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## **OP FINANCIAL INVESTMENTS LIMITED**

**東英金融投資有限公司\***

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1140)**

### **CONTINUING CONNECTED TRANSACTIONS – NEW INVESTMENT MANAGEMENT AGREEMENT**

#### **CONTINUING CONNECTED TRANSACTIONS – NEW INVESTMENT MANAGEMENT AGREEMENT**

On 3 March 2016, the Company and the Investment Manager entered into the New Investment Management Agreement, which is, subject to the Independent Shareholders' approval at the EGM.

The New Investment Management Agreement will replace the Existing Investment Management Agreement with effect from the Commencement Date, for a term until 31 March 2019.

#### **LISTING RULES IMPLICATIONS**

The Investment Manager, which has been the investment manager of the Company since the listing of the Shares on the Stock Exchange in year 2003, is a connected person of the Company by virtue of Rule 14A.08 of the Listing Rules. Therefore, the proposed continuing transactions between the Company and the Investment Manager as contemplated under the New Investment Management Agreement shall constitute continuing connected transactions of the Company.

As certain applicable percentage ratios in respect of the Proposed Annual Caps is more than 25%, the Continuing Connected Transactions therefore constitute non-exempt continuing connected transactions of the Listing Rules and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements.

\* For identification purposes only

## **CIRCULAR**

A circular containing, among other matters, further details of (i) the Continuing Connected Transactions (including the Proposed Annual Caps), (ii) a letter of advice from the Independent Financial Adviser containing their advice to the Independent Board Committee and the Independent Shareholders, (iii) a letter of advice from the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the EGM will be dispatched to the Shareholders on or before 24 March 2016.

## **CONTINUING CONNECTED TRANSACTIONS – NEW INVESTMENT MANAGEMENT AGREEMENT**

Reference is made to the announcement of the Company dated 24 February 2014 and the circular of the Company dated 25 February 2014 regarding the entering into of the Existing Investment Management Agreement between the Company and the Investment Manager for the provision of investment management and administration services for a three-year period commencing from 1 April 2014 and ending on 31 March 2017 and the Approved Annual Caps for each of the three years ended/ending 31 March 2017. The Existing Investment Management Agreement (including the Approved Annual Caps) had been approved by the then independent Shareholders at the extraordinary general meeting of the Company convened on 13 March 2014.

The Company had completed a placement of 900,000,000 new Shares (the “**Placing Shares**”) by way of cash in August 2015. The 900,000,000 Placing Shares have almost doubled the Net Asset Value, as compared to the figure immediately before completion of the Placing. As the amount of monthly management fee payable to the Investment Manager by the Company is determined with reference to the Net Asset Value as at the relevant Valuation Date, the Company has reviewed the Approved Annual Caps for the year ending 31 March 2017 in view of the completion of the Placing. The Directors expect that the aggregate amount of monthly management fee payable to the Investment Manager for the year ending 31 March 2017 will likely to exceed the relevant Approved Annual Caps at the time of entering into the Existing Investment Management Agreement. In addition, the remaining term of the Existing Investment Management Agreement is approximately one financial year. Accordingly, on 3 March 2016, the Company and the Investment Manager entered into the New Investment Management Agreement, which is subject to the Independent Shareholders’ approval at the EGM. The New Investment Management Agreement will replace the Existing Investment Management Agreement with effect from the Commencement Date, for a term until 31 March 2019.

## **Principal terms of the New Investment Management Agreement**

Except for the time period covered and that the adjustments to be made to the Base Net Asset Value has been fine-tuned, the terms of the Existing Investment Management Agreement and the New Investment Management Agreement are substantially the same in all material respects.

The principal terms of the New Investment Management Agreement, among others, include:

### ***Date***

3 March 2016

### ***Parties***

- (1) The Company; and
- (2) The Investment Manager

### ***Early termination of the Existing Investment Management Agreement***

The Existing Investment Management Agreement will be terminated with effect from the Commencement Date.

### ***Duration***

From the Commencement Date up to and including 31 March 2019

### ***Services to be provided***

The Investment Manager shall undertake investment and management duties arising pursuant to the Group's investments and shall render such advice and assistance to the Company as it may from time to time require in connection with the investment and divestment of the assets (including cash) of the Group. In particular, the Investment Manager shall:

- (a) identify, review and evaluate investment and divestment opportunities for the Group;
- (b) execute investment and divestment decision of the Company in accordance with the instructions of the Board;
- (c) monitor and keep under review the performance and status of the assets including cash of the Group from time to time; and
- (d) act in accordance with all reasonable instructions given and/or authorities delegated (as the case may be) to it from time to time by the Board and keep the Board fully informed as to the discharge of its powers and duties under the New Investment Management Agreement.

## *Management and performance fees*

The Investment Manager will be entitled to a monthly management fee and an annual performance fee. The amount of fees payable will be determined in accordance with the provisions and formula as set out below:

### *(a) Management fee*

A monthly management fee is payable in Hong Kong dollars in arrears on or before the seventh Business Day of the immediately following month, at 1.5% per annum of the Net Asset Value as at the immediately preceding Valuation Date on the basis of the actual number of days in the relevant calendar month over a year of 360 days.

The asset size of the Company from time to time, including any additional capital raised or assets being distributed, reflects the effort required by the Investment Manager in performing its duties, so accordingly, for the purpose of calculating the management fee, the terms of the New Investment Management Agreement have taken into account of any changes in the Net Asset Value as a result of fund raising activities (e.g. open offer/rights issue/placings/subscriptions) or dividend distribution so that the interests of both parties will be aligned with each other. The Board (excluding the independent non-executive Directors) considers such calculation basis is fair and reasonable to and in the interests of the Company and its Shareholders as a whole.

### *(b) Performance fee*

A performance fee is calculated by reference to the increase in the Net Asset Value per Share (as defined below) as at the relevant Performance Fee Valuation Day and payable as soon as practicable after the end of each Relevant Performance Period.

A performance fee will be payable to the Investment Manager if the Net Asset Value per Share (as defined below), calculated on the relevant Performance Fee Valuation Day, is greater than the Base Net Asset Value per Share (as defined below). The fee payable shall be 10% of the appreciation in the Net Asset Value per Share (as defined below), calculated as at the relevant Performance Fee Valuation Day over the Base Net Asset Value per Share (as defined below) for each Share then in issue, calculated as follows:

$$(A - B) \times \frac{C}{E} \times D$$

where:

“A” is the Net Asset Value per Share, calculated on the relevant Performance Fee Valuation Day, after the deduction of the management fee but before the deduction of the provision for the performance fee, if any, during the Relevant Performance Period.

“B” is the Base Net Asset Value per Share which shall be the greater of the Net Asset Value per Share as at the Commencement Date and the value for “A” as at the immediately preceding Relevant Performance Period in relation to which a performance fee was calculated and paid (after deduction of all fees including management fee and performance fee and paid in respect of such preceding Relevant Performance Period) (“**High Watermark**”). For the avoidance of doubt, the current High Watermark before applicable adjustments to be made to the Base Net Asset Value as set out in the New Investment Management Agreement is HK\$1.89, being the Net Asset Value per Share as at 31 March 2010.

“C” is the aggregate number of Shares in issue during the Relevant Performance Period, calculated by adding the number of Shares in issue on each Business Day of the Relevant Performance Period.

“D” is 10% or, subject to the approval of the Shareholders by ordinary resolution in general meeting (which approval shall, for the avoidance of doubt, only be required in connection with a proposal to increase such rate), such other percentage figure agreed from time to time between the Investment Manager and the Directors.

“E” is the number of Business Days in the Relevant Performance Period.

The Base Net Asset Value per Share is subject to customarily adjustment events including without limitation alteration to the nominal value of the Shares as a result of consolidation, subdivision, capitalization of profits and reserves, dividend and distribution in cash or specie during the relevant period.

Such calculation basis has been applied consistently since the Investment Manager was first appointed by the Company as the investment manager in 2003.

### ***Condition of the New Investment Management Agreement***

The New Investment Management Agreement will become effective upon obtaining the approval by the Independent Shareholders in respect of the New Investment Management Agreement at the EGM.

In the event that the condition referred to above cannot be satisfied on or before the Longstop Date, this Agreement shall terminate and none of the parties hereto shall have any rights or obligations against the other except for any antecedent breach of the New Investment Management Agreement in respect of which the right of the party not in default shall remain unaffected.

## HISTORICAL FIGURES AND APPROVED ANNUAL CAPS

The following tables set out (i) the historical amount of the fees paid to the Investment Manager under the Existing Investment Management Agreement for the financial year ended 31 March 2015 and the six months ended 30 September 2015; and (ii) the relevant Approved Annual Caps for each of the two financial years ended/ending 31 March 2016:

### Management fee

	For the financial year ended/ending 31 March	
	2015 (HK\$'000)	2016 (HK\$'000)
Historical figures	19,557	13,364*
Approved Annual Caps	32,000	36,000

\* this figure is the actual management fee paid to the Investment Manager for the six months ended 30 September 2015

### Performance fee

	For the financial year ended/ending 31 March	
	2015 (HK\$'000)	2016 (HK\$'000)
Historical figures	–	(Note)
Approved Annual Caps	4,000	36,000

*Note:* this figure is not available as at the date of this announcement as the performance fee for year ending 31 March 2016 is to be calculated on an annual basis as at the relevant Performance Fee Valuation Day which shall fall on 31 March 2016

The historical management fees paid by the Company to the Investment Manager under the Existing Investment Management Agreement for the financial year ended 31 March 2015 and the six months ended 30 September 2015 represented approximately 61.1% and 37.1% of the Approved Annual Caps for the corresponding year/period, while the Investment Manager was not entitled to any performance fee for the financial year ended 31 March 2015.

## PROPOSED ANNUAL CAPS AND ITS BASIS OF DETERMINATION

The following table sets out the Proposed Annual Caps of the fees payable to the Investment Manager by the Company for the provision of investment and management services under the New Investment Management Agreement for a term from the Commencement Date up to 31 March 2017 and for each of the two years ending 31 March 2019:

	<b>From the Commencement Date up to 31 March 2017 (HK\$ million)</b>	<b>For the year ending 31 March</b>	
		<b>2018 (HK\$ million)</b>	<b>2019 (HK\$ million)</b>
Management fees	71	106	158
Performance fees	–	28	141
	<hr/>	<hr/>	<hr/>
Total	<u>71</u>	<u>134</u>	<u>299</u>

The Proposed Annual Caps is determined with reference to, among others, the followings:

- (i) the Net Asset Value of approximately HK\$2,614.78 million as at 31 January 2016, which is derived from the published unaudited Net Asset Value per Share of approximately HK\$1.42 as at 31 January 2016 and the number of Shares issued and outstanding as at 31 January 2016 of 1,841,396,000 Shares;
- (ii) historical aggregate amount of fees paid by the Company to the Investment Manager under the Existing Investment Management Agreement;
- (iii) the issue of new Shares under the general mandate in the relevant year to partially finance the majority of the Company's future investment activities, at a premium to the then prevailing Net Asset Value per Share as at or shortly before the date of the relevant transaction agreement date;
- (iv) an estimated annual growth of approximately 8.41% of the Net Asset Value during the term of the New Investment Management Agreement, with reference to the three-year annualized return of "MSCI ACWI Investable Market Index" of approximately 8.41% from 2012 to 2015, which the Board considers that such index represents the most appropriate reference to the estimated growth rate of the Net Asset Value with the Company's future investment focus linked to both emerging markets and developed markets; and
- (v) a buffer to add flexibility to capture any unexpected increase in management fee and/or performance fee due to the market-driven nature of the Group's investment business.



The Company completed the placement of 900,000,000 new Shares by way of cash in August 2015, raising a net proceed of approximately HK\$1.32 billion. The Placing almost doubled the number of issued Shares and the Net Asset Value, as compared to those figures immediately before completion of the Placing. As disclosed in the interim report of the Company for the six months ended 30 September 2015, as at 30 September 2015, the cash and bank balance of the Group was approximately HK\$2.26 billion (taking into account the net proceeds from the Placing), representing approximately 85.3% of the unaudited consolidated total assets of the Group.

After realizing the utilization percentage of the actual total management fee and performance fee to the relevant approved annual cap varied from the lowest of approximately 7.6% for the year ended 31 March 2014 to the highest of 100% for the year ended 31 March 2010 during each of the financial years ended 31 March 2006 to 2015, the Directors are of the view that this wide range of utilization percentages is generally attributed to the market-driven nature of the Group's investment business. The precise performance of the Group's future Net Asset Value is therefore difficult to estimate and may vary significantly due to unexpected fluctuations of the financial markets and capital raising activities. For ease of reference, the actual total amount of fees (including both management fee and performance fee) paid by the Company to the Investment Manager and the relevant approved annual cap were both HK\$83,000,000 for the year ended 31 March 2010. Further, based on the Net Asset Value of approximately HK\$2,614.78 million as at 31 January 2016 as derived from the published unaudited Net Asset Value per Share of approximately HK\$1.42, the Directors estimated the management fee payable for year ending 31 March 2016 will almost reached the maximum amount of the Approved Annual Cap for the relevant financial year.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW INVESTMENT MANAGEMENT AGREEMENT**

The Company is an investment company under Chapter 21 of the Listing Rules, with the mandate allowing the Group to invest globally in various assets, equity, debts, financial instruments, investment funds and partnerships, investment structures, businesses and special situations.

The Group aims to produce medium to long term shareholder returns through capital appreciation, dividend and fixed income.

It is the intention of the Group to finance its investment activities by a combination of cash and issue of new Shares as consideration, with the new Shares expected to be issued at a premium to its then prevailing Net Asset Value per Share so as to further enhance the Net Asset Value, both in terms of absolute amount and on a per Share basis.

The Investment Manager is a corporation licensed to carry out regulated activities of dealing in securities, advising on corporate finance and asset management under the SFO. The Investment Manager has been appointed to act as the investment manager of the Company for more than 10 years since the listing of the Shares on the Stock Exchange on 20 March 2003.



The Board has taken into account, including but without limitation, the following factors when considering whether to continue to appoint the Investment Manager:

- the Investment Manager's possession of the required professional qualifications, expertise and experience in providing the relevant services
- Sustainability of the Investment Manager's business to provide the relevant services at a reasonable standard
- the Investment Manager's ability to introduce new investment opportunities and investors to the Company
- the long-term and cordial business relationship between the Investment Manager and the Company
- the Investment Manager's in-depth understanding of the operations and business of the Company
- the historical performance of the Company's investments contributed by the Investment Manager (*Note: The historical performance of the Company's investments is set out in the annual reports and the interim reports of the Company, copies of which are available on the websites of the Stock Exchange ([www.hkex.com.hk](http://www.hkex.com.hk)) and the Company ([www.opfin.com.hk](http://www.opfin.com.hk)).*)

Having considered the above factors, the Board (excluding the independent non-executive Directors) is of the view that it would be in the interest of the Group and the Shareholders as a whole to continue with the existing relationship with the Investment Manager. The transactions contemplated under the New Investment Management Agreement will continue to be conducted in the ordinary and usual course of business of the Group.

The Directors (excluding the independent non-executive Directors whose opinion will be included in the letter of advice from the Independent Board Committee which forms part of the circular in respect of the Continuing Connected Transactions to be despatched to the Shareholders after taking into account the advice from the Independent Financial Adviser) consider that the entering into of the New Investment Management Agreement is in the ordinary and usual course of business of the Group and that the terms of such agreement are determined after arm's length negotiation with the Investment Manager. Accordingly, the Directors (excluding the independent non-executive Directors whose opinion will be included in the letter of advice from the Independent Board Committee which forms part of the circular in respect of the New Investment Management Agreement to be despatched to the Shareholders) are of the view that the terms of the New Investment Management Agreement (including the Proposed Annual Caps) are fair and reasonable, on normal commercial terms or better and that the entering into the New Investment Management Agreement is in the interests of the Group and its Shareholders as a whole.

## **IMPLICATIONS UNDER THE LISTING RULES**

The Investment Manager, which has been the investment manager of the Company since the listing of the Shares on the Stock Exchange in year 2003, is a connected person of the Company by virtue of Rule 14A.08 of the Listing Rules. Therefore, the proposed continuing transactions between the Company and the Investment Manager as contemplated under the New Investment Management Agreement shall constitute continuing connected transactions of the Company.

As certain applicable percentage ratios in respect of the Proposed Annual Caps is more than 25%, the Continuing Connected Transactions therefore constitute non-exempt continuing connected transactions of the Listing Rules and are subject to the reporting, announcement, annual review and Independent Shareholders' approval requirements.

Messrs Zhang Gaobo and Zhang Zhi Ping, being the executive Directors, are the indirect controlling shareholders of OPFSGL (a Shareholder) and Ottness (a substantial Shareholder). In addition, the Investment Manager is an indirect wholly-owned subsidiary of OPFSGL. Therefore, both OPFSGL and Ottness have a material interest in the New Investment Management Agreement and the transactions contemplated thereunder. Accordingly, OPFSGL, Ottness and their respective associates (including Messrs Zhang Gaobo and Zhang Zhi Ping, and the Investment Manager) shall abstain from voting on the relevant resolution(s) approving the New Investment Management Agreement and the transactions contemplated thereunder at the EGM. As at the date of this announcement, OPFSGL, Ottness and their respective associates in aggregate held 359,800,000 Shares, representing approximately 19.54% of the issued share capital of the Company. To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, save as disclosed above, none of the Shareholders will be required to abstain from voting at the EGM to consider, and if thought fit, approve the New Investment Management Agreement and the transactions contemplated thereunder.

## **THE INVESTMENT MANAGER**

The Investment Manager is a licensed corporation under the SFO to carry on Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities. As at the date of this announcement, the Investment Manager did not provide investment management services to any company other than the Group.

The background and relevant experience of the responsible officers and/or directors who are responsible for asset management business of the Investment Manager are as follows:

**CHAN Nap Kee, Joseph** has been an executive director and a responsible officer of the Investment Manager since 1994. Mr. Chan has 29 years of experience in commercial and investment banking and asset management. He is currently the chairman, an executive director and acting chief executive officer of Kaisun Energy Group Limited (stock code: 8203), a company listed on the Growth Enterprise Market (“**GEM**”) of the Stock Exchange. He is also a non-executive director of North Asia Strategic Holdings Limited (stock code: 8080), a company listed on the GEM of the Stock Exchange since February 2013 and a non-executive director of HNA Infrastructure Company Limited (formerly known as Hainan Meilan International Airport Company Limited) (stock code: 357) since October 2007, a company listed on the Main Board of the Stock Exchange. Mr. Chan was the deputy manager of Credit Agricole from 1986 to 1994, where he was in charge of the China business. From 1992 to 1994, he was also the co-head of Credit Agricole Asset Management South East Asia Limited. He was also an executive director of Oriental Patron Securities Limited from 2008 to 2013 and SanJohn Capital Limited from 2007 to 2011. Mr. Chan obtained a master degree majoring in international marketing from the University of Strathclyde, the United Kingdom in July 1995, and a diploma in China investment and Trade Study from Peking University in November 1989. Mr. Chan is currently licensed as a responsible officer under the SFO to carry on Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

**CHAN Lap Tak, Jeffrey** has been an executive director and a responsible officer of the Investment Manager since 1993. Mr. Chan has over 20 years of experience in securities and investment industries. He is a Permanent Honorary President and immediate past Chairman of the Hong Kong Securities Association. He also serves as a member of the Advisory Committee of the SFC, the Securities and Futures Appeals Tribunal, Advisory Committee of Investor Education Centre and the Banking Finance Industry Training Board of the Vocational Training Council. Mr. Chan holds a Bachelor of Commerce degree from the University of Queensland, Australia and a member of the Hong Kong Institute of Certified Public Accountants, CPA Australia and the Hong Kong Securities and Investment Institute. Mr. Chan is currently licensed as a responsible officer by the SFC for Type 1 (dealing in securities), Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

## **POTENTIAL CONFLICTS OF INTEREST**

Given the Investment Manager is wholly owned by OPFSGL, a company which is indirectly controlled by Messrs. Zhang Gaobo and Zhang Zhi Ping, the executive Directors, conflicts may arise in the allocation of investment opportunities identified by Messrs. Zhang Gaobo and Zhang Zhi Ping between the Company and the funds administered by the Investment Manager.

However, it should be noted that such conflicts of interest will rarely occur. The reasons are as follows:

1. As at the date of this announcement, the Investment Manager did not provide investment management services to any company other than the Group.
2. Messrs. Zhang Gaobo and Zhang Zhi Ping are merely investors of the Investment Manager. They are neither directors nor responsible officers of the Investment Manager and they do not participate in formulating investment strategies, monitoring investment performance and approving investment decisions of the Investment Manager.

Nonetheless, if such conflicts arise, Messrs. Zhang Gaobo and Zhang Zhi Ping shall present all identified investment opportunities to the Company and the Investment Manager on an equitable basis and abstain from voting on transactions where such conflicts arise.

## **GENERAL**

The Company has established the Independent Board Committee to advise the Independent Shareholders as to (i) whether the terms of the New Investment Management Agreement are fair and reasonable, whether the Continuing Connected Transactions will be conducted on normal commercial terms or better, in the ordinary and usual course of business and whether the Continuing Connected Transactions are in the interests of the Group and the Independent Shareholders as a whole, (ii) whether the Proposed Annual Caps have been determined on a fair and reasonable basis, and (iii) advise the Independent Shareholders on how to vote in relation to (i) and (ii) above, taking into account the recommendations of the Independent Financial Adviser. The Company has appointed the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

## **CIRCULAR**

A circular containing, among other matters, further details of (i) the Continuing Connected Transactions (including the Proposed Annual Caps); (ii) a letter of advice from the Independent Financial Adviser containing their advice to the Independent Board Committee and the Independent Shareholders; (iii) a letter of advice from the Independent Board Committee to the Independent Shareholders; and (iv) a notice of the EGM will be dispatched to the Shareholders on or before 24 March 2016.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Approved Annual Cap(s)”	the expected maximum amount of the management fee and performance fee payable to the Investment Manager by the Company under the Existing Investment Management Agreement for each of the three years ended/ending 31 March 2017
“Articles”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday and Sunday) on which banks in Hong Kong are generally open for business
“Commencement Date”	the first calendar day of the month immediately following the month upon the New Investment Management Agreement becomes effective
“Company”	OP Financial Investments Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Continuing Connected Transactions”	the continuing connected transactions to be constituted by the provision of investment and management duties arising pursuant to the Group’s investments by the Investment Manager to the Company under the New Investment Management Agreement from the Commencement Date up to and including 31 March 2019
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving, among others, the Continuing Connected Transactions (including the Proposed Annual Caps) by the Independent Shareholders

“Existing Investment Management Agreement”	the investment management agreement dated 24 February 2014 entered into between the Company and the Investment Manager in respect of the provision of investment management and administration services by the Investment Manager to the Company from 1 April 2014 to 31 March 2017, details of which has been disclosed in the announcement of the Company dated 24 February 2014 and the circular of the Company dated 25 February 2014
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee of the Company (comprising Mr Kwong Che Keung, Gordon, Professor He Jia and Mr Wang Xiaojun, being all the independent non-executive Directors) formed by the Company to advise the Independent Shareholders as to (i) whether the terms of the New Investment Management Agreement are fair and reasonable, whether the Continuing Connected Transactions will be conducted on normal commercial terms or better, in the ordinary and usual course of business of the Group and are in the interests of the Company and the Independent Shareholders as a whole; (ii) whether the Proposed Annual Caps have been determined on a fair and reasonable basis; and (iii) advise the Independent Shareholders on how to vote in relation to (i) and (ii) above
“Independent Financial Adviser”	Chanceton Capital Partners Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the New Investment Management Agreement (including the Proposed Annual Caps)
“Independent Shareholders”	the Shareholders, other than OPFSGL, Ottness and their respective associates (including Messrs Zhang Gaobo and Zhang Zhi Ping, and the Investment Manager)
“Investment Manager”	Oriental Patron Asia Limited, a licensed corporation permitted to carry on Type 1 (dealing in securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the SFO
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Longstop Date”	31 May 2016 (or such later date as the parties to the New Investment Management Agreement may agree in writing)
“Net Asset Value”	the consolidated net asset value of the Company calculated in accordance with the provisions of the Articles
“New Investment Management Agreement”	the investment management agreement dated 3 March 2016 entered into between the Company and the Investment Manager in respect of, subject to the Independent Shareholders’ approval, (i) the early termination of the Existing Investment Management Agreement with effect from the Commencement Date; and (ii) the provision of investment and management duties arising pursuant to the Group’s investments by the Investment Manager to the Group from the Commencement Date up to and including 31 March 2019
“OPFSGL”	Oriental Patron Financial Services Group Limited, a Shareholder holding 29,800,000 Shares, representing approximately 1.62% of the issued share capital of the Company as at the date of this announcement
“Ottness”	Ottness Investments Limited, a substantial Shareholder holding 330,000,000 Shares, representing approximately 17.92% of the issued share capital of the Company as at the date of this announcement
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Performance Fee Valuation Day”	the last Business Day of each financial year of the Company
“Placing”	the private placement of 900,000,000 new Shares by or on behalf of a placing agent to selected investors, details of which are set out in the announcements dated 1 June 2015 and 4 August 2015, and the circular dated 29 June 2015, all of which are issued by the Company
“PRC”	the People’s Republic of China, which for the purposes of this announcement, does not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Proposed Annual Cap(s)”	the expected maximum amount of the management fee and performance fee payable to the Investment Manager by the Company for the provision of investment management services under the New Investment Management Agreement for a term from the Commencement Date up to 31 March 2017 and for each of the two financial years ending 31 March 2019



“Relevant Performance Period”	the period commencing on the Commencement Date and ending on 31 March 2017 (both dates inclusive), and thereafter for each period commencing on 1 April of each year to 31 March of the following year (both dates inclusive)
“SFC”	the Securities and Futures Commission in Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Valuation Date”	the last dealing day on the Stock Exchange in each calendar month or such other dealing day as considered appropriate by the Board for the purpose of calculating the Net Asset Value
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board of  
**OP Financial Investments Limited**  
**Zhang Gaobo**  
*Executive Director and CEO*

3 March 2016, Hong Kong

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr Zhang Zhi Ping and Mr Zhang Gaobo; one non-executive Director, namely Dr. Liu Zhiwei and three independent non-executive Directors, namely, Mr Kwong Che Keung, Gordon, Professor He Jia and Mr Wang Xiaojun.*