and Mr. Till ROSAR, three of which were Independent Non-executive Directors. The Remuneration Committee was chaired by Dr. CHEN Shih-Ta Michael.

The Remuneration Committee held three meetings in 2024. The attendance records of each member at the Remuneration Committee meetings is set out below:

	No. of Remuneration Committee meetings attended/held
Dr. CHEN Shih-Ta Michael ( <i>Chairman</i> )	3/3
Dato' Seri CHEAH Cheng Hye	3/3
Mr. Nobuo OYAMA (Note)	1/2
Mr. Till ROSAR (Note)	1/1
Mr. SO Chun Ki Louis	3/3
Mr. WONG Poh Weng	3/3

Note:

- 1 Mr. Nobuo OYAMA ceased to be a member on 7 May 2024.
- 2 Mr. Till ROSAR was appointed as a member on 7 May 2024.

In 2024, the Remuneration Committee reviewed, discussed and/or approved the issues related to:

- The remuneration level for Directors and senior management for the year 2024 which was based on individual performance with reference to an independent salary survey report and market intelligence.
- The remuneration of a newly appointed Independent Non-executive Director.
- The bonus allocation to the Directors and senior management with reference to the Group's compensation policy and individual performance.
- The renewal of appointment letters of Independent Non-executive Directors.

The remuneration payable to the members of the senior management by band for the year ended 31 December 2024 is set out in Note 8 to the consolidated financial statements.

## 3. Nomination Committee

The Company established the Nomination Committee on 13 March 2012. The primary duties of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy. As of 31 December 2024, the Nomination Committee comprised Dato' Seri CHEAH Cheng Hye, Ms. LIN Xianghong, Dr. CHEN Shih-Ta Michael, Mr. WONG Poh Weng and Mr. Till ROSAR, three of which were Independent Non-executive Directors. The Nomination Committee was chaired by Dato' Seri CHEAH Cheng Hye.

The Company has adopted the Board Diversity Policy which is available on the Company's website. The Board Diversity Policy aims to set out the approach to achieve diversity in the Company's Board to ensure that the Board has the balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The Company recognizes the benefits of diversity in Board members and believes that Board diversity can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural background, educational background, professional experience, skills, knowledge and/or length of service. In forming the perspective on diversity, the Company also considers its own business model and specific needs from time to time. All Board appointments will be based on merits and each candidate is considered against objective criteria. The Nomination Committee assists the Board in reviewing the Board Diversity Policy and also reviewed the implementation and effectiveness of the procedures to ensure independent views and input are made available to the Board on a timely basis. As at 31 December 2024, the Board comprised eight Directors of which three of them were Independent Non-executive Directors, representing over one-third of the Board. All Independent Non-executive Directors devoted sufficient time to attend all meetings of the Board and the Board committees which he is a member, and have shared their independent views through the meetings. The Co-Chairmen also had private meeting with the Independent Non-executive directors without the presence of other Directors to listen to their independent views on issues concerning the Group. Upon reasonable request, independent professional advice could be provided to the Independent Non-executive Directors to assist them to perform their duties for the Company. Taking into account the above channels, the Nomination Committee considered its procedures remain effective and could promote critical review and control of the management process. In respect of the Company's progress on achieving the objectives of the Board Diversity Policy, the Board is characterised by significant diversity, whether considering in terms of gender, nationality, professional background and skills. As at the date of this report, the Board comprised six male Directors and two female Directors. In addition, the ratio of women to men in the workforce as at 31 December 2024 was approximately 50:50. The Company considers there to be diversity across its Board and workforce in terms of gender mix, and has therefore not set quantitative targets to refine its gender mix to a specific ratio. With the objective of further optimising the gender diversity in mind, the Group will continue to take gender diversity into account in its ongoing recruitment process. Accordingly, the Board considered the objectives of the Board Diversity Policy to be achieved.

The Nomination Committee held one meeting in 2024. The attendance records of each member at the Nomination Committee meeting is set out below:

	No. of Nomination Committee meeting attended/held
Dato' Seri CHEAH Cheng Hye ( <i>Chairman</i> )	3/3
Dr. CHEN Shih-Ta Michael	3/3
Mr. HO Man Kei, Norman (Note)	2/2
Mr. Nobuo OYAMA (Note)	0/1
Mr. WONG Poh Weng	3/3
Mr. Till ROSAR (Note)	2/2
Ms. LIN Xianghong (Note)	1/1



## Corporate governance report

*Note:*

1. Mr. Nobuo OYAMA ceased to be member on 7 May 2024.
2. Mr. Till ROSAR was appointed as member on 7 May 2024.
3. Mr. HO Man Kei, Norman ceased to be member on 23 August 2024.
4. Ms. LIN Xianghong was appointed as member on 23 August 2024.

In 2024, the Nomination Committee reviewed, discussed and/or approved the issues related to:

- Nominating one Independent Non-executive Director and two Executive Directors.
- Reviewing and recommending the structure, size and composition of the Board with reference to the Board Diversity Policy.
- Reviewing the Board Diversity Policy, as appropriate.
- Assessment of the independence of Independent Non-executive Directors.
- Offering recommendation to the Board on relevant matters relating to the re-appointment of Directors in the forthcoming annual general meeting.

Embedded in the Nomination Committee's Terms of Reference is the Nomination Policy for Directors. The Nomination Committee shall identify individuals suitably qualified to become members of the Board and select or make recommendations to the Board on the selection of individuals nominated for directorships. Where appropriate, the Nomination Committee and/or the Board should make recommendation to shareholders in respect of the proposed election of director at the general meeting.

In evaluating and selecting a candidate for directorship, the following criteria should be considered:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience and diversity aspects under the Board Diversity Policy that are relevant to the Company's business and corporate strategy;
- Any measurable objectives adopted for achieving diversity on the Board;
- Any potential contributions the candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity;
- Willingness and ability to devote adequate time to discharge duties as a member of the Board and/or Board committee(s) of the Company; and
- Such other perspectives that are appropriate to the Company's business and succession plan and where applicable, may be adopted and/or amended by the Board and/or the Committee from time to time for nomination of directors and succession planning.

During 2024, the Nomination Committee nominated and recommended Mr. Till ROSAR, Ms. LIN Xianghong and Mr. LI Qian to the board and their appointments were approved by the Board. Apart from such nominations and recommendations, no new Director has been selected or recommended for directorship during 2024.

### 4. Risk Management Committee

The Company established the Risk Management Committee on 24 October 2007. The primary duties of the Risk Management Committee are to establish and maintain effective policies and guidelines to ensure proper management of risks to which the Group and its clients are exposed, and to take appropriate and timely action to manage such risks. As at 31 December 2024, the Risk Management Committee comprised Ms. NG Chuk Fa, Nikita, Ms. LAM Mei Kuen Winnie, Ms. LEE Vivienne, Mr. Luo Jing and Mr. CHING Wing Tat, Vincent. The Risk Management Committee was chaired by Ms. NG Chuk Fa, Nikita.

The Risk Management Committee held four meetings in 2024. In the meetings, the members reviewed, discussed and/or approved the issues related to:

- The Group's risk management framework and system of internal control.
- Regular assessments on major risks.
- Various internal audit reports issued during the year.
- Review error reports.
- Information risk management update.
- Portfolio, business and operation risk management.
- Regulatory updates and revise relevant policy manuals accordingly.
- Internal audit plan.

### Risk Management and Internal Controls

The Board acknowledges its responsibility for overseeing the risk management and internal control systems of the Group and reviewing their effectiveness at least annually. The Audit Committee assists the Board in fulfilling its oversight and corporate governance roles in the Group's financial, operational, compliance, legal, risk management and internal controls functions. The Group has established an organizational structure with defined levels of responsibility and reporting procedures. The Risk Management Committee, Legal & Compliance department and Group Internal Audit assist the Board and the Audit Committee in the review of the effectiveness of the Group's risk management and internal control systems on an ongoing basis. The directors and the Audit Committee are kept regularly apprised of significant risks that may impact on the Group's performance. Appropriate policies and controls have been designed and established to ensure that assets are safeguarded against improper use or disposal, relevant rules and regulations are adhered to and complied with, reliable financial and accounting records are maintained in accordance with relevant accounting standards and regulatory reporting requirements, and key risks that may impact on the Group's performance are appropriately identified and managed. The systems and internal controls can only provide reasonable and not absolute assurance against material misstatement or loss, as they are designed to manage, rather than eliminate the risk of failure to achieve business objectives.

# Corporate governance report

The Group’s risk management framework is guided by the “Three Lines of Defense” model as shown below:

Three Lines of Defense Model of Value Partners Group



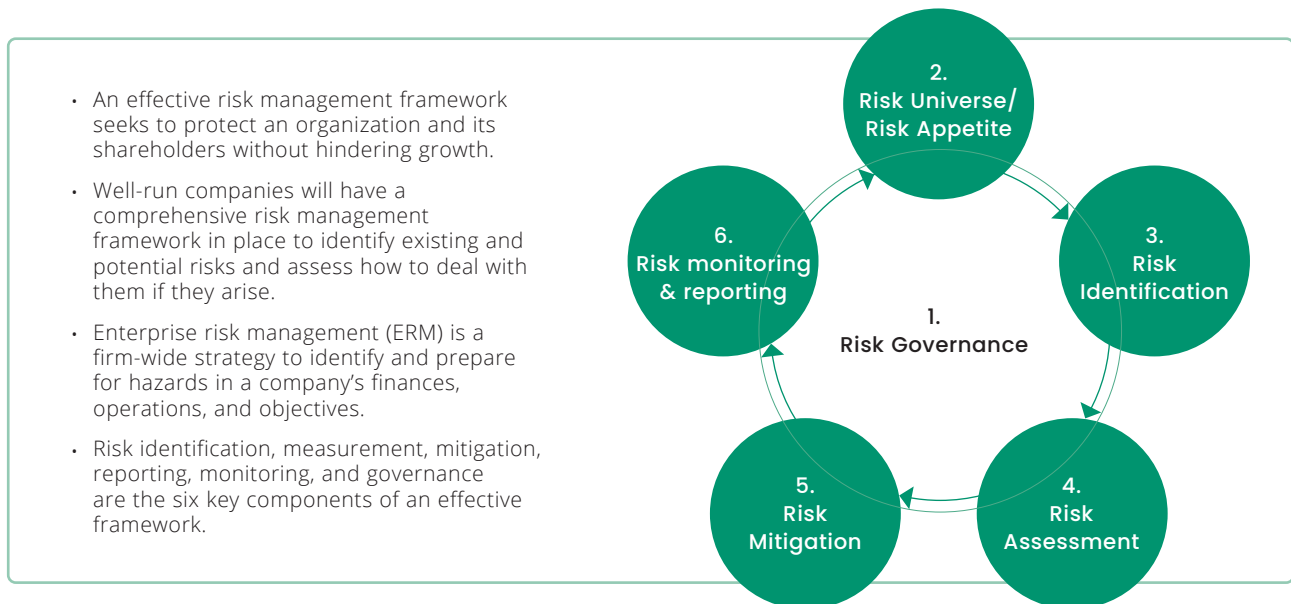
The Risk Management Committee co-ordinates enterprise risk management activities and reviews significant aspects of risk management for the Group, reports to the Audit Committee at each regularly scheduled meeting. Subjects covered, amongst other things, include significant risks of the Group and the appropriate mitigation and/or transfer of identified risks. The operating units of the Group, as risk owners, identify, evaluate, mitigate and monitor their own risks, and report such risk management activities to Risk Management and Compliance departments. Assessment on new risk is performed for new business initiatives.

Group Internal Audit reports to the Audit Committee at regularly scheduled meetings throughout the year on the results of their activities during the preceding period pertaining to the adequacy and effectiveness of internal controls, including but not limited to, any indications of failings or material weaknesses in those controls. Group Internal Audit adopts a risk-and-control-based audit approach. The annual work plan of Group Internal Audit covers major activities and processes of the Group’s operations, businesses and service units. Special reviews are also performed at management’s request. The results of these audit activities are communicated to the Audit Committee. Audit issues are tracked, followed up for proper implementation, and their progress is reported to the Audit Committee periodically. Group Internal Audit provides independent assurance to the Board, the Audit Committee and the executive management of the Group on the adequacy and effectiveness of internal controls for the Group. The Head of Group Internal Audit reports directly to the Chairman of the Audit Committee, with an indirect reporting line to the Chief Executive Officer/Chief Operating Officer who has the responsibility to assist resolving Group Internal Audit related issues.

The senior management of the Group, supported by the Risk Management Committee, Legal & Compliance department and Group Internal Audit, is responsible for the design, implementation and monitoring of the risk management and internal control systems, and for providing regular reports to the Board and the Audit Committee on the effectiveness of these systems.

The following diagram illustrates the key processes used to identify, evaluate and manage the Group's significant risks:

**Risk Management Framework of Value Partners Group**



The Group has adopted policies and procedures for assessing and, where prudent, improving the effectiveness of its risk management and internal control systems, including requiring the executive management of the Group to regularly assess and at least annually to personally certify that such systems are appropriate and functioning effectively in the belief that this will enhance the corporate governance of the Group and its business practices in the future.

The Group has embedded its risk management systems into the core operating practices of the business. On an ongoing basis, the respective operating units of the Company will review and assess the status of potential risks which may impact on their ability to achieve their business objectives and/or those of the Company. Any incidents that arise in the year are investigated to assess if control procedures can be enhanced, whilst new initiatives are subjected to a new risk approval process to identify and address potential new risks that could arise. This review process includes assessment as to whether the existing system of internal controls continues to remain relevant, adequately addresses potential risks, and/or should be supplemented. The results of these reviews are recorded in the logs for monitoring and incorporated into the Group's Risk management report for analysis of potential strategic implications and for regular reporting to the senior management and directors of the Company.

The Audit Committee has established and oversees a whistleblower policy and a set of comprehensive procedures whereby employees, customers, suppliers and other concerned parties can report any actual or suspected occurrence of improper conduct involving the Company, and for such matters to be investigated and dealt with efficiently in an appropriate and transparent manner. The Chairman of the Audit Committee has designated the Head of Group Internal Audit to receive on his behalf any such reports, to oversee the conduct of subsequent investigations, and to provide information, including recommendations arising from any investigations to them for consideration by the Audit Committee.

The Group regulates the handling and dissemination of inside information as set out in the Inside Information Policy and various subsidiary procedures to ensure inside information remains confidential until the disclosure of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

## Corporate governance report

As a licensed corporation regulated by the SFC, the risk management systems of the Company has always been in place to promote and support anti-corruption laws and regulations by following the Guideline on Anti-Money Laundering and Counter-Financing of Terrorism (For Licensed Corporations) to comply with the statutory requirements under the Anti-Money Laundering and Counter-Terrorist Financing Ordinance and the Securities and Futures Ordinance.

During 2024, the Risk Management Committee and Legal & Compliance department have continued to work closely with the operating units, senior management, and the directors to enhance the risk management systems, governance and internal controls. Such activities have included, amongst other matters, implementing the additional requirements of the Fund Manager Code of Conduct introduced by the Securities and Futures Commission (the "SFC"), enhancing portfolios risk management controls to monitor portfolios, introducing several new internal control procedures, clearly redefined roles and responsibilities, conducting a number of training sessions and workshops; further standardization of risk reporting and quantification; more closely aligning the assessment of internal controls with their potential risks; and increasing the depth and frequency of interaction with the designated directors on the Company's risk management system's design, operation, and findings. The Risk Management Committee and Compliance department have presented updated reports to the Board and the Audit Committee on the results of the risk management assessment and other control procedures that have been implemented to establish and maintain effective risk management and internal control systems. Such work has assisted the directors in the review of the effectiveness of the risk management and internal control systems of the Group during the year.

During 2024, Group Internal Audit conducted selective reviews of the effectiveness of the systems of risk management and internal controls of the Group over financial, operational and compliance controls. During the year, key areas of internal audit focus included controls relevant to multi-asset investment management, know your client/anti-money laundering and onboarding, business continuity management, and valuation. The reviews revealed no serious shortcomings in the Groups' internal control systems within the year. The Audit Committee and the Board were not aware of any major areas of concern that would have a material impact on the financial position or results of operations of the Group and considered the risk management and internal control systems to be generally effective and adequate including the adequacy of resources, staff qualifications and experience, training programs and budget of the accounting, internal audit and financial reporting functions.

### Emolument policy and Directors' remuneration

Remuneration packages that take into account business performance, market practices and competitive market conditions are offered to employees in compensation for their contributions. In line with our emphasis on recognition of performance and human capital retention, we reward our employees with year-end discretionary bonus which is linked to our financial performance for that financial year. The Company has adopted share option schemes as long-term incentive schemes for Directors and eligible participants, details of which are set out in the section headed "Share options" of the Report of the directors.

The emoluments of the Directors are reviewed and approved by the Remuneration Committee, with reference to prevailing market conditions and their duties and responsibilities at the Company.

### Auditor's remuneration

The remuneration of the audit services rendered by the auditor of the Company was mutually agreed in view of the scope of services to be provided. The audit fee for the year ended 31 December 2024 was approximately HK\$3.5 million. In addition, the auditor of the Company also provided non-audit services (which included tax compliance and other tax services, financial due diligence services and Environmental, Social and Governance report services) to the Group in 2024 and the fee was approximately HK\$1.0 million.

### Preparation of Financial Statements

The Directors acknowledge their responsibility for preparing consolidated financial statements of the Group for the year ended 31 December 2024 (the “Financial Statements”).

### Dividend Policy

The Company has adopted the Dividend Policy which aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company. In recommending or declaring dividends, the Company shall maintain adequate cash reserves for meeting its working capital requirements and needs for future growth as well as its shareholder value in the long-run. The amount of dividends (if any) that may be declared and distributed to the shareholders of the Company is subject to the discretion of the Board, the Constitution of the Company and all applicable laws and regulations and other factors. The Board shall also take into account various factors of the Group when considering the declaration and payment of dividends. The Board will review the Dividend Policy as appropriate from time to time.

### Communication with Shareholders

The Company has adopted a shareholders communication policy (which is available on the Company's website) to ensure that Shareholders, and in appropriate circumstances, the investment community at large, are provided with ready, equal and timely access to balanced and understandable information about the Company, in order to enable shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

During the year, the Company has reviewed the implementation and effectiveness of the shareholders' communication policy. Having considered the various existing channels of communication and shareholders' participation including general meetings, which provide a forum for shareholders of the Company to make comments and exchange views with the Board, publication of announcements, annual and interim reports and key corporate governance policies on the Stock Exchange and the Company's websites, and the availability of the latest corporate information on the Company's website for effective communication between the shareholders and the Company, the Company considers that the shareholders' communication policy has been properly implemented and effective during the year.

#### 1. Information disclosure

The Company endeavours to disclose all material information about the Group to all interested parties as timely as possible. The Company maintains a website at [www.valuepartners-group.com](http://www.valuepartners-group.com) to keep shareholders and investors posted of the latest business developments, interim and annual results announcements, financial reports, public announcements, corporate governance practices and other relevant information of the Group.

To ensure our investors and shareholders have a better understanding of the Company, our Investor Relation team communicates with research analysts, investors and shareholders in an on-going manner. The Company actively distributes information on the annual and interim results, an archive of the webcast is on the Company's website so that the results presentation is easily and readily accessible to investors and shareholders all over the world.



# Corporate governance report

## 2. General meetings with shareholders

The Company regards the annual general meeting (“AGM”) an important event as it provides a platform for the Board to communicate with the shareholders. The notice of AGM is sent to the shareholders at least 21 clear days prior to the date of AGM. One of the Co-Chairmen takes the chair in the AGM to ensure shareholders’ views and questions are well communicated and answered by the Board. Separate resolutions are proposed on each substantially separate issue at the general meetings.

The attendance records of each Director at the AGM for the year 2024 held on 7 May 2024 are set out below:

	No. of AGM attended/held
<b>Executive Directors</b>	
Dato’ Seri CHEAH Cheng Hye ( <i>Co-Chairman</i> )	1/1
Mr. SO Chun Ki Louis ( <i>Co-Chairman</i> )	1/1
Ms. HUNG Yeuk Yan Renee	1/1
Mr. HO Man Kei, Norman	1/1
<b>Independent Non-executive Directors</b>	
Dr. CHEN Shih-Ta Michael	1/1
Mr. Nobuo OYAMA	0/1
Mr. WONG Poh Weng	1/1

We had around 146 shareholders or their representatives that participated in our AGM for the year 2024 and all the resolutions proposed were passed by poll voting in the meeting. Representatives of the auditor also attended this AGM. Poll results are made publicly available on the same day of the meeting, typically in the space of a few hours, to ensure the timely disclosure of information. Other than the AGM, no other general meetings were held for the year ended 31 December 2024.

## 3. Shareholders’ rights

The investor relations team of the Company responds to emails, letters and telephone enquiries from the public, shareholders and investors. Any enquiry on matters related to the Company and to be addressed to the Board may be put in writing and sent to the principal office of the Company in Hong Kong or through an email to [ir@vp.com.hk](mailto:ir@vp.com.hk).

Pursuant to the articles of association of the Company, the Board may call an extraordinary general meeting whenever it thinks fit. Any one or more members holding at the date of deposit of the requisition not less than one-tenth of such of the paid-up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Company Secretary, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

Shareholders are welcomed to suggest proposals relating to the operations, strategy and/or management of the Group to be discussed at general meeting. Proposal shall be sent to the Board or the Company Secretary by written requisition. Pursuant to the articles of association of the Company, shareholders who wish to put forward a proposal should convene an extraordinary general meeting by following the procedures set out in above paragraph.

The memorandum and articles of association of the Company is available on the Company’s website. For the year ended 31 December 2024, there had been no change to the Company’s memorandum and articles of association.

# Environmental, social and governance report

## 2024 Highlights



### Sustainability Journey Diagram



# Environmental, social and governance report

## Awards and Recognition

We take pride in our commitment to sustainability, innovation, and excellence. Over the past year, our efforts have been recognized by esteemed organizations, reflecting our dedication to driving positive impacts. These accolades not only underscore our achievements but also inspire us to continuously improve and align our operations with global standards and stakeholder expectations. Below is a selection of awards and recognitions we received in 2024.

<b>Sustainability Governance</b>	GBA Listed Companies ESG100 Green Advancement Awards – Governance Excellence Award The Greater Bay Area Association of Listed Companies		
<b>Responsible Business</b>	“Top Investment House” in G3 Bonds 2024 category The Asset Benchmark Research Awards 2024	“The Most Astute Investors” – Highly commended in G3 Bonds 2024 (Tiffany Choi, Value Partners Assistant Fund Manager) The Asset Benchmark Research Awards 2024	The 9th Yinghua China Private Fund Company Awards Exemplary Foreign Private Equity Institution
<b>Workforce Empowerment</b>	5 Years Plus Caring Company The Hong Kong Council of Social Service		Happy Company 2024 Promoting Happiness Index Foundation
<b>Climate Response and Green Operation</b>			
	Hong Kong Green Organisation Environmental Campaign Committee	Wastewi\$e Certificate – Excellent Level Hong Kong Green Organisation	Energywi\$e Certificate – Good Level Hong Kong Green Organisation
	Food Wise Charter Food Wise Hong Kong Campaign	Energy Saving Charter Environment and Ecology Bureau	Certificate of CO <sub>2</sub> Reduction in Paper Recycling Confidential Materials Destruction Service Limited

## About This Report

### Reporting Purpose, Period and Scope

This Report (the “Report”) outlines our management approach to sustainability, including strategies, policies and performance. Unless otherwise specified, the Report covers our core business operations, encompassing our main offices in Hong Kong, Shanghai, Shenzhen, Singapore and London for the period from 1 January 2024 to 31 December 2024 (the “Reporting Period”). Kuala Lumpur office has been removed from the reporting scope as the Group no longer has control over the relevant operation.

### Reporting Standards and Principles

The Report has been prepared in accordance with the disclosure requirements of the Environmental, Social and Governance Reporting Code (the “ESG Reporting Code”) as set out in Appendix C2 to the Rules Governing the Listing of Securities (the “Listing Rules”) issued by The Stock Exchange of Hong Kong Limited (the “HKEx”). The Report adheres to the reporting principles below, as stipulated in the ESG Reporting Code:

Principles	The Group’s Responses
<b>Materiality</b>	
When the ESG issues covered in this Report have a material impact on investors and other stakeholders, the Group should provide relevant disclosures.	We maintain effective communication with our stakeholders through various channels and identify material ESG issues that are relevant and important to both the Group and our stakeholders.
<b>Quantitative</b>	
The Report should disclose measurable key performance indicators (“KPIs”). Targets should be set to reduce impacts. Quantitative information should be accompanied by a narrative, explaining its purpose, impacts and given comparative data where appropriate.	The Report discloses its environmental and social KPIs in a quantitative and comparative manner, with descriptions where appropriate.
<b>Balance</b>	
The Report should impartially present the performance and challenges faced by the Group, avoiding any potential influence on the reader’s decision-making or judgment through biased choices, omissions or reporting formats.	We disclose our environmental and social impacts and performance in a balanced manner, covering our achievements, challenges and room for improvement in relation to material issues, as well as reporting comprehensive KPIs and data.
<b>Consistency</b>	
The Group shall prepare the Report with consistent methodologies to allow for meaningful comparisons of ESG data over time.	Unless otherwise specified, we adopt consistent methodologies for the calculation of KPIs and conduct appropriate comparisons in the Report.

### Access to the Report

This Report is available in both English and Chinese versions on the website of the HKEx. The English version shall prevail in case of discrepancies between the English and Chinese versions.

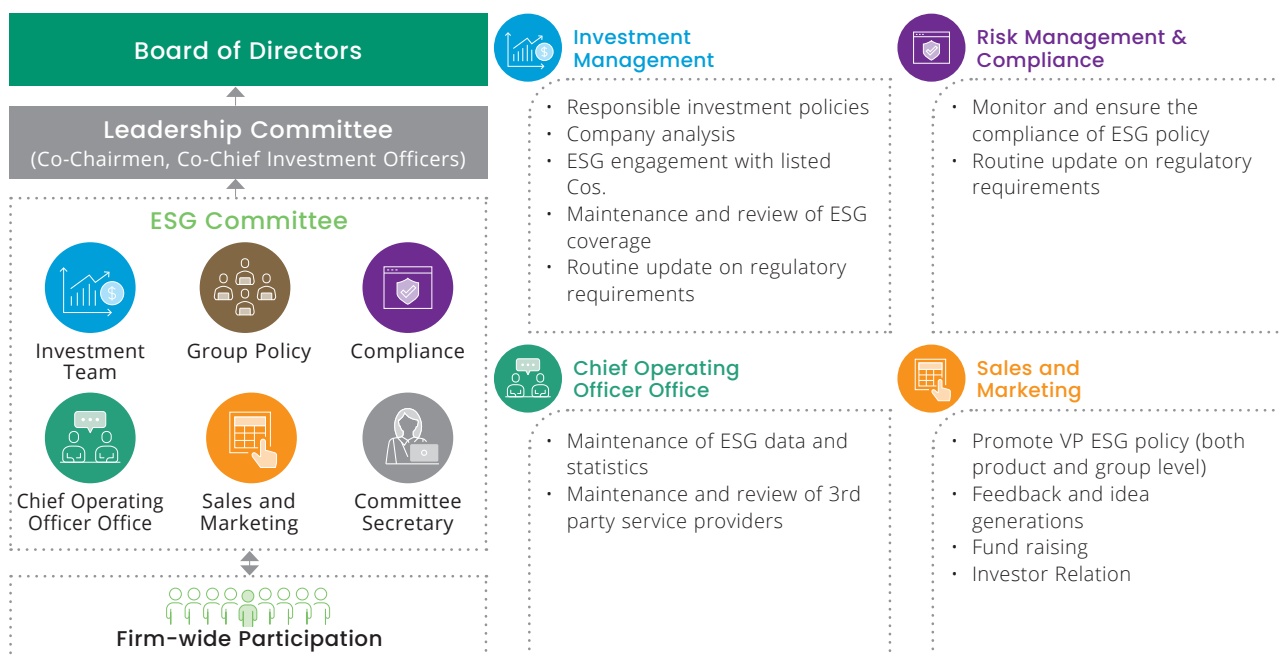
# Environmental, social and governance report

## Approach to Sustainability

### ESG Governance and Board's Oversight

Our commitment to sustainability is driven at the highest level by our Board of Directors (the "Board"). The Board holds overall responsibility for our ESG strategy and reporting. Together with the Leadership Committee, the Board provides an oversight of ESG issues and steers firm-wide involvement in responsible investment.

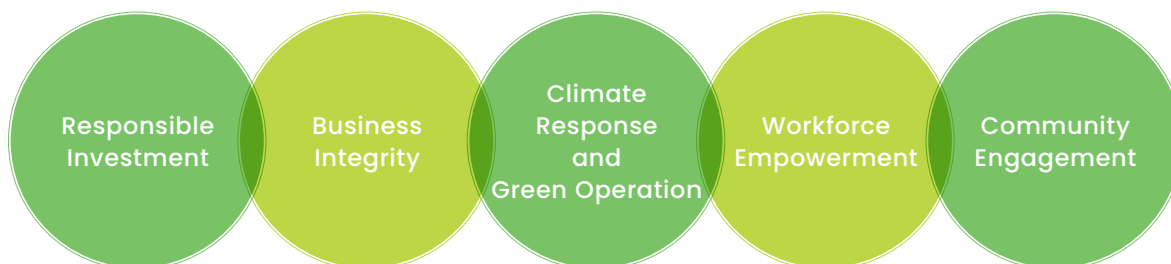
Delegated by the Board and overseen by the Leadership Committee, the ESG Committee (the "ESG Committee") acts as the overarching body for advising the Board on ESG issues and driving our sustainability efforts. The ESG Committee is tasked with implementing and monitoring the Group's ESG management approach, strategy, and issues to drive the planning and implementation of the Group's ESG-related matters as well as review progress made against ESG-related goals and targets. Additionally, the ESG Committee supports the Board in monitoring ESG-related issues and risks. Please refer to the [Responsible Investing Policy](#) for details of the roles and responsibilities of each department within the ESG Committee.



To nurture a strong ESG culture and promote responsible investing, Value Partners hosted the CFA Institute to organize a workshop for all relevant staff members on ESG investing certifications.

### Sustainability Management Approach and Strategy

Value Partners believes that sustainability is integral to the long-term success of its business. Guided by a philosophy of creating value for stakeholders, the Group aligns its efforts with the principles of sustainable and responsible growth. By structuring our approach around five strategic pillars, we aspire to be a responsible corporate citizen. Transparency and accountability are important foundations for building trust with our stakeholders.



## ESG Risk Management and Governance

The Board holds ultimate responsibility for overseeing the Group’s ESG-related risk management. The ESG Committee, Risk Management, Legal & Compliance departments and Group Internal Audit teams assist the Board and the Audit Committee in reviewing the effectiveness of the Group’s risk management system. This includes the ongoing evaluation, prioritization and management of the Group’s material risks, including ESG-related risks. The Risk Management Committee reports on the identified material risks, along with appropriate mitigation and/or transfer measures to the Audit Committee regularly. We maintain a robust risk management framework based on the “Three Lines of Defense” model, ensuring clear responsibilities and reporting procedures. For details on our corporate governance and risk management practices, please refer to the Corporate Governance Report in this Annual Report.

The Group has a Business Continuity Plan (“BCP”) to ensure critical operations continue during disasters. Reviewed annually by our information risk officer and tested regularly, the BCP ensures systems and processes function effectively. Essential staff, including IT, Middle office and Compliance, are trained in their designated roles.

## Stakeholder Engagement

We engage with key stakeholders through the following communication channels to foster strong relationships and gather feedback.





# Environmental, social and governance report

## Materiality Assessment

We reviewed last year's material topics and conducted a comprehensive review of ESG frameworks, ratings, and peer benchmarking to identify key trends. In 2024, we introduced client experience as a material topic, reflecting our commitment to service excellence. Based on our findings and stakeholder insights, we prioritized the material topics below, which were subsequently validated by the Board.

- ◆ Responsible Investment
- ◆ Professional Integrity and Business Ethics
- ◆ Climate Change Resilience
- ◆ Client Experience
- ◆ Technology, Privacy and Information Security
- ◆ Corporate Governance
- ◆ Employment
- ◆ Employee Health, Safety and Wellbeing
- ◆ Enterprise Risk Management
- ◆ Diversity, Equity, and Inclusion
- ◆ Human Capital Development
- ◆ Operational Environmental Footprint
- ◆ Community Investment and Engagement
- ◆ Supply Chain Management

## Responsible Investment

We recognize that ESG factors are essential to business sustainability and long-term success. These factors can significantly impact businesses and investment portfolios, making ESG integration a crucial part of our investment process to identify opportunities and mitigate risks.

### Responsible Investment Practices

Since 2019, ESG considerations have been embedded in our investment process, strengthening our assessment framework, mitigating risks, and identifying sustainable, long-term opportunities. Our investment philosophy is guided by the 3R Principles – investing in the Right business that is run by the Right people and is at the Right price – with governance playing a key role. It is our belief that ESG factors will increasingly play a crucial role to differentiate risks and opportunities among our investees in the region. To strengthen this approach, we have established the [Responsible Investing Policy](#) and [Proxy Voting Policy](#) to guide ESG integration and stewardship in investment processes.



Since becoming a signatory of the United Nations Principles for Responsible Investment ("PRI") in July 2019, we have aligned our operations with its principles, integrating ESG factors into our investment processes and promoting responsible investment practices across the industry.

### Our Approach to Responsible Investment

The establishment of our proprietary ESG assessment framework and reaching 100% coverage of our ESG assessment for all our listed investees across equities and fixed income security holdings were among the most crucial and essential milestones in our ESG journey. It is the cornerstone of Value Partners' ESG integration framework, laying the foundation for our investment process and enabling targeted ESG research in the often underdeveloped and inefficient markets of emerging Asia. Our proprietary rating system empowers us to assess ESG performance systematically, ensuring that our investment decisions are aligned with sustainable growth objectives.










# Environmental, social and governance report

In 2024, we built upon and strengthened the progress achieved in 2023 under the theme of “Engagement and Stewardship”. As an active fund manager, we doubled the number of engagements with investee companies with over 270 ESG-related topic interactions, covering themes such as food and nutrition, climate mitigation, biodiversity, waste management, supply chain management, modern slavery, and diversity and inclusion. These efforts reinforce our commitment to fostering sustainable practices and driving positive change through active stewardship.

Value Partners has joined the Farm Animal Investment Risk and Return Initiative (“FAIRR Initiative”) and the World Benchmarking Alliance (“WBA”) whose allies strive to drive positive impacts along the food value chain through collaboration. In alignment with our commitments, we have become a signatory to several critical initiatives. These include the investor letter on climate and nature-related risks of a livestock and poultry farming company in China, where we collaborated with FAIRR, several asset owners and asset managers with over US\$323 billion AUM to engage with the company to discuss the opportunities to mitigate climate and nature-related risks in the animal protein sector. Additionally, we have signed the investor action on antimicrobial resistance, the waste & pollution engagement, and the protein diversification engagement.

## Our Responsible Investing Procedure

ESG consideration is an integral part of the Group’s investment process. The Group takes ESG issues into account as part of the investment process to ensure our investees maintain an adequate level of governance standards and mitigate environmental and social risks that could expose us to losses and reputational risks. The Group is cognizant that ESG risk management can also lead to investment opportunities. The integration of ESG factors in our investment process consists of four steps:

	What we do	Who’s in charge
<b>1 Risk-based exclusion</b> Initial step	 Negative screens   ESG investible universe	ESG Analysts
<b>2 Proprietary risk assessment</b> The core pillar of our ESG investment process	 30+ ESG factors   Proprietary ESG assessment	ESG Analysts Investment Management Team
<b>3 Active Engagement</b> The core pillar of our ESG investment process	 Fiduciary duty  Engagement with investees to address concerns & track progress	ESG Analysts Investment Management Team Compliance Team
<b>4 Post-trade monitoring</b> Risk management	 Scope of review: RI policy enforcement Monitor Portfolio ESG scoring on group and portfolio levels	

Please refer to the [Responsible Investing Policy](#) for details of our responsible investment approach.

## Environmental, social and governance report

Recognizing the importance of ESG integration across different asset classes, we apply our responsible investing policy to our real estate private equity investments, where sustainability considerations are playing an increasingly pivotal role. For instance, carbon efficiency of buildings has been increasingly crucial to tenants and governments, including Australia and New Zealand, where regulations are enforced to ensure energy efficiency of the buildings to meet respective standards. Our investment screening process requires a minimum ESG rating in countries like Australia and New Zealand. Our investment properties in Australia achieved the National Australian Built Environment Rating System (“NABERS”) 5-6 stars Energy ratings, one of the office building has signed an energy supply agreement to ensure the base buildings power is sourced from 100% renewable energy. Meanwhile, five out of seven logistics centers in Northern Italy have achieved Building Research Establishment Environmental Assessment Methodology (“BREEAM”) Good and Very Good Certifications.

### Case Study

### Collaborative Engagement with a Leading Dairy Products Producer

In collaboration with FAIRR, a UK-based non-profit organization focused on sustainable food systems, we engaged with a dairy producer to validate its ESG performance and provide insights into its sustainability initiatives.

#### Climate Action

The company strengthened its carbon management by assisting suppliers in setting reduction targets and developing a low-carbon feed that reduces methane emissions from dairy cows by 20%. It reaffirmed its commitment to Science Based Targets initiative’s near-term targets, prioritizing operational upgrades and carbon credit purchases.

#### Zero-deforestation

Committed to aligning with TNFD, the company pledged to achieve a deforestation-free supply chain for palm oil, soy, pulp, and livestock feed by 2030.

#### Supply Chain Transparency

By digitizing supplier systems and joining Supplier Ethical Data Exchange, the company improved ethical supply chain practices, ensuring better oversight of veterinary drug usage and eliminating excessive antibiotic use over the past three years.

#### Nutrition Goals

The company set low-sugar targets for children’s products, aiming for all items to meet reduced sugar and fat standards by 2025.

#### Engagement Conclusion

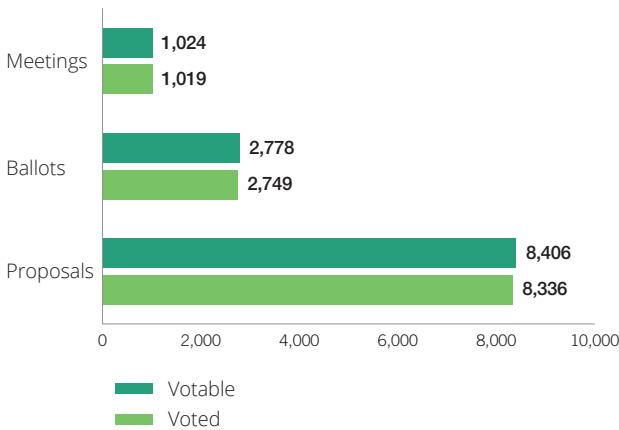
This engagement validated the company’s ESG efforts, particularly in climate action, supply chain management, and product innovation. It also provided actionable insights for advancing sustainability and aligning with global ESG priorities.

Guided by the [Proxy Voting Policy](#), we exercise our voting rights to fulfill our active ownership duties and align with our commitment to PRI and the Principles of Responsible Ownership issued by the Hong Kong Securities and Futures Commission (“HKSF”). To enhance the voting process, we engage a third-party proxy advisory firm for informed voting decisions. We have adopted proxy voting recommendations consistent with our sustainability objectives, further strengthening our stewardship efforts through active engagement. In 2024, we have:

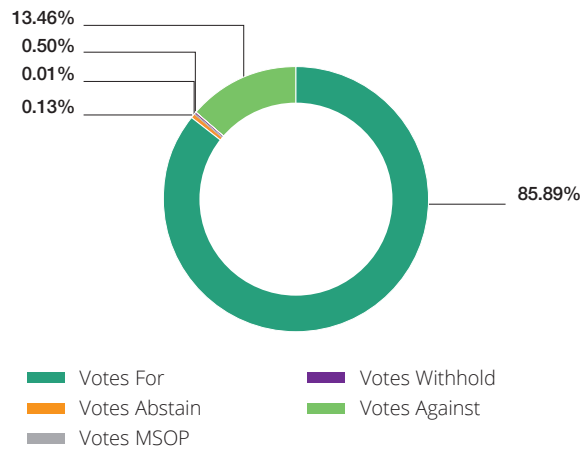
- voted in over 99% of the votable meeting;
- made 14% of our votes “against management recommendations”, “withhold” or “abstain” in 45% of shareholder meetings.

# Environmental, social and governance report

## Voting Statistics



## Vote Cast Statistics



## Case Study: Proxy Voting on Climate Oversight

In accordance with our Proxy Voting Policy, a vote AGAINST was warranted to a director election proposal at an oil and gas company.

Our vote against the incumbent chair of the committee responsible for climate risk oversight was driven by the company's failure to align with investor expectations on Net Zero by 2050 targets and commitments. Achieving net-zero emissions is of paramount importance for an oil and gas company, as the industry is one of the largest contributors to GHG emissions.



We continue to strengthen our ESG framework, scaling up engagement and driving positive impacts. Collaborating with non-profits like FAIRR has enhanced our ESG research and engagement strategies. Building on this, we aim to deepen interactions with investee companies, focusing on heavy carbon emitters to address key climate challenges. Committed to responsible investment, we strive to create long-term value for stakeholders and communities.

# Environmental, social and governance report

## Business Integrity

We are committed to responsible business practices and compliance with applicable laws and regulations in relation to bribery, extortion, fraud and money laundering, and privacy matters related to products and services, such as Personal Data (Privacy) Ordinance of Hong Kong and the General Data Protection Regulation of the European Union.

We were not aware of any material non-compliance of relevant laws and regulations during the Reporting Period.

## Client Experience

We prioritize exceptional services to enhance client experience and satisfaction through continuous engagement and interactions, resulting in zero substantiated client complaints in 2024. Our initiatives included:

- Regularly engaging retail clients through in-person meetings or virtual calls for feedback;
- Assigning a dedicated intermediary team for individual accounts and service quality;
- Conducting structured review meetings with institutional clients, supplemented by ad-hoc calls and events;
- Organizing roadshows, seminars, and luncheons to strengthen relationships and refine solutions; and
- Addressing client concerns fairly and promptly under our Complaint Handling Policy.

## Information Security and Privacy

We are committed to safeguarding the data privacy of employees, clients, and business partners. Provisions are embedded in our Privacy Policy, explanatory memorandums, and service agreements to uphold these standards. Our approach includes:

- Prohibiting the sale or sharing of personal data beyond service-related purposes;
- Handling confidential client trading information on a “Need-to-Know” basis with stringent controls;
- Implementing security technologies such as endpoint protection, privileged account management, secure email gateways, and data loss prevention solutions to prevent breaches;
- Implementing prompt remediation for data breaches, including activating an incident response plan, notifying affected parties and reporting to authorities when necessary;
- Granting individuals rights to access, rectify, or request the deletion of their personal data, with access rights reviewed annually to align with job functions; and
- Conducting regular employee training and security awareness programs.

## Cybersecurity

Our Information Technology and Security Policy, aligned with ISO 27001 and ISO 20000, provides guidance on IT operations, asset management, and incident response. Oversight is managed by the IT Steering Committee, while IT and Information Risk teams ensure risk remediation and policy updates. Our approach includes:

- Annual internal and external audits, vulnerability assessments, and third-party penetration testing to ensure security effectiveness, with no critical or high-risk findings in 2024;
- Cybersecurity awareness through mandatory employee training, phishing assessments, and published cybersecurity tips on our website to help clients, suppliers and business partners and the public safeguard their information;

## Environmental, social and governance report

- Strict data protection, including access control, encryption and compliance with data collection, usage and retention policies; and
- Securing data centers with physical access controls, surveillance, and fire protection systems.

### Ethical Business

Value Partners maintains a zero-tolerance policy towards corruption and money laundering, integrating the fight against these activities into its core ethical standards. The Group fully cooperates with regulators when necessary. To uphold ethical business practices, the Group has implemented a comprehensive Compliance framework, including a firm-wide Code of Ethics. This Code, grounded in legal and regulatory requirements, sets the minimum standard for all employees. Staff are regularly reminded of their fiduciary duties to clients, the firm, and market integrity, and must formally acknowledge and annually confirm their compliance.

The Group has also established the Prevention of Money Laundering and Terrorist Financing Policy and Procedures to ensure employees understand and meet their obligations. The policy outlines and requires all employees to comply with all relevant legislation and codes while making investment decisions. Applicable legislation and codes include: Anti-Money Laundering and Counter-Terrorist Financing Ordinance (“AMLO”), Guideline on Anti-Money Laundering and Counter-Terrorist Financing (“AML Guideline”), Drug Trafficking (Recovery of Proceeds) Ordinance (“DTROP”), Organized and Serious Crimes Ordinance (“OSCO”), United Nations (Anti-Terrorism Measures) Ordinance (“UNATMO”), Weapons of Mass Destruction (Control of Provision of Services) Ordinance (“WMD(CPS)O”), Code of Conduct for Persons Licensed by or Registered with the Securities and Futures Commission.

One of the policies to highlight is the implementation of a group-wide Anti-Money Laundering (“AML”) and counter-terrorist financing framework designed to ensure compliance with all applicable anti-money laundering laws and regulations. The Group’s AML policy is followed by all subsidiaries to ensure strict compliance and outlines the following:

The appointment of a Money Laundering Reporting Officer and an Anti-Money Laundering Compliance Officer with sufficient seniority who oversee the Group’s compliance with relevant legislations and industry guidance

Monitoring and reporting of suspicious transactions or activities within the Group and to the relevant law enforcement authorities

AML training programs provided to new hires and existing staff on an annual basis

A risk-based approach in assessing and managing the money laundering and terrorist financing risks, a risk-based program for customer due diligence, identification, verification and know your customer (KYC) procedures, including enhanced due diligence for those customers presenting higher risk

Screening of clients and transactions against applicable financial sanctions and embargo programs

Appropriate communications, internal controls, audits and monitoring arrangements to ensure that the Group’s AML Policy is conveyed clearly and complied with in practice

## Environmental, social and governance report

The ethical standards of all operations are audited at least once every three years, with the above framework being regularly reviewed by the Compliance team and tested by Internal Audit to ensure compliance with applicable regulations and guidance set out by the HKSFCA.

We are committed to ethical practices and preventing modern slavery, with robust policies in place. Unethical or fraudulent behavior is strictly prohibited, and all directors, officers, employees, and representatives must adhere to these policies as a condition of employment or engagement. The Code of Ethics requires employees to act with honesty, professionalism, and integrity, safeguarding clients' interests while maintaining market integrity. Conflicts of interest must be avoided and disclosed if unavoidable. The Group enforces strict controls on staff trading activities, monitoring all trades. Employees must submit an initial holdings report within 10 days of joining and provide semi-annual updates to identify improper trades. Violations are thoroughly investigated and may result in disciplinary action. Internal policies are regularly reviewed to align with the HKSFCA's Fund Manager Code of Conduct.

In 2021, the Group expanded the language in its Code of Ethics to align with the Prevention of Bribery Ordinance (Cap. 201) ("POBO") and relevant guidance issued by the Independent Commission Against Corruption ("ICAC") in Hong Kong. All operations are assessed for corruption risks, and no critical concerns have been identified. In 2024, there were no concluded legal cases regarding corrupt practices against our employees or the Group.

The Audit Committee is responsible for overseeing the Group's ethics issues, including confidential arrangements for employees to raise concerns about financial reporting, internal controls, or ethical issues. The Group's Whistleblowing Policy provides clear reporting channels and procedures, ensuring confidentiality and protection against retaliation for employees and third parties, such as contractors, who report misconduct or irregularities. Reports can be made directly to the Chairman of the Audit Committee in confidence, with identities safeguarded and all complaints promptly investigated. Confirmed misconduct leads to appropriate remedial actions. The Group remains committed to protecting employees from any form of reprisal or discrimination for reporting concerns. During the Reporting Period, there were no such incidents reported.

Employee training on ethical standards is provided to all employees (including part-time) and contractors on a regular basis. During the Reporting Period, we have conducted 10 training sessions, providing a total of 10.5 hours of compliance training to all employees (including part-time) and directors, topics included but not limited to insider dealing, anti-money laundering and anti-bribery.

### Supply Chain Management

The Group's approach to sustainability extends beyond our investment products to encompass our supply chain management. We are dedicated to fostering long-term, mutually beneficial relationships with our suppliers. Our supplier selection is based on a comprehensive evaluation that goes beyond pricing. Key factors such as product and service quality, reliability, and suitability are integral to our decision-making process. Our Procurement Policy mandates a legal review for suppliers to assess their compliance. In addition, we conduct due diligence on suppliers and business partners, concerning data privacy and protection. This includes assessing their access control measures and leakage prevention protocols upon onboarding. Suppliers are contractually required to respond to ad hoc inspections upon request. Our Conflicts of Interest Policy covers suppliers, ensuring integrity and ethical business practices.

### Climate Response and Green Operation

We are committed to taking responsibility for climate resilience, despite our office-based business nature. Our environmental management policies, including the Environmental Protection Charter and Office Guidelines, guide employees in reducing our environmental footprint and promoting responsible resource use. During the Reporting Period, the Group was not aware of any material non-compliance with relevant environmental laws and regulations.











# Environmental, social and governance report

## Adapting to Climate Change

We integrate climate risks into our strategy to ensure appropriate measures are implemented. We have made Climate Disclosure in response to the Requirements under the Fund Manager Code of Conduct and the Circular to licensed corporations on the management and disclosure of climate-related risks by fund managers published by the Securities and Futures Commission in Hong Kong. The Climate Disclosure has specified how the Board oversees climate risks and how climate-related considerations are integrated into our investment portfolio. The table below outlines the key climate risks relevant to our Group:

Risk Description	Our Measures
<b>Physical Risks</b>	
<b>Acute Risk</b> <i>Extreme weather events (flooding, typhoons, extreme heat, etc)</i>	<ul style="list-style-type: none"> <li>Implementing safety measures and conducting drills for employees located in extreme weather-prone areas</li> </ul>
<b>Transition Risks</b>	
Policy and Legal Risk	<ul style="list-style-type: none"> <li>Ensuring full awareness of stringent environmental regulations and the potential financial impact of carbon taxes, to avoid legal violations</li> <li>Designing and marketing climate-related products in compliance with new regulations to prevent breaches</li> </ul>
Reputation Risk	<ul style="list-style-type: none"> <li>Enhancing the Group's business model to align with the low-carbon economy</li> </ul>

To enhance our operations' resilience to climate change, we have set the following green targets:

Our Green Targets		Progress
 Emission	<ul style="list-style-type: none"> <li>To reduce our air and GHG emission by improving energy efficiency and incorporating energy-saving measures</li> </ul>	 Achieved
 Waste	<ul style="list-style-type: none"> <li>To reduce our waste generation by applying 3R principles, avoiding unnecessary consumption</li> </ul>	 Achieved
 Energy	<ul style="list-style-type: none"> <li>To reduce our energy consumption by enhancing energy efficiency of our equipment</li> </ul>	 Achieved
 Water	<ul style="list-style-type: none"> <li>To improve water efficiency by implementing water conservation measures</li> </ul>	 Achieved

# Environmental, social and governance report

## Environmental and Resources Management

We are committed to environmental sustainability for future generations, with everyone at Value Partners playing a role. Management fosters awareness, drives green initiatives, and embeds environmental considerations into the workplace. Employees are encouraged to follow environmental guidelines, participate in training, and report non-environmentally friendly practices.

### Energy, Air and GHG Emissions

Our primary sources of air emissions, GHG emissions, and energy consumption are purchased electricity and transportation. Air emissions are considered immaterial following our transition from conventional to electric vehicle during the Reporting Period. To minimize our environmental impact, we have implemented a range of green measures, including:

- Automating electrical equipment and lighting with timers after office hours;
- Displaying energy-saving reminders to encourage employees to turn off monitors, lights, air conditioners, and other electrical appliances when not in use; and
- Conducting monthly maintenance checks on air conditioner filters and drainage conduits.

#### Case Study

#### Integrated GoGreen Plus to our DHL shipments

During the Reporting Period, we incorporated GoGreen Plus into our DHL shipments, further advancing our sustainability initiatives to contribute to environmental protection. By using sustainable aviation fuel (“SAF”) instead of traditional aircraft fuel, GoGreen Plus allows us to cut carbon emissions from our shipments. This initiative helps lower our Scope 3 emissions within our value chain.



### Waste Management

Our non-hazardous waste primarily consists of general refuse. To minimize waste generation, we have implemented several waste management measures:

- Repairing damaged office items to extend their lifespan;
- Destroying and recycling wastepaper through a confidential destruction service;
- Promoting a paperless office by distributing most of our corporate communications electronically;
- Implementing initiatives to reduce waste and promote recycling, such as encouraging employees to bring their own bottles and use office water dispensers; and
- Establishing a recycling program to collect recycle materials like plastic bottles, aluminum cans, paper, and toner cartridges.

Recycled materials are sent to authorized dealers for proper disposal, minimizing environmental impact. During the Reporting Period, the Group recycled 1,962 kg (2023: 3,818 kg) of wastepaper, reducing 9,418 kg (2023: 18,327 kg) of CO<sub>2</sub> emissions, earning a CO<sub>2</sub> reduction certification from Confidential Materials Destruction Service Limited. Also, we collected 22.42kg (2023: 21.24 kg) of aluminum cans at our Hong Kong office and recycled 70% (2023: 54%) of toner cartridges. By participating in the “Computer & Communication Products Recycling Programme”, we support the community in reducing electronic waste.

## Case Study

### Mooncake Boxes Recycling Program 2024

During the Reporting Period, we encouraged our employees to participate in the Mooncake Boxes Recycling Program 2024, organized by the property management in collaboration with Greeners Action. This initiative promoted sustainability, reduced waste, and supported efficient resource utilization.



## Water Conservation

The Group sources water from local suppliers in regions where we operate. During the Reporting Period, we did not encounter any difficulties in sourcing water. We are committed to proactive water conservation and have implemented various measures, including:

- Displaying clear signage to remind employees of the importance of water conservation; and
- Promptly addressing leaking faucets.

## Green Procurement

We prioritize green procurement practices by selecting environmentally preferable products and services from suppliers. In accordance with our Procurement Policy, our approach includes:

- Purchasing eco-friendly stationery, such as Post-It Greener Notes made with 67% plant-based adhesives and 100% recyclable materials, and FSC-certified paper and ink pen refills to reduce plastic waste; and
- Prioritizing local suppliers to minimize transportation-related environmental impacts.

## Human Capital

We value the contributions of our employees and competitive remuneration and benefits. We strictly abide by employment laws and regulations in our areas of operation. Our comprehensive set of guidelines, including Employee Handbook and Code of Conduct, explicitly detail on compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare. During the Reporting Period, we were not aware of any material non-compliance of relevant employment and labor-related laws and regulations, including but not limited to the Employment Ordinance of Hong Kong.

## Caring for Employees

### Labor Standards

We adopt a zero-tolerance approach on child and any form of forced labor. All candidates must meet the legal age requirement and provide valid identification, which is verified by the Human Capital Department. If any child or forced labor is identified, immediate corrective action, including termination, will be taken. Our Human Capital Department regularly reviews recruitment practices to ensure compliance with these standards.

### Compensation and Benefits

The Group offers competitive and fair remuneration packages to attract and retain talent, regularly reviewing these packages to ensure alignment with market standards and the Group's performance. In addition to competitive salaries, all eligible employees enjoy a range of non-pay benefits, including medical insurance for full-time staff and their families, rental reimbursement of up to 40% of base salary, and stock options for senior management. Additional benefits, such as maternity, paternity, volunteer, marriage and birthday leave, are offered to meet employees' diverse needs.

## Environmental, social and governance report

To further foster a sense of belonging, employees are also given company merchandise. We also introduced AI-powered health checks during the Reporting Period to enhance employee well-being. Internal communication channels, such as WhatsApp, WeChat, Intranet, Teams, email announcements, and Townhall meetings, foster open communication.

To support work-life balance and engagement, we organize various events, including networking activities, sports events, and family-friendly occasions like the Christmas Party. The Group also provides family-oriented benefits, including maternity and paternity leave, subsidies for prenatal checkups, and breastfeeding rooms in the office. Additionally, during the Reporting Period, we launched the Recognition Program to acknowledge outstanding employees, rewarding them with special gifts.

### Health and Safety

The Group is committed to a safe workplace, prioritizing employee health and well-being. Comprehensive workplace safety policies, outlined in the Employee Handbook, include strict prohibitions on violence, threats, illicit drug use, and gaming on company premises. Employees are required to promptly report workplace injuries or infectious disease cases to their manager and the Human Capital Department. During the Reporting Period, we participated in a fire drill organized by building management. Emergency evacuation plans, including Fire Evacuation Procedures, and guidelines on addressing workplace injuries are readily available. During the Reporting Period, we were not aware of any material non-compliance of relevant health and safety-related laws and regulations.

### Diversity, Equity and Inclusion

We foster a high-performance culture through a clear performance evaluation process to motivate and engage employees. Promotion criteria include performance, client focus, teamwork, professionalism, and leadership, with 360-degree feedback for senior roles. Outstanding performers are rewarded through the Elite Program, while long-term incentives, such as Deferred Bonus Schemes and share options for eligible employees, align their interests with those of investors and shareholders.

The Group ensures equal promotion opportunities regardless of race, gender, ethnicity, or religion and invests in training and development resources. We encourage open, two-way communication, allowing staff to share insights with colleagues and supervisors.

As stipulated in our Code of Conduct, we have zero tolerance for any forms of harassment and discrimination in the workplace, with a confidential grievance mechanism in place. Employees with concerns about workplace misconduct, malpractice, or impropriety can contact their immediate supervisor or the Human Capital Department.

Diversity is viewed as a competitive advantage, reflected in the gender diversity of leadership roles, including positions held by women, such as Senior Investment Director, Chief Operating Officer, Chief Financial Officer, General Counsel, and Chief Compliance Officer. During the Reporting Period, the male to female ratio of employees was 1.27: 1 (2023: 1.01:1), and 11 out of 25 new hires were female (2023: 22 out of 32 new hires).

### Talent Development

To broaden our talent pool, we recruit through various channels, including job agencies, advertisements, employee referrals, and our official website. As part of our talent pipeline development strategy, we offer internships to students from diverse academic institutions, providing guidance and support from the early stages of their careers.

# Environmental, social and governance report

Our business thrives on skilled talent, so we prioritize offering strong career prospects and personal development opportunities. At Value Partners, we align interests, recognize performance, and retain talent. Employee performance is assessed through our comprehensive evaluation procedures. Performance appraisals are conducted at both mid-year and year-end, facilitating timely feedback between employees and supervisors. The Human Capital team provides ongoing guidance and oversees the appraisal process to ensure its effectiveness. The appraisal process flow is as follows:



Our Training Policy applies to all eligible employees and aims to encourage continuous learning and skill development. With our support for educational programs and professional certifications, all eligible employees who choose to take professional exams can apply for study leave. Those with more than six months of tenure are eligible for company sponsorship for a wide range of courses, seminars, conferences, and professional examinations or memberships. These initiatives foster a sense of shared accountability within the team and have been well-received by our employees.

We have launched an e-training platform offering flexible learning with personalized dashboard to track training progress and assigned courses. To further support career development, we offer secondment programs and job relocation opportunities, with staff requests reviewed by supervisors. During the Reporting Period, we conducted in-house and external training for all eligible employees, including contractors. These sessions, some in collaborations with educational institutions, focused on key skills and knowledge to support professional growth. Topics covered compliance, cybersecurity, and ESG Investing.

# Environmental, social and governance report

## Community Engagement

We are committed to raising sustainability awareness and supporting our community. Employees are encouraged to volunteer, with one day of paid volunteer leave annually. Our initiatives include charitable donations and volunteer activities focused on education, the environment, health, and culture. During the Reporting Period, we sponsored community initiatives and supported charitable organizations, including ongoing support of Heep Hong Society's fundraising efforts to provide timely assessments and training for children and youth with special needs. We actively promote education and sustainable development by collaborating with educational institutions, industry organizations, and community partners to advance knowledge, nurture talent, and drive awareness of sustainability practices:

### Enhancing Financial Literacy

#### GBA Fintech Talent Initiative

As part of the GBA Fintech Talent Initiative, organized by the Hong Kong United Youth Association in collaboration with Bloomberg and the Hong Kong Monetary Authority, we supported nurturing future fintech talent. The program engaged 13 students, connecting them with leaders and experts from over 20 financial companies, including Value Partners, and offering professional training tailored to the fintech industry. Participants also benefited from networking opportunities, bespoke career coaching, and skill-building sessions designed to prepare them for future career opportunities.

### Sharing ESG Mindsets

#### S&P Sustainable Investing Insights Sharing

We spoke at S&P Global Market Intelligence's seminar, "Navigating Climate Risk: Strategies for Sustainable Investing". Our representative joined a panel discussion to share expertise on integrating climate considerations into investment decisions and advancing sustainable investing practices.

#### CUHK Master's Programme on Sustainable Finance

As part of The Chinese University of Hong Kong Master's Program, we contributed to the course "Frontier Topics in Finance: Sustainable Finance", sharing insights on corporate sustainability, responsible investing, and the evolving role of financial institutions in advancing sustainable finance.

#### Research Centre for ESG, The Hang Seng University of Hong Kong

We joined a panel discussion at the Sustainability Leadership Forum organized by the ESG Research Centre of The Hang Seng University of Hong Kong, sharing insights on stakeholder-focused approaches to ESG and sustainable development.

## Appendix I: Performance KPI Data Summary

### Environmental Performance<sup>4,5</sup>

Indicator	2023	2024	Unit
<b>Emissions<sup>6</sup></b>			
<b>GHG Emissions</b>			
Total GHG (Scope 1 & 2) emissions <sup>7</sup>	352.1	301.8	Tonnes CO <sub>2</sub> e
• Direct emission (Scope 1)	1.8	0.3	Tonnes CO <sub>2</sub> e
• Energy indirect emission (Scope 2)	350.3	301.5	Tonnes CO <sub>2</sub> e
Total GHG (Scope 1 & 2) emissions intensity	1.92	1.90	Tonnes CO <sub>2</sub> e/employee
<b>Non-hazardous Waste<sup>8</sup></b>			
Total non-hazardous waste generation	5.2	5.2	Tonnes
Total non-hazardous waste generation intensity	0.03	0.03	Tonnes/employee
<b>Energy Consumption</b>			
Total energy consumption	563.8	478.7	MWh
• Purchased electricity	556.1	477.7	MWh
• Unleaded petrol	7.7	1.1	MWh
Total energy consumption intensity	3.1	3.0	MWh/employee
<b>Water Consumption<sup>9</sup></b>			
Total water consumption	8.0	-	m <sup>3</sup>
Total water consumption intensity	0.04	-	m <sup>3</sup> /employee

<sup>4</sup> Totals may not be the exact sum of numbers shown here due to rounding.

<sup>5</sup> Relevant environmental indicators will be reported for our Hong Kong headquarters and, where applicable, for our offices in Shanghai, Singapore. Environmental data for our Shenzhen, London and Beijing offices are excluded due to their immaterial environmental footprint.

<sup>6</sup> The air emissions of NO<sub>x</sub>, SO<sub>x</sub>, and other pollutants are insignificant in relation to our business operations.

<sup>7</sup> In accordance with The Greenhouse Gas Protocol – A Corporate Accounting and Reporting Standard (Revised Edition) published by the World Business Council for Sustainable Development and World Resources Institute, Scope 1 direct emissions are resulted from operations that are owned or controlled by the Group, while Scope 2 indirect emissions are resulted from the generation of purchased or acquired electricity, heating, cooling, and steam consumed within the Group.

<sup>8</sup> Due to our business nature, we were not aware of any significant generation of hazardous waste and did not consume any packaging material during the Reporting Period.

<sup>9</sup> Data of water consumption in Hong Kong was excluded as sub-meter for individual occupant was not provided by the respective building management.



# Environmental, social and governance report

## Social Performance

Indicator	2023	2024	Unit
<b>Workforce</b>			
Total Workforce	183	159	Number of People
By Gender			
• Male	92	84	Number of People
• Female	91	75	Number of People
By Employment Type			
• Permanent	182	153	Number of People
• Contract	1	3	Number of People
• Intern	–	3	Number of People
By Employment Category			
• Senior Management	28	23	Number of People
• Managers	90	76	Number of People
• General Staff	64	54	Number of People
• Temporary/Intern	1	6	Number of People
By Age			
• Under 30	32	25	Number of People
• 30-50	125	108	Number of People
• Above 50	26	26	Number of People
By Geographical Region			
• Hong Kong	131	125	Number of People
• Mainland China	36	26	Number of People
• Other Countries/Regions	16	8	Number of People
<b>Employee Turnover<sup>10</sup></b>			
Total Turnover	27	30	%
By Gender			
• Male	23	31	%
• Female	32	29	%
By Age			
• Under 30	44	42	%
• 30-50	22	27	%
• Above 50	31	20	%
By Geographical Region			
• Hong Kong	27	23	%
• Mainland China	28	42	%
• Other Countries/Regions	31	67	%

<sup>10</sup> The total number of terminated employees includes both voluntary and involuntary departure.

## Environmental, social and governance report

Indicator	2023	2024	Unit
<b>Health and Safety</b>			
Work-Related Fatality	0	0	Number
Lost Day due to Work Injury	0	0	Day(s)
<b>Employee Training<sup>11 12</sup></b>			
Total Training Hours	1,074	854	Hour(s)
Average Training Hours of Employees	5.9	6.2	Hour(s)
Percentage of Employees Trained	93	86	%
Average Training Hours by Gender			
• Male	6.1	6.9	Hour(s)
• Female	5.7	5.6	Hour(s)
Average Training Hours by Employee Categories			
• Senior Management	6.1	6.4	Hour(s)
• Managers	6.1	5.3	Hour(s)
• General Staff	5.5	7.5	Hour(s)
Percentage of Employees Trained by Gender			
• Male	97	82	%
• Female	90	91	%
Percentage of Employees Trained by Employee Categories			
• Senior Management	96	83	%
• Managers	97	93	%
• General Staff	88	87	%
<b>Product Responsibility</b>			
Products and Service-Related Complaints	0	0	Number
<b>Community Investment</b>			
Resources Contributed	102,000	23,000	HKD
Voluntary Service Hours	42	0	Hours

<sup>11</sup> The calculations of training data have included the relevant training data on those who left in the Group's core businesses, to present an accurate reflection of the training resources invested by the Group.

<sup>12</sup> Calculation of average training hours per employee: Training hours of employees in the specific category during the Reporting Period divided by number of employees in the specific category at the end of the Reporting Period. Calculation of employee trained: Number of employees trained in the specific category during the Reporting Period divided by number of employees in the specific category at the end of the Reporting Period x100%.

# Environmental, social and governance report

## Appendix II: HKEX ESG Reporting Code Index

ASPECT & KPI	CHAPTER
A. ENVIRONMENT	
ASPECT A1:EMISSIONS	
A1-GENERAL DISCLOSURE	Climate Response and Green Operation
A-1.1	Climate Response and Green Operation Not applicable to air emissions as they are considered immaterial.
A-1.2	Environmental Performance
A-1.3	Not applicable due to the business nature.
A-1.4	Environmental Performance
A-1.5	Climate Response and Green Operation
A-1.6	Climate Response and Green Operation
ASPECT A2:USE OF RESOURCES	
A2-GENERAL DISCLOSURE	Climate Response and Green Operation
A-2.1	Environmental Performance
A-2.2	Environmental Performance
A-2.3	Environmental and Resources Management
A-2.4	Environmental and Resources Management
A-2.5	Not applicable due to the business nature.
ASPECT A3:THE ENVIRONMENT AND NATURAL RESOURCES	
A3-GENERAL DISCLOSURE	Climate Response and Green Operation
A-3.1	Environmental and Resources Management
ASPECT A4:CLIMATE CHANGE	
A4-GENERAL DISCLOSURE	Adapting to Climate Change
A-4.1	Adapting to Climate Change
B. SOCIAL	
ASPECT B1:EMPLOYMENT AND LABOR PRACTICES	
B1-GENERAL DISCLOSURE	Workforce Empowerment
B-1.1	Social Performance
B-1.2	Social Performance

# Environmental, social and governance report

ASPECT & KPI	CHAPTER
<b>ASPECT B2:HEALTH AND SAFETY</b>	
B2-GENERAL DISCLOSURE	Health and Safety
B-2.1	Social Performance
B-2.2	Social Performance
B-2.3	Health and Safety
<b>ASPECT B3:DEVELOPMENT AND TRAINING</b>	
B3-GENERAL DISCLOSURE	Talent Development
B-3.1	Social Performance
B-3.2	Social Performance
<b>ASPECT B4:LABOR STANDARDS</b>	
B4-GENERAL DISCLOSURE	Labor Standards
B-4.1	Labor Standards
B-4.2	Labor Standards
B5-GENERAL DISCLOSURE	Ethical Business
B-5.1	Not applicable due to the business nature, which primarily involves sourcing office supplies from suppliers.
B-5.2	Ethical Business
B-5.3	Ethical Business
B-5.4	Green Procurement
<b>ASPECT B6:PRODUCT RESPONSIBILITY</b>	
B6-GENERAL DISCLOSURE	Responsible Business
B-6.1	Not applicable due to the business nature.
B-6.2	Client Satisfaction
B-6.3	Not applicable due to the business nature.
B-6.4	Not applicable due to the business nature.
B-6.5	Information Security and Privacy
<b>ASPECT B7:ANTI-CORRUPTION</b>	
B7-GENERAL DISCLOSURE	Ethical Business
B-7.1	Ethical Business
B-7.2	Ethical Business
B-7.3	Ethical Business
<b>ASPECT B8:COMMUNITY INVESTMENT</b>	
B8-GENERAL DISCLOSURE	Community Engagement
B-8.1	Community Engagement
B-8.2	Social Performance

# Independent auditor's report

Independent Auditor's Report  
To the Shareholders of Value Partners Group Limited  
*(incorporated in Cayman Islands with limited liability)*

## Opinion

### What we have audited

The consolidated financial statements of Value Partners Group Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 82 to 144, comprise:

- the consolidated balance sheet as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated cash flow statement for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

### Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### Basis for Opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

## Key Audit Matters (continued)

Key audit matters identified in our audit are summarised as follows:

- Fee income recognition
- Valuation of investments in investment properties
- Valuation of investments that are categorized within level 3 of the fair value hierarchy

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Fee income recognition</p> <p>For the year ended 31 December 2024, the Group has recognized fee income of HK\$466.8 million, which primarily includes management fees of HK\$397.4 million and performance fee of HK\$12.3 million.</p> <p>We focused on this area due to the significance of the amount and the risks arising from the manual process involved in fee income recognition.</p> <p>The calculation of management fee and performance fee income involves manual process and there is an inherent risk of material misstatement due to the following:</p> <ul style="list-style-type: none"> <li>a) Interpretation of contractual terms from the relevant prospectus or investment management agreements;</li> <li>b) Manual input of key contractual terms and fee rates in relevant spreadsheets;</li> <li>c) Calculation of management fee and performance fee based on the net assets values of the investment funds obtained from the third party fund administrators; and</li> <li>d) Calculation of management fee and performance fee based on the details of assets under management obtained from the third party custodians of the managed accounts.</li> </ul> <p>The Group's disclosures of fee income are detailed in Note 6 to the consolidated financial statements.</p>	<p>Our work included assessing and testing management's key controls on fee income recognition:</p> <ol style="list-style-type: none"> <li>1. We assessed and tested the key controls of the Group in place over the recognition and calculation of management fee and performance fee income;</li> <li>2. We developed an understanding of the control objectives and related controls relevant to our audit on the asset under management of the Group by obtaining the service organisation internal control reports provided by the relevant third party fund administrator setting out the controls in place, and the independent service auditor's assurance report over the design and operating effectiveness of those controls; and</li> <li>3. We assessed and tested the controls in place over the maintenance of records of assets under management, including the reconciliation to custodian statements.</li> </ol> <p>We also performed the following tests on a sample basis:</p> <ol style="list-style-type: none"> <li>1. We reviewed the key terms and agreed the fee rates against the contractual terms from the relevant prospectus or investment management agreements;</li> <li>2. We checked the accuracy of the records of assets under management by examining relevant third party custodian statements;</li> <li>3. We checked the mathematical accuracy of the fee calculations; and</li> <li>4. We checked the settlement of the fee income.</li> </ol> <p>No material issues arose from the above testing.</p>

## Independent auditor's report

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Valuation of investments in investment properties</p> <p>As at 31 December 2024, the Group held direct interests in an investment property and also held indirect interest in various investment properties through a closed-end private equity real estate fund, Value Partners Asia Pacific Real Estate Limited Partnership (the "Real Estate Partnership"). Through the Group's interest in the Real Estate Partnership, the Group held:</p> <ol style="list-style-type: none"><li>a) an investment property directly held by the Group accounted for at fair value through profit or loss, amounting to HK\$173.3 million; and</li><li>b) investments in four joint ventures through Real Estate Partnership, accounted for under the equity method amounting to HK\$479.7 million, which included an assessment of the fair value of the joint ventures' underlying investment properties.</li></ol> <p>The determination of the fair value of the investment properties requires significant management judgment.</p> <p>External valuations were obtained to support management's estimates of the investment properties. The valuations of the investment properties are dependent on certain key assumptions that require significant judgment, including the capitalization rates and market rents.</p> <p>We focused on the valuation of these investments due to the significance of the amounts and high degree of estimation uncertainty. The inherent risk in relation to valuation of these investments is considered significant due to the high complexity of the models and the significant management judgment involved in determining the values of these investments.</p> <p>The Group's disclosures of the investments in investment property and joint ventures are detailed in Note 19 and Note 16 to the consolidated financial statements, respectively.</p>	<p>Our work included an assessment of management's key controls over the valuation of the investments:</p> <ol style="list-style-type: none"><li>1. We obtained an understanding of management's internal control and assessment process of the valuation methodologies and the process employed by management with respect to determining the fair values of the investments in the direct holding of investment property and the underlying investment properties held by the joint ventures. We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes, uncertainty and susceptibility to management bias or fraud.</li></ol> <p>We also performed the following tests:</p> <ol style="list-style-type: none"><li>1. We evaluated the appropriateness of the valuation methodologies and the key assumptions used by management for the investment properties; assumptions used by management for the investment properties;</li><li>2. We evaluated the competence, capability and objectivity of the independent external valuers;</li><li>3. We obtained the valuation reports for the investment properties and assessed the reasonableness of key assumptions used and checked, on a sample basis, the accuracy of key inputs used in the valuation process, agreeing the lease terms to tenancy agreements and other supporting documents and comparing the capitalization rates used with an estimated range of expected yields, determined by reference to published benchmarks and market information; and</li><li>4. We assessed the adequacy of the disclosures related to the valuation of investments in investment properties in the context of the applicable financial reporting framework.</li></ol> <p>Based on the above, we considered that management's judgements and assumptions applied in the valuation of these investments were supportable by the evidence obtained and procedures performed.</p>



## Key Audit Matter

## How our audit addressed the Key Audit Matter

Valuation of investments that are categorised within level 3 of the fair value hierarchy

As at 31 December 2024, financial instruments measured at fair value of the Group included HK\$27.8 million investments in equity securities and investment funds, which are categorised within level 3 of the fair value hierarchy. These level 3 investments include:

- a) an investment fund managed by the Group, which invested in private debt instruments, amounting to HK\$16.6 million;
- b) an investment fund managed by an external fund manager, which invested in private equity instruments, amounting to HK\$1.4 million;
- c) an unlisted equity security amounting to HK\$9.8 million;

The determination of the fair value of the investment funds requires significant management judgment including the selection of appropriate valuation methods and assumptions based on market conditions existing as at 31 December 2024.

Valuation methodologies and techniques adopted by the Group on their level 3 investments include market approaches using relevant prices or other relevant information generated by market transactions involving underlying assets. Where the investment funds are closed-ended or there were no recent transactions on the investment funds, the Group reviews the valuations of the underlying investments held by the respective investment funds to assess the appropriateness of the net asset values as provided by the fund administrators or third party fund managers, and may make adjustments as it considers appropriate. For the unlisted equity security, the valuation technique includes market approach with the use of relevant transaction price, and considering changes in market conditions as well as the financial performance of the issuer.

We focused on the valuation of the investments which are categorised within level 3 of the fair value hierarchy due to the significance of the amounts and high degree of estimation uncertainty. The inherent risk in relation to valuation of the investments which are categorised within level 3 of the fair value hierarchy is considered significant due to the high complexity of the models and the significant management judgment involved in determining the values of these investments.

The Group's disclosures of these investments are detailed in Note 4.3 and Note 22 to the consolidated financial statements.

Our work included an assessment of management's key controls over the valuation of the investments:

1. We understood and evaluated the key internal controls exercised by management over the existence and valuation of level 3 investments.
2. We obtained an understanding of management's internal control and assessment process of the valuation methodology and the process employed by management with respect to determining the fair values of the investments which are categorized within level 3 of the fair value hierarchy. We assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors such as complexity, subjectivity, changes and susceptibility to management bias or fraud.

We also performed the following tests:

1. We tested the existence of level 3 investments by obtaining independent confirmations from the fund administrators, fund manager or the unlisted company and agreeing the Group's holding of investments as at 31 December 2024 to the confirmations;
2. For the investment funds which invested in the unlisted investments, we assessed the appropriateness of adopting the net asset value of the investment funds obtained from the fund administrator by the Group. We also assessed the judgments made in determining the valuation of such investments by considering factors which may impact their fair values, including the relevant market information and news of the unlisted investments.
3. For the unlisted equity security, we assessed and evaluated the valuation methodology used by the Group to estimate the fair value of the level 3 financial instrument as at 31 December 2024 and evaluated the reasonableness of key assumptions and key inputs used by management in the valuation model taking into account relevant market conditions and businesses of level 3 financial instruments; and
4. We assessed the adequacy of the disclosures related to the valuation of investments which are categorised within level 3 of the fair value hierarchy in the context of the applicable financial reporting framework.

Based on the above, we considered that management's judgements and assumptions applied in the valuation of these investments were supportable by the evidence obtained and procedures performed.

## Independent auditor's report

### Other Information

The directors of the Company are responsible for the other information. The other information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Directors and Audit Committee for the Consolidated Financial Statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Li Lien.

**PricewaterhouseCoopers**  
Certified Public Accountants

Hong Kong, 13 March 2025

# Consolidated statement of comprehensive income

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>Income</b>			
Fee income	6	466,808	514,856
Distribution fee expenses		(219,537)	(232,905)
<b>Net fee income</b>		<b>247,271</b>	<b>281,951</b>
Other income	7	67,760	73,065
<b>Total net income</b>		<b>315,031</b>	<b>355,016</b>
<b>Expenses</b>			
Compensation and benefit expenses	8	(227,454)	(250,848)
Operating lease rentals		(5,669)	(7,069)
Depreciation of right-of-use assets – properties	18	(14,513)	(19,250)
Other expenses	9	(113,831)	(113,116)
<b>Total expenses</b>		<b>(361,467)</b>	<b>(390,283)</b>
<b>Operating loss (before other gains/losses)</b>		<b>(46,436)</b>	<b>(35,267)</b>
Net gains on investments		179,260	60,757
Fair value loss of an investment property	19	–	(3,838)
Net foreign exchange losses		(44,030)	(11,618)
Gain on disposal of a subsidiary	36(a)	965	–
Others		(480)	–
<b>Other gains – net</b>	10	<b>135,715</b>	<b>45,301</b>
<b>Operating profit (after other gains/losses)</b>		<b>89,279</b>	<b>10,034</b>
Finance costs		(8,149)	(7,447)
Share of (losses)/gains of joint ventures	16	(46,652)	25,008
Share of losses of an associate		(749)	–
<b>Profit before tax</b>		<b>33,729</b>	<b>27,595</b>
Tax expense	11	(2,918)	(4,507)
<b>Profit for the year</b>		<b>30,811</b>	<b>23,088</b>
<b>Other comprehensive loss for the year</b>			
– Items that have been reclassified or may be subsequently reclassified to profit or loss			
Foreign exchange translation	12	(21,374)	(11,144)
<b>Total comprehensive income for the year</b>		<b>9,437</b>	<b>11,944</b>
<b>Profit attributable to</b>			
Owners of the Company		31,235	23,088
Non-controlling interests		(424)	–
		<b>30,811</b>	<b>23,088</b>
<b>Total comprehensive income for the year attributable to</b>			
Owners of the Company		9,861	11,944
Non-controlling interests		(424)	–
		<b>9,437</b>	<b>11,944</b>
<b>Earnings per share attributable to owners of the Company</b> (HK cents per share)			
Basic earnings per share	13.1	1.7	1.3
Diluted earnings per share	13.2	1.7	1.3

The notes on pages 86 to 144 are an integral part of these consolidated financial statements.

# Consolidated balance sheet

As at 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Property, plant and equipment	17	145,400	156,232
Right-of-use assets	18	31,250	46,153
Investment property	19	173,307	191,080
Intangible assets	20	9,357	12,728
Investments in joint ventures	16	479,666	606,068
Deferred tax assets	33	2,304	3,414
Investment in an associate	21	1,388	-
Investments	22	1,688,685	1,746,875
Other assets		6,943	7,293
		2,538,300	2,769,843
<b>Current assets</b>			
Investments	22	60,407	179,442
Fees receivable	25	37,674	56,325
Tax receivable		-	35
Deposits for purchase of investments	26	15,614	26,967
Amounts receivable on sales of investments		19,634	42,953
Prepayments and other receivables		26,147	26,254
Cash and cash equivalents	27	1,077,437	1,558,885
Investments held-for-sale	23	-	17,378
		1,236,913	1,908,239
<b>Current liabilities</b>			
Distribution fee expenses payable	30	44,894	46,381
Dividend payable	14	-	913,355
Other payables and accrued expenses	31	71,181	52,436
Lease liabilities	34	12,865	14,454
Borrowing	32	65,941	1,170
Tax payable		148	-
Investments held-for-sale	23	-	784
		195,029	1,028,580
<b>Net current assets</b>		<b>1,041,884</b>	<b>879,659</b>
<b>Non-current liabilities</b>			
Borrowing	32	-	72,703
Lease liabilities	34	18,559	31,702
Accrued expenses		1,852	2,399
		20,411	106,804
<b>Net Assets</b>		<b>3,559,773</b>	<b>3,542,698</b>
<b>Equity</b>			
<b>Equity attributable to owners of the Company</b>			
Issued equity	28	1,326,832	1,326,832
Other reserves	29	37,645	61,998
Retained earnings		2,187,586	2,153,868
<b>Non-controlling interests</b>		<b>3,552,063</b>	<b>3,542,698</b>
		7,710	-
<b>Total equity</b>		<b>3,559,773</b>	<b>3,542,698</b>

On behalf of the Board

SO Chun Ki Louis  
Director

HUNG Yeuk Yan Renee  
Director

The notes on pages 86 to 144 are an integral part of these consolidated financial statements.

# Consolidated statement of changes in equity

For the year ended 31 December 2024

	Note	Attributable to owners of the Company					Non-controlling interests HK\$'000	Total equity HK\$'000
		Issued equity HK\$'000	Other reserves HK\$'000	Retained earnings HK\$'000	Total HK\$'000			
As at 1 January 2023		1,326,832	61,124	3,106,243	4,494,199	-	4,494,199	
Profit for the year		-	-	23,088	23,088	-	23,088	
<b>Other comprehensive loss</b>								
Foreign exchange translation	29	-	(11,144)	-	(11,144)	-	(11,144)	
<b>Total comprehensive income</b>		-	(11,144)	23,088	11,944	-	11,944	
<b>Transactions with owners in their capacity as owners</b>								
Share-based compensation	28, 29	-	12,018	-	12,018	-	12,018	
Dividends to owners of the Company	14	-	-	(975,463)	(975,463)	-	(975,463)	
<b>Total transactions with owners in their own capacity as owners</b>		-	12,018	(975,463)	(963,445)	-	(963,445)	
<b>As at 31 December 2023</b>		<b>1,326,832</b>	<b>61,998</b>	<b>2,153,868</b>	<b>3,542,698</b>	<b>-</b>	<b>3,542,698</b>	
As at 1 January 2024		1,326,832	61,998	2,153,868	3,542,698	-	3,542,698	
Profit for the year		-	-	31,235	31,235	(424)	30,811	
<b>Other comprehensive loss</b>								
Foreign exchange translation	29	-	(21,374)	-	(21,374)	-	(21,374)	
<b>Total comprehensive income</b>		-	(21,374)	31,235	9,861	(424)	9,437	
<b>Transactions with owners</b>								
Net reversal of share-based compensation	28, 29	-	(994)	-	(994)	-	(994)	
Partial disposal of a subsidiary	36(b)	-	498	-	498	5,406	5,904	
Capital contributions by non-controlling interests		-	-	-	-	2,728	2,728	
Forfeited/expired/exercised share options	29	-	(2,483)	2,483	-	-	-	
<b>Total transactions with owners in their own capacity as owners</b>		-	(2,979)	2,483	(496)	8,134	7,638	
<b>As at 31 December 2024</b>		<b>1,326,832</b>	<b>37,645</b>	<b>2,187,586</b>	<b>3,552,063</b>	<b>7,710</b>	<b>3,559,773</b>	

The notes on pages 86 to 144 are an integral part of these consolidated financial statements.

# Consolidated cash flow statement

For the year ended 31 December 2024

	Note	2024 HK\$'000	2023 HK\$'000
<b>Cash flows from operating activities</b>			
Net cash used in operations	37	(40,416)	(88,013)
Interest received from cash and cash equivalents		36,274	44,646
Interest received from financial assets at fair value through profit or loss		3,673	4,525
Tax (paid)/received		(1,625)	95,167
<b>Net cash (used in)/generated from operating activities</b>		<b>(2,094)</b>	<b>56,325</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment and intangible assets		(1,006)	(986)
Purchase of investments		(330,352)	(267,664)
Disposal of investments		671,971	220,212
Disposal of subsidiaries	36	10,432	–
Deposits for purchase of investments		11,353	(26,967)
Distributions from investments		52,198	48,974
Dividends received from investments		11,417	5,641
Capital redemption and net change in shareholders' loans on joint ventures		33,801	(46,811)
<b>Net cash generated from/(used in) investing activities</b>		<b>459,814</b>	<b>(67,601)</b>
<b>Cash flows from financing activities</b>			
Dividends paid		(913,355)	(62,108)
Principal and interest elements of lease payments		(17,042)	(20,661)
Repayment of borrowing		(1,134)	(1,151)
Interest expense on borrowing		(5,547)	(5,619)
<b>Net cash used in financing activities</b>		<b>(937,078)</b>	<b>(89,539)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(479,358)</b>	<b>(100,815)</b>
Net foreign exchange losses on cash and cash equivalents		(2,090)	(6,761)
Cash and cash equivalents at beginning of the year		1,558,885	1,666,461
<b>Cash and cash equivalents at end of the year</b>		<b>1,077,437</b>	<b>1,558,885</b>

The notes on pages 86 to 144 are an integral part of these consolidated financial statements.



# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 1 General Information

Value Partners Group Limited (the “Company”) was incorporated in the Cayman Islands on 10 November 2006 as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office and its principal place of business are Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands and 43rd Floor, The Center, 99 Queen’s Road Central, Hong Kong, respectively.

The Company acts as an investment holding company. The activities of its principal subsidiaries are disclosed in Note 15. The Company and its subsidiaries (together, the “Group”) principally provides investment management services to investment funds and managed accounts. The Company is listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Hong Kong Stock Exchange”).

These consolidated financial statements are presented in thousands of Hong Kong dollars (HK\$’000), unless otherwise stated. These consolidated financial statements have been approved for issue by the Board of Directors on 13 March 2025.

## 2 Summary of Material Accounting Policies

The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (the “HKFRS”) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). The consolidated financial statements have been prepared under the historical cost convention, as modified by the revaluation of investments and investment property.

The preparation of consolidated financial statements in conformity with HKFRS requires the use of accounting estimates. It also requires the directors to exercise their judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 3.

#### New and amended standards adopted by the Group

The Group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

- Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants – Amendments to HKAS 1

#### New standards issued but are not effective for the financial year beginning 1 January 2024 and have not been early adopted

- Amendments to HKAS 21 – Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025)
- Amendments to the Classification and Measurement of Financial Instruments – Amendments to HKFRS 9 and HKFRS 7 (effective for annual periods beginning on or after 1 January 2026)
- HKFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

There are no HKFRS or HK(IFRIC) Interpretations that are not yet effective that would be expected to have a material impact on the Group.

## 2 Summary of Material Accounting Policies (continued)

### 2.2 Principles of consolidation and equity accounting

#### (a) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

De-facto control of an entity may arise from circumstances where the Group does not have more than 50% of the voting power but it has the practical ability to direct the relevant activities of the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated.

#### (b) Associates

Associates are all entities over which the Group has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates.

The Group has invested in certain investment funds that it manages or advises. As an investment manager or investment advisor, the Group may put seed capital in investment funds that it manages or advises in order to facilitate their launch. The purpose of seed capital is to ensure that the investment funds can have a reasonable starting fund size to operate and to build track record. The Group may subsequently vary the holding of these seed capital investments depending on the market conditions and various other factors. The Group has applied the measurement exemption within HKAS 28 "Investments in Associates and Joint Ventures" for mutual funds, unit trusts and similar entities and such investments are classified as financial assets at fair value through profit or loss.

#### (c) Joint arrangements

The Group has applied HKFRS 11 to all joint arrangements. Under HKFRS 11, investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations of each investor. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. Joint ventures are accounted for using the equity method (see (d) below), after initially being recognized at cost in the consolidated balance sheet.

#### (d) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses and movements in other comprehensive income of the investee in profit or loss and other comprehensive income, respectively. Dividends received or receivable from associates or joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 2 Summary of Material Accounting Policies (continued)

### 2.2 Principles of consolidation and equity accounting (continued)

#### (d) Equity method (continued)

Unrealized gains on transactions between the Group and its associates and joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted non-financial assets is tested for impairment in accordance with the policy described in Note 2.9(a).

#### (e) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized in a separate reserve within equity attributable to owners of the Company.

When the Group ceases to equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable HKFRSs.

If the ownership interest in a joint venture or an associate is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

#### (f) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities and a narrow and well defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity. Consequently, investment funds are considered as "structured entities".

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 2 Summary of Material Accounting Policies (continued)

### 2.3 Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost also includes directly attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets.

### 2.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

### 2.5 Foreign currency translation

#### (a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Hong Kong dollars, which is the Company's functional and presentation currency.

#### (b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings are presented in the consolidated statement of comprehensive income, within finance costs. All other foreign exchange gains and losses are presented in the consolidated statement of comprehensive income on a net basis within other gains/losses – net.

Translation differences on monetary financial assets are recognized in profit or loss as part of the fair value gains or losses. Translation differences on non-monetary financial assets such as equities classified as fair value through other comprehensive income are included in other comprehensive income.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 2 Summary of Material Accounting Policies (continued)

### 2.5 Foreign currency translation (continued)

#### (c) Translation from functional currency to presentation currency

The results and financial position of all the group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- (iii) all resulting exchange differences are recognized in other comprehensive income.

#### (d) Disposal of foreign operation

On the disposal of a foreign operation (that is, a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, loss of joint control over a joint arrangement that includes a foreign operation, or loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the company are reclassified to profit or loss.

### 2.6 Property, plant and equipment

Property, plant and equipment, comprising leasehold improvements, furniture and fixtures, office equipment and vehicles, are stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate cost over their estimated useful lives, or in the case of leasehold improvements, the shorter lease terms as follows:

Property	Up to thirty two years
Leasehold improvements	Up to three years
Furniture and fixtures	Five years
Office equipment	Three years
Vehicles	Three years

The assets' useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals are determined by comparing proceeds with carrying amounts and are recognized in profit or loss.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 2 Summary of Material Accounting Policies (continued)

### 2.7 Intangible assets

#### (a) Computer software

Acquired computer software licenses are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized over their estimated useful lives (five years).

Costs associated with maintaining computer software programmes are recognized as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Group, and that will probably generate economic benefits exceeding costs beyond one year, are recognized as intangible assets. Computer software development costs recognized as assets are amortized over their estimated useful lives (not exceeding five years).

#### (b) Others

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortized over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortized. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.

### 2.8 Investment properties

Investment properties, principally comprising freehold land and buildings, are held for long-term rental yields or for capital appreciation or both, and are not occupied by the Group. Investment property is initially measured at cost, including related transaction costs and where applicable borrowing costs. Subsequently, they are carried at fair value. Changes in fair value are presented in profit or loss as part of other gains or losses. The functional currency of the investment property is New Zealand dollar and the foreign exchange gains or losses from translation differences are recognized in other comprehensive income. Please refer to Note 2.6(c) for details.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 2 Summary of Material Accounting Policies (continued)

### 2.9 Impairment

#### (a) Impairment of intangible assets and other non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently, if events or changes in circumstances indicate that they might be impaired. Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which an asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

#### (b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses ("ECL") for the financial assets measured at amortized cost (including cash and cash equivalents and fees receivable).

For fees receivable, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

Financial assets measured at fair value through profit or loss ("FVPL") are not subject to ECL assessment.

### 2.10 Investments and other financial assets

#### Classification

The Group may classify its financial assets in the following measurement categories: those to be measured subsequently at FVPL, at fair value through other comprehensive income ("FVOCI") and at amortized cost. The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income ("OCI"). For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI. The Group reclassifies debt investments when and only when its business model for managing those assets changes.

#### Recognition and derecognition

Regular way purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the financial assets. They are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in profit or loss. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

#### Measurement

At initial recognition, the Group measures a financial asset at its fair value. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

The fair value of financial instruments traded in active markets (such as listed equity securities and listed investment funds) are based on last traded prices at the close of trading on the reporting date. An active market is a market in which transactions for the instruments take place with sufficient frequency and volume to provide pricing information on an ongoing basis. When trading of a listed security is suspended, the investment is valued at the Group's estimate of its fair value.



## 2 Summary of Material Accounting Policies (continued)

### 2.10 Investments and other financial assets (continued)

#### Measurement (continued)

Debt securities are fair valued based on quoted prices inclusive of accrued interest. The fair value of debt securities not quoted in an active market may be determined by the Group using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Group may value the debt securities using its own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. Refer to Note 4.3 for the details of the valuation techniques used.

#### Equity instruments

Unlisted investment funds are stated at fair value based on the net asset values of the respective funds obtained from the relevant fund administrators. When the net asset values of an investment fund is not executable, the Group reviews the valuations of the underlying investments to assess the appropriateness of the net asset value as provided by the relevant fund administrator. Refer to Note 4.3 for details.

- The Group subsequently measures all equity investments at FVPL.
- Changes in the fair value of the financial assets at FVPL are recognized in other gains/losses in the consolidated statement of comprehensive income.
- Dividends from such investments continue to be recognized in profit or loss as other income when the Group's right to receive payments is established.

#### Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortized cost: Assets that are held for collection of contractual cash flows, where those cash flows represent solely payments of principal and interest, are measured at amortized cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in profit or loss and presented in other gains/losses together with foreign exchange gains and losses.
- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognized in profit or loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/losses. Interest income from these financial assets is included in other income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/losses.
- FVPL: Assets that do not meet the criteria for amortized cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognized in profit or loss and presented net within other gains/losses in the period in which it arises.

Transfers between levels of the fair value measurement hierarchy are recognized as of the date of the event or change in circumstances that caused the transfer.

#### Investments held-for-sale

Investments are classified as held-for-sale when their carrying amount are to be recovered principally through a sale transaction or dilution and the sale and dilution is considered as highly probable. The investments are stated at the lower of carrying amount and fair value less costs to sell.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 2 Summary of Material Accounting Policies (continued)

### 2.11 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 2.12 Fees receivable

Fees receivable are initially recognized at the amount of consideration that is unconditional unless they contain significant financial components, when they are recognized at fair value, and subsequently measured at amortized cost using the effective interest method, less any provision for impairment.

### 2.13 Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalent are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

### 2.14 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction from the proceeds. The consideration paid, including any directly attributable incremental costs (net of income taxed), for the repurchase of the Company's equity instruments, is deducted directly in equity.

### 2.15 Current and deferred tax

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the reporting date in the jurisdictions where the Group and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Deferred tax liabilities are provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary differences is controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 2 Summary of Material Accounting Policies (continued)

### 2.16 Revenue recognition

Income is classified by the Group as revenue when it arises from the provision of services in the ordinary course of the Group's activities.

The Group recognizes revenue when or as it satisfies a performance obligation by transferring promised services (assets) to the customers in an amount to which the Group expects to be entitled in exchange for those services. Assets are transferred when or as the customer obtains control of those assets. The Group includes variable consideration in revenue when it is no longer highly probable of significant reversal – when the associated uncertainty is resolved. For some contracts with customers, the Group has discretion to involve a third party in providing services to the customer. Generally, the Group is deemed to be the principal in these arrangements because the Group controls the promised services before they are transferred to customers, and accordingly presents the revenue gross of related costs.

#### (a) Fee income from investment management activities

Management fees are recognized as the services are performed over time and are primarily based on agreed upon percentage of the net asset values of the investment funds and managed accounts.

Performance fees are recognized on the performance fee valuation day of the investment funds and managed accounts when there is a positive performance for the relevant performance period and it is determined that they are no longer highly probable of significant reversal in a subsequent period, taking into consideration the relevant basis of calculation for the investment funds and managed accounts.

#### (b) Fee income from fund distribution services

Front-end fees relating to the distribution services are recognized when the services are performed.

#### (c) Interest and dividend income

Interest income from financial assets measuring at FVPL is recognized on a time proportion basis using the effective interest method. Dividend income is recognized when the right to receive payment is established.

### 2.17 Distribution fee expenses

Distribution fee expenses represent rebates of management fee, performance fee and front-end fee income by the Group to the distributors for selling its products. Distribution fee expenses are recognized when or as the Group satisfies a performance obligation by transferring promised services (assets) to the customers in an amount of corresponding management fees, performance fees and front-end fees the Group expected to be entitled in exchange for those services.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 2 Summary of Material Accounting Policies (continued)

### 2.18 Compensation and benefits

#### (a) Bonus

The Group recognizes an expense and a liability for bonuses taking into consideration the profit attributable to owners of the Company and also certain adjustments. The Group has a deferred bonus plan for certain eligible employees that allows such employees to receive bonus amounts in cash or in shares of nominated company funds managed by the Group with the fluctuations in share value earned/borne by the relevant employees. Amounts to be distributed under the bonus plans are expensed over the vesting period based on the estimated payout amount. The Group recognizes a liability where contractually obliged or where there is a past practice that has created a constructive obligation.

#### (b) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the share options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the share options granted:

- including any market performance conditions;
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions.

Non-market vesting conditions are included in assumptions about the number of share options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of share options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

When the share options are exercised, the Company issues new shares. The proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium when the options are exercised.

The grant by the Company of options over its equity instruments to the employees of subsidiaries in the Group is treated as a capital contribution. The fair value of employee services received, measured by reference to the grant date fair value, is recognized over the vesting period as an increase to investments in subsidiaries, with a corresponding credit to equity. In the same financial period, the Company makes a recharge to the subsidiaries in respect of share options granted to the subsidiaries' employees.

#### (c) Pension obligations

The Group participates in various pension schemes which are defined contribution plans generally funded through payments to trustee-administered funds. The Group pays contributions to the pension schemes on a mandatory basis. The Group has no legal or constructive obligations to pay further contributions if the pension schemes do not hold sufficient assets to pay all employees the benefits relating to employee services in the current and prior periods. The contributions are recognized as compensation and benefit expenses when they are due.

#### (d) Other employee benefits

Short-term employee benefit costs are charged in the period to which the employee services relate. Employee entitlements to annual leave and long-service leave are recognized when they accrue to employees. An accrual is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the reporting date.

## 2 Summary of Material Accounting Policies (continued)

### 2.19 Borrowing

Borrowing is initially recognized at fair value, net of transaction costs incurred. Borrowing is subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowing using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowing is removed from the consolidated balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income or finance costs.

### 2.20 Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

### 2.21 Leases

The Group leases various offices, carpark and equipment. Rental contracts are typically made for fixed periods of 1 to 3 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes.

Leases are recognized as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the Group. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments), less any lease incentives receivable; and
- variable lease payment that are based on an index or a rate.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 2 Summary of Material Accounting Policies (continued)

### 2.21 Leases (continued)

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the lessee's incremental borrowing rate is used, being the rate that the lessee would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise small items of office equipment.

Lease income from operating leases where the Group is a lessor is recognized in income on a straight-line basis over the lease term.

### 2.22 Dividend distribution

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and the Company's financial statements in the period in which the dividends are recommended by the Company's directors and approved by the Company's shareholders.

### 2.23 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. It can also be a present obligation arising from past events that is not recognized because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognized but is disclosed in the notes to the consolidated financial statements. When a change in the probability of an outflow occurs so that the outflow is probable, it will then be recognized as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group. A contingent asset is not recognized but is disclosed in the notes to the consolidated financial statements, where necessary, when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognized.

## 3 Critical Accounting Estimates and Judgements

### 3.1 Valuation of investment properties held directly or through the Group's investments

The Group holds investment properties directly and through Value Partners Asia Pacific Real Estate Limited Partnership (the "Real Estate Partnership"). With the assistance of relevant external valuation specialists, the Group estimates fair value primarily by adopting the recent transacted prices or the market approach. If information on current or recent comparable market transactions of investment properties is not available, the fair value of investment properties are determined by using income approach and residual valuation techniques. The Group uses assumptions that are mainly based on current market conditions or proposed development plan for the highest and best use of the property at the year end. The valuations are carried out by considering market information or data from a variety of sources including:

- (i) Recently transacted prices of similar properties in the market. Valuation adjustments will be made to comparable transactions to reflect factors such as differences in time, location, building condition, age, size and view from the building. This is commonly known as the direct comparison method; and
- (ii) Market yields of similar properties, which will be adjusted and adopted as capitalization rates for deriving the capital values of income producing properties. This is commonly known as the income approach. The capital values of income producing properties can also be derived from discounted cash flow projections (based on estimates of future cash flows derived from the terms of any existing lease and other contracts, and from external evidence such as current market rentals for similar properties in the comparable location) with appropriate discount rates (which reflect current market risks of the uncertainty in the amount and timing of the cash flows).

The significant assumptions used in the estimation of fair value are those related to receipt of contractual rentals, expected future market rentals, vacancy periods and discount rates. The valuations are regularly reviewed and compared to actual market yield data, and actual transactions reported and known from the market. Relevant taxes are considered as part of valuation assumptions for estimation of fair value of the investment properties and reflected as part of the valuation of the investment properties.

### 3.2 Valuation of investments classified as level 3 in the fair value hierarchy

The Group holds financial instruments that are not traded or quoted in active markets. The Group uses its judgement to select the appropriate methods and make assumptions based on market conditions existing at the end of each reporting period to estimate the fair value of such financial instruments classified as level 3 in the fair value hierarchy. Valuation techniques include the market approach using prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities such as net asset values as provided by fund administrators, recent transacted price and discounted cash flow approach which utilizes inputs such as projected cash flow and discount rate. The Group would exercise judgement and estimates on the quantity and quality of pricing sources used. Where no market data is available, the Group may value positions using its own models. Although best estimate is used in estimating fair value, there are inherent limitations in any valuation technique. Estimated fair value may differ from the values that would have been used if a readily available market existed.



# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 4 Financial Risk Management

### 4.1 Financial risk factors

The Group's activities in relation to financial instruments expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall financial risk management programme focuses on the analysis, evaluation and management of financial risks and seeks to minimize potential adverse effects on the Group's financial performance.

#### (a) Foreign exchange risk

The Group is exposed to foreign exchange risk arising primarily from fees receivable, bank deposits and investments denominated in foreign currencies. Foreign exchange risk arises from future commercial transactions, recognized assets and liabilities and net investments in foreign operations which are denominated in a currency that is not the entity's functional currency. Foreign currency exposures are covered by forward contracts and options whenever appropriate.

Under the Linked Exchange Rate System in Hong Kong, Hong Kong dollar (which is the functional currency of most of the Group's subsidiaries) is currently pegged to the United States dollar within a narrow range, the directors therefore consider that there are no significant foreign exchange risk with respect to the United States dollar.

The following table shows the approximate changes in the Group's post-tax profit for the year and equity in response to reasonable possible change in the foreign exchange rates to which the Group has significant exposure as at 31 December, with all other variables held constant.

	Change		Impact on post-tax profit		Impact on other comprehensive income	
	2024	2023	2024	2023	2024	2023
			HK\$'000	HK\$'000	HK\$'000	HK\$'000
Australian dollar	+/- 6%	+/- 5%	+/- 16,286	+/- 17,515	-	-
Euro	+/- 6%	+/- 6%	+/- 3,564	+/- 3,904	-	-
Japanese yen	+/- 10%	+/- 9%	+/- 18,819	+/- 20,129	-	-
New Zealand dollar	+/- 6%	+/- 5%	-	-	+/- 6,777	+/- 6,078
Pound sterling	+/- 4%	+/- 5%	+/- 952	+/- 1,380	+/- 157	+/- 264
Renminbi	+/- 5%	+/- 5%	+/- 2,021	+/- 15,874	+/- 16,522	+/- 18,529

Refer to Notes 22, 25, 27, 30, 31 and 32 for additional disclosures on foreign exchange exposure.

#### (b) Interest rate risk

##### Cash flow interest rate risk

The Group's cash flow interest rate risk arises primarily from cash and cash equivalents (excluding money market instruments with fixed interest coupon rate) and borrowing, which are interest-bearing at variable rates. The management monitors the interest rate exposure on a continuous basis and adjust the portfolio of bank saving balances, bank deposits and borrowing when necessary. As at 31 December 2024, if interest rates had been 100 basis points (2023: 50 basis points) (these represent a reasonable possible shift in the interest rates, having regard to the historical volatility of the interest rates) higher/lower with all other variables held constant, post-tax profit and equity for the year would have been HK\$374,000 higher/lower (2023: HK\$218,000 higher/lower). The sensitivity analysis for the years ended 31 December 2024 and 2023 was primarily arising from the increase/decrease in interest income on cash and cash equivalents and interest expense on borrowing.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 4 Financial Risk Management (continued)

### 4.1 Financial risk factors (continued)

#### (c) Price risk

The Group is exposed to equity securities price risk in respect of investments held by the Group, which comprises investments in certain investment funds that it manages as seed capital and other investments in listed and unlisted equity securities and investment funds.

The table below summarizes the impact of increases or decreases in the markets in which the Group's investments operate. For the purpose of measuring sensitivity of the Group's investments against markets, the Group uses the correlation between the price movements of the MSCI China Index and the Group's investments because the Group's investments mainly focus on the Greater China equities market and the directors consider that the MSCI China Index is a well-known index representing the universe of opportunities for investments in the Greater China equities market available to non-domestic investors.

The analysis is based on the assumption that the index had increased or decreased by the stated percentages (these represent a reasonable possible shift in the index, having regard to the historical volatility of the index) with all other variables held constant and fair value of the Group's investments changed according to the historical correlation with the index.

	Change		Impact on post-tax profit	
	2024	2023	2024 HK\$'000	2023 HK\$'000
MSCI China Index	+/- 20%	+/- 20%	+/- 64,733	+/- 83,443

Post-tax profit for the year would increase or decrease as a result of gains or losses on investments classified as financial assets at fair value through profit or loss. Refer to Note 22 for additional disclosures on price risk.

In addition to securities price risk in respect of investments held by the Group, the Group is also exposed to price risk indirectly in respect of management fee and performance fee income which are determined with reference to the net asset value and performance of the investment funds and managed accounts respectively.

#### (d) Credit risk

Credit risk arises from cash and cash equivalents, deposits with brokers, time deposits, related interest receivable placed with banks and financial institutions. Credit risk also arises from credit exposures with respect to the investment funds and managed accounts on the outstanding fees receivable. The Group earns fees from investment management activities and fund distribution activities from the investment funds and managed accounts.

Credit risk is managed on a group basis and the credit quality of the counterparty is assessed, taking into account its financial position, past experience and other factors.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 4 Financial Risk Management (continued)

#### 4.1 Financial risk factors (continued)

##### (d) Credit risk (continued)

###### *Cash*

The table below summarizes the credit quality (as illustrated by credit rating) of cash and cash equivalents, deposits with brokers, time deposits and related interest receivable placed with banks.

	2024 HK\$'000	2023 HK\$'000
AA+	821,868	544,648
AA-	134,536	7,722
A+	4,470	4,349
A	16,491	389,014
A-	94,510	99,226
BBB+	5,608	494,729
BBB	–	20,853
Unrated	382	113
	<b>1,077,865</b>	<b>1,560,654</b>

The reference independent credit rating used is Standard & Poor's, Fitch Ratings or Moody's long-term local issuer credit rating. The directors do not expect any losses from non-performance by these counterparties.

###### *Fees receivable*

As at 31 December 2024, fees receivable including management fees, performance fees and front-end fees from the five major investment funds and managed accounts amounted to HK\$28,655,000 (2023: HK\$39,630,000), which accounted for 76% (2023: 70%) of the total outstanding balance. Refer to Note 25 for additional disclosures on credit risk.

###### *Impairment of financial assets*

Fees receivable and other receivables are subject to the expected credit loss model. While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, the identified impairment loss was immaterial.

The Group applies the HKFRS 9 simplified approach to measure expected credit losses which uses a lifetime expected loss allowance for all fees receivable.

To measure the expected credit losses, fees receivable have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on the payment profiles of fees receivable over a period of 36 months before 31 December 2024 or 31 December 2023 respectively and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 4 Financial Risk Management (continued)

#### 4.1 Financial risk factors (continued)

##### (d) Credit risk (continued)

###### *Impairment of financial assets (continued)*

Based on the Group's past experience in collecting the outstanding fees receivable, the chance of unsuccessful collection of fees receivable and other receivables were minimal. The Group considered that the expected loss rates for fees receivable are minimal, and no loss allowance is recognized based on such assessment.

Fees receivable and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 120 days past due.

Impairment losses on fees receivable and other receivables are presented as net impairment losses within profit or loss. Subsequent recoveries of amounts previously written off are credited against the same line item. No impairment losses on fees receivable and other receivables was recognized as at 31 December 2024 and 31 December 2023.

##### (e) Liquidity risk

The Group manages liquidity risk by maintaining a sufficient amount of liquid assets to ensure daily operational requirements are fulfilled. As at 31 December 2024, the Group held liquid assets of HK\$1,077,437,000 (2023: HK\$1,558,885,000), being cash and cash equivalents, that are expected to readily generate cash inflows for managing liquidity risk.

The tables below analyze the group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities. The amounts in the table are the contractual undiscounted cash flows.

	2024			2023		
	No stated maturity HK\$'000	Less than 1 year HK\$'000	Between 1 and 5 years HK\$'000	No stated maturity HK\$'000	Less than 1 year HK\$'000	Between 1 and 5 years HK\$'000
<b>Assets</b>						
Non-derivative financial instruments	1,689,512	59,580	-	1,750,187	-	176,130
Investments held-for-sale	-	-	-	-	17,378	-
Fees receivable	-	37,674	-	-	56,325	-
Other receivables	-	50,099	-	-	83,507	-
Cash and cash equivalents	960,027	117,410	-	693,992	864,893	-
	<b>2,649,539</b>	<b>264,763</b>	<b>-</b>	<b>2,444,179</b>	<b>1,022,103</b>	<b>176,130</b>
<b>Liabilities</b>						
Distribution fee expenses payable	-	(44,894)	-	-	(46,381)	-
Investments held-for-sale	-	-	-	-	(784)	-
Other payables	-	(6,839)	-	-	(7,752)	-
Borrowings	-	(70,464)	-	-	(7,113)	(76,155)
Lease liabilities	-	(14,563)	(19,450)	-	(17,053)	(34,300)
	<b>-</b>	<b>(136,760)</b>	<b>(19,450)</b>	<b>-</b>	<b>(79,083)</b>	<b>(110,455)</b>
<b>Cumulative gap</b>	<b>2,649,539</b>	<b>128,003</b>	<b>(19,450)</b>	<b>2,444,179</b>	<b>943,020</b>	<b>65,675</b>

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 4 Financial Risk Management (continued)

### 4.2 Capital risk management

The Group's objectives in managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities. The Group monitors capital on the basis of total equity as shown in the consolidated balance sheet. The Group's strategy is to maintain a solid capital base to support the operations and development of its business in the long term.

Under the term of the property-pledged borrowing, the Group is required to comply with certain financial covenants. The Group has complied with the covenants of the borrowing throughout the year.

Sensible Asset Management Hong Kong Limited, Sensible Asset Management Limited, Value Partners Hong Kong Limited, Value Partners Limited and Value Partners Private Equity Limited, wholly owned subsidiaries of the Group, are licensed to carry out regulated activities under the Hong Kong Securities and Futures Ordinance ("SFO"). These regulated entities are subject to and complied with the paid-up capital and liquid capital requirements under the SFO during the years ended 31 December 2024 and 2023. Sensible Asset Management Limited ceased to carry out the regulated activities since 31 January 2025.

Value Partners Asset Management Singapore Pte. Ltd, a 70.01% owned (2023: wholly owned) subsidiary of the Group, holds a Capital Market Services License for Fund Management issued by the Monetary Authority of Singapore under the Securities and Futures Act ("SFA"). The entity is subject to and complied with the paid-up capital and liquid capital requirements under SFA during the years ended 31 December 2024 and 2023.

Value Partners Fund Management (Shanghai) Limited, a wholly owned subsidiary of the Group, has been registered with the Asset Management Association of China ("AMAC") as a private funds management firm on 18 November 2015. The entity is subject to and complied with the capital adequacy requirements under the AMAC during the years ended 31 December 2024 and 2023.

Value Partners Investment Management (Shanghai) Limited, a wholly owned subsidiary of the Group, has been registered with the AMAC as a private securities fund management firm for domestic investment on 9 November 2017. The entity is subject to and complied with the capital adequacy requirements under the AMAC during the years ended 31 December 2024 and 2023.

Value Partners Private Equity Investment (Shen Zhen) Limited, a wholly owned subsidiary of the Group, has been registered with the AMAC as a private equity funds management firm on 22 May 2018. The entity is subject to and complied with the paid-up capital requirements under the AMAC during the years ended 31 December 2024 and 2023.

Value Partners (UK) Limited, a wholly owned subsidiary of the Group, has been given permission by Financial Conduct Authority ("FCA") to provide regulated products and services since 1 March 2018. The entity is subject to and complied with the paid-up capital and liquid capital requirements under the FCA during the years ended 31 December 2024 and 2023.

Value Partners Asset Management Malaysia Sdn. Bhd., the then wholly owned subsidiary of the Group, holds a Capital Market Services License for Fund Management issued by the Securities Commission Malaysia ("SC Malaysia"). The entity is subject to, and complied with the paid-up capital requirement under the SC Malaysia during the year ended 31 December 2023. During the year ended 31 December 2024, the Group disposed 75% of Value Partners Asset Management Malaysia Sdn. Bhd. and it is no longer the subsidiary of the Group.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 4 Financial Risk Management (continued)

### 4.2 Capital risk management (continued)

	Types of regulated activities <sup>(b)</sup>
Sensible Asset Management Hong Kong Limited <sup>(a)</sup>	Types 4 and 9
Sensible Asset Management Limited <sup>(a) and (c)</sup>	Types 1 and 4
Value Partners Hong Kong Limited <sup>(a)</sup>	Types 1, 2, 4, 5 and 9
Value Partners Limited <sup>(a)</sup>	Types 1, 2, 4, 5 and 9
Value Partners Private Equity Limited <sup>(a)</sup>	Types 4 and 9
Value Partners Asset Management Singapore Pte. Ltd	Capital Market Services for Fund Management
Value Partners Fund Management (Shanghai) Limited	Private Funds Management for Overseas Investment
Value Partners Investment Management (Shanghai) Limited	Private Securities Fund Management for Domestic Investment
Value Partners Private Equity Investment (Shen Zhen) Limited	Private Equity Funds Management which includes Qualified Foreign Limited Partnership for domestic investment ("QFLP") and Qualified Domestic Investment Enterprise ("QDIE") for overseas investment
Value Partners (UK) Limited	Providing Regulated Products and Services

(a) The regulated entities are subject to specified licensing conditions.

(b) The types of SFO regulated activities are as follows:

Type 1: Dealing in securities

Type 2: Dealing in futures contracts

Type 4: Advising on securities

Type 5: Advising on futures contracts

Type 9: Asset management

(c) Sensible Asset Management Limited ceased to carry out the regulated activities under SFO since 31 January 2025.

### 4.3 Fair value estimation

The following table presents the Group's financial instruments that are measured at fair value at the end of the reporting period by level of the fair value measurement hierarchy.

	Level 1		Level 2		Level 3		Total	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Investments (Note 22)								
Listed securities	512,808	732,079	-	1,046	-	-	512,808	733,125
Unlisted securities								
Equity securities	-	-	-	-	9,778	5,200	9,778	5,200
Investment funds	-	-	1,208,504	1,121,500	18,002	66,492	1,226,506	1,187,992
Sub-total	512,808	732,079	1,208,504	1,122,546	27,780	71,692	1,749,092	1,926,317

The fair value of financial instruments traded in active markets is based on quoted market prices at the end of the reporting period. The quoted market price used for the financial assets held by the Group is the current last traded price. These instruments are included in level 1.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 4 Financial Risk Management (continued)

#### 4.3 Fair value estimation (continued)

If one or more of the significant inputs is not based on observable market data, the instruments are included in level 3. Specific valuation techniques used to value level 3 financial instruments include:

- Quoted bid prices (or net asset values) provided by fund administrators for unlisted investment funds. These investment funds invest substantially in private debt instruments and private equities.
- Other techniques, such as recent arm's length transactions, discounted cash flow analysis or reference to other instruments that are substantially the same, for the remaining financial instruments.

The following table presents the movement of level 3 instruments.

	Year ended 31 December 2024			Listed securities HK\$'000	Year ended 31 December 2023		
	Unlisted securities - investment funds HK\$'000	Unlisted securities - equity securities HK\$'000	Total HK\$'000		Unlisted securities - investment funds HK\$'000	Unlisted securities - equity securities HK\$'000	Total HK\$'000
As at 1 January	66,492	5,200	71,692	4,668	108,395	1,034	114,097
Addition	-	2,610	2,610	-	8,911	5,220	14,131
Transfer	(6,962)	-	(6,962)	(4,668)	-	-	(4,668)
Return of capital	(35,016)	-	(35,016)	-	(48,974)	-	(48,974)
Disposal	-	-	-	-	-	(965)	(965)
(Losses)/gains recognized in profit or loss and included in net losses on investments	(6,512)	1,968	(4,544)	-	(1,840)	(89)	(1,929)
<b>As at 31 December</b>	<b>18,002</b>	<b>9,778</b>	<b>27,780</b>	<b>-</b>	<b>66,492</b>	<b>5,200</b>	<b>71,692</b>
Change in unrealized losses for level 3 instruments held at year end and included in profit or loss and net losses on investments	(6,512)	1,968	(4,544)	-	(1,840)	(89)	(1,929)

As at 31 December 2024, the level 3 instruments include two investment funds and one unlisted equity security (Note 22). As at 31 December 2023, the level 3 instruments include three investment funds and one unlisted equity security.

The Group uses its judgement to select appropriate methods and make assumptions based on market conditions existing at the end of each reporting period.

As at 31 December 2024 and 2023, the investment funds were stated with reference to the net asset value provided by the respective administrators of the investment funds.

During the year ended 31 December 2024, the addition of HK\$2,610,000 represented a capital contribution to an existing unlisted equity security of HK\$2,610,000. During the year ended 31 December 2023, the addition of HK\$14,131,000 represented a capital contribution to an existing private equity fund of HK\$313,000 and capital contributions to one new investment fund of HK\$8,598,000 and one new unlisted equity security of HK\$5,220,000.



# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 4 Financial Risk Management (continued)

### 4.3 Fair value estimation (continued)

During the year ended 31 December 2024, there was a transfer from level 3 to level 2 of an investment fund of HK\$6,962,000 in the fair value measurement hierarchy due to resumption of listing of the suspended underlying listed security in the investment fund.

During the year ended 31 December 2023, there was a transfer from level 3 to level 2 of a suspended listed security of HK\$4,668,000 in the fair value measurement hierarchy due to resumption of listing of that suspended listed security.

During the year ended 31 December 2024, there was return of capital from two unlisted investment funds of HK\$35,016,000. During the year ended 31 December 2023, there was return of capital from an unlisted investment fund of HK\$48,974,000.

During the year ended 31 December 2023, the disposal of HK\$965,000 represents the disposal of an existing unlisted equity security.

For those closed-ended level 3 investment funds, the Group reviews the valuations of the underlying investments held by the respective investment funds to assess the appropriateness of the net asset values as provided by the fund administrators, and may make adjustments as appropriate.

As at 31 December 2024, the unlisted equity security of HK\$9,778,000 (31 December 2023: HK\$5,200,000) was valued at its recent transaction price.

The maturities of fees receivable, other receivables, deposits with brokers, time deposits, cash and cash equivalents and other financial liabilities are within one year, and the carrying value approximates their respective fair value.

## 5 Segment Information

The Board of Directors reviews the Group's internal financial reporting and other information and also obtains other relevant external information in order to assess performance and allocate resources and identify operating segments accordingly.

The Group determines its operating segments based on the information reviewed by the Board of Directors, which is used to make strategic decisions. The Board of Directors evaluates the business from a product perspective.

The Group identified one reportable segment – asset management business as at 31 December 2024 and 2023. The asset management business is the Group's core business. It derives revenues from investment management services to investment funds and managed accounts.

The Board of Directors assesses the performance of the operating segments based on a measure of profit before tax.

The revenue, profit before tax, total assets and total liabilities reported to the Board of Directors are measured in a manner consistent with that in the consolidated financial statements. These assets are allocated based on the operations of the segment.

The Company is domiciled in the Cayman Islands with the Group's major operations in the Greater China. The revenue from external customers mainly arises from the Greater China region. The Board of Directors considers that substantially all the assets of the Group are located in Hong Kong.

Revenues of approximately HK\$61,902,000 (2023: HK\$68,235,000) are derived from a single external customer of the asset management business segment.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 6 Revenue

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

	2024 HK\$'000	2023 HK\$'000
Management fees	397,352	467,354
Front-end fees	57,150	47,502
Performance fees	12,306	–
<b>Total fee income</b>	<b>466,808</b>	<b>514,856</b>

### 7 Other Income

	2024 HK\$'000	2023 HK\$'000
Interest income on cash and cash equivalents	34,933	42,648
Interest income from financial assets at fair value through profit or loss	3,344	4,500
Dividend income on financial assets at fair value through profit or loss	13,617	9,570
Rental income from an investment property (Note 19)	12,454	12,191
Others	3,412	4,156
<b>Total other income</b>	<b>67,760</b>	<b>73,065</b>

### 8 Compensation and Benefit Expenses

	2024 HK\$'000	2023 HK\$'000
Salaries, wages, bonus and other benefits (Net reversal of share-based compensation)/share-based compensation (Notes 28 and 29)	221,498 (994)	229,918 12,018
Pension costs	6,950	8,912
<b>Total compensation and benefit expenses</b>	<b>227,454</b>	<b>250,848</b>

#### 8.1 Pension costs – mandatory provident fund scheme

There were no forfeited contributions utilized during the years ended 31 December 2024 and 2023.

As at 31 December 2024 and 2023, no contributions were payable to the mandatory provident fund scheme.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 8 Compensation and Benefit Expenses (continued)

#### 8.2 Five highest-paid individuals

The five highest-paid individuals of the Group during the year ended 31 December 2024 included two (2023: four) directors whose emoluments are reflected in the analysis shown in Note 40. Details of the remuneration of the remaining highest-paid individual are as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, wages, bonus and other benefits	17,895	5,079
Share-based compensation	–	830
Pension costs	54	18
	<b>17,949</b>	<b>5,927</b>

The remaining three (2023: one) individual's emoluments were within the following band:

	Number of individuals	
	2024	2023
below HK\$5,000,000	1	–
HK\$5,000,001 to HK\$10,000,000	2	1

#### 8.3 Senior management remuneration by band

Details of the remuneration of the senior management were within the following bands:

	Number of individuals	
	2024	2023
Below HK\$5,000,000	5	5
HK\$5,000,001 to HK\$10,000,000	2	1

#### 8.4 Deferred Bonus

During the year ended 31 December 2024, a portion of the bonus granted to the employees and directors of the Group was deferred and payable to the employees and directors if they remain employed with the Group throughout the vesting period between 15 to 39 months (2023: 12 to 36 months). These deferred bonuses are recognized as expenses over the relevant vesting period. The Group offered employees eligible to deferred bonus the ability to elect settlement of such deferred bonus in shares of nominated company funds managed by the Group.

The table below summarizes the amount of deferred bonus incurred during the year for years 2026-2028 (2023: 2024-2026):

	2024 HK\$'000	2023 HK\$'000
Deferred bonus	4,423	–

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 9 Other Expenses

	2024 HK\$'000	2023 HK\$'000
Auditor's remuneration	3,927	5,160
Depreciation and amortization	10,245	12,492
Donations	23	102
Entertainment expenses	1,709	2,717
Information technology expenses	24,331	23,804
Insurance expenses	7,766	6,856
Legal and professional fees	6,396	10,738
Marketing expenses	3,676	2,942
Office expenses	5,439	6,202
Recruitment expenses	3,296	1,445
Registration and licensing fees	1,402	1,742
Research expenses	29,573	21,263
Transaction costs	3,507	2,865
Travelling expenses	3,266	4,525
Others	9,275	10,263
<b>Total other expenses</b>	<b>113,831</b>	<b>113,116</b>

### 10 Other Gains – Net

	2024 HK\$'000	2023 HK\$'000
Net gains on investments		
Net realized losses on financial assets at fair value through profit or loss	(37,673)	(56,007)
Net unrealized gains on financial assets at fair value through profit or loss	216,933	116,764
Fair value loss of an investment property (Note 19)	-	(3,838)
Gain on disposal of a subsidiary (Note 36(a))	965	-
Net foreign exchange losses	(44,030)	(11,618)
Losses on disposal of property, plant and equipment	(480)	-
<b>Total other gains – net</b>	<b>135,715</b>	<b>45,301</b>

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 11 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 consolidated financial statements.

Hong Kong profits tax has been provided on the estimated assessable profit for the year ended 31 December 2024 at the rate of 16.5% (2023: 16.5%). Tax outside Hong Kong is calculated at the rates applicable in the relevant jurisdictions.

	2024 HK\$'000	2023 HK\$'000
<b>Current tax</b>		
Hong Kong profits tax	247	172
Overseas tax	2,540	3,739
Adjustments in respect of prior years	(967)	772
<b>Total current tax</b>	<b>1,820</b>	<b>4,683</b>
<b>Deferred tax</b>		
Origination and reversal of temporary differences (Note 33)	1,098	(176)
<b>Total tax expense</b>	<b>2,918</b>	<b>4,507</b>

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	2024 HK\$'000	2023 HK\$'000
<b>Profit before tax</b>	<b>33,729</b>	<b>27,595</b>
Tax calculated at domestic tax rates applicable to profits in the respective jurisdictions	229	2,098
Tax effects of:		
Non-taxable income and gains on investments	(61,063)	(43,225)
Non-deductible expenses and losses on investments	44,494	26,135
Adjustments in respect of prior years	(967)	772
Tax losses not recognized	20,225	18,727
<b>Tax expense</b>	<b>2,918</b>	<b>4,507</b>

The weighted average applicable tax rate was 0.68% (2023: 7.6%).

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 12 Other Comprehensive Loss

	2024 HK\$'000	2023 HK\$'000
Items that have been reclassified or may be subsequently reclassified to profit or loss:		
Foreign exchange translation	(21,374)	(11,144)
<b>Total other comprehensive loss</b>	<b>(21,374)</b>	<b>(11,144)</b>

### 13 Earnings Per Share

#### 13.1 Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue.

	2024	2023
Profit for the year attributable to owners of the Company (HK\$'000)	31,235	23,088
Weighted average number of ordinary shares in issue (thousands)	1,826,710	1,826,710
<b>Basic earnings per share (HK cents per share)</b>	<b>1.7</b>	<b>1.3</b>

#### 13.2 Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is the share options. For share options, a calculation is made to determine the number of ordinary shares that could have been acquired at fair value (determined as the average closing market price of the Company's shares) based on the monetary value of the subscription rights attached to the outstanding share options. The number of ordinary shares calculated as above is compared with the number of ordinary shares that would have been issued assuming the exercise of the share options.

	2024	2023
Profit for the year attributable to owners of the Company (HK\$'000)	31,235	23,088
Weighted average number of ordinary shares in issue (thousands)	1,826,710	1,826,710
Weighted average number of ordinary shares for diluted earnings per share (thousands)	1,826,710	1,826,710
<b>Diluted earnings per share (HK cents per share)</b>	<b>1.7</b>	<b>1.3</b>

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 14 Dividends

	2024 HK\$'000	2023 HK\$'000
Special dividend of 50.0 HK cents per ordinary share	-	913,355
Proposed final dividend of 1.0 HK cent (2023: Nil) per ordinary share	18,267	-

For the year ended 31 December 2024, the directors recommended a final dividend of 1.0 HK cent per share. The estimated total final dividend is HK\$18,267,000. Such dividend is to be approved by shareholders at the Annual General Meeting of the Company on 29 April 2025 and has not been recognized as a liability at the balance sheet date.

During the year ended 31 December 2023, the directors recommended a special dividend of 50.0 HK cents per share. The total special dividend is HK\$913,355,000. Such dividend was approved by the board of directors of the Company on 14 December 2023, has been recognized as a liability at the balance sheet date and was subsequently paid on 23 January 2024.

## 15 Investments in Subsidiaries

### 15.1 Corporate structure

As at 31 December 2024, the Company had interests in the following principal subsidiaries:

Name	Country of incorporation/ place of operation	Principal activities	Issued share capital	Effective interest held	
				Directly	Indirectly
Complete Value Investing Company Limited	Hong Kong	Property holding	10,000 ordinary shares	-	100%
Gold One Industries Limited	British Virgin Islands	Investment holding	1 ordinary share of US\$1	100%	-
Hong Kong Fund Management Group Limited	Hong Kong	Dormant	1 ordinary share	100%	-
Sensible Asset Management Hong Kong Limited	Hong Kong	Investment management	185,000,000 ordinary shares and 1,000,000 voting participating preference shares	100%	-
Sensible Asset Management Limited	British Virgin Islands/ Hong Kong	Investment management	2,000,000 ordinary shares of US\$0.1 each	100%	-
Value Funds Limited	Hong Kong	Investment holding	1 ordinary share	100%	-
Value Partners Asset Management Singapore Pte. Ltd.*	Singapore	Investment management	1,000,000 ordinary shares of S\$1 each	70.01%	-
Value Partners (Cayman GP) II Ltd	Cayman Islands	Managing member of two investment funds managed by Value Partners Limited	1 ordinary share of US\$1	100%	-
Value Partners (UK) Limited	United Kingdom	Investment Management	GBP2,050,000	100%	-



## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 15 Investments in Subsidiaries (continued)

#### 15.1 Corporate structure (continued)

Name	Country of incorporation/ place of operation	Principal activities	Issued share capital	Effective interest held	
				Directly	Indirectly
Value Partners Hong Kong Limited	Hong Kong	Investment management, investment holding and securities dealing	385,000,000 ordinary shares	100%	-
Value Partners Index Services Limited	Hong Kong	Indexing services	1 ordinary share	100%	-
Value Partners Investment Advisory Limited	Hong Kong	Consulting services	25,000,000 ordinary shares	100%	-
Value Partners Limited	British Virgin Islands/ Hong Kong	Investment management, investment holding and securities dealing	11,409,459 Class A ordinary shares and 3,893,318 Class B ordinary shares of US\$0.1 each	100%	-
Value Partners Private Equity Limited	British Virgin Islands/ Hong Kong	Investment management services	7,000,000 ordinary shares of US\$0.1 each	100%	-
Valuegate Holdings Limited	British Virgin Islands/ Hong Kong	Trademark holding	2 ordinary shares of US\$1 each	100%	-
Wisdom Resources Development Corporation	British Virgin Islands	Investment holding	1 ordinary share of US\$1	-	100%
惠理海外投資基金管理(上海)有限公司	PRC	Investment advisory	Registered capital of RMB20,000,000	-	100%
惠理投資管理(上海)有限公司	PRC	Investment management and advisory	Registered capital of RMB80,000,000	-	100%
惠理股權投資管理(深圳)有限公司	PRC	Equity investment	Registered capital of RMB35,000,000	-	100%

\* During the year ended 31 December 2024, the Group disposed 29.99% of Value Partners Asset Management Singapore Pte. Ltd.. For details refer to Note 36(b).

During the year ended 2024, Prosperous Decade Sdn. Bhd. was deregistered.

During the year ended 2024, the Group disposed 75% of Value Partners Asset Management Malaysia Sdn. Bhd. and hence it is no longer the subsidiary of the Group. For details refer to Note 36(a).

#### 15.2 Interests in structured entities

In addition to the investment funds held by the Group as disclosed in Note 22, the Group also holds the following investment fund which is consolidated within the Group:

	Place of incorporation	Effective interest held			
		2024		2023	
		Directly	Indirectly	Directly	Indirectly
Value Partners Asia Pacific Real Estate Limited Partnership	Cayman Islands	-	100%	-	100%
Value Partners Venture Capital Investment (Shenzhen) Limited Partnership <sup>(a)</sup>	PRC	-	49%	-	49%

Refer to Note 24 for further information of Real Estate Partnership.

(a) The Group holds 49% interests in Value Partners Venture Capital Investment (Shenzhen) Limited Partnership through its wholly owned subsidiary, Value Partners Hong Kong Limited. The investment was classified as an associate as at 31 December 2023 and reclassified as the subsidiary of the Group during the year ended 31 December 2024.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 16 Investments in Joint Ventures

Details of the joint ventures indirectly held by the Group are as follows:

Name	Place of incorporation	Principal activities	Interest held	
			2024	2023
Value Investing Group Company Limited	Hong Kong	Investment holding	50%	50%
Clear Miles Hong Kong Limited	Hong Kong	Investment holding	50%	50%
VP-ZACD Fund Holdings Pte. Ltd.	Singapore	Investment holding	-	50%
AM 310 Ann Street Investor Unit Trust	Australia	Investment holding	15%	15%
Golden Partners Investment Limited	Hong Kong	Investment holding	50%	50%

The Group's investments in joint ventures are mainly related to the investment in Real Estate Partnership. Refer to Note 24 for further information.

As at 31 December 2024, Value Investing Group Company Limited has a beneficial interest in a trust which owns three (31 December 2023: four) logistic centers located in Japan. In December 2024, Value Investing Group Company Limited sold a logistic center in Hokkaido, Japan, with a consideration of JPY3,230 million (equivalent to HK\$162 million) through its subsidiary and its holding in the trust.

As at 31 December 2024 and 2023, Clear Miles Hong Kong Limited has a 50% beneficial interest in AM Kent Street Investor Trust which owns an Australian commercial project consisting of two office buildings.

As at 31 December 2024 and 2023, AM 310 Ann Street Investor Unit Trust holds an Australian commercial building. The Group's 15% interest in AM 310 Ann Street Investor Unit Trust is considered investments in joint ventures as decisions about the relevant activities require unanimous consent of the parties sharing control.

During the year ended 31 December 2023, the Group has formed a new joint venture, Golden Partners Investment Limited, with an independent business partner. On 27 July 2023, Golden Partners Investment Limited completed the purchase of a 50% stake in Cromwell Italy Urban Logistics Fund which owns seven logistics assets in Italy, with a total investment amount of EUR 13.1 million (equivalent to HK\$112 million) through the subscription of 50% units in Cromwell Italy Urban Logistics Fund. As at 31 December 2024 and 2023, Golden Partners Investment Limited has a 50% beneficial interest in seven logistics assets in Italy.

There are no investments or activities for VP-ZACD Fund Holding Pte. Ltd. for the years ended 31 December 2024 and 2023 and VP-ZACD Fund Holding Pte. Ltd. was struck off on 4 September 2024.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 16 Investments in Joint Ventures (continued)

Movement in investments in joint ventures during the year is as follows:

	2024 HK\$'000	2023 HK\$'000
<b>Investments in joint ventures</b>		
Beginning of the year	227,457	208,752
Share of (losses)/gains of joint ventures	(46,652)	25,008
Exchange differences	(12,668)	(6,303)
	<b>168,137</b>	<b>227,457</b>
<b>Shareholders' loans included in investments in joint ventures</b>		
Beginning of the year	378,611	337,006
Addition of shareholders' loans (note a)	–	61,275
Return of shareholders' loans (note b)	(33,801)	(14,464)
Exchange differences	(33,281)	(5,206)
	<b>311,529</b>	<b>378,611</b>
<b>End of the year</b>	<b>479,666</b>	<b>606,068</b>

- (a) During the year ended 31 December 2023, the Real Estate Partnership made a contribution of shareholders' loan of EUR7 million (equivalent to HK\$61.3 million) to Golden Partners Investment Limited.
- (b) The Real Estate Partnership received repayments of shareholders' loans of AUD0.9 million (equivalent to HK\$4.6 million) (31 December 2023: AUD2.6 million (equivalent to HK\$13.3 million)), EUR0.4 million (equivalent to HK\$3.7 million) (31 December 2023: Nil) and JPY496.0 million (equivalent to HK\$25.5 million) (31 December 2023: JPY20.0 million (equivalent to HK\$1.2 million)) from Clear Miles Hong Kong Limited, Golden Partners Investment Limited and Value Investing Group Company Limited respectively.

Shareholders' loans are unsecured, non-interest bearing and have no fixed repayment terms. Shareholders can demand full repayment of loans upon written demand.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 16 Investments in Joint Ventures (continued)

The Group's share of assets, liabilities and results of the joint ventures are summarized as below:

	Value Investing Group Company Limited		Clear Miles Hong Kong Limited		AM 310 Ann Street Investor Unit Trust		Golden Partners Investment Limited	
	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000	2024 HK\$'000	2023 HK\$'000
Asset – non-current assets	183,010	223,122	175,015	239,804	143,810	165,508	59,210	62,060
Asset – current assets	306	214	308	1,576	4,109	3,494	178	2,552
Liabilities – current liabilities	(60)	(58)	(19)	(20)	(849)	(232)	(20)	(822)
Liabilities – non-current liabilities	-	-	-	-	(85,332)	(91,130)	-	-
<b>Net assets</b>	<b>183,256</b>	<b>223,278</b>	<b>175,304</b>	<b>241,360</b>	<b>61,738</b>	<b>77,640</b>	<b>59,368</b>	<b>63,790</b>
Income/gain	-	12,447	8,357	13,534	11,830	12,452	3,416	5,947
Expenses/losses	(9,350)	(141)	(42,156)	(3,271)	(18,219)	(13,402)	(500)	(2,430)
Tax expenses	(30)	(128)	-	-	-	-	-	-
<b>Profit/(loss) after tax and total comprehensive income/(loss)</b>	<b>(9,380)</b>	<b>12,178</b>	<b>(33,799)</b>	<b>10,263</b>	<b>(6,389)</b>	<b>(950)</b>	<b>2,916</b>	<b>3,517</b>

There are no commitments and contingent liabilities relating to the Group's interests in the joint ventures, and no other commitments and contingent liabilities of the joint ventures themselves.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 17 Property, Plant and Equipment

	Property HK\$'000	Leasehold improvements HK\$'000	Furniture and fixtures HK\$'000	Office equipment HK\$'000	Vehicles HK\$'000	Total HK\$'000
<b>As at 1 January 2023</b>						
Cost	187,782	25,225	3,295	23,086	2,596	241,984
Accumulated depreciation	(26,930)	(21,141)	(2,760)	(20,709)	(2,596)	(74,136)
<b>Net book amount</b>	<b>160,852</b>	<b>4,084</b>	<b>535</b>	<b>2,377</b>	<b>-</b>	<b>167,848</b>
<b>Year ended 31 December 2023</b>						
Opening net book amount	160,852	4,084	535	2,377	-	167,848
Additions	-	544	97	317	-	958
Disposals	-	(4,515)	-	-	-	(4,515)
Write back of depreciation on disposals	-	4,515	-	-	-	4,515
Depreciation (Note 9)	(5,671)	(2,248)	(235)	(1,367)	-	(9,521)
Exchange differences	(3,008)	(40)	(5)	-	-	(3,053)
<b>Closing net book amount</b>	<b>152,173</b>	<b>2,340</b>	<b>392</b>	<b>1,327</b>	<b>-</b>	<b>156,232</b>
<b>As at 31 December 2023</b>						
Cost	187,782	21,254	3,392	23,403	2,596	238,427
Accumulated depreciation	(35,609)	(18,914)	(3,000)	(22,076)	(2,596)	(82,195)
<b>Net book amount</b>	<b>152,173</b>	<b>2,340</b>	<b>392</b>	<b>1,327</b>	<b>-</b>	<b>156,232</b>
<b>Year ended 31 December 2024</b>						
Opening net book amount	152,173	2,340	392	1,327	-	156,232
Additions	-	102	-	117	787	1,006
Disposals	-	(1,498)	(258)	(640)	(1,638)	(4,034)
Write back of depreciation on disposals	-	1,498	258	640	1,638	4,034
Depreciation (Note 9)	(5,553)	(1,234)	(194)	(870)	(66)	(7,917)
Exchange differences	(3,884)	(32)	(3)	(2)	-	(3,921)
<b>Closing net book amount</b>	<b>142,736</b>	<b>1,176</b>	<b>195</b>	<b>572</b>	<b>721</b>	<b>145,400</b>
<b>As at 31 December 2024</b>						
Cost	187,782	19,858	3,134	22,880	1,745	235,399
Accumulated depreciation	(45,046)	(18,682)	(2,939)	(22,308)	(1,024)	(89,999)
<b>Net book amount</b>	<b>142,736</b>	<b>1,176</b>	<b>195</b>	<b>572</b>	<b>721</b>	<b>145,400</b>

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 18 Right-of-use Assets

	2024 HK\$'000	2023 HK\$'000
<b>Cost</b>		
At 1 January	98,271	63,258
Additions	–	36,318
Derecognitions	(583)	–
Reclassification into investments held-for-sale (Note 23)	–	(1,277)
Exchange differences	(119)	(28)
<b>At 31 December</b>	<b>97,569</b>	<b>98,271</b>
<b>Accumulated depreciation</b>		
At 1 January	(52,118)	(33,758)
Depreciation	(14,513)	(19,250)
Derecognitions	237	–
Reclassification into investments held-for-sale (Note 23)	–	864
Exchange differences	75	26
<b>At 31 December</b>	<b>(66,319)</b>	<b>(52,118)</b>
<b>Net book value</b>		
<b>At 31 December</b>	<b>31,250</b>	<b>46,153</b>

Except for short-term leases and leases of low-value assets of the Group of which the Company or any of its subsidiaries is a lessee and in relation to which the recognition exemption under HKFRS 16 is applicable, the Group recognizes for each of the leases a right-of-use asset. As at 31 December 2024 and 2023, right-of-use assets recognized were related to properties.

Depreciation charge on the right-of-use assets is recognized using the straight-line method, being the period from the dates of the commencement/modification of the leases to the end of the term.

The carrying balances of the right-of-use assets are amortized to nil on the expiry dates of the leases.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 19 Investment Property

	2024 HK\$'000	2023 HK\$'000
Beginning of the year	191,080	197,608
Fair value loss (Note 10)	-	(3,838)
Foreign exchange translation	(17,773)	(2,690)
<b>End of the year</b>	<b>173,307</b>	<b>191,080</b>

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. The fair value of the investment property was HK\$173,307,000 at 31 December 2024 (31 December 2023: HK\$191,080,000).

The Group measures its investment property at fair value by engaging an independent qualified valuer. The fair value assessment is derived using the income approach and by making reference to recent transacted price or comparable sales transaction available in the relevant property market. The income approach applies a capitalization rate on market rent for deriving the capital value.

Apart from the above, the Group's investment property is part of the investments in the Real Estate Partnership. Refer to Note 24 for further information.

#### Amounts recognized in profit or loss for investment property

	2024 HK\$'000	2023 HK\$'000
Rental income (Note 7)	12,454	12,191
Direct operating expenses from property that generated rental income	3,385	3,896
Fair value loss recognized in other gains – net (Note 10)	-	(3,838)

#### Fair value measurements using significant unobservable inputs

Significant unobservable inputs used in the fair value measurements for 2024 and 2023 are as follows:

Unobservable inputs	Retail	Student accommodation	Parking	Relationship of increase in unobservable inputs to fair value
Capitalization rate	6.375% (2023: 6.25%)	6.375% (2023: 6.25%)	6.375% (2023: 6.25%)	Decrease in the fair value
Market rent	New Zealand dollar NZD352.5 (2023: NZD350) per square meter	NZD197.5 (2023: NZD195) per room per week	NZD55 (2023: NZD55) per space per week	Increase in the fair value (assume other inputs remain constant)

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 20 Intangible Assets

	Goodwill HK\$'000	Computer software HK\$'000	Others HK\$'000	Total HK\$'000
<b>As at 1 January 2023</b>				
Cost	–	19,659	7,500	27,159
Accumulated amortization	–	(10,226)	–	(10,226)
Accumulated impairment	–	(1,244)	–	(1,244)
<b>Net book amount</b>	–	8,189	7,500	15,689
<b>Year ended 31 December 2023</b>				
Opening net book amount	–	8,189	7,500	15,689
Additions	–	28	–	28
Amortization (Note 9)	–	(2,971)	–	(2,971)
Exchange differences	–	(18)	–	(18)
<b>Closing net book amount</b>	–	5,228	7,500	12,728
<b>As at 31 December 2023</b>				
Cost	–	19,687	7,500	27,187
Accumulated amortization and impairment	–	(14,459)	–	(14,459)
<b>Net book amount</b>	–	5,228	7,500	12,728
<b>Year ended 31 December 2024</b>				
Opening net book amount	–	5,228	7,500	12,728
Disposals	–	(1,030)	–	(1,030)
Amortization (Note 9)	–	(2,328)	–	(2,328)
Exchange differences	–	(13)	–	(13)
<b>Closing net book amount</b>	–	1,857	7,500	9,357
<b>As at 31 December 2024</b>				
Cost	–	17,788	7,500	25,288
Accumulated amortization and impairment	–	(15,931)	–	(15,931)
<b>Net book amount</b>	–	1,857	7,500	9,357



## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 21 Investments in Associates

#### Investment in an associate using equity method

The Group has interests in a company that give the Group significant influence but not control. Such investment was recorded using equity method. Details of the associate are summarized as follows:

	Place of incorporation	Interest held	
		2024	2023
M & A Value Partners Asset Management Malaysia Sdn. Bhd. (formerly known as "Value Partners Asset Management Malaysia Sdn. Bhd.") <sup>(a)</sup>	Malaysia	25%	100%

Movement in the investment in the associate is as follows:

	2024 HK\$'000	2023 HK\$'000
Beginning of the year	-	-
Addition	2,137	-
Share of losses on an associate	(749)	-
End of the year	1,388	-

- (a) During the year ended 31 December 2023, the Group entered into a share sales and purchase agreement with a third party to dispose 75% of its then subsidiary, Value Partners Asset Management Malaysia Sdn. Bhd. (renamed "M & A Value Partners Asset Management Malaysia Sdn. Bhd."). Refer to Note 36(a) for details. The transaction has been completed on 8 March 2024 and M & A Value Partners Asset Management Malaysia Sdn. Bhd. became an associate of the Group.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 21 Investments in Associates (continued)

#### Investments in associates measured at fair value

Investments in associates are categorized in 'non-current Investments' in the consolidated balance sheet.

Where the Group has interests in the investment funds that give the Group significant influence, but not control, the Group records such investments at fair value. Details of such investment funds are summarized as follows:

	Place of incorporation	Interest held	
		2024	2023
Value Partners Asia Principal Credit Fund Limited Partnership	Cayman Islands	29%	29%
Value Partners Ireland Fund ICAV <sup>(a)</sup>	Ireland	48%	41%

	Net asset value		Profit/(Loss) for the year and total comprehensive income/(loss)	
	31 December		31 December	
	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Value Partners Asia Principal Credit Fund Limited Partnership	56,487	190,399	(16,494)	(727)
Value Partners Ireland Fund ICAV <sup>(a)</sup>	1,149,063	1,575,151	(47,215)	(88,421)

The information disclosed reflects the amounts presented in the financial statements of the relevant associates.

- (a) The sub-funds under Value Partners Ireland Fund ICAV are considered as an associate in an aggregate basis. The sub-funds included: Value Partners Asia Ex-Japan Equity Fund, Value Partners Asian Dynamic Bond Fund, Value Partners China A Shares High Dividend Fund, Value Partners Greater China High Yield Bond Fund and Value Partners Health Care Fund (2023: Value Partners Asia Ex-Japan Equity Fund, Value Partners Asian Dynamic Bond Fund, Value Partners China A Shares Equity Fund, Value Partners China A Shares High Dividend Fund, Value Partners Classic Equity Fund, Value Partners Greater China High Yield Bond Fund, Value Partners Health Care Fund and Value Partners Asian Food and Nutrition Fund).

The fair value of the Group's interests in such investment funds are also summarized in Note 40.3.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 22 Investments

Investments include the following:

	2024 HK\$'000	2023 HK\$'000
<b>Listed securities (by place of listing)</b>		
Equity securities – Long – Hong Kong	–	1,046
Debt investments – Hong Kong	59,580	176,130
Investment funds – Hong Kong	441,207	555,949
Investment funds – Malaysia	12,021	–
<b>Market value of listed securities</b>	<b>512,808</b>	<b>733,125</b>
<b>Unlisted securities (by place of incorporation/establishment)</b>		
Equity securities – China	9,778	5,200
Investment funds – Cayman Islands	18,619	60,289
Investment funds – China	56,968	31,761
Investment funds – Hong Kong	491,806	342,584
Investment funds – Ireland	551,764	652,041
Investment funds – United States	107,349	101,317
<b>Fair value of unlisted securities</b>	<b>1,236,284</b>	<b>1,193,192</b>
Representing:		
Non-current	1,688,685	1,746,875
Current	60,407	179,442
<b>Total investments</b>	<b>1,749,092</b>	<b>1,926,317</b>

As at 31 December 2024, HK\$568 million (31 December 2023: HK\$711 million) of investments in associates was classified as “non-current investments” in the consolidated balance sheet.

The Group provided seed capital to set up a number of investment funds, of which the Group acts as the investment manager or investment advisor. As at 31 December 2024 and 2023, except for the consolidated investment funds disclosed in Note 15.2, the Group determined that all of these investment funds are unconsolidated structured entities. Refer to Note 40.3 for details.

The maximum exposure to loss for all interests in structured entities is the carrying value of the investments in investment funds (refer to Note 40.3) and fees receivable as shown in the consolidated balance sheet. The net asset value of the investment funds held by the Group ranges from HK\$2,000 to HK\$0.5 billion (2023: HK\$2,000 to HK\$0.5 billion). The size of the investment funds ranges from US\$85,000 to US\$1.4 billion (2023: US\$87,000 to US\$1.4 billion). During the years ended 31 December 2024 and 2023, other than seed capital, the Group did not provide other financial support to the unconsolidated structured entities and has no intention of providing other support.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 22 Investments (continued)

Investments are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
Australian dollar	18,682	26,720
Hong Kong dollar	593,491	824,130
Malaysian ringgit	12,021	–
Pound sterling	21,102	20,293
Renminbi	70,552	47,642
Singapore dollar	6,495	20,485
United States dollar	1,025,283	986,409
Others	1,466	638
<b>Total investments</b>	<b>1,749,092</b>	<b>1,926,317</b>

### 23 Investments held-for-sale

On 12 October 2023, the Group entered into a share sales and purchase agreement with a third party to dispose 75% of its subsidiary, Value Partners Asset Management Malaysia Sdn. Bhd. The transaction was not completed as at 31 December 2023 and the Group classified its interest in the subsidiary as investments held-for-sale. The transaction was completed on 8 March 2024. Refer to note 36(a) for details. Value Partners Asset Management Malaysia Sdn. Bhd. was then renamed "M & A Value Partners Asset Management Malaysia Sdn. Bhd." and became an associate of the Group. Refer to Note 21 for details.

	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets classified as investments held-for-sale</b>		
Right-of-use assets	–	413
Investments	–	11,027
Other assets	–	156
	–	11,596
<b>Current assets classified as investments held-for-sale</b>		
Fees receivable	–	19
Tax receivable	–	689
Prepayments and other receivables	–	36
Cash and cash equivalents	–	5,038
	–	5,782
<b>Current liabilities classified as investments held-for-sale</b>		
Other payables and accrued expenses	–	206
Lease liabilities	–	479
	–	685
<b>Non-current liabilities classified as investments held-for-sale</b>		
Deferred tax liabilities	–	76
Lease liabilities	–	23
	–	99
<b>Net investments held-for-sale</b>	<b>–</b>	<b>16,594</b>

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 24 Investment in Value Partners Asia Pacific Real Estate Limited Partnership

In 2017, the Group set up the Real Estate Partnership to engage in real estate private equity business. The Real Estate Partnership focuses on the acquisition of stabilized income assets in the Asia Pacific. As at 31 December 2024 and 31 December 2023, the Group committed US\$128.8 million (equivalent to HK\$1,005 million) capital to the Real Estate Partnership. As at 31 December 2024, the outstanding investment cost of the Real Estate Partnership was US\$32.4 million (equivalent to HK\$253 million) (31 December 2023: US\$35.7 million (equivalent to HK\$279 million)).

On 16 June 2023, a subsidiary of the Group made a capital contribution of US\$6.8 million (equivalent to HK\$53 million) to the Real Estate Partnership. There was no undrawn capital commitment in Real Estate Partnership as at 31 December 2024 and 2023.

As at 31 December 2024 and 2023, the Group held controlling interest in the Real Estate Partnership and all assets and liabilities of this fund was consolidated within the Group's balance sheet.

As at 31 December 2024 and 2023, the assets and liabilities held by the Real Estate Partnership consolidated within the Group's consolidated balance sheet are as follows:

			31 December 2024	31 December 2023
		Note	HK\$'000	HK\$'000
<b>Underlying investments</b>				
<b>Non-current assets:</b>				
Investments in joint ventures	- Three (2023: Four) Japanese logistic centers - Two (2023: Two) Australian commercial projects - Seven (2023: Seven) Italian logistics centers	(i)	479,666	606,068
Investment property	- One (2023: One) New Zealand student accommodation building	(ii)	173,307	191,080
<b>Non-current liability:</b>				
Borrowing		(iii)	-	(72,703)
<b>Current liability:</b>				
Borrowing		(iii)	(65,941)	(1,170)
Other net assets		(iv)	18,166	13,708
<b>Total</b>			<b>605,198</b>	<b>736,983</b>

(i) For the details of investments in joint ventures, please refer to Note 16.

(ii) The Real Estate Partnership held a student accommodation building located in New Zealand. Refer to Note 19 for further details.

(iii) The Real Estate Partnership's borrowing of NZD14,915,000 (equivalent to HK\$65,941,000) (31 December 2023: NZD15,155,000 (equivalent to HK\$73,873,000)) is secured by the student accommodation building located in New Zealand with a fair value of HK\$173,307,000 (31 December 2023: HK\$191,080,000) as the collateral of the borrowing. On 27 July 2023, the Real Estate Partnership entered into an amended facility agreement and the repayment date of the borrowing is extended to 31 July 2025. As at 31 December 2024, the effective interest rate is the sum of the lending bank's bill rate for the interest period plus a margin of 2.43% (31 December 2023: 2.43%) per annum. The interest payables on the borrowing are included in other payables and accrued expenses in other net assets (current).

(iv) Other net assets comprise of cash and cash equivalents, prepayments and other receivables, other payables and accrued expenses.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 25 Fees Receivable

The carrying amounts of fees receivable approximate their fair value due to the short-term maturity. The maximum exposure to credit risk at the reporting date is the carrying amounts of the fees receivable. The Group did not hold any collateral as security as at 31 December 2024 (2023: Nil).

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:

	2024 HK\$'000	2023 HK\$'000
<b>Fees receivable that were past due but not impaired</b>		
31 – 60 days	1,077	1,061
61 – 90 days	35	409
Over 90 days	215	–
	1,327	1,470
Fees receivable that were within credit period	36,347	54,855
<b>Total fees receivable</b>	<b>37,674</b>	<b>56,325</b>

Fees receivable are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
Australian dollar	138	345
Hong Kong dollar	3,087	5,153
Renminbi	1,788	18,675
United States dollar	31,979	30,307
Others	682	1,845
<b>Total fees receivable</b>	<b>37,674</b>	<b>56,325</b>

Fees receivable from investment management activities are generally deducted from the net asset values of the investment funds and managed accounts and paid directly by the administrators or custodians of the investment funds and managed accounts at the end of the relevant valuation period or credit period, as appropriate.

There was no impairment provision on fees receivable as at 31 December 2024 and 2023.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 26 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. For details refer to Note 36(b).

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\$1.4 million (HK\$11 million) was released from the escrow account. As at 31 December 2024, 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 is recognized as “Deposits for purchase of investments” in the consolidated balance sheet.

### 27 Cash and Cash Equivalents

	2024 HK\$'000	2023 HK\$'000
Cash at banks and in hand	137,144	148,371
Short-term bank deposits	117,410	864,893
Investments in money market instruments	821,868	544,648
Deposits with brokers	1,015	973
<b>Total cash and cash equivalents</b>	<b>1,077,437</b>	<b>1,558,885</b>

Cash and cash equivalents are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
Australian dollar	10,903	8,790
Hong Kong dollar	69,132	601,588
Pound sterling	6,302	10,232
Renminbi	144,118	465,378
Singapore dollar	4,647	22,887
United States dollar	829,676	443,980
Others	12,659	6,030
<b>Total cash and cash equivalents</b>	<b>1,077,437</b>	<b>1,558,885</b>

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 28 Issued Equity

	Number of shares	Share capital HK\$'000	Share premium HK\$'000	Reorganization reserve HK\$'000	Total issued equity HK\$'000
As at 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	1,826,709,831	182,671	2,010,974	(866,813)	1,326,832

As at 31 December 2024, the total number of authorized ordinary shares of the Company was 5,000,000,000 shares (2023: 5,000,000,000 shares) with a par value of HK\$0.1 (2023: HK\$0.1) per share and all issued shares were fully paid.

The ordinary shares are non-redeemable and are entitled to dividends. Each ordinary share carries one vote. In the case of winding up of the Company, ordinary shares carry the right to return the paid-up capital and any balance then remaining.

#### Share options

The Group operates a share option scheme for directors, employees and others whom the Board of Directors considers, in its sole discretion, have contributed or will contribute to the Group. The share option scheme is effective for a period of ten years from the date it was adopted, after which no new share options will be granted but the provisions of the scheme will remain in full force and effect in all other respects. The share options are subject to terms as the Board of Directors may determine. Such terms may include the exercise price of the share options, the minimum period for which the share options must be held before they can be exercised in whole or in part, the conditions that must be reached before the share options can be exercised. The Group has no legal or constructive obligation to repurchase or settle the share options in cash. There were no share options granted for the years ended 31 December 2024 and 31 December 2023.

The net share-based compensation reversal in the consolidated statement of comprehensive income for share options granted to directors and employees for the year ended 31 December 2024 was HK\$994,000 (2023: share-based compensation expense of HK\$12,018,000) which had no impact to the Group's cash flow. The weighted average fair value of options granted during the years 2024 and 2023 was determined using the Black-Scholes valuation model. The total fair value of options granted is amortized over the vesting period. The significant inputs into the model included share price at the grant date, exercise price, expected volatility, expected dividend yield based on historical dividend per share, expected option life and annual risk-free interest rate. The volatility was measured based on historic average share price volatility over a period of similar maturity to those of the share options.

Movements in the number of share options outstanding and their related exercise prices are as follows:

	Average exercise price (HK\$ per share)	Number of options ('000)
As at 1 January 2023, 31 December 2023 and 1 January 2024	4.55	97,959
Forfeited	3.47	9,250
As at 31 December 2024	4.67	88,709



## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 28 Issued Equity (continued)

#### Share options (continued)

Out of the 88,709,000 (2023: 97,959,000) outstanding share options, 88,709,000 (2023: 89,334,000) options were exercisable as at 31 December 2024 with weighted average exercise price of HK\$4.67 (2023: HK\$4.57) per share. No options were exercised during the years ended 31 December 2024 and 2023.

Share options outstanding have the following expiry date and exercise price:

Expiry date	Exercise price (HK\$ per share)	Number of options ('000)	
		2024	2023
14 April 2025	5.87	20,500	20,500
22 August 2026	4.14	60,209	60,209
11 December 2026	5.55	8,000	8,000
10 March 2027	3.47	-	9,250

The measurement dates of the share options were 11 March 2022, 12 March 2021, 23 November 2020, 15 October 2018 and 31 May 2012, being the dates of grant of the share options. Where the grantees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest or lapse. Forfeiture rate is also considered in determining the amount of share option expenses.

### 29 Other Reserves

	Share-based compensation reserve <sup>(a)</sup> HK\$'000	Revaluation reserve HK\$'000	Capital redemption reserve HK\$'000	Capital reserve <sup>(b)</sup> HK\$'000	Foreign exchange translation reserve HK\$'000	Total HK\$'000
As at 1 January 2023	77,517	(519)	240	-	(16,114)	61,124
Share-based compensation (Note 8)	12,018	-	-	-	-	12,018
Foreign exchange translation	-	-	-	-	(11,144)	(11,144)
As at 31 December 2023	89,535	(519)	240	-	(27,258)	61,998
As at 1 January 2024	89,535	(519)	240	-	(27,258)	61,998
Net reversal of share-based compensation/share-based compensation (Note 8 and 28)	(994)	-	-	-	-	(994)
Forfeited/expired/exercised share options	(2,483)	-	-	-	-	(2,483)
Partial disposal of a subsidiary (Note 36(b))	-	-	-	498	-	498
Foreign exchange translation	-	-	-	-	(21,374)	(21,374)
As at 31 December 2024	86,058	(519)	240	498	(48,632)	37,645

(a) Share-based compensation reserve comprises the fair value of share options granted which are yet to be exercised. The amount will be transferred to retained earnings when the related options are exercised, forfeited or expired.

(b) Capital reserve arises from transactions with non-controlling interests that do not result in a loss of control.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 30 Distribution Fee Expenses Payable

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

	2024 HK\$'000	2023 HK\$'000
0 – 30 days	40,227	41,089
31 – 60 days	–	678
Over 60 days	4,667	4,614
<b>Total distribution fee expenses payable</b>	<b>44,894</b>	<b>46,381</b>

Distribution fee expenses payable are denominated in the following currencies:

	2024 HK\$'000	2023 HK\$'000
United States dollar	44,629	45,739
Others	265	642
<b>Total distribution fee expenses payable</b>	<b>44,894</b>	<b>46,381</b>

### 31 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.

### 32 Borrowing

	2024 HK\$'000	2023 HK\$'000
<b>Current</b>		
Bank loan	65,941	1,170
<b>Non-current</b>		
Bank loan	–	72,703

During the year ended 31 December 2023, the repayment date of the borrowing was renewed from 18 October 2023 to 31 July 2025.

The borrowing is secured by the investment property located in New Zealand as stated in Note 19. The maturity of the borrowing is as follows:

	2024 HK\$'000	2023 HK\$'000
Within 1 year	65,941	1,170
Between 1 and 5 years	–	72,703
	<b>65,941</b>	<b>73,873</b>

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 32 Borrowing (continued)

The effective interest rate of the Group's borrowing at the balance sheet date is as follows:

	2024	2023
Bank loan	7.80%	7.62%

Saved as disclosed above, the carrying amount of the borrowing approximate its fair value as the balance is either at variable rate or the impact of discounting is not significant.

The carrying amount of the borrowing is denominated in the following currency:

	2024 HK\$'000	2023 HK\$'000
New Zealand dollar	65,941	73,873

### 33 Deferred Tax

The movement of deferred tax assets is as follows:

Deferred tax assets	Accelerated tax depreciation HK\$'000	Tax losses HK\$'000	Total HK\$'000
As at 1 January 2023	1,603	1,487	3,090
Credited/(debited) to profit or loss (Note 11)	469	(293)	176
Exchange difference	79	69	148
As at 31 December 2023	2,151	1,263	3,414
As at 1 January 2024	2,151	1,263	3,414
Credited/(debited) to profit or loss (Note 11)	153	(1,251)	(1,098)
Exchange difference	-	(12)	(12)
As at 31 December 2024	2,304	-	2,304

Deferred tax assets are recognized for tax losses carry-forwards to the extent that the realization of the related tax benefit through future taxable profits is probable. As at 31 December 2024, the Group did not recognize deferred tax assets of HK\$88,838,000 (2023: HK\$68,552,000) in respect of losses amounting to HK\$459,040,000 (2023: HK\$344,176,000) that can be carried forward against future taxable profits as the realization of the related tax benefit may not be probable.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 34 Lease Liabilities

	2024 HK\$'000	2023 HK\$'000
At 1 January	46,156	29,183
(Termination)/renewal of leases	(258)	36,318
Reclassification into investments held-for-sale (Note 23)	–	(502)
Lease payments	(17,042)	(20,661)
Finance costs	2,602	1,828
Exchange differences	(34)	(10)
<b>At 31 December</b>	<b>31,424</b>	<b>46,156</b>

	2024 HK\$'000	2023 HK\$'000
Representing:		
Current		
– contractual maturity within 1 year	12,865	14,454
Non-current		
– contractual maturity after 1 year but within 2 years	12,995	13,090
– contractual maturity after 2 years but within 5 years	5,564	18,612
	18,559	31,702
<b>Total lease liabilities</b>	<b>31,424</b>	<b>46,156</b>

### 35 Financial Instruments by Category

	2024 HK\$'000	2023 HK\$'000
<i>Category of financial assets</i>		
<b>Financial assets at amortized cost</b>		
Fees receivable (Note 25)	37,674	56,325
Other receivables	14,851	13,587
Deposits for purchase of investments (Note 26)	15,614	26,967
Amounts receivable from sales of investments	19,634	42,953
Cash and cash equivalents (Note 27)	1,077,437	1,558,885
	1,165,210	1,698,717
<b>Financial assets at fair value through profit or loss</b>		
Investments (Note 22)	1,749,092	1,926,317
<i>Category of financial liabilities</i>		
<b>Financial liabilities at amortized cost</b>		
Distribution fee expenses payable (Note 30)	44,894	46,381
Other payables	6,839	7,752
Borrowing (Note 32)	65,941	73,873
	117,674	128,006

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 36 Disposal of subsidiaries

#### (a) Disposal of partial interests in a subsidiary resulting in loss of control

During the year ended 31 December 2023, the Group entered into a share sales and purchase agreement with a third party to dispose 75% of its subsidiary, Value Partners Asset Management Malaysia Sdn. Bhd., with a consideration of Malaysian ringgit 2.8 million (equivalent to HK\$4.6 million). Value Partners Asset Management Malaysia Sdn. Bhd. holds a Capital Market Services License for Fund Management issued by the Securities Commission Malaysia.

On 8 March 2024, the transaction was completed with control being transferred and hence Value Partners Asset Management Malaysia Sdn. Bhd. ceased to be a subsidiary of the Group. After the disposal, the Group retained 25% equity interests in Value Partners Asset Management Malaysia Sdn. Bhd. and it is recognized as "Investment in an associate" in the consolidated balance sheet.

	As at the date of cessation of control HK\$'000
Cash consideration received	4,528
Interest in an associate retained subsequent to the disposal	1,252
	5,780
Carry amount of net assets and liabilities in which control was ceased:	
Fees receivable	18
Prepayments and other receivables	1,057
Cash and cash equivalents	5,519
Other payables and accrued expenses	(1,779)
	4,815
Gain on disposal of a subsidiary	965
	5,780

The net cash flow in relation of the disposal of Value Partners Asset Management Malaysia Sdn. Bhd. is as follows:

	HK\$'000
Inflow of cash from disposal, net of cash and cash equivalents disposed of	
Cash consideration received	4,528
Less: Cash and cash equivalents disposed of	(5,519)
Net cash outflow - investing activities	(991)

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 36 Disposal of subsidiaries (continued)

#### (b) Partial disposal of interests in a subsidiary without loss of control

During the year ended 31 December 2023, 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 wholly owned subsidiary of the Group, with a consideration of US\$758,000 (equivalent to HK\$5,904,000). The transaction was completed on 4 September 2024. Refer to Note 26.

	As at the date of disposal HK\$'000
Cash consideration received	5,904
Carry amount of net assets of 29.99% of the subsidiary	5,406
Surplus on partial disposal of the subsidiary recognized as capital reserve in other reserves	498

### 37 Notes to the Consolidated Cash Flow Statement

	2024 HK\$'000	2023 HK\$'000
Profit before tax	33,729	27,595
<i>Adjustments for</i>		
Interest income on cash and cash equivalents	(34,933)	(42,648)
Interest income from financial assets at fair value through profit or loss	(3,344)	(4,500)
Interest expense on borrowing	5,547	5,619
Interest expense on lease liabilities	2,602	1,828
Dividend income on financial assets at fair value through profit or loss	(13,617)	(9,570)
(Net reversal of share-based compensation)/ share-based compensation	(994)	12,018
Depreciation and amortization	10,245	12,492
Depreciation of right-of-use assets	14,513	19,250
Share of losses/(gains) of joint ventures	46,652	(25,008)
Share of losses of an associate	749	-
Other gains – net	(135,715)	(45,301)
<i>Changes in working capital</i>		
Other assets	350	2,198
Fees receivable	18,651	10,806
Prepayments and other receivables	(1,562)	(5,587)
Distribution fee expenses payable	(1,487)	(4,412)
Other payables and accrued expenses	18,198	(42,793)
<b>Net cash used in operations</b>	<b>(40,416)</b>	<b>(88,013)</b>

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 37 Notes to the Consolidated Cash Flow Statement (continued)

#### Reconciliation of liabilities arising from financing activities

	Borrowing HK\$'000 (Note 32)	Lease liabilities HK\$'000 (Note 34)	Total HK\$'000
At 1 January 2023	76,054	29,183	105,237
<b>Changes from financing cash flows:</b>			
Renewal of new leases	-	36,318	36,318
Reclassification into investments held-for-sale	-	(502)	(502)
Finance costs	-	1,828	1,828
Principal and interest elements of lease payments	-	(20,661)	(20,661)
Repayment of borrowing	(1,151)	-	(1,151)
Exchange differences	(1,030)	(10)	(1,040)
<b>At 31 December 2023 and 1 January 2024</b>	<b>73,873</b>	<b>46,156</b>	<b>120,029</b>
<b>Changes from financing cash flows:</b>			
Finance costs	-	2,602	2,602
Principal and interest elements of lease payments	-	(17,042)	(17,042)
Termination of leases	-	(258)	(258)
Repayment of borrowing	(1,134)	-	(1,134)
Exchange differences	(6,798)	(34)	(6,832)
<b>At 31 December 2024</b>	<b>65,941</b>	<b>31,424</b>	<b>97,365</b>

### 38 Commitments

#### 38.1 Operating lease commitments

The Group leases certain offices and office equipment under non-cancellable operating lease agreements with lease terms within one year. The majority of these lease agreements are renewable at the end of the lease period at market rate.

	31 December 2024 HK\$'000	31 December 2023 HK\$'000
Within 1 year	125	163
<b>Total operating lease commitments</b>	<b>125</b>	<b>163</b>

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 38 Commitments (continued)

### 38.2 Capital commitments

As at 31 December 2024, the Group has unfunded capital commitment in two private equity funds amounted to HK\$91,402,000 and US\$1,200,000 (equivalent to HK\$9,324,000) respectively. As at 31 December 2023, the Group has unfunded capital commitment in a private equity fund amounted to HK\$91,402,000 and an unlisted equity security amounted to US\$333,000 (equivalent to HK\$2,600,000).

As at 31 December 2024, the capital commitment contracted to purchase licensed software and hardware but not yet incurred amounted to approximately HK\$5,940,000 (31 December 2023: HK\$7,920,000).

	31 December 2024 HK\$'000	31 December 2023 HK\$'000
Within 1 year	1,980	1,980
1-2 years	1,980	1,980
2-3 years	1,980	1,980
3 years or above	-	1,980
	5,940	7,920

## 39 Contingencies

The Group would have contingent assets in respect of performance fees and contingent liabilities in respect of the performance fee element of distribution fee expenses arising in the ordinary course of business.

### Contingent assets

Performance fees for non-private equity fund products for each performance period are generally calculated annually with reference to a performance fee valuation day. Performance fees for private equity fund products are generally calculated at the end of the period over which the performance is measured (performance fee valuation day) and this is generally the end of the life of the private equity fund or upon each successful divestment of an investment of the private equity fund. Performance fees are only recognized when they are earned by the Group.

Therefore, as at 31 December 2024 and 2023, performance fees in respect of performance periods ending on a performance fee valuation day not falling within the corresponding year and have not been recognized. These performance fees may be receivable in cash if a positive performance results (for non-private equity fund products) or a performance threshold is exceeded (for private equity fund products) on the performance fee valuation days, taking into consideration the relevant basis of calculation for the investment funds and managed accounts.



## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 40 Related-Party Transactions

Apart from those disclosed elsewhere in the consolidated financial statements, the Group has also entered into the following significant related-party transactions which, in the opinion of the directors, were carried out in the ordinary course of the Group's business.

#### 40.1 Summary of transactions entered into during the ordinary course of business with related parties

	2024 HK\$'000	2023 HK\$'000
Investment management fee and advisory service fee income from a related party of a director and an affiliate	141	131
Consultancy fee expense to a related party of a director	347	336
Distribution fee expense to a related party of a shareholder	106	–

#### 40.2 Key management compensation

Key management includes the executive directors of the Group. The compensation to key management for employee services is as follows:

	2024 HK\$'000	2023 HK\$'000
Salaries, bonus and other short-term employee benefits	17,635	21,891
Share-based compensation	–	8,745
Pension costs	54	72
<b>Total key management compensation</b>	<b>17,689</b>	<b>30,708</b>

#### 40.3 Investments in investment funds which are managed/advised by the Group

The Group has interests in the following consolidated and unconsolidated structured entities. These are the investment funds under the Group's management or advisory and from which it earns fees from investment management or advisory activities and fund distribution activities. These investment funds manage pools of assets from investors, and are financed through the issue of units/shares to investors. Certain investment funds where the Group has control or significant influence are disclosed in Notes 16, 21 and 24.

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 40 Related-Party Transactions (continued)

#### 40.3 Investments in investment funds which are managed/advised by the Group (continued)

	Fair value	
	2024 HK\$'000	2023 HK\$'000
<b>Consolidated structured entities</b>		
Value Partners Asia Pacific Real Estate Limited Partnership (Note 15.2 & 24)	605,198	736,983
Value Partners Venture Capital Investment (Shenzhen) Limited Partnership (Note 15.2)	2,855	–
<b>Unconsolidated structured entities</b>		
Value Gold ETF <sup>(b)</sup>	510,656*	540,511*
Value Partners Asia Fund, LLC <sup>(a)</sup>	344	311
Value Partners Asia Principal Credit Fund Limited Partnership (Note 21)	16,612	56,000
Value Partners Classic Fund <sup>(i)</sup>	370*	1,126*
Value Partners EMQQ Emerging Markets Internet & Ecommerce ETF	–	74,500
Value Partners Fund Series – Value Partners All China Bond Fund <sup>(d)</sup>	145,912*	143,238*
Value Partners Fund Series – Value Partners Asian Innovation Opportunities Fund <sup>(i)</sup>	101,387*	94,048*
Value Partners Fund Series – Value Partners Asian Total Return Bond Fund <sup>(d)</sup>	5,654*	12,832*
Value Partners Fund Series – Value Partners China A-Share Select Fund <sup>(i)</sup>	129*	471*
Value Partners Fund Series – Value Partners Asian Income Fund <sup>(i)</sup>	147*	379*
Value Partners Fund Series – Value Partners Japan REIT Fund <sup>(d)</sup>	167,729	–
Value Partners Greater China High Yield Income Fund <sup>(e)</sup>	412*	1,228*
Value Partners Hedge Fund Limited <sup>(a)</sup>	2	2
Value Partners High-Dividend Stocks Fund <sup>(i)</sup>	1,028*	2,064*
Value Partners Intelligent Funds – Chinese Mainland Focus Fund <sup>(d)</sup>	157*	1,011*
Value Partners Intelligent Funds – China Convergence Fund <sup>(c)</sup>	47	46
Value Partners Ireland Fund ICAV – Value Partners Asia Ex-Japan Equity Fund <sup>(h) &amp; (i)</sup> (Note 21)	34,659	31,223
Value Partners Ireland Fund ICAV – Value Partners Asian Dynamic Bond Fund <sup>(i)</sup> (Note 21)	102,154	33,150
Value Partners Ireland Fund ICAV – Value Partners China A Shares Equity Fund <sup>(g) &amp; (h)</sup> (Note 21)	–	39,856
Value Partners Ireland Fund ICAV – Value Partners China A Shares High Dividend Fund <sup>(g) &amp; (h)</sup> (Note 21)	116,111	47,952
Value Partners Ireland Fund ICAV – Value Partners Classic Equity Fund <sup>(h)</sup> (Note 21)	–	67
Value Partners Ireland Fund ICAV – Value Partners Greater China High Yield Bond Fund <sup>(d)</sup> (Note 21)	250,865	319,014*
Value Partners Ireland Fund ICAV – Value Partners Health Care Fund <sup>(f) &amp; (h)</sup> (Note 21)	47,975	75,095
Value Partners Ireland Fund ICAV – Asian Food and Nutrition Fund <sup>(d)</sup> (Note 21)	–	105,684
Value Partners Multi-Asset Fund <sup>(c)</sup>	–	29,364
Value Partners Venture Capital Investment (Shenzhen) Limited Partnership (Note 21)	–	2,867

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 40 Related-Party Transactions (continued)

#### 40.3 Investments in investment funds which are managed/advised by the Group (continued)

	Fair value	
	2024 HK\$'000	2023 HK\$'000
Shenzhen Capital Value Partners Greater Bay Area Opportunity Limited Partnership Fund	6,962	8,489
惠理中國新時代優選1號私募投資基金	1,054	1,131
惠理中國金鈺1號私募投資基金	-	10*
外貿信託－惠理滬港深6號	-	854
交銀國信·匯利202號集合資金信託計劃	-	985
惠理中國豐泰1號私募投資基金	-	1,389
惠理中國中睿滬港深1號私募證券投資基金	1,033	988
惠理中國安欣價值滬港深1期私募證券投資基金	1,077	1,029
惠理景篤私募證券投資基金	4*	45*
外貿信託－惠理滬港深證券投資集合資金信託計劃	800	821
外貿信託－惠理滬港深焦點證券投資集合資金信託計劃	1,727	1,911
惠理中國豐泰3號私募證券投資基金	810	810
惠理中國嘉享1號私募證券投資基金	885	854
華安財保資管安源33號資產管理產品	4,904	4,598
長城財富朱雀長惠1號資產管理產品	5,864	4,981
惠理增強總回報債券私募證券投資基金	31,848	-
<b>Total investments</b>	<b>2,167,731</b>	<b>2,377,917</b>

\* The fair value has included investments made on behalf of certain employees of the Group under the deferred bonus plan. For details, please refer to Note 8.

- (a) The shares held were management shares.
- (b) The units held were Class A and listed class units.
- (c) The units held were Class A units.
- (d) The units held were Class A and Class X units.
- (e) The units held were management shares and Class X units.
- (f) The units held were Class A unhedge and hedge.
- (g) The units held were Class V and Class X units.
- (h) The units held were Class RDR units.
- (i) The units held were Class X units.
- (j) The units held were Class V units.

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 41 Balance Sheet and Reserve Movement of the Company

### Balance Sheet of the Company

	Note	2024 HK\$'000	2023 HK\$'000
<b>Non-current assets</b>			
Investment in an associate		1,388	–
Investments in subsidiaries		2,344,478	2,369,674
Amounts due from subsidiaries		561,752	651,026
		2,907,618	3,020,700
<b>Current assets</b>			
Prepayments and other receivables		378	985
Cash and cash equivalents		369,758	1,118,898
		370,136	1,119,883
<b>Current liabilities</b>			
Other payables and accrued expenses		1,795	3,924
Dividend payable		–	913,355
		1,795	917,279
<b>Net current assets</b>		368,341	202,604
<b>Non-current liabilities</b>			
Amounts due to subsidiaries		792,827	737,902
<b>Net assets</b>		2,483,132	2,485,402
<b>Equity</b>			
Issued equity		2,193,645	2,193,645
Other reserves	(a)	86,298	89,775
Retained earnings	(a)	203,189	201,982
<b>Total equity</b>		2,483,132	2,485,402

On behalf of the Board

SO Chun Ki Louis  
Director

HUNG Yeuk Yan Renee  
Director

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 41 Balance Sheet and Reserve Movement of the Company (continued)

#### (a) Reserve movement of the Company

	Share-based compensation reserve HK\$'000	Capital redemption reserve HK\$'000	Retained earnings HK\$'000
As at 1 January 2023	77,517	240	344,227
Share-based compensation	12,018	-	-
Profit for the year	-	-	833,218
Dividends	-	-	(975,463)
<b>As at 31 December 2023</b>	<b>89,535</b>	<b>240</b>	<b>201,982</b>
As at 1 January 2024	89,535	240	201,982
Share-based compensation	(994)	-	-
Forfeited/expired/exercised share options	(2,483)	-	2,483
Loss for the year	-	-	(1,276)
<b>As at 31 December 2024</b>	<b>86,058</b>	<b>240</b>	<b>203,189</b>

# Notes to the consolidated financial statements

For the year ended 31 December 2024

## 42 Benefits and Interests of Directors

### 42.1 Directors' emoluments

The remuneration of each director of the Company is as follows:

	Fees HK\$'000	Salaries and bonus HK\$'000	Estimated money value of other benefits <sup>(a)</sup> HK\$'000	Pension costs HK\$'000	Total HK\$'000
<b>Year ended 31 December 2024</b>					
<i>Executive directors</i>					
Ms. LIN Xianghong <sup>(b)</sup>	-	-	-	-	-
Dato' Seri CHEAH, Cheng Hye <sup>(c)</sup>	-	4,716	1,783	-	6,499
Mr. SO, Chun Ki Louis	-	4,778	139	18	4,935
Ms. HUNG, Yeuk Yan Renee	-	3,276	159	18	3,453
Mr. LI Qian <sup>(b)</sup>	-	-	-	-	-
Mr. HO Man Kei, Norman <sup>(d)</sup>	-	1,747	40	12	1,799
Ms. WONG Wai Man June <sup>(e)</sup>	-	980	17	6	1,003
<i>Independent non-executive directors</i>					
Dr. CHEN, Shih Ta Michael	373	-	-	-	373
Mr. WONG Poh Weng	373	-	-	-	373
Mr. Till ROSAR <sup>(f)</sup>	243	-	-	-	243
Mr. Nobuo OYAMA <sup>(g)</sup>	130	-	-	-	130
	1,119	15,497	2,138	54	18,808
<b>Year ended 31 December 2023</b>					
<i>Executive directors</i>					
Dato' Seri CHEAH, Cheng Hye <sup>(c)</sup>	-	5,023	1,899	-	6,922
Mr. SO, Chun Ki Louis	-	4,933	3,190	18	8,141
Ms. HUNG, Yeuk Yan Renee	-	2,763	1,843	18	4,624
Mr. HO Man Kei, Norman <sup>(d)</sup>	-	2,763	2,568	18	5,349
Ms. WONG Wai Man June <sup>(e)</sup>	-	3,538	2,116	18	5,672
<i>Independent non-executive directors</i>					
Dr. CHEN, Shih Ta Michael	373	-	44	-	417
Mr. Nobuo OYAMA <sup>(g)</sup>	373	-	44	-	417
Mr. WONG Poh Weng	373	-	44	-	417
	1,119	19,020	11,748	72	31,959

(a) Other benefits mainly include share-based compensation, rebates of management fees and performance fees by the Group in relation to the directors' investments in the investment funds under the Group's management, insurance premium and professional bodies' membership.

(b) Appointed on 23 August 2024.

(c) Re-designated as a Non-executive director on 2 January 2025.

(d) Resigned on 23 August 2024.

(e) Resigned on 26 April 2024.

(f) Appointed on 7 May 2024 and resigned on 13 March 2025.

(g) Retired on 7 May 2024.

None of the directors received or will receive any fees, inducement fees or compensation for loss of office as directors for the year ended 31 December 2024 (2023: Nil). No directors waived or agreed to waive any emoluments for the year ended 31 December 2024 (2023: Nil).

## Notes to the consolidated financial statements

For the year ended 31 December 2024

### 42 Benefits and Interests of Directors (continued)

#### 42.2 Directors' material interests in transactions, arrangement or contracts

No significant transactions, arrangement and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

### 43 Subsequent events

On 2 January 2025, a total of 42,927,682 share options were granted to the Director LIN Xianghong and certain employees of the Group. The exercise price of the shares is HK\$1.534 per share.

## Particulars of subsidiaries

As at 31 December 2024, details of the Group's subsidiaries under the Listing Rules are as follows:

Name	Place of incorporation/ place of operation	Principal activities	Issued share capital
Complete Value Investing Company Limited	Hong Kong	Property holding	HK\$10,000
Gold One Industries Limited	British Virgin Islands	Investment holding	US\$1
Hong Kong Fund Management Group Limited	Hong Kong	Dormant	HK\$1
Sensible Asset Management Hong Kong Limited	Hong Kong	Investment management	HK\$207,314,734
Sensible Asset Management Limited	British Virgin Islands/ Hong Kong	Investment management	US\$200,000
Value Funds Limited	Hong Kong	Investment holding	HK\$1
Value Partners Asset Management Singapore Pte. Ltd.	Singapore	Investment management	S\$1,000,000
Value Partners (Cayman GP) II Ltd	Cayman Islands	Managing member of two investment funds managed by Value Partners Limited	US\$1
Value Partners (UK) Limited	United Kingdom	Investment management	GBP2,050,000
Value Partners Hong Kong Limited	Hong Kong	Investment management, investment holding and securities dealing	HK\$385,000,000
Value Partners Index Services Limited	Hong Kong	Indexing services	HK\$1
Value Partners Investment Advisory Limited	Hong Kong	Consulting services	HK\$25,000,000
Value Partners Limited	British Virgin Islands/ Hong Kong	Investment management, investment holding and securities dealing	US\$1,530,278
Value Partners Private Equity Limited	British Virgin Islands/ Hong Kong	Investment management services	US\$700,000
Value Partners REPE(1) Limited	Hong Kong	Investment holding	HK\$1
Valuegate Holdings Limited	British Virgin Islands/ Hong Kong	Trademark holding	US\$2
Wisdom Resources Development Corporation	British Virgin Islands	Investment holding	US\$1



## Particulars of subsidiaries

Name	Place of incorporation/ place of operation	Principal activities	Issued share capital
惠理海外投資基金管理 (上海)有限公司	PRC	Investment advisory	Registered capital of RMB20,000,000 有限責任公司(獨資)
惠理投資管理(上海)有限 公司	PRC	Investment management and advisory	Registered capital of RMB80,000,000 有限責任公司 (台港澳法人獨資)
惠理股權投資管理(深圳) 有限公司	PRC	Equity investment	Registered capital of RMB35,000,000 有限責任公司(獨資)