



Perseverance & Progress

Interim Report 2013



OP Financial Investments Limited

Stock Code: 1140



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Forward-Looking Statements

This interim report contains certain statements that are forward-looking or which use certain forward-looking terminologies. These forward-looking statements are based on the current beliefs, assumptions and expectations of the Board of directors of the Company regarding the industry and markets in which it invests. These forward-looking statements are subject to risks, uncertainties and other factors beyond the Company's control which may cause actual results or performance to differ materially from those expressed or implied in such forward-looking statements.

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. ZHANG Zhi Ping (*Chairman*)
Mr. ZHANG Gaobo (*Chief executive officer*)

Independent Non-executive Directors

Mr. KWONG Che Keung, Gordon
Prof. HE Jia
Mr. WANG Xiaojun

AUDIT COMMITTEE

Mr. KWONG Che Keung, Gordon (*Chairman*)
Prof. HE Jia
Mr. WANG Xiaojun

REMUNERATION COMMITTEE

Mr. WANG Xiaojun (*Chairman*)
Prof. HE Jia
Mr. KWONG Che Keung, Gordon

NOMINATION COMMITTEE

Mr. ZHANG Zhi Ping (*Chairman*)
Mr. ZHANG Gaobo
Mr. KWONG Che Keung, Gordon
Prof. HE Jia
Mr. WANG Xiaojun

CORPORATE GOVERNANCE COMMITTEE

Prof. HE Jia (*Chairman*)
Mr. ZHANG Zhi Ping
Mr. ZHANG Gaobo
Mr. KWONG Che Keung, Gordon
Mr. WANG Xiaojun

AUTHORIZED REPRESENTATIVES

Mr. ZHANG Gaobo
Ms. TAM Yuen Wah

COMPANY SECRETARY

Ms. TAM Yuen Wah

INVESTOR RELATIONS OFFICER

Mr. FAN Makay, Alvin

INVESTMENT MANAGER

Oriental Patron Asia Limited

AUDITOR

PricewaterhouseCoopers

PRINCIPAL REGISTRARS

Royal Bank of Canada Trust Company
(Cayman) Limited
4th Floor, Royal Bank House
24 Shedden Road, George Town
Grand Cayman KY1-1110
Cayman Islands

Corporate Information (Continued)

BRANCH REGISTRARS

Tricor Abacus Limited
26/F, Tesbury Centre
28 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

P.O. Box 309GT
Ugland House
South Church Street
George Town
Grand Cayman
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

27/F, Two Exchange Square
8 Connaught Place
Central
Hong Kong

PRINCIPAL BANKER

Standard Chartered Bank (Hong Kong) Limited
Industrial and Commercial Bank of China (Asia) Limited
Bank of Communications Co., Ltd. Hong Kong Branch
China Construction Bank (Asia) Corporation Limited

CUSTODIAN

Standard Chartered Bank (Hong Kong)
Limited

STOCK CODE

The Stock Exchange of Hong Kong Limited
Code: 1140

WEBSITE

www.opfin.com.hk



Chairman's Statement

Dear Shareholders,

In the first six months of the financial year, OP Financial improved profitability to HK\$26.5 million compared to HK\$15.1 million last year, and our net assets increased to HK\$1.3 billion from HK\$1.27 billion last year.

Of our investments, those in the asset management sector gained most significantly. Having recently launched its A80 ETF, CSOP increased its AUM to over HK\$28.7 billion and now manages eight funds. From this stronger revenue base, our position increased over 30% over last year. As the RMB moves inevitably towards liberalization, CSOP clearly positions itself as a leader in RMB financial innovations. We currently own 23.7% of the company.

Our position in OP Investment Management has also improved, since the investee turned a profit this year seeing the benefits of its restructure from 2012. This is helped by the return of global liquidity and the addition of new funds joining the platform. We are pleased to see that OPIM recovered most of its value after falling almost 50% in 2012. As the asset management platform strengthens its European UCITs offerings and increases its visibility through prime brokerage networks, we expect to see OPIM approach its inflection point for growth in 2014.

Our remaining 22.3% share in Meichen Group also gained 15% during the period based on its most recent report, reporting remarkable growth in both turnover and profitability. Last year, we recovered our investment cost, so we are comfortable holding onto the position moving forward.

Nobel Oil experienced some short term production delays in its Western Siberian wells due to the labor shortages in the sector, and so average production remained largely flat for the period. These were temporary challenges, and operations have recommenced. Unfortunately, oil prices have also fallen and the commodities market has struggled to find conviction for a positive outlook. Having said this, Nobel continues to be profitable, it is building out its new Western Siberian wells, and its total proved and probable reserves continue to improve – by over 9% in the last 6 months alone. Thus, we believe it is currently undervalued.



Chairman's Statement (Continued)

Moving forward, we have begun allocating to new direct investments, albeit smaller than our historical deals. With China beginning to focus on sustainability and social welfare, we are turning to green energy and biotech. We believe commercial answers to some of China's greatest challenges lie in these new industries. For the first time, we are investing in pharmaceutical technologies looking to access the Chinese market, which would not otherwise be possible without an inherent domestic demand for quality healthcare. These are important themes to China's growing middle class. We are approaching these new investments with caution, yet we are optimistic that ancillary opportunities will surface over time.

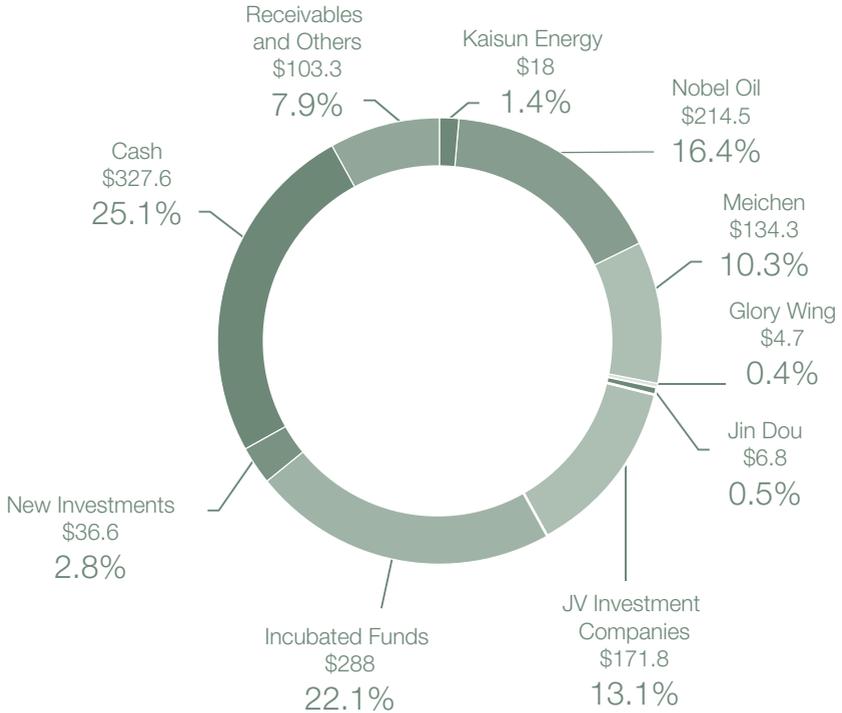
We also see opportunities in Chinese companies, exasperated with the stalled mainland IPO market, driven to seek expansion capital overseas. Hong Kong is a natural destination. Larger unlisted conglomerates are exploring creative means of tapping global liquidity here, and we are well situated to deliberate over a growing list of candidates. Over the remainder of the year, we will continue to invest with a steady focus on fundamentals while we work on closing out existing positions.

Best regards,
Zhang Zhi Ping



Management Discussion and Analysis

Investment holdings by source (HK\$ millions, as a percentage of total assets)



Management Discussion and Analysis (Continued)

INVESTMENT REVIEW

Meichen

In 2009, we invested in Meichen Group, an insurance brokerage based in Guangzhou. We allocated a total of HK\$106 million through a combination of HK\$45.5 million in equity plus HK\$60.5 million loan. Since 2011, the investment returned over HK\$101.4 million in loan repayments and capital. As at 30 September 2013, our remaining 22.3% share of the company is valued at HK\$134.3 million, a 15% increase over six months and over 122% increase since 2009.

Meichen registered a strong performance in the first nine months of 2013, with 60% increased YTD revenues and 38% improved net profit to RMB61 million compared to the same period last year.

As part of a broader theme in China's growing consumer market, we expect this investment to improve through the end of the year.

Nobel Oil Group

In 2008, OPFI invested alongside China Investment Corporation in Nobel Holdings Investments Ltd. ("Nobel"), an independent upstream oil producer in Russia. Nobel's principal assets include nine subsoil licenses covering seven oil fields and two exploration areas. Net of performance premiums of over US\$15 million received, our investment position in Nobel remains positive with the equity portion valued at HK\$214.5 million. Recent weakness in oil prices combined with increasing mineral extraction taxes in Russia led to conservative industry projections, although this was offset by a 9.1% improvement in proved and probable reserves (2P).

Average production also slowed during the period albeit temporarily. Total production year-to-date through July 2013 was 489,528 tons, falling short of the targeted 505,736 tons. The difference is primarily due to delays in the new Western Siberian wells. Nobel reported a shortage of staff amongst the drilling contractors.

Management Discussion and Analysis (Continued)

Production recommenced in September and average production is expected to recover substantially towards the remainder of the year.

Nobel's management continues to explore potential partnerships with industry players in Asia.

Jin Dou

In 2009, OPFI invested in a Kazakhstan agriculture project mandated to diversify the country's crops and commercialize regional production for export. OP Financial committed a total of US\$15 million, of which only US\$1.5 million was drawn. Since the project is still in pre-commercial phase, our position fell marginally from HK\$6.9 million to HK\$6.8 million during the period due to ongoing trial and infrastructure costs. While performance premiums received since inception have helped maintain an overall positive investment, we expect Jin Dou's valuation to strengthen once it moves into commercialization stage.

In the first half of 2013, the plantation increased to around 7,500 hectares across three farming units locating in Kazakhstan. With the help of local joint venture partners, Jin Dou diversified the crop cycle to include soybean, corn, oat, wheat, safflower and vegetables.

The project team recently commissioned a survey institute to study approximately 88,000 hectares farmland in Kazakhstan – along the eastern and southern regions of the country, bordering Xinjiang, Western China and other Central Asian countries. Upon completion, the survey will outline a plan to integrate crop and livestock production cycles to maximize land yield throughout the year. As the management continues to strengthen its relationship with the local business community and the government, it is also exploring ancillary joint investment opportunities in trade, infrastructure and distribution specifically into China.



Management Discussion and Analysis (Continued)

JV Investment Companies

We have non-controlling positions with three major asset management companies. Aggregate results attributable to the Group were approximately HK\$16 million for the period. The value of our positions in this segment has grown from HK\$129.7 million to HK\$171.8 million. Our two most significant positions include CSOP Asset Management Limited (“CSOP”) and OP Investment Management (“OPIM”).

Company Name	30 September 2013 HK\$'000	31 March 2013 HK\$'000	Change HK\$'000	Change %
CSOP ASSET MANAGEMENT LTD	115,369	100,340	15,029	15%
OP INVESTMENT MANAGEMENT (Includes: OP Investment Management Cayman & HK Group)	52,171	25,529	26,642	104%
GUOTAI JUNAN FUND MANAGEMENT LTD	4,220	3,836	384	10%
Total	171,760	129,705	42,055	

CSOP

CSOP gained 15% during the period due to increased net profitability, and our share of results totalled HK\$15.6 million. Compared to a full year result of HK\$16 million as at 31 March 2013, this performance indicates CSOP is on track to double its year-on-year performance. In the last 6 months, CSOP increased its AUM from HK\$27.7 billion to close to over HK\$28.7 billion after launching its China A80 ETF in September.

Though during the year CSOP issued additional shares to employees, diluting our shares to 23.7% of the management company, our position has almost doubled since 2009. We believe this does not accurately reflect CSOP’s true market value, having only began its inflection growth in 2012.

Management Discussion and Analysis (Continued)

OP Investment Management

OP Investment Management, asset management group that also provides services to third party funds. These services include infrastructure and middle office services.

In the first half of 2013, OP Investment Management executed initiatives to increase its funds under management whilst reinforcing its infrastructure. Overall, the restructuring helped return the company to profitability, and our position as at 30 September 2013 recovered by over 104% to HK\$52.2 million.

With an AUM of US\$240 million across 13 funds, OPIM improved its cashflow through cost cutting measures, launching new funds, and performance fee income from existing funds. OPIM recently moved premises resulting in significant rental savings. To accommodate a growing AUM, management strengthened electronic trade automation and staff.

OPIM has also developed marketing capabilities through leading prime brokers, having satisfied their due diligence process.

Incubated Funds

The Group invests in a portfolio of unlisted investment funds as part of a larger incubation strategy to strengthen new funds developed through our partnerships.

Including our investments managed by CSOP and OPIM, our total funds increased by approximately HK\$76.3 million or 36% from HK\$211.7 million to HK\$288 million during the period due to HK\$63.2 million new subscriptions and HK\$13 million investment gains.



Management Discussion and Analysis (Continued)

An analysis of changes in our incubated funds' positions during the current period have been outlined below:

Name of Fund	Strategy	30 September	31 March	Change
		2013	2013	
		HK\$'000	HK\$'000	HK\$'000
GREATER CHINA SELECT FUND	Equities (Long only), China	78,416	15,917	62,499 ¹
GREATER CHINA SPECIAL VALUE FUND	Equities (Long), Private Equity, Emerging Markets	83,314	83,029	285
PHOENIXINVEST PACIFIC FUND	Equities (Long/Short), Asia Pacific	8,242	8,629	(387)
MIRAN MULTI STRATEGY FUND	Multistrategy, Global	66,753	52,533	14,220 ²
CSOP SHEN ZHOU RMB FUND	Bonds (RMB), China	51,239	51,556	(317)
		287,964	211,664	76,300

¹ Includes HK\$50 million new subscriptions during the period

² Includes HK\$13.2 million new subscriptions during the period

New Investments

Given the change in high level themes from China's new leadership, OPFI has been actively delving into new sectors. Central government policies are shifting away from an economic expansion towards social welfare and commercial stability. OPFI has since made introductory investments into two new industries: pharmaceuticals and green energy, deploying HK\$36.6 million in total for minority positions. These projects are structured to include rights to greater participation as the investees mature.

The first project is a US\$2 million US-based investment, Dance Biopharm Inc., a biotech company with promising new technologies that would allow diabetics to inhale insulin as an alternative to self-injection. In addition to equity in the US Company, the deal structure grants OPFI shares in a separate joint venture company with exclusive distribution rights to Asia. Meanwhile, the joint venture company is looking to secure PRC regulatory approvals for distribution in China.

Management Discussion and Analysis (Continued)

The second project is a HK\$21.1 million investment to finance the management buyout of minority stakes in PRC companies. One of these companies is an energy efficiency services company poised to benefit from China's new focus on reducing pollution and energy conservation. It is seeking an offshore platform to raise capital for expansion. The equity portion constitutes HK\$1.9 million, and like our first investment into Dance Biopharm, we intend to learn more about this company and its industry before deciding on larger allocations.

FINANCIAL REVIEW

Financial position

Net asset value: The Group's net assets as at 30 September 2013 is HK\$1.38 per share or HK\$1.3 billion.

Gearing: The gearing ratio, which is calculated on the basis of total liabilities over total equity as at 30 September 2013, was 0.004 (31 March 2013: 0.003). We are currently maintaining a low leverage policy for our investments. While some debt financing instruments may be used at the investment level, we still expect to maintain debt to a minimum at the Group level in the coming year.

Investments in associates: Representing mainly our share of the net assets of joint venture asset management companies, CSOP Asset Management Limited and Guotai Junan Fund Management Limited. Assets increased by 12.8% to HK\$120.1 million as at 30 September 2013 (31 March 2013: HK\$104.7 million) reflecting strong performance of our investees specifically CSOP.

Available-for-sale financial assets: A 3.8% increase from HK\$295.2 million to HK\$306.5 million during the period was mainly the net result of declines in our position with Nobel of HK\$28.1 million, offset by gains in OPIM preference shares of HK\$26.6 million, and new investments in Dance Biopharm of HK\$15.5 million.

Financial assets at fair value through profit or loss: The HK\$106.5 million or 30.7% increase from HK\$346.8 million to HK\$453.3 million during the period was primarily due to new investments: HK\$63 million in new subscriptions to investment funds and HK\$19 million new investment in a senior note. Apart from that, HK\$17.3 million unrealized gain in Meichen and HK\$12.4 million unrealized gain in incubated funds contributed to the increase.

Management Discussion and Analysis (Continued)

Loan receivables: The addition of HK\$1.9 million loan is part of a larger strategy related to our new investment in the energy efficiency services company.

Bank and cash balances: As at 30 September 2013, bank and cash balances plus deposits decreased significantly from HK\$521 million to HK\$327.6 million primarily due to new investments worth HK\$178 million.

RESULTS

The Group was profitable during the period, gaining HK\$26.5 million compared to a profit of HK\$15.1 million in last period. Taking into account those investment value changes through reserves, OP Financial's total comprehensive income records a gain of HK\$26.3 million compared to a loss of HK\$95.6 million in the same period last financial year. These are primarily due to increases in unrealized gains in our incubated funds, our shares in CSOP and OPIM, and improved valuation of Meichen.

Consolidated Statement of Comprehensive Income

Revenue, for the six months ended 30 September was as follows:

	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Dividend income from unlisted investments ⁽¹⁾	1,062	592
Performance premiums ⁽²⁾	7,777	7,777
Interest income ⁽³⁾	2,214	7,254
Total	11,053	15,623

⁽¹⁾ Represents dividends received from CSOP Shen Zhou RMB Fund during the period.

⁽²⁾ CIC, co-investment partner awarded performance premiums of HK\$7.78 million to the Group in return for our resources devoted to the investment project.

⁽³⁾ Interest income of approximately HK\$2.2 million is mainly generated from our time deposits in banks during the period. The drop from previous period was due to the settlement of Kaisun convertible bond in last financial year.

Management Discussion and Analysis (Continued)

Net change in unrealized gain on financial assets at fair value through profit or loss:

The net change in unrealized gain of HK\$23.4 million mainly represents the net of (i) HK\$17.4 million unrealized gain on fair value of our equity investment in Meichen; (ii) HK\$12.4 million unrealized gain on incubated funds; and (iii) unrealized loss of HK\$5.9 million on the convertible note issued by Glory Wing.

Realized loss on deemed disposal of an associate: It represents the realized loss arising from the dilution of our equity interest in CSOP from 25% to 23.68%.

Impairment loss on available-for-sale financial assets: The HK\$2.5 million loss represents the further impairment on our holdings of Kaisun ordinary shares.

Equity-settled share-based payments: This represents the value of share options vested during the period. These share options were granted to certain directors and employees on 20 April 2010, which are vested over five years from the grant date.

Administrative expenses: The total amount of HK\$20 million is mainly the result of investment management fee, professional fees and staff costs.

Share of results of associates: A net amount of HK\$16 million (2012: HK\$3.5 million) accounts for our share of results of associates such as CSOP and Guotai Junan. These companies generate revenue based on management and performance fees from assets under management.

Other comprehensive income: Changes to the Group's NAV, otherwise not accounted for in "profit for the period", are found in "other comprehensive income". The loss of HK\$0.2 million is mainly net of: (i) unrealized losses from equity interest in Nobel by HK\$28.1 million and (ii) unrealized gains from preference shares of OPIM companies by HK\$26.6 million.

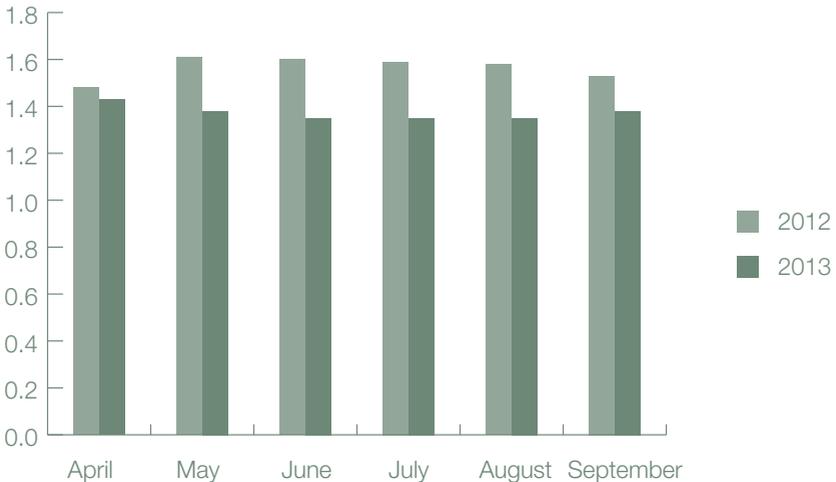


Management Discussion and Analysis (Continued)

Fair value changes of available-for-sale financial assets recorded in Other Comprehensive Income:

	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Nobel	(28,079)	(42,420)
Kaisun – Ordinary Shares	(2,642)	(9,248)
Kaisun – Convertible Bond Borrowing Portion	–	(5,330)
OP Investment Management Group	26,625	(22,719)
Jin Dou	(87)	(277)
Dance Biopharm	(25)	–
Fair value decrease	(4,208)	(79,994)

NAV Per Share in HK\$



Management Discussion and Analysis (Continued)

INTERIM DIVIDEND

The Board has resolved not to pay any interim dividend for the period (2012: HK10 cents per share).

LIQUIDITY AND FINANCIAL RESOURCES

Dividend income from investments held, performance premiums, and interest income from bank deposits and financial instruments held are currently the Group's major source of revenue.

During the interim period, the Group continued to maintain a significant balance of cash and cash equivalents. As at 30 September 2013, the Group had cash and bank balances, including bank deposits, of HK\$327.6 million (31 March 2013: HK\$521 million).

The Group had no bank borrowings and did not pledge any assets as collateral for overdrafts or other loan facilities during the period under review. The debt-to-equity ratio (interest bearing external borrowings divided by shareholders' equity) stood at zero while the current ratio (current assets divided by current liabilities) was 148 times (31 March 2013: 174 times). For further analysis of the Group's cash position, current assets and gearing, please refer to paragraphs under sub-sections headed "Financial Position" above.

The Board believes that the Group has sufficient financial resources to satisfy its immediate investments and working capital requirements.

CAPITAL STRUCTURE

As at 30 September 2013, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK\$1.3 billion (31 March 2013: HK\$1.27 billion) and 941.40 million (31 March 2013: 941.40 million), respectively.



Management Discussion and Analysis (Continued)

MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS

Details of the following events can be found in the Investment Review section.

- Investment in Dance Biopharm of HK\$15.5 million
- Investment in senior note of HK\$19.1 million
- New subscription of HK\$50 million to Greater China Select Fund
- New subscription of HK\$13.2 million to Miran Multi Strategy Fund

SEGMENT INFORMATION

Segment information of the Group is set out in note 7 of the condensed consolidated interim financial information.

EMPLOYEES

As at 30 September 2013, the Group had 21 (2012: 18) employees, including directors. Total staff costs for the six months ended 30 September 2013 amounted to HK\$8.08 million (2012: HK\$8.95 million). The Group's remuneration policies are in line with the market practice and are determined on the basis of the performance and experience of individual employee.

SHARE OPTION SCHEME

The detailed disclosures relating to the Company's share option scheme and valuation of options are set out in note 19 to the condensed consolidated interim financial information.

CHARGES ON GROUP'S ASSETS

As at 30 September 2013, there were no charges on the Group's assets.



Management Discussion and Analysis (Continued)

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

At 30 September 2013, the Group had exposure to foreign exchange fluctuation through unlisted equity instruments and bank balances located in the People's Republic of China, and one of the unlisted investment funds held. These investments were denominated in RMB and the maximum exposure to foreign currency risk was HK\$238,457,000, equivalent to RMB188,199,000 (at 31 March 2013: HK\$218,769,000, equivalent to RMB175,162,000).

At 30 September 2013, the Group held certain financial assets which were denominated in USD. The Board is of the opinion that the Group's exposure to USD foreign currency risk is minimal as HKD was pegged to USD by the Hong Kong's Linked Exchange Rate System.

CONTINGENT LIABILITIES

As at 30 September 2013, the Group did not have any significant contingent liabilities.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's securities during the period.

CORPORATE GOVERNANCE CODE

None of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not, at any time during the period, in compliance with the Corporate Governance Code set out in Appendix 14 of the Listing Rules.



Management Discussion and Analysis (Continued)

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

The Company has adopted a “Policy for Director and Employee Dealings in the Company’s Securities” which supplements the Model Code for Securities Transactions by Directors of Listed Issuers (“Model Code”) set out in Appendix 10 of the Listing Rules and is available on the Company’s website. Following specific enquiry by the Company, all Directors have confirmed, that they have fully complied with the Model Code and the aforesaid internal policy regarding directors’ securities transactions throughout the period.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2013, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities



Management Discussion and Analysis (Continued)

Transactions by Directors of Listed Issuers (the “Model Code”) in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares and underlying shares of the Company:

Name of director	Capacity in which interests are held	Number of ordinary shares/underlying shares held in the Company			Total interests as to % to the issued share capital of the Company as at 30 September 2013 (note 1)
		Interests in shares	Interests under equity derivatives	Total interests	
Mr. ZHANG Zhi Ping (notes 2 & 3)	Interest of controlled corporation	359,800,000	–	359,800,000	38.22%
Mr. ZHANG Gaobo (notes 2 & 3)	Interest of controlled corporation	359,800,000	–	359,800,000	38.22%

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company’s issued share capital of 941,400,000 shares as at 30 September 2013.
- (2) This represented 330,000,000 shares held by Otness Investments Limited (“OIL”) and 29,800,000 shares held by Oriental Patron Financial Services Group Limited (“OPFSG”).
- (3) OIL is a wholly owned subsidiary of Oriental Patron Financial Group Limited (“OPFGL”), while 95% of the issued share capital of OPFSG is owned by OPFGL. The entire issued share capital of OPFGL is beneficially owned as to 51% by Mr. Zhang Zhi Ping and 49% by Mr. Zhang Gaobo. By virtue of the SFO, each of Mr. Zhang Zhi Ping and Mr. Zhang Gaobo is deemed to be interested in the shares and underlying shares of the Company held by OIL and OPFSG.

Save as disclosed above, as at 30 September 2013, none of the Directors or chief executive had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

Management Discussion and Analysis (Continued)

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 September 2013, the Company had been notified of the following substantial shareholders' interests or short positions, being 5% or more of the Company's shares and underlying shares. These interests are in addition to those disclosed above in respect of the Directors and chief executive.

Long positions in shares and underlying shares of the Company:

Name of shareholder	Capacity in which interests are held	Number of ordinary shares/ underlying shares held in the Company			Total Interests	Total interests as to % to the issued share capital of the Company as at 30 September 2013 (note 1)
		Interests in shares	Interests under equity derivatives			
OIL (note 3)	Beneficial owner	330,000,000	–	330,000,000	35.05%	
OPFGL (note 2 & 3)	Interest of controlled corporation	359,800,000	–	359,800,000	38.22%	
Primus Pacific Partners Investments 2 Ltd (note 4)	Beneficial owner	155,040,000	–	155,040,000	16.47%	
Primus Pacific Partners 1 LP (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%	
Primus Pacific Partners (GP1) LP (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%	
Primus Pacific Partners (GP1) Ltd (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%	
Mr. NG Wing Fai (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%	
Mr. HUAN Guocang (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%	

Management Discussion and Analysis (Continued)

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 941,400,000 shares as at 30 September 2013.
- (2) This represented an aggregate of 330,000,000 shares held by OIL and 29,800,000 shares held by OPFSGL.
- (3) OIL is a wholly owned subsidiary of OPFGL, while 95% of the issued share capital of OPFSGL is owned by OPFGL. By virtue of the SFO, OPFGL is deemed to be interested in the shares and underlying shares of the Company held by OIL and OPFSGL.
- (4) This represented 155,040,000 shares held by Primus Pacific Partners Investments 2 Ltd ("PPPI-2"). Each of Mr. Huan Guocang and Mr. Ng Wing Fai owns as to 50% of the total equity interest in Primus Pacific Partners (GP1) Ltd ("PPP-GP1") while PPP-GP1 controls 100% equity interest in Primus Pacific Partners (GP1) LP ("PPP-GP1-LP"). Further, PPP-GP1-LP controls 100% equity interest in Primus Pacific Partners 1 LP ("PPP1-LP") while PPP1-LP owns as to 100% equity interest in PPPI-2. By virtue of the SFO, each of Mr. Huan Guocang, Mr. Ng Wing Fai, PPP-GP1, PPP-GP1-LP, and PPP1-LP is deemed to be interested in the shares of the Company held by PPPI-2.

Save as disclosed above, as at 30 September 2013, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the period was the Company or its associated corporation(s) a party to any arrangements to enable the Directors or chief executive of the Company to acquire any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporation(s).



Management Discussion and Analysis (Continued)

AUDIT COMMITTEE

The Company's audit committee, comprising three independent non-executive Directors, has reviewed with management the accounting principles and practices adopted by the Group and discussed auditing and financial reporting matters including a review of the condensed consolidated financial statements for the period before recommending them to the Board for approval.

REVIEW OF ACCOUNTS

The external auditor has reviewed the interim financial information for the period in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants.

APPRECIATION

On behalf of the Board, I would like to thank all our shareholders for their continued trust and support and the investment manager for their dedicated efforts.

By order of the Board

ZHANG Gaobo

Executive Director and CEO

Hong Kong SAR, 28 November 2013



Independent Review Report

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF OP FINANCIAL INVESTMENTS LIMITED

(incorporated in Cayman Islands with limited liability)

Introduction

We have reviewed the condensed consolidated interim financial information set out on pages 26 to 58, which comprises the condensed consolidated statement of financial position of OP Financial Investments Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2013 and the related condensed consolidated statements of comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on condensed consolidated interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



Independent Review Report (Continued)

Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Hong Kong Institute of Certified Public Accountants. A review of condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers

Certified Public Accountants

Hong Kong, 28 November 2013



Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2013

		Six months ended 30 September	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Note			
	Revenue	11,053	15,623
	Other income	899	–
	Net change in unrealized gain/(loss) on financial assets at fair value through profit or loss		
	– Classified as held for trading	11,871	(10,171)
	– Designated as such upon initial recognition	11,510	(16,617)
		23,381	(26,788)
	Realized gain on deemed disposal of an investment	–	105,153
	Realized gain on partial disposal of a subsidiary	21	–
	Realized loss on deemed disposal of an associate	(1,426)	–
	Realized loss on partial early redemption of convertible bond	–	(48,589)
	Impairment loss on available-for-sale financial assets	(2,510)	(7,927)
	Equity-settled share-based payments	(670)	(670)
	Administrative expenses	(20,220)	(25,205)
	Profit from operations	10,528	11,597
	Share of results of associates	16,013	3,542
	Profit before tax	26,541	15,139
	Income tax	(70)	–
	Profit for the period	26,471	15,139

Condensed Consolidated Statement of Comprehensive Income (Continued)

For the six months ended 30 September 2013

		Six months ended 30 September	
		2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
	Note		
Other comprehensive income			
Exchange differences		705	–
Available-for-sale financial assets:			
Fair value changes during the period	14	(4,208)	(79,994)
Impairment loss on available-for-sale financial assets		2,510	7,927
Deemed disposal of an investment		–	(39,432)
Redemption of convertible bond		–	1,893
Share of other comprehensive income of associates			
Fair value changes of available-for-sale financial assets		925	(1,037)
Exchange differences		(83)	(53)
Net other comprehensive income for the period		(151)	(110,696)
Total comprehensive income for the period		26,320	(95,557)
Earnings per share			
Basic	11(a)	2.81 cents	1.61 cents
Diluted	11(b)	2.81 cents	1.61 cents
		Six months ended 30 September	
		2013 HK\$'000	2012 HK\$'000
Proposed interim dividend	10	–	94,140

The notes on pages 32 to 58 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Financial Position

At 30 September 2013

	Note	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	12	14	22
Investments in associates	13	120,095	104,666
Available-for-sale financial assets	14	306,483	295,163
Financial assets at fair value through profit or loss	15	153,553	116,972
Loan receivable	16	–	4,500
		580,145	521,323
Current assets			
Financial assets at fair value through profit or loss	15	299,725	229,774
Accounts and loans receivable	16	18,063	3,908
Interest receivable		1,008	921
Prepayments and other receivables	17	79,022	1,134
Bank and cash balances		327,596	520,953
		725,414	756,690
TOTAL ASSETS		1,305,559	1,278,013
Capital and reserves			
Share capital	18	94,140	94,140
Reserves		1,206,511	1,179,521
TOTAL EQUITY		1,300,651	1,273,661

Condensed Consolidated Statement of Financial Position (Continued)

At 30 September 2013

	Note	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Current liabilities			
Other payables		4,838	4,352
Tax payable		70	–
TOTAL LIABILITIES		4,908	4,352
TOTAL EQUITY AND LIABILITIES		1,305,559	1,278,013
NET ASSETS		1,300,651	1,273,661
Net asset value per share	20	HK\$1.38	HK\$1.35

The notes on pages 32 to 58 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2013

		Unaudited							
		Reserves							
		Share capital	Share premium	Share-based payment reserve	Investment revaluation reserve	Exchange reserve	Retained profits	Proposed interim dividend	Total
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At 1 April 2012		94,140	1,059,823	18,402	194,281	(22)	171,599	-	1,538,223
Vesting of share options of share option scheme	19	-	-	670	-	-	-	-	670
Total comprehensive income for the period		-	-	-	(110,643)	(53)	15,139	-	(95,557)
Proposed interim dividend	10	-	(94,140)	-	-	-	-	94,140	-
At 30 September 2012		94,140	965,683	19,072	83,638	(75)	186,738	94,140	1,443,336
At 1 April 2013		94,140	965,683	19,742	8,555	1,130	184,411	-	1,273,661
Vesting of share options of share option scheme	19	-	-	670	-	-	-	-	670
Total comprehensive income for the period		-	-	-	(773)	622	26,471	-	26,320
At 30 September 2013		94,140	965,683	20,412	7,782	1,752	210,882	-	1,300,651

The notes on pages 32 to 58 form an integral part of this condensed consolidated interim financial information.

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2013

	Six months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Net cash used in operating activities	(16,141)	(2,410)
Net cash (used in)/generated from investing activities	(177,937)	161,973
Net cash generated from financing activities	–	–
Net (decrease)/increase in cash and cash equivalents	(194,078)	159,563
Cash and cash equivalents at 1 April	520,953	284,273
Exchange gain	721	–
Cash and cash equivalents at 30 September	327,596	443,836
Analysis of the balances of cash and cash equivalents:		
Bank and cash balances	327,596	443,836

The notes on pages 32 to 58 form an integral part of this condensed consolidated interim financial information.

Notes to the Condensed Consolidated Interim Financial Information

For the six months ended 30 September 2013

1 General information

OP Financial Investments Limited (the “Company”) was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The address of its principal place of business is 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong. The Company is an investment holding company. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The condensed consolidated interim financial information is presented in HK dollars, unless otherwise stated.

2 Basis of preparation of the condensed consolidated interim financial information

The unaudited condensed consolidated interim financial information for the six months ended 30 September 2013 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2013, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA. The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2013, except as stated in note 3 below.



Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

3 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2013, as described in those annual financial statements, except:

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following standards or interpretations are effective for the first time for this interim period and adopted by the Company and its subsidiaries (together, “the Group”).

- i) HKAS 1 (amendment) “Presentation of Financial Statements” requires entities to group items presented in ‘other comprehensive income’ (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The adoption of the amended HKAS 1 only affects the presentation of the consolidated statement of comprehensive income.
- ii) HKFRS 10 “Consolidated Financial Statements” builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess.
- iii) HKFRS 12 “Disclosures of Interests in Other Entities” includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles.
- iv) HKFRS 13 “Fair Value Measurement” aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

3 Accounting policies (continued)

The following standards and amendments to standards have been issued but are not effective for the financial period beginning 1 April 2013 and have not been early adopted:

- i) HKFRS 9 “Financial Instruments” addresses the classification, measurement and recognition of financial assets and financial liabilities. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments. HKFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity’s business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The Group is yet to assess HKFRS 9’s full impact and intends to adopt HKFRS 9 upon its effective date, which is for the accounting period beginning on 1 April 2015.

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



Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

4 Critical accounting estimates and judgement

The preparation of the condensed consolidated interim financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial information, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements for the year ended 31 March 2013.

5 Revenue

Revenue represents the income received and receivable on investments during the period as follows:

	Six months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Dividend income from unlisted investments	1,062	592
Performance premium from co-investment partner	7,777	7,777
Interest income	2,214	7,254
	11,053	15,623

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

6 Other income

	Six months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Exchange gains	769	–
Sundry income	130	–
	899	–

7 Segment information

The chief operating decision maker has been identified as the board of directors (the “Board”). The Group’s measurement policies for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements.

On adopting of HKFRS 8, based on the internal financial information reported to the Board for decisions about resources allocation to the Group’s business components and review of these components’ performance, the Group has identified only one operating segment, being investment holding. Accordingly, segment disclosures are not presented.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

7 Segment information (continued)

Geographical information

	Six months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Revenue		
Hong Kong	2,531	7,740
Mainland China	8,522	7,883
	11,053	15,623

In presenting the geographical information, revenue is based on the location of the investments or the co-investment partners.

	30 September 2013 (Unaudited) HK\$'000		31 March 2013 (Audited) HK\$'000
	Non-current assets other than financial instruments		
Hong Kong	120,109	104,688	

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

7 Segment information (continued)

Information about major investments and co-investment partners

During the current period, performance premiums derived from one (2012: one) of the Group's co-investment partners, which accounted for 10% (2012: 10%) or more of the Group's revenue amounted to approximately HK\$7,777,000 (2012: HK\$7,777,000).

During last period, loan interest income derived from one of the Group's investments which accounted for 10% or more of the Group's revenue amounted to approximately HK\$4,768,000.

8 Income tax

Hong Kong Profits Tax is provided at a rate of 16.5% (2012: 16.5%) on estimated assessable profit for the period.

	Six months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Current tax	–	–
Under-provision of tax for previous year	70	–
	70	–

As at 30 September 2013, the Company has unused tax losses of approximately HK\$42,417,000 (31 March 2013: HK\$33,652,000) available to offset against future profits.

No deferred tax asset has been recognized in the condensed consolidated interim financial information due to the unpredictability of future profit streams.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

9 Profit for the period

The Group's profit for the period is stated after charging the followings:

	Six months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Depreciation	8	11
Investment management fee	9,830	11,304
Exchange loss	–	1,287
Operating lease payments in respect of office premises	1,132	1,132
Staff costs (including directors' emoluments)		
Salaries and other benefits	7,309	8,185
Retirement benefits scheme contributions	99	92
Equity-settled share based compensation	670	670
	8,078	8,947

10 Interim dividend

The Board has resolved not to pay any interim dividend in respect of the six months ended 30 September 2013.

On 27 November 2012, the Board resolved to pay an interim dividend of HK10 cents per ordinary share. The total interim dividend of HK\$94,140,000 was paid on 17 January 2013.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

11 Earnings per share

(a) Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period.

	Six months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Profit for the period	26,471	15,139
Weighted average number of ordinary shares in issue (in thousand)	941,400	941,400
Basic earnings per share	2.81 cents	1.61 cents

(b) Diluted earnings per share

Diluted earnings per share for both six months ended 30 September 2013 and 30 September 2012 were the same as the basic earnings per share as the Company's outstanding share options had no dilutive effect for both periods.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

12 Property, plant and equipment

	Computer equipment HK\$'000	Office equipment HK\$'000	Furniture HK\$'000	Total HK\$'000
Cost				
At 1 April 2012	67	11	72	150
Accumulated depreciation				
At 1 April 2012	36	5	68	109
Charge for the period	8	2	1	11
At 30 September 2012	44	7	69	120
Carrying amount				
At 30 September 2012	23	4	3	30
Cost				
At 1 April 2013	67	11	72	150
Accumulated depreciation				
At 1 April 2013	50	8	70	128
Charge for the period	6	1	1	8
At 30 September 2013	56	9	71	136
Carrying amount				
At 30 September 2013	11	2	1	14

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

13 Investments in associates

	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Unlisted shares		
Share of net assets	120,095	104,666

Details of the Group's associates at 30 September 2013 and 31 March 2013 are as follows:

Name of associate	Percentage of ownership interest	Carrying amount at	
		30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
CSOP Asset Management Limited ("CSOP")	23.68% (31.3.2013: 25%)	115,368	100,340
Guotai Junan Fund Management Limited ("Guotai Junan")	29.9% (31.3.2013: 29.9%)	4,220	3,836
OP Investment Management Limited ("OPIM")	30% (31.3.2013: 30%)	502	485
OP Investment Management (Cayman) Limited ("OPIMC")	30% (31.3.2013: 30%)	5	5
Prodirect Investments Limited ("PIL")	30% (31.3.2013: 30%)	-	-
		120,095	104,666

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

14 Available-for-sale financial assets

	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Listed equity securities, at fair value	17,967	20,609
Unlisted equity securities, at fair value	288,516	274,554
	306,483	295,163

During the six months ended 30 September 2013, net change in unrealized loss of approximately HK\$4,208,000 (2012: approximately HK\$79,994,000) arising from changes in fair value of available-for-sale financial assets was recognized directly in the investment revaluation reserve.

Details of the Group's available-for-sale financial assets at 30 September 2013 and 31 March 2013 are as follows:

Name of investee	Proportion of investees' capital owned	Fair value at	
		30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
<i>Listed equity securities</i>			
Kaisun Energy Group Limited ("Kaisun Energy")	5.0% (31.3.2013: 5.0%)	17,967	20,609

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

14 Available-for-sale financial assets (continued)

Name of investee	Proportion of investees' capital owned	Fair value at	
		30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Unlisted equity securities			
Thrive World Limited ("TWL")	10% of ordinary shares (31.3.2013: 10%)	214,511	242,590
OPIM	100% of non-voting preference shares (31.3.2013: 100%)	29,088	7,143
OPIMC	100% of non-voting preference shares (31.3.2013: 100%)	22,576	17,896
Jin Dou Development Fund, L.P. ("Jin Dou")	1.48% of total contribution (31.3.2013: 1.48%)	6,838	6,925
Dance Biopharm Inc. ("Dance") (Note a)	6.36% of voting preference shares (31.3.2013: Nil)	15,503	–
Valuworth Ventures Limited ("Valuworth") (Note b)	8% of ordinary shares (31.3.2013: Nil)	–	–
		306,483	295,163

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

14 Available-for-sale financial assets (continued)

- (a) In May 2013, the Group invested approximately US\$2 million (equivalent to HK\$15.5 million) into 1,149,000 preference shares issued by Dance. Dance is a pharmaceutical company incorporated in Delaware, the United States of America. The Board considers that the purchase price in May 2013 still represents the best estimated fair value of the preference shares of Dance as at 30 September 2013.
- (b) In January 2013, the Group established a wholly-owned subsidiary, Valuworth, a company incorporated in the British Virgin Islands. Valuworth was kept inactive since incorporation.

On 11 April 2013, Valuworth increased its capital base by allotting additional 99 ordinary shares at par value of US\$1 per share to the Group and 2 new investors. The Group's effective equity interest in Valuworth was reduced from 100% to 8%. A gain on partial disposal of Valuworth of approximately HK\$21,000 was recognized in the condensed consolidated statement of comprehensive income.

For the description of the business and financial information of the other investments, please refer to note 17 of the Company's 2012/13 annual report.



Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

15 Financial assets at fair value through profit or loss

	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Equity securities listed in Hong Kong, at fair value	7,062	7,549
Unlisted equity securities, at fair value	134,344	116,972
Unlisted debt securities, at fair value	23,908	10,561
Unlisted investment funds, at fair value	287,964	211,664
	453,278	346,746
Analysed as:		
Current assets	299,725	229,774
Non-current assets	153,553	116,972
	453,278	346,746

During the period, net change in unrealized gain of approximately HK\$23,381,000 (2012: net change in unrealized loss of approximately HK\$26,788,000) arising from changes in fair value of financial assets at fair value through profit or loss was recognized in the condensed consolidated statement of comprehensive income.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

15 Financial assets at fair value through profit or loss (continued)

Details of the Group's financial assets at fair value through profit or loss at 30 September 2013 and 31 March 2013 are as follows:

Name of investee	Proportion of investee's capital owned	Carrying amount at	
		30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Equity securities listed in Hong Kong			
Changhong Jiahua Holdings Limited ("CHANGHONG")	1.04% (31.3.2013: 1.04%)	7,062	7,549
Unlisted equity securities			
美臣保險經紀集團有限公司 (previously named as 廣州美臣投資管理諮詢 有限公司) ("GZ Meichen")	22.26% of voting ordinary shares (31.3.2013: 22.26%)	134,344	116,972
Unlisted debt securities			
Convertible bond issued by Glory Wing International Limited ("Glory Wing") (Note a)	N/A	4,699	10,561
Senior note issued by Team Thrive (Note b)	N/A	19,209	–

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

15 Financial assets at fair value through profit or loss (continued)

Name of investee	Proportion of investee's capital owned	Carrying amount at	
		30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Unlisted investment funds			
Greater China Select Fund	N/A	78,416	15,917
Greater China Special Value Fund	N/A	83,314	83,029
CSOP Shen Zhou RMB Fund	N/A	51,239	51,556
Phoenixinvest Pacific Fund	N/A	8,242	8,629
Miran Multi Strategy Fund	N/A	66,753	52,533
		453,278	346,746

- (a) Pursuant to the Extension of Maturity Agreements dated 9 April 2013 and 27 September 2013, the Group and Glory Wing agreed to extend the maturity date of the convertible bond to 31 March 2014. The outstanding principal and accrued interest of the convertible bond are not interest bearing throughout the extension.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

15 Financial assets at fair value through profit or loss (continued)

- (b) On 6 May 2013, the Group purchased a senior note of RMB15,160,000 (equivalent to approximately HK\$19,114,000) issued by Team Thrive Investments Limited, a company incorporated in British Virgin Islands and the 80% shareholder of Valuworth.

The senior note bears interest at 10% per annum with maturity on 6 May 2015. As at 30 September 2013, the fair value of the instrument was determined by using the Discounted Cash Flow Method and the discount rate used is 10%.

For the description of the business and financial information of the other investments, please refer to note 18 of the Company's 2012/13 annual report.

16 Accounts and loans receivable

	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Accounts receivable	11,642	3,871
Amounts due from associates	–	37
Loan to an associate, not repayable within one year	–	1,500
Loan to an associate, repayable within one year	1,500	–
Other loan, not repayable within one year	–	3,000
Other loan, repayable within one year	3,000	–
Loan to an investee, repayable on demand	1,921	–
	18,063	8,408

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

17 Prepayment and other receivables

In September 2013, the Group subscribed HK\$65 million and HK\$13 million to Greater China Select Fund and Miran Multi Strategy Fund respectively. The Group had paid the subscription money to these funds but the subscription processes were still pending to complete by the interim period end date. Hence, these amounts are classified as “prepayment and other receivables”.

18 Share capital

	Number of shares (in thousands)	HK\$'000 (unaudited)
Ordinary shares of HK\$0.10 each		
<i>Authorized:</i>		
At 1 April 2012, 31 March 2013 and 30 September 2013	2,000,000	200,000
<i>Issued and fully paid:</i>		
At 1 April 2012, 31 March 2013 and 30 September 2013	941,400	94,140

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

19 Share option scheme

Under the Share Option Scheme adopted on 19 March 2003 and refreshed on 21 January 2008, the Board may at any time following the date of adoption and before the tenth anniversary thereof, offer to grant to certain selected classes participants (including, among others, full-time employees) of the Company, an option to subscribe for shares as incentives or rewards for their contribution to the Company. The subscription price will be determined by the Board (subject to adjustment), and will not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant; and (c) the nominal value of the shares of the Company. A nominal consideration of HK\$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this scheme and any other share option schemes adopted by the Company may not exceed 10% of the share capital of the Company in issue.

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the share option scheme at any time not later than 10 years from the date on which the offer for grant of the option is made.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

19 Share option scheme (Continued)

Movement of the Company's share options during the six months ended 30 September 2013:

Grantee	Date of grant	Outstanding at beginning of the period	Granted during the period	Lapsed during the period	Outstanding at end of the period	Exercise price HK\$	Exercise period
Directors of group companies	20.4.2010	3,500,000	-	-	3,500,000	1.64	20.4.2010 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	-	-	3,500,000	1.64	31.7.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.12.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.3.2011 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	-	-	3,500,000	1.64	31.12.2012 to 19.4.2015
Employees	20.4.2010	2,550,000	-	-	2,550,000	1.64	20.4.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.7.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.3.2011 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.12.2012 to 19.4.2015
Consultants	18.2.2011	13,000,000	-	-	13,000,000	1.64	18.2.2011 to 17.2.2016
		34,800,000	-	-	34,800,000		

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

19 Share option scheme (Continued)

Movement of the Company's share options during the six months ended 30 September 2012:

Grantee	Date of grant	Outstanding at beginning of the period	Granted during the period	Lapsed during the period	Outstanding at end of the period	Exercise price HK\$	Exercise period
Directors of group companies	20.4.2010	3,500,000	-	-	3,500,000	1.64	20.4.2010 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	-	-	3,500,000	1.64	31.7.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.12.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.3.2011 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	-	-	3,500,000	1.64	31.12.2012 to 19.4.2015
Employees	20.4.2010	2,550,000	-	-	2,550,000	1.64	20.4.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.7.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.3.2011 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	1,750,000	1.64	31.12.2012 to 19.4.2015
Consultants	18.2.2011	13,000,000	-	-	13,000,000	1.64	18.2.2011 to 17.2.2016
		34,800,000	-	-	34,800,000		

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

19 Share option scheme (Continued)

Notes:

- (a) The closing prices of the ordinary shares of the Company immediately before the date on which the options were granted was HK\$1.55 and HK\$1.52 on 20 April 2010 and 18 February 2011 respectively.
- (b) The Black-Scholes Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

Details of the share options granted on 20 April 2010 was as follows:

Theoretical aggregate value:	HK\$13,706,000
Fair value recognized in profit or loss during the current period:	HK\$670,000 (2012: HK\$670,000)
Risk free interest rate:	2.027%
Expected volatility:	97.288%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	2.423%

Details of the share options granted on 18 February 2011 was as follows:

Theoretical aggregate value:	HK\$10,607,000
Fair value recognized in profit or loss during the current period:	HK\$Nil (2012: HK\$Nil)
Risk free interest rate:	1.897%
Expected volatility:	99.38%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	0.75%

The measurement dates of the share options were 20 April 2010 and 18 February 2011, 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.

Options forfeited, if any, before the expiry of the options will be treated as lapsed options which will be added back to the number of ordinary shares available to be issued under the Share Option Scheme.

The expected volatility of the underlying security of the options was determined based on the historical volatility of the share prices of the Company, as extracted from Bloomberg.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

20 Net asset value per share

The net asset value per share is calculated by dividing the net asset value of the Group at 30 September 2013 of approximately HK\$1,300,651,000 (31 March 2013: approximately HK\$1,273,661,000) by the number of ordinary shares in issue at that date, being 941,400,000 (31 March 2013: 941,400,000).

21 Commitments

(a) Capital commitment

Capital commitment contracted for at the end of the reporting period but not yet incurred are as follows:

	Group	
	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Capital contribution to Jin Dou ⁽¹⁾	104,800	104,800
Capital injection to Panlink ⁽²⁾	95,029	93,671

(1) According to the "Supplementary to Limited Partnership Agreement" signed between the Group and the limited partner of Jin Dou Development Fund, L.P. during the year ended 31 March 2012, the Group has committed to a further capital contribution of US\$13.5 million (equivalent to HK\$104,800) to Jin Dou. The calling of the committed capital contribution lies upon the future funding needs of Jin Dou.

(2) According to the sales and purchase agreement signed between Panlink Investments Limited, a wholly-owned subsidiary of the Group, and the counterparties in August 2012, the Group has committed to a capital injection of RMB75 million towards a new investee, whose target is to acquire interests in consumer retail related assets. The commitment is conditional upon successful acquisitions and approvals from relevant authorities.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

21 Commitments (Continued)

(b) Operating lease commitments

At 30 September 2013, the total future minimum lease payments under non-cancellable operating lease for office premises and staff quarter at the reporting dates are payable as follows:

	30 September 2013 (Unaudited) HK\$'000	31 March 2013 (Audited) HK\$'000
Within one year	249	1,321
In the second to fifth years inclusive	–	–

22 Related party transactions

In addition to those related party transactions and balances disclosed elsewhere in the condensed consolidated interim financial information, the Group had the following transactions and balances with its related parties:

(a) Transactions and balances with related parties

- During the six months ended 30 September 2013, investment management fee of approximately HK\$9,830,000 (2012: approximately HK\$11,304,000) were charged by Oriental Patron Asia Limited ("OPAL"), which is the investment manager of the Company and is a wholly owned subsidiary of Oriental Patron Financial Services Group Limited ("OPFSGL"). OPAL is a related company; as the directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPFSGL. The investment management fee was charged in accordance with the agreement with OPAL for investment management services and was calculated at 1.5% per annum on the net asset value of the Group at each preceding month end as defined in the agreement.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

22 Related party transactions (Continued)

(a) Transactions and balances with related parties (Continued)

1. (Continued)
At 30 September 2013, investment management fee payable of approximately HK\$1,600,000 (at 31 March 2013: approximately HK\$1,743,000) was included in other payables.
2. During the six months ended 30 September 2013, the Group paid rental expense of approximately HK\$1,132,000 to Oriental Patron Management Service Limited (“OPMSL”) for office premises (2012: HK\$1,132,000). OPMSL is a wholly owned subsidiary of OPFSGSL and it is considered as a related company of the Group as its directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPFSGSL.
3. At 30 September 2013, included in accrued charges are amounts in aggregate of HK\$375,000 (at 31 March 2013: HK\$Nil) representing accrued directors’ fees due to the Company’s independent non-executive directors.
4. Sunshine Prosper Limited, a wholly owned subsidiary of the Company, has acquired the remaining 70% ordinary shares and 20% non-voting preference shares of Crown Honor Holdings Limited (“CHHL”) as part of the GZ Meichen Placement on 31 August 2012. The Company has significant influence in CHHL prior to 31 August 2012 and continue to have significant influence in GZ Meichen after 31 August 2012. Please refer to note 17 and 18 of the Company’s 2012/13 annual report for the detail of the investments in CHHL and GZ Meichen.

Notes to the Condensed Consolidated Interim Financial Information (Continued)

For the six months ended 30 September 2013

22 Related party transactions (Continued)

(b) Compensation of directors and key management

	Six months ended 30 September	
	2013 (Unaudited) HK\$'000	2012 (Unaudited) HK\$'000
Salaries and other short-term employee benefits	495	516
Contributions to retirement benefits scheme	6	6
Equity-settled share-based payment	670	670
	1,171	1,192

23 Approval of condensed consolidated interim financial information

The condensed consolidated interim financial information was approved and authorized for issue by the Board on 28 November 2013.