THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in OP Financial Investments Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

東英 ORIENTAL PATRON

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)

(1) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME; (2) CONTINUING CONNECTED TRANSACTIONS – NEW INVESTMENT MANAGEMENT AGREEMENT; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

川盟融資有限公司
Chanceton Capital Partners Limited

Notice of the Extraordinary General Meeting of the Company to be held at 11:00 a.m. on Friday, 13 May 2016 at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong is set out on pages 69 to 71 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same as soon as possible and in any event no later than 48 hours before the time of the meeting or any adjournment thereof to the Company's branch share registrar in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting at the meeting or any adjournment thereof should you so wish.

* *For identification purpose only*

25 April 2016

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In this circular, unless the context otherwise requires, the following expressions have the following meanings:

"Announcement"	the announcement dated 3 March 2016 issued by the Company regarding the Continuing Connected Transactions (including the Proposed Annual Caps)
"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
"close associate(s)"	has the meaning ascribed to it under the Listing Rules
"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 and held at 11:00 a.m. on Friday, 13 May 2016 at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong for the purpose of considering and, if thought fit, approving, among others, (i) the proposed adoption of the New Share Option Scheme by the Shareholders; and (ii) 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 Group 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
"Grantee(s)"	any Participant(s) who accepts an offer of the grant of Option in accordance with the terms of the New Share Option Scheme, or any person who is entitled to any such Option
"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" or "Chanceton"	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)
"Invested Entity"	any entity in which any member of the Group holds any equity interest
"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
"Latest Practicable Date"	21 April 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"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)
"Model Code"	Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 of the Listing Rules
"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 for term from the Commencement Date up to and including 31 March 2019
"New Share Option Scheme"	the share option scheme proposed to be adopted by the Company at the EGM, the principal terms of which is set out in Appendix I of this circular
"Old Share Option Scheme"	the share option scheme adopted by the Company pursuant to a resolution passed by the then Shareholder(s) on 19 March 2003 and was expired on 18 March 2013
"OPFGL"	Oriental Patron Financial Group Limited, the parent company of Ottness and OPFSGL
"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 Latest Practicable Date
"Option(s)"	any option(s) granted or to be granted to Grantees to subscribe for the Share(s) under the New Share Option Scheme

"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 Latest Practicable Date
"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 circular, 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 of 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.

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)

Executive Directors:
ZHANG Zhi Ping *(Chairman)*
ZHANG Gaobo *(Chief executive officer)*

Non-executive Director:
LIU Zhiwei *(Deputy Chairman)*

Independent non-executive Directors:
KWONG Che Keung, Gordon
HE Jia
WANG Xiaojun

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

Head office and principal place of business in Hong Kong:
27th Floor, Two Exchange Square
8 Connaught Place, Central
Hong Kong

25 April 2016

To the Shareholders

Dear Sir/Madam,

(1) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME; (2) CONTINUING CONNECTED TRANSACTIONS – NEW INVESTMENT MANAGEMENT AGREEMENT; AND (3) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

Reference is made to the Announcement.

The purpose of this circular is (i) to provide you with information regarding the New Share Option Scheme proposed to be adopted by the Company and the New Investment Management Agreement (including the Proposed Annual Caps); (ii) to set out the advice of the Independent Board Committee to the Independent Shareholders and the advice of Chanceton to the Independent Board Committee and the Independent Shareholders in relation to the Continuing Connected Transactions; and (iii) to give you

* *For identification purposes only*

notice of the EGM at which ordinary resolutions will be proposed to consider and, if thought fit, approve (i) the proposed adoption of the New Share Option Scheme; and (ii) the New Investment Management Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

The Company adopted the Old Share Option Scheme on 19 March 2003 which was expired on 18 March 2013. As at the Latest Practicable Date, no options granted under the Old Share Option Scheme were outstanding and the Company currently has not adopted any share option scheme.

The Directors propose to adopt the New Share Option Scheme which will be put to the Shareholders for approval at the EGM. The purpose of the New Share Option Scheme is to enable the Group to grant options to the proposed Grantees as incentives or rewards for their contribution to the Group. The Directors believe that the New Share Option Scheme could provide Grantees with the opportunity of participating in the growth of the Company by acquiring Shares and could, in turn, assist in the attraction and retention of Grantees who have made contribution to the success of the Company.

As at the Latest Practicable Date, there were 1,841,396,000 Shares in issue. Assuming there is no change to the issued share capital of the Company in the period commencing from the Latest Practicable Date up to and including the date of the EGM, the total number of Shares that may be issued upon exercise of the options to be granted under the New Share Option Scheme and any other schemes of the Company will be 184,139,600 Shares, being 10% of the issued share capital of the Company as at the date of the EGM.

Unless otherwise determined by the Board and specified in the offer letter at the time of the offer of the Option, there are neither any performance targets that need to be achieved by the Grantees before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

The subscription price for the Shares under the New Share Option Scheme shall be a price solely determined by the Board and notified to a Grantee and shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an Option is granted; (ii) the average closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the date on which an Option is granted; and (iii) the nominal value of a Share.

Although the rules of the New Share Option Scheme provide that the New Share Option Scheme is not subject to any performance target and does not prescribe any specific minimum period for which an option must be held before it can be exercised, the Board believes that the flexibility for the Board to prescribe at its discretion where necessary, tailored performance target, a minimum period for which an Option must be held before it can be exercised and the requirement for a minimum exercise price (which is set out in the Appendix I to this circular) of the New Share Option Scheme will serve to

protect the value of the Shares and encourage Grantees to acquire proprietary interests in the Company which will increase in value in line with the contribution by the Grantees to the Company, so as to achieve the purpose of the New Share Option Scheme.

None of the Directors is a trustee of the New Share Option Scheme nor has any direct or indirect interest in the trustees of the New Share Option Scheme, if any.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted at the Latest Practicable Date. The Directors believe that any statement regarding the value of the Options as at the Latest Practicable Date will not be meaningful to the Shareholders, taking into account the number of variables which are crucial for the calculation of the option value which have not been determined. Such variables include the exercise period and other relevant variables such as the Options may become lapsed or cancelled prior to the normal expiry of their respective option periods on the happening of certain events as specified in the New Share Option Scheme which are not predictable or controllable by the Directors.

The principal terms of the New Share Option Scheme is set out in the Appendix I to this circular. A copy of the New Share Option Scheme will be available for inspection at the principal place of business of the Company in Hong Kong at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM, and at the EGM.

Conditions precedent of the adoption of the New Share Option Scheme

The New Share Option Scheme shall take effect upon:

(i) the passing of the necessary resolution by the Shareholders at the EGM approving the adoption of the New Share Option Scheme and authorising the Directors to grant Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under the New Share Option Scheme; and

(ii) the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, any Shares to be issued by the Company pursuant to the exercise of any Options in accordance with the terms and conditions of the New Share Option Scheme.

APPLICATION FOR LISTING

Application has been made to the Stock Exchange for approval of the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of any Options granted under the New Share Option Scheme.

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 under specific mandate (the "**Placing Shares**") by way of cash in August 2015. The Placing raised a net proceeds of approximately HK$1.32 billion, which is almost equal to the then Net Asset Value immediately before completion of the Placing. The Placing 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 less than 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, calculated as follows:

$$1.5\% \times \text{Net Asset Value} \times \frac{\text{Actual number of days of the month}}{360}$$

The rate of 1.5% per annum of the monthly management fee under the New Investment Management Agreement is determined with reference to (i) the terms of the Existing Investment Management Agreement; and (ii) those charged by investment managers of other investment companies listed on the Main Board.

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 (including 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:

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

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, and the financial year ended 31 March 2010 is the Relevant Performance Period during which the last performance fee was calculated and paid to the Investment Manager.

"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. The value D of 10% is determined with reference to (i) the terms of Existing Investment Management Agreement; and (ii) those charged by investment managers of other investment companies listed on the Main Board.

"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 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 and reduction of capital during the relevant period.

The Directors submit that the performance fee which is calculated with reference to the appreciation of Net Asset Value per Share over High Watermark and thus ensuring the interests of the Company and the Investment Manager align with each other.

Having considered the above reasons and such calculation basis has been applied consistently since the Investment Manager was first appointed by the Company as the investment manager in 2003, the Board (including the independent non-executive Directors) considers such calculation basis is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

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, the New Investment Management 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 three financial years ended/ending 31 March 2017:

Management fee

	For the financial year ended/ending 31 March		
	2015	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Historical figures	19,557	13,364*	*(Note)*
Approved Annual Caps	32,000	36,000	42,000

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

Note: the management fee for the financial year ending 31 March 2017 ("**FY2017**") is not yet available as at the Latest Practicable Date as the first Valuation Date for the purpose of calculating the monthly management fee for the first calendar month of FY2017 (i.e. April) shall fall on 29 April 2016

Performance fee

	For the financial year ended/ending 31 March		
	2015	**2016**	**2017**
	(HK$'000)	*(HK$'000)*	*(HK$'000)*
Historical figures	–	*(Note 1)*	*(Note 2)*
Approved Annual Caps	4,000	36,000	42,000

Notes:

1. the performance fee for the year ended 31 March 2016 is to be calculated on an annual basis as at the relevant Performance Fee Valuation Day which is 31 March 2016. The Company is still in the process of finalizing the financial results of the Company for the financial year ended 31 March 2016 and such figure will be disclosed in the results announcement and the annual report of the Company for the financial year ended 31 March 2016, which is expected to be published by the end of June and July 2016, respectively

2. this figure is not available as at the Latest Practicable Date as the performance fee for FY2017 is to be calculated on an annual basis as at the relevant Performance Fee Valuation Day which shall fall on the last Business Day of FY2017 (i.e. the last Business Day of March 2017)

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, while the Investment Manager was not entitled to any performance fees 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:

	From the Commencement Date up to 31 March 2017	**For the year ending 31 March**	
		2018	**2019**
	(HK$ million)	*(HK$ million)*	*(HK$ million)*
Management fee	71	106	158
Performance fee	–	28	141
Total	71	134	299

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

(i) the Net Asset Value of approximately HK$2.6 billion as at 31 January 2016. The increase in relevant amount of the Proposed Annual Caps as compared to the Approved Annual Caps is in line with the approximately 100.0% increase in the Net Asset Value from approximately HK$1.3 billion, being the Net Asset Value as at the end of the month immediately before completion of the Placing to approximately HK$2.6 billion, being the Net Asset Value as at the end of the month immediately following the completion of the Placing;

(ii) historical aggregate amount of fees paid by the Company to the Investment Manager under the Existing Investment Management Agreement, taking into account the actual total amount of fees (including both management fee and performance fee) paid by the Company to the Investment Manager were equal to the relevant approved annual cap of HK$83,000,000 for the year ended 31 March 2010 and the management fee paid to the Investment Manager for year ended 31 March 2016 almost reached the maximum amount of the Approved Annual Cap for the relevant financial year due to the Net Asset Value almost doubled after completion of the Placing in August 2015;

(iii) the issue of new Shares under the general mandate (and the general mandate being refreshed, where necessary) 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 (taking into account the expected increase in the New Asset Value due to the issue of new Shares at a premium to finance the Company's investment as mentioned in (iii) above), 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, as the Company may continue to invest in both markets during the term of the New Investment Management Agreement; and

(v) a buffer of 20% 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.

It is expected that there will be an increase in the management fee from 2017 to 2019 and the performance fee from year 2018 to year 2019. This is mainly due to the issue of new Shares at a premium to the then prevailing Net Asset Value per Share under the general mandate (and the general mandate so refreshed, where necessary) to finance the Company's investment, and coupled with the expected organic growth of the Net Asset Value with reference to the MSCI ACWI Investable Market Index as mentioned in (iv) above, both of which will have a compounding effect to the increase in the Net Asset Value, in terms of both absolute amount and on a per Share basis.

The Company completed the placement of 900,000,000 new Shares under specific mandate by way of cash in August 2015, raising a net proceed of approximately HK$1.32 billion. 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, the management fee paid for year ended 31 March 2016 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) and the Company (www.opfin.com.hk)).*

The Investment Manager plays a pivotal role to the financial performance of the Group by undertaking the investment and management duties to the Company pursuant to the Existing Investment Management Agreement. Therefore, both the Directors and the Shareholders shall be able to evaluate the performance of the Investment Manager by reading the financial results of the Group as disclosed in the financial reports of the Company (i.e. annual and interim reports).

Having considered the above factors, the Board (including 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 (including the independent non-executive Directors) 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 (including the independent non-executive Directors) 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.

INTERNAL CONTROL OF THE GROUP

The Company has established a series of procedures and internal control measures in order to ensure that Continuing Connected Transactions will be conducted in accordance with the terms of the New Investment Management Agreement, and the payment of relevant fees under the New Investment Management Agreement will not exceed the Proposed Annual Caps. Key procedures and internal control measures include:

(1) the Company's finance department will check the terms of the New Investment Management Agreement every time when making fee payment to the Investment Manager;

(2) the Chief Financial Officer regularly monitors the relevant transaction amounts to ensure they do not exceed the applicable Approved Annual Caps as stated in the Existing Investment Management Agreement;

(3) each of the Directors are being distributed, for their review, a monthly management report that sets out on a yearly cumulative basis the amount of management fee paid or payable to the Investment Manager and the Net Asset Value as at the relevant Valuation Date;

(4) the audit committee will meet at least three times every year to review, among others, the connected transactions, including transactions contemplated under the New Investment Management Agreement, to ensure they are entered into in the ordinary and usual course of business of the Group, on normal commercial terms or better, and conduct in compliance with the Listing Rules; and

(5) the auditors of the Company would also conduct an annual review and issue a letter to the Company with respect to transactions contemplated under the New Investment Management Agreement.

Should the relevant fee is expected to exceed the relevant approved annual cap, the Company will seek to revise the annual cap amount in accordance with the requirements of the Listing Rules.

IMPLICATIONS UNDER THE LISTING RULES

Proposed adoption of the New Share Option Scheme

As at the Latest Practicable Date, and to the best knowledge, belief and information of the Directors having made all reasonable enquiries, no Shareholder is required under the Listing Rules to abstain from voting on the resolution regarding the proposed adoption of the New Share Option Scheme at the EGM.

Continuing Connected Transactions – New Investment Management Agreement

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 Latest Practicable Date,

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.

As disclosed in the paragraph above, Messrs Zhang Gaobo and Zhang Zhi Ping, being the executive Directors, are the indirect controlling shareholders of OPSFGL (being the parent company of the Investment Manager holding its entire issued share capital). Hence, Messrs. Zhang Gaobo and Zhang Zhi Ping were materially interested in the New Investment Management Agreement and they had abstained from voting on the relevant board resolution(s) approving, among other matters, 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 Latest Practicable Date, 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 an independent 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 Latest Practicable Date, 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.

EXTRAORDINARY GENERAL MEETING

Set out on pages 69 to 71 of this circular is a notice convening the EGM to be held at 11:00 a.m. on Friday, 13 May 2016 at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong, at which ordinary resolutions will be proposed to the Shareholders or Independent Shareholders (as the case may be) to consider and, if thought fit, approve by way of a poll (i) the proposed adoption of the New Share Option Scheme; and (ii) the New Investment Management Agreement and the transactions contemplated thereunder (including the Proposed Annual Caps).

A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event by no later than 48 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM should you so wish.

An announcement on the results of the EGM will be made by the Company following the EGM in accordance with the Listing Rules.

RECOMMENDATION

Chanceton has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders regarding the Continuing Connected Transactions to be contemplated under the New Investment Management Agreement (together with the Proposed Annual Caps). The text of the letter of advice from Chanceton to the Independent Board Committee and the Independent Shareholders is set out on pages 24 to 45 of this circular.

The letter from the Independent Board Committee, which contains its advice to the Independent Shareholders in respect of the New Investment Management Agreement and the Proposed Annual Caps, is also set out on page 23 of this circular.

The Board considers that both (i) the proposed adoption of the New Share Option Scheme; and (ii) the entering into of the New Investment Management Agreement and the Proposed Annual Caps are in the interests of the Company and the Shareholders as a whole, and that the terms of the New Investment Management Agreement is fair and reasonable so far as the Company and the Shareholders as a whole are concerned.

Accordingly, the Board recommends the Shareholders or the Independent Shareholders (as the case may be) to vote in favour of the relevant resolutions to be proposed at the EGM for approving (i) proposed adoption of the New Share Option Scheme; and (ii) the New Investment Management Agreement and the Proposed Annual Caps as set out in the notice of the EGM.

ADDITIONAL INFORMATION

Your attention is drawn to the general information set out in Appendix II to this circular.

Yours faithfully,
For and on behalf of the Board
OP Financial Investments Limited
ZHANG Zhi Ping
Chairman

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)

25 April 2016

To the Independent Shareholders

Dear Sir/Madam,

CONTINUING CONNECTED TRANSACTIONS – NEW INVESTMENT MANAGEMENT AGREEMENT

We have been appointed as members of the Independent Board Committee to consider the Continuing Connected Transactions to be contemplated under the New Investment Management Agreement (together with the Proposed Annual Caps) and to advise the Independent Shareholders as to whether, in our opinion, the Continuing Connected Transactions (including the Proposed Annual Caps), details of which are set out in the letter from the Board included in the circular to the Shareholders dated 25 April 2016 (the "**Circular**"), of which this letter forms a part. Terms used herewith shall have the same meanings as those defined in the Circular unless the context otherwise requires.

Chanceton has been appointed as the independent financial adviser to advise us on the New Investment Management Agreement (including the Proposed Annual Caps). The letter from the Independent Financial Adviser is set out on pages 24 to 45 of the Circular.

Having considered the terms of the New Investment Management Agreement and the Proposed Annual Caps, the advice given by Chanceton and the principal factors and reasons taken into consideration by them in arriving at their advice, we are of the opinion that the entering of the New Investment Management Agreement and the Proposed Annual Caps is in the ordinary and usual course of business of the Group, in the interests of the Company and the Independent Shareholders as a whole, and that the terms of the New Investment Management Agreement are on normal commercial terms or better, fair and reasonable so far as the Company and the Independent Shareholders as a whole are concerned. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution(s) to be proposed at the EGM for approving the New Investment Management Agreement and the Proposed Annual Caps.

Yours faithfully
For and on behalf of
Independent Board Committee

Kwong Che Keung, Gordon **He Jia** **Wang Xiaojun**

* *For identification purposes only*

The following is the full text of the letter of advice from the Independent Financial Adviser in respect of the Continuing Connected Transactions, and is prepared for the purpose of incorporation into this circular.

川盟融資有限公司
Chanceton Capital Partners Limited

Room 801B, 8/F
West Wing
Tsim Sha Tsui Centre
66 Mody Road
Tsim Sha Tsui Hong Kong

25 April 2016

To the Independent Board Committee and
the Independent Shareholders of
OP Financial Investments Limited

Dear Sirs,

CONTINUING CONNECTED TRANSACTIONS – NEW INVESTMENT MANAGEMENT AGREEMENT

INTRODUCTION

We refer to our engagement by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the Continuing Connected Transactions, the particulars of which have been set out in a circular to the Shareholders dated 25 April 2016 (the "**Circular**") and in which this letter is reproduced. Unless the context requires otherwise, terms used in this letter shall have the same meanings as given to them in the Circular.

Chanceton Capital Partners Limited has been appointed as the independent financial adviser to the Independent Board Committee and the Independent Shareholders to (i) give our recommendation as to whether the terms of the Continuing Connected Transactions are fair and reasonable so far as the Independent Shareholders are concerned and on normal commercial terms; (ii) give our recommendations as to whether the Continuing Connected Transactions are in the interest of the Company and the Shareholders as a whole and in the ordinary and usual course of business of the Group; and (iii) advise the Independent Shareholders on how to vote at the EGM. Details of the reasons for the Continuing Connected Transactions are set out in the section headed "Letter from the Board" in the Circular (the "**Board Letter**").

The Company is an investment company under Chapter 21 of the Listing Rules, with the mandate allowing the Company to invest in various assets, financial instruments and businesses globally.

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 under specific mandate (the "**Placing Shares**") by way of cash in August 2015 which raised a net proceeds of approximately HK$1.32 billion, which is almost equal to the Net Asset Value immediately before completion of the Placing. 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.

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 Latest Practicable Date, 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.

BASIS OF ADVICE

In formulating our opinions and recommendations, we have relied on the information supplied to us by the Company, the opinions expressed by, and the representations of, the Directors and the management of the Company, including those set out in the Circular. We have no reason to doubt the truth, accuracy and completeness of the information and presentation provided to us by the Directors.

We consider that we have been provided with sufficient information on which to form a reasonable basis for our opinion. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any fact or circumstance which would render the information provided and representations made to us untrue, inaccurate or misleading. We consider that we have performed all the necessary steps to enable us to reach an informed view and to justify our reliance on the information provided so as to provide a reasonable basis for our opinion. The Directors have confirmed that, to the best of their information and knowledge, they believe that no material fact or information has been omitted from the information supplied and that the representations made or opinions expressed have been arrived at after due and careful consideration and there are no other facts or representations the omission of which would make any statement in the Circular, including this letter, misleading.

While we have taken reasonable steps to satisfy the requirements under the Listing Rules, we have not carried out any independent verification of the information, opinions or representations given or made by or on behalf of the Company, nor have we conducted an independent investigation into the business affairs or assets and liabilities of the Group or any of the other parties involved in the Continuing Connected Transactions.

In the event of inconsistency, the English text of this letter shall prevail over the Chinese translation of this letter.

PRINCIPAL FACTORS CONSIDERED

In arriving at our opinion in relation to the Continuing Connected Transactions, we have taken into consideration the following factors:

1. Information on the Group

As mentioned earlier, the Group is an investment company under Chapter 21 of the Listing Rules, with the mandate allowing the Company to invest globally in various assets, equity, debts, financial instruments, investment funds and partnerships, investment structures, businesses and special situations. It is stated in the Board Letter that the Company produces medium to long term shareholder returns through capital appreciation, dividend and fixed income. The Company's co-investors are mainly large financial institutions and organizations targeting either high growth opportunities within the PRC or strategic investments outside the region. The Company also invests in funds of listed and unlisted equities to generate diversified returns. Over time, these funds will serve as the foundation of a marketable proprietary financial services platform catered towards attracting new investment partners. Set out below is certain summary financial information as extracted from the Group's interim report for the six months ended 30 September 2015 (the "**Interim Report**"):

	Six months ended 30 September	
	2015	**2014**
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Revenue	12,825	20,199
Profit	44,713	10,263

	As at	
	30 September 2015	**31 March 2015**
	HK$'000	*HK$'000*
	(unaudited)	(audited)
Total assets	2,652,972	1,292,577
Total liabilities	24,084	25,721
Net assets	2,628,888	1,266,856

We note that the Company recorded an unaudited revenue of approximately HK$12,825,000 for the six months ended 30 September 2015, representing an approximately 36.5% decrease when compared with the unaudited revenue of approximately HK$20,199,000 recorded during the six months ended 30 September

2014. During the six months ended 30 September 2015, the Company generated profit of approximately HK$44,713,000 compared with profit of approximately HK$10,263,000 recorded during the six months ended 30 September 2014 which represents an increase of approximately 335.7%. The interim report attributes such increase to the distribution from capital return from the Zhonghui Project as well as gains from disposal of Technovator International Limited and redemption of an incubated fund. As at 30 September 2015, the Company had unaudited total assets, total liabilities and net assets of approximately HK$2,652,972,000, HK$24,084,000 and HK$2,628,888,000 respectively.

2. Reasons for entering into the New Investment Management Agreement

It is stated in the Board Letter that the Company is an investment company under Chapter 21 of the Listing Rules, with the mandate allowing the Group to invest in various assets, financial instruments, and businesses globally.

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 Board Letter carries on to state that 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 friendly business relationship between the Investment Manager and the Company;

- the Investment Manager's in-depth understanding of the operations and business of the Company; and

- the historical performance of the Company's investments contributed by the Investment Manager.

Having considered the above factors, the Board 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 (including the independent non-executive Directors) 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 (including the independent non-executive Directors) 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.

3. The New Investment Management Agreement

3.1 Principal terms

It is stated in the Board Letter that 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:

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

Under the New Investment Management Agreement, the Investment Manager will be entitled to a monthly management fee and a performance fee. The amount of fees payable is summarized as follows:

(a) a monthly management fee charged at 1.5% per annum of the Net Asset Value; and

(b) a performance fee of 10% of the appreciation in the Net Asset Value per Share, subject to the High Watermark (as defined below) provisions.

As per the Board letter, calculation of the management fee is based on the following formula:

$$1.5\% \times \text{Net Asset Value} \times \frac{\text{Actual Number of Days of the month}}{360}$$

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 rate of 1.5% per annum of the monthly management fee under the New Investment Management Agreement is determined with reference to (i) the terms of the Existing Investment Management Agreement; and (ii) those charged by investment managers of other investment companies listed on the Main Board.

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 (including 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.

As per the Board Letter, calculation of the performance fee is based on the following formula:

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

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, and the financial year ended 31 March 2010 is the Relevant Performance Period during which the last performance fee was calculated and paid to the Investment Manager.

"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; and

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

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

We have reviewed all the month-ended Net Asset Value per Share of the Company since 31 March 2010 and concluded that the Base Net Asset Value per Share of HK$1.89, being the Net Asset Value per Share of the Company at 31 March 2010, was the highest since then. Therefore, it is fair and reasonable to set the High Watermark at HK$1.89.

We have further gone through the formula of the performance fee calculation under the New Investment Management Agreement and believed that the underlying principle of the inclusion of changes in Net Asset Value per Share as a result of fund raising activities is to align the interests of the existing Shareholders and the Investment Manager. This is illustrated in the following scenarios:

(a) when there is a fund raising activity with issue price set at a premium to Net Asset Value per Share, (i) existing Shareholders would benefit from such fund raising activity through the enhancement of overall Net Asset Value per Share after completion of such fund raising activity; and (ii) variable "A" above (i.e. overall Net Asset Value per Share after completion of fund raising activity) would increase relative to variable "B", resulting in the Investment Manager receiving a higher performance fee (if any) than what it would otherwise receive without such fund raising activity; and

(b) on the other hand, where there is fund raising activity with issue price set at a discount to Net Asset Value per Share, (i) existing Shareholders would suffer from such fund raising activity through the decrease in overall Net Asset Value per Share after completion of such fund raising activity; and (ii) variable "A" above (i.e. overall Net Asset Value per Share after completion of fund raising activity) would decrease relative to variable "B", resulting in the Investment Manager receiving a lower performance fee (if any) than what it would otherwise receive without such fund raising activity.

Since there is currently no indication on whether the Company's future fund raising activity (if any) would have issue price set at premium or discount to the Net Asset Value per Share, this mechanism does not appear to be biased in favor of the Investment Manager as apart from potentially receiving a higher performance under scenario (a) above, the Investment Manager is also subject to the risk of lower performance fee under scenario (b). The deciding factor would be whether the issue price of new Shares is set at a premium or discount to Net Asset Value per Share which is determined between the Company and the incoming investor and/or the underwriting agent, and is something which the Investment Manager does not appear to have direct control over.

The variable "$\frac{C}{E}$" represents the weighted average of the number of Shares in issue within the Relevant Performance Period. If there is any fund raising activity during the Relevant Performance Period, *ceteris paribus*, the variable and thus the performance fee (if any) will be increased. We are of the view that it is natural, fair and reasonable that the Investment Manager should be entitled to proportionally higher fee after any fund raising activity as the investment performance per Share after any fund raising within the Relevant Performance Period measured by variable (A – B) corresponds to the weighted average of the number of shares within the Relevant Performance Period measured by the variable "$\frac{C}{E}$".

As shown from the formula of the performance fee calculation, and based on the above analysis, the Investment Manager could be entitled to performance fee only if the variable "A" is higher than variable "B" (i.e. the Net Asset Value per Share over the Base Net Asset Value per Share). Given the fact that (i) the investment performance is the main factor to determine the availability of the performance fee (ie performance fee is only available when the variable "A" is higher than variable "B"); (ii) the Investment Manager does not have the direct control on the issue price of the new Shares, as the market condition and the prevailing trading price of the Company are the main determinants

of the issue price, we concluded that there is rarely a circumstance that the Investment Manager could receive a higher performance fee solely from any fund raising activities without significant investment performance in the corresponding Relevant Performance Period.

We have also noted that, potential conflict of interest may arise where Messrs. Zhang Gaobo and Zhang Zhi Ping, being the Company's executive directors, are also beneficial owners of the Investment Managers. We have thus reviewed the announcement as of 3 March 2016 in relation to the list of Directors of the Company, memorandum of association of the Company and the Articles as of 27 August 2015 and the circular dated 28 June 2015 in relation to the placing of new Shares under a specific mandate and concluded that,

(i) the Board is composed of six Directors, where Messrs. Zhang Gaobo and Zhang Zhi Ping together as a whole does not represent the majority of the Board; and

(ii) Messrs. Zhang Gaobo and Zhang Zhi Ping were required to abstain from voting in respect of the resolution regarding the placing of new Shares under specific mandate.

With regard to the above fact and practice of the Company, we are of the view that the potential conflict of interest with regard to any fund raising activities which may provide a higher performance fee to Investment Manager are properly addressed.

Having considered the above factors and the fact that such calculation basis has been applied consistently since the Investment Manager was first appointed by the Company as the investment manager in 2003, we are aligned with the view of the Board that the basis of determination of the fee is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Your attention is drawn to the sub-section headed "Management and performance fees" in the Board Letter for more information with regards to the calculation of the management and performance fees.

3.2 Comparative analysis

For the purpose of comparison, we have identified 6 companies listed on the Stock Exchange (the "**Comparable(s)**") which appear to be investment companies listed on the Stock Exchange pursuant to Chapter 21 of the Listing Rules which have published information regarding their investment management fee and/or performance fee that are comparable to that under the New Investment Management Agreement (i.e. calculated as a percentage of the net asset value or, as the case may be, the increase in net asset value). In the course of our research, we have also identified 18 other companies which appear to be Chapter 21 investment companies which have (i) investment management fee charged at a fixed monetary value; (ii) investment management fee charged at a percentage of the market value of the portfolio; or (iii) appear to have not publicly disclosed the amount or basis of investment management fee. We have not included such investment companies in our analysis as (i) the basis of investment management fee of these investment companies is not directly comparable to the New Investment Management Agreement which is charged at a percentage of the Net Asset Value; or (ii) the relevant information is not available to us.

With regards to the management fee payable under the New Investment Management Agreement, we understand that the Company's Net Asset Value should theoretically increase after the completion of a fund raising exercise. Therefore, assets subject to investment management services would also increase and it is only natural that the Investment Manager should also be entitled to proportionally higher management fee so we do not consider it is necessary to include any adjustment to the Comparables' or the Company's figures in our analysis below. We also noted that, as disclosed above, there are total 7 (including the Company) out of the 25 investment companies listed on the Stock Exchange pursuant to Chapter 21 of the Listing Rules setting their respective management fee and/or performance fee of its investment management agreement with reference to the net asset value and taking into account of any changes in net asset value as a result of fund raising activities or dividend distribution. This represents more than one-fourth of the population and we could conclude that the practice of the Company setting its management fee and performance fee in the New Investment Agreement is common among the population. In view of the above, we consider it appropriate to include the Comparables in our analysis without any adjustments, and the Comparables as a whole are a fair and representative sample.

The Comparables were identified on a best effort basis and represent an exhaustive list of all of the relevant companies meeting the aforementioned criteria based on our best information, knowledge and belief. The analysis on the investment management fee and performance fee paid by the Comparables is set out below:

Name of listed company (stock code)	**Source of information**	**Annual investment management fee as percentage to net asset value**	**Performance fee as percentage to increase in net asset value**
DT Capital Limited (356)	Announcement dated 28 May 2014	1.50%	15.00%
Huge China Holdings Limited (428)	Announcement dated 29 February 2016	0.50%	n/a
UBA Investments Limited (768)	Announcement dated 28 January 2013	1.50%	n/a*(note 1)*
China Merchants China Direct Investments Limited (133)	Announcement dated 15 October 2015	1.67%*(note 2)*	8.00%
Shanghai International Shanghai Growth Investment Limited (770)	Announcement dated 19 March 2014	2.00%	20%
SHK Hong Kong Industries Limited (666)	Announcement dated 20 November 2015	1.50%	20.00%
	Minimum:	*0.50%*	*8.00%*
	Maximum:	*2.00%*	*20.00%*
	Average:	*1.45%(note 3)*	*15.75%(note 4)*
The Company (1140)	**Board Letter**	**1.50%**	**10.00%**

Source: http://www.hkexnews.hk/

Notes:

1. The basis of the performance fee for this Comparable, i.e. calculated with reference to net profit, is considered to be not directly comparable with that under the New Investment Management Agreement.

2. The management fee for this Comparable is 2.25%, 2.25%, 1.75%, 1.50%, 1.50% and 0.75% of the book value for different types of asset and an arithmetic average figure of approximately 1.67% has been adopted for the purpose of this analysis. The investment management fee of this Comparable is based on its total assets instead of the net asset value as in the case of the New Investment Management Agreement. A company's total assets is generally larger than its net asset value (after taking into account of its liabilities) which implies that, *ceteris paribus*, for this case, the rate of investment management fee based on total assets of this Comparable would be lower than one based on net asset value of this Comparable. Since the rate of investment management fee of this Comparable calculated for our purpose has been under estimated and is higher than that of the Company in the comparison, we have included it in our analysis above.

3. The figure is calculated by the arithmetic average of the management fee of the 6 Comparables as stated above.

4. The figure is calculated by the arithmetic average of the performance fee of the 4 Comparables as stated above.

As illustrated in the table above, the investment management fee of the Comparables ranges from a low of 0.50% to a high of 2.00%, with an average of approximately 1.45%. The investment management fee of 1.5% under the New Investment Management Agreement therefore is at the middle range of the Comparables and is closed to the average thereof. With regards to the performance fee of the Comparables, it ranges from a low of 8.00% to a high of 20.00% with an average of approximately 15.75%. The performance fee of 10% under the New Investment Management Agreement is within the range of the Comparables and is below the average value.

Apart from the above analysis, we did not conduct any comparative analysis with the companies other than those investment companies listed on the Stock Exchange pursuant to Chapter 21 of the Listing Rules, as we noted that their business, activities and disclosure are not bounded by Chapter 21 of the Listing Rules, it is of the view that comparison between them and the Company is irrelevant.

Having considered all the above, we are of the view that the investment management fee and the performance fee payable under the New Investment Management Agreement are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

3.3 Historical performance of the Company and comparison of the Company's performance with a relevant index

Unlike an investment fund which is normally managed by its fund manager on a discretionary basis, we understand that an investment manager of Chapter 21 companies typically does not have such discretionary power over the investments of Chapter 21 companies. Upon a review of the Existing Investment Management Agreement, we note that the Board shall have discretion over the assets of the Group including acquisitions and disposals of such assets. Furthermore, the Investment Manager shall obtain approval in writing from the Board prior to entering into such transaction by the Investment Manager pursuant to the Existing Investment Management Agreement. Despite the Board has taken into account into the factors based on the historical performance of the Company's investments contributed by the Investment manager, we have review the scope of Investment Manager and based on the above and our discussions with the Group's management, our understanding is that the responsibility of making the Company's investment decisions ultimately rests on the Board rather than the Investment Manager. Since the past performance of the Company primarily rely on the experience and expertise of the Board and is not directly or solely attributable to the Investment Manager, we considered (i) the historical performance of the Company's investments; and (ii) a comparison of the performance of the Company's investment with a relevant index is not directly relevant, in assessing whether it is fair and reasonable and in the interests of the Company and the Shareholders as a whole to enter into the New Investment Management Agreement.

With reference to the Board Letter, the Investment Manager is 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, where the Investment Manager shall provide investment management and administration services to the Company. Such services include but not limited to identification and evaluation of investment and divestment opportunities; execution of investment and divestment decision from the Board; and monitoring the performance of the assets of the Group. After discussion with the Company, we are of the view that the Investment Manager plays a pivotal role in the investment process of the Company considering the following factors:

i) the investment management services provided by the Investment Manager form the basis of the investment decision of the Board which could contribute to the financial performance of the Company;

ii) the long term continual provision of investment management services by the Investment Manager to the Company since 2003 has the following benefits:

- a clear understanding of the investment objectives and the investment direction of the Company
- the ability to provide consistency in identifying and carrying out analysis or investigation of investment opportunities for the Company

Based on the above, we believe that it is fair and reasonable for the Company to enter into the New Investment Management Agreement on terms similar to those in previous agreements and to set the performance fee with regard to the change of Net Asset Value per Share.

4. The Proposed Annual Caps

The Proposed Annual Caps of the fees payable to the Investment Manager 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 as extracted from the Board Letter is set out below:

	Year ending 31 March		
	2017	**2018**	**2019**
	HK$'000	*HK$'000*	*HK$'000*
Management fee	71,000*	106,000	158,000
Performance fee	–	28,000	141,000
Total	71,000	134,000	299,000

* The Approved Annual Cap of management fee and performance fee for year ending 31 March 2017 was HK$42,000,000 and HK$42,000,000 respectively under the Existing Investment Management Agreement.

We also set out below the aggregate amount of fees paid by the Company to the Investment Manager under the Existing Investment Management Agreement for each of the two financial years ended 31 March 2015 and 2016 as extracted from the Board Letter:

	Year ended 31 March	
	2015	**2016**
	HK$'000	*HK$'000*
Management fees	19,557	13,364*
Performance fees	–**	*(Note)*
Total	19,557	13,364

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

** the Investment Manager is not entitled to any performance fee for the year ending 31 March 2015 as the Net Asset Value per Share calculated on the Performance Fee Valuation Day (i.e. HK$1.38) is lower than the High Watermark (i.e. HK$1.89).

Note: this figure is not available as at the Latest Practicable Date 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 Company is still in the process of finalizing the financial results of the Company for the financial year ended 31 March 2016 and such figure will be disclosed in the results announcement and the annual report of the Company for the financial year ended 31 March 2016.

The Board Letter states that the historical aggregate amount of 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 fees for the financial year ended 31 March 2015.

As stated in the Board Letter, the basis of the Proposed Annual Caps is determined with reference to, among others, the followings:

(i) the Net Asset Value of approximately HK$2.6 billion as at 31 January 2016. The increase in relevant amount of the Proposed Annual Caps as compared to the Approved Annual Caps is in line with the approximately 100.0% increase in the Net Asset Value from approximately HK$1.3 billion, being the Net Asset Value as at the end of the month immediately before completion of the Placing to approximately HK$2.6 billion, being the Net Asset Value as at the end of the month immediately following the completion of the Placing;

(ii) historical aggregate amount of fees paid by the Company to the Investment Manager under the Existing Investment Management Agreement, taking into account the actual total amount of fees (including both management fee and performance fee) paid by the Company to the Investment Manager were equal to the relevant approved annual cap of HK$83,000,000 for the year ended 31 March 2010 and the estimated management fee payable to the Investment Manager for year ended 31 March 2016 will almost reached the maximum amount of the Approved Annual Cap for the relevant financial year due to the Net Asset Value almost doubled after completion of the Placing in August 2015;

(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" (the "**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 as the Company may continue to invest in both markets during the team of the New Investment Management Agreement; and

(v) a buffer of 20% 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 under specific mandate 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.

The Board Letter further states that 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$2.6 billion 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 ended 31 March 2016 will almost reached the maximum amount of the Approved Annual Cap for the relevant financial year.

We have reviewed the utilization percentage of the actual total management fee and performance fee to the relevant approved annual cap for the year ended 31 March 2006 to 2015, the findings extracted from the corresponding annual report are illustrated as follow:

For the year ended 31 March	**Total management fee and performance fee** *HK$'000*	**Annual Cap** *HK$'000*	**Utilization percentage**
2006	1,066	3,000	35.5%
2007	1,915	4,500	42.6%
2008	21,165	32,000	66.1%
2009	18,385	60,000	30.6%
2010	83,000	83,000	100.0%
2011	23,808	115,000	20.7%
2012	22,592	150,000	15.1%
2013	21,648	195,000	11.1%
2014	19,801	260,000	7.6%
2015	19,577	36,000	54.4%

The findings illustrated that the utilization percentage varies year by year from lowest of approximately 7.6% for the year ended 31 March 2014 to the highest of 100% for the year ended 31 March 2010, which indicated a wide variance, and we are of the view that such fluctuation is subject to the financial market condition during the corresponding financial year as the performance of the Net Asset Value is subject to the Group's investment business, the sentiment of the financial market, and the capital fund raising market condition, therefore, we concur with the view of the Board as stated above, and note that the investment management fee and performance fee payable under the New Investment Management Agreement are calculated as a fixed percentage to, as the case may be, the Net Asset Value or increase in Net Asset Value per Share. Because of that, neither the Company nor the Investment Manager can accurately estimate the amount of fees to be payable under the New Investment Management Agreement in any given year as such fees would depend on the Company's net asset value as at the relevant valuation dates.

In connection with the annual growth rate of 8.41% adopted by the Group's management, we have studied the performance of the Index in the three-year period of 2012 and 2015 which concluded that the three-year annualized gross return for the Index is approximately 8.41%. As the Index captures large, mid and small cap representation across 23 developed markets and 23 emerging markets countries, we believed that the Index could represent the equity market performance of major developed markets and emerging markets countries, where the Company's future investment focus linked to. Based on the above, we consider that the Index represents the most appropriate reference to the estimated growth rate of the Net Asset Value. Accordingly, the growth rate of 8.41% adopted by the Group's management in the calculations of the Proposed Annual Caps is in line with the aforementioned return of the Index.

In connection with the buffer of 20% adopted in the Proposed Annual Caps calculations, we have studied the annual change in value of the Hang Seng Index (the "**HSI**") for each of the 5 years from 2011 to 2015 (the "**Review Period**") which is set out below.

Year	Change in value of the HSI	Difference from average	Absolute difference from average
2015	-7.2%	-7.2%	7.2%
2014	1.3%	1.3%	1.3%
2013	2.9%	2.9%	2.9%
2012	22.9%	22.9%	22.9%
2011	-20.0%	-20.0%	20.0%
Average	0.0%		

Source: Yahoo! Finance

From the above table, it is noted that the HSI fluctuated significantly during the Review Period. The change in value of the HSI ranged from a loss of approximately 20.0% in 2011 to a gain of approximately 22.9% in 2012, with the average being 0%. The difference from average of such change in value of the HSI also fluctuated greatly, from approximately -20.0% in 2011 to approximately 22.9% in 2012. Having considered the historical volatility of the HSI which demonstrates that financial markets can fluctuate significantly from one year to another, we are of the view that it is reasonable to adopt a buffer of 20% in the calculations of the Proposed Annual Caps as the difference from average (i.e. the "**norm**") of the HSI during the Review Period can reach close to 23% as it occurred in 2012. As the growth rates of the Net Asset Value of the Company is considered to be relevant to the rate of return of the equities invested, we are of the view that the historical rate of return of HSI is a reasonable reference in such analysis. Since the investment management fee and the performance fee under the New Investment Management Agreement are calculated with reference to the Net Asset Value of the Company which in turn is subject to volatility in financial markets, we consider that (i) the buffer of 20% is near the high end of the annual rate of return of HSI during the Review Period, which falls within the range of minimum absolute difference from average of 1.3% in 2014 and the maximum difference from average of 22.9% in 2012 and (ii) the buffer of 20% accommodate the market volatility of the financial markets, it is reasonable to include the aforementioned buffer so as to mitigate the chance of the Proposed Annual Caps being too small to cover the future transaction amounts under the New Investment Management Agreement. In the event that the Proposed Annual Caps are indeed insufficient to cover the future transactions amount, the Company will have to convene another EGM to seek for the Shareholders' approval of revised annual caps which will result in additional administrative costs to be borne by the Company.

We note that the Continuing Connected Transactions will be conducted the ordinary and usual course of business of the Group, and the terms of the New Investment Management Agreement are fair and reasonable as discussed in section 3.2 of this letter. Having considered the aforementioned factors, we are of the view that the Proposed Annual Caps are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

5. Continuing connected transactions requirements under the Listing Rules

Pursuant to Rule 14A.55 of the Listing Rules, the independent non-executive Directors are required to review the Group's continuing connected transactions annually and confirm in the Company's annual report that they have been (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the relevant agreement governing them on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In compliance with the Listing Rules under the internal control of the Group, the Company will engage auditors of the Company to conduct an annual review and issue a letter to the Company with respect to transactions contemplated under the New Investment Management Agreement. Given the above, we consider that there exists appropriate internal control procedures and

arrangements to ensure that the continuing connected transaction contemplated under the New Management Agreement will be conducted on terms in compliance with the provisions of the Listing Rules.

CONCLUSION

Having considered the above principal factors, we are of the opinion that the terms of the Continuing Connected Transactions (including the Proposed Annual Caps) are fair and reasonable and in the interests of the Company and the Shareholders as a whole. In addition, we consider that the Continuing Connected Transactions are on normal commercial terms and in the ordinary and usual course of business of the Group. Accordingly, we would recommend (i) the Independent Board Committee to advise the Independent Shareholders; and (ii) the Independent Shareholders, to vote in favor of the ordinary resolution(s) to approve the New Investment Management Agreement at the EGM.

Yours faithfully
For and on behalf of
Chanceton Capital Partners Limited

Wong Kam Wah	**Chan Chi Hung**
Managing Director	*Associate Director*

Mr. Wong Kam Wah is a licensed person registered with the SFC and regarded as a responsible officer of Chanceton Capital Partners Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.

Mr. Chan Chi Hung is a licensed person registered with the SFC and regarded as a responsible officer of Chanceton Capital Partners Limited to carry out type 6 (advising on corporate finance) regulated activities under the SFO and has over 10 years of experience in corporate finance industry.

The following is the principal terms of the New Share Option Scheme proposed to be approved by the Shareholders at the EGM:

1. DEFINITIONS

1.1 In this Scheme the following expressions shall have the following meanings:

"Adoption Date"	means the date on which this Scheme is conditionally adopted upon fulfillment of the condition set out in paragraph 2.1(b);
"associate"	has the meaning ascribed to it under the Listing Rules;
"Auditors"	means the auditors for the time being of the Company;
"Business Day"	means any day on which the Stock Exchange is open for the business of dealing in securities;
"chief executive"	has the meaning ascribed to it under the Listing Rules;
"close associate(s)"	has the meaning ascribed to it under the Listing Rules;
"Companies Law"	means the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands;
"Company"	OP Financial Investments Limited, a company incorporated in the Cayman Islands under the Companies Law as an exempted company;
"connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"core connected person(s)"	has the meaning ascribed to it under the Listing Rules;
"Directors"	means the directors of the Company for the time being, or a duly authorized committee thereof;
"Eligible Employee"	means any employee (whether full time or part time, including any executive director but excluding any non-executive director) of the Company, any Subsidiary or any Invested Entity;
"Eligible Participants"	means the persons who may be invited by the Directors to take up the Options as referred to in paragraph 4.1, and "Eligible Participant" shall be construed accordingly;

"Grantee"	means any Eligible Participant who accepts the Offer in accordance with the terms of this Scheme or (where the context so permits and as referred to in paragraph 6.4(a)) his Personal Representative;
"Group"	means the Company and the Subsidiaries;
"Hong Kong"	means the Hong Kong Special Administrative Region of the People's Republic of China;
"inside information"	has the meaning defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) as amended from time to time;
"Invested Entity"	means any entity in which any member of the Group holds any equity interest;
"Listing Rules"	means the Rules Governing the Listing of Securities on the Stock Exchange;
"Offer"	means an offer for the grant of an Option made in accordance with paragraph 4.4;
"Offer Date"	means the date, which must be a Business Day, on which an Offer is made to an Eligible Participant or, in the case of an Offer for a further grant of Option under paragraph 8.3, the date which must be a Business Day, of the meeting of Directors for proposing such further grant;
"Option"	means an option to subscribe for the Shares granted pursuant to this Scheme;
"Option Period"	means in respect of any particular Option, a period (which may not expire later than 10 years from the Offer Date of that Option) to be determined and notified by the Directors to the Grantee thereof and, in the absence of such determination, from the date of acceptance of the Offer of such Option to the earlier of (i) the date on which such Option lapses under the provisions of paragraph 7 and (ii) 10 years from the Offer Date of that Option;

"Personal Representative(s)"	means the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised);
"Scheme"	means this Share Option Scheme in its present form or as may be amended in accordance with paragraph 13;
"Shareholder(s)"	holder(s) of the issued Share(s);
"Shares"	means shares of nominal value of HK$0.10 each of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction;
"Stock Exchange"	means The Stock Exchange of Hong Kong Limited or other principal stock exchange in Hong Kong for the time being or such other stock exchange which is the principal stock exchange (as determined by the Directors) on which the Shares are for the time being listed or traded;
"Subscription Price"	means the price per Share at which a Grantee may subscribe for the Shares on the exercise of an Option pursuant to paragraph 6;
"Subsidiary"	means a company which is for the time being and from time to time a subsidiary (within the meaning of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong)) of the Company, whether incorporated in Hong Kong, the Cayman Islands or elsewhere;
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules;
"Termination Date"	means close of business of the Company on the date which falls ten (10) years after the Adoption Date; and
"HK$"	means Hong Kong dollars, the lawful currency of Hong Kong.

1.2 In this Scheme:

(a) paragraph headings are for ease of reference only and shall be ignored in construing this Scheme;

(b) references to paragraphs or sub-paragraphs are references to paragraphs or sub-paragraphs hereof;

(c) words importing the singular include the plural and vice versa;

(d) words importing one gender include both genders and the neuter and vice versa;

(e) references to persons include bodies corporate and unincorporated;

(f) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted; and

(g) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. CONDITIONS

2.1 This Scheme shall take effect upon:

(a) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of this Scheme; and

(b) the passing of the necessary resolution by the Shareholders in a general meeting approving the adoption of this Scheme and authorising the Directors to grant Options to subscribe for Shares hereunder and to allot, issue and deal with Shares pursuant to the exercise of any Options granted under this Scheme.

2.2 Reference in paragraph 2.1 to the Listing Committee of the Stock Exchange formally granting the listing and permission referred to therein shall include any such listing and permission which are granted subject to the fulfillment of any condition precedent or condition subsequent.

2.3 A certificate of a director of the Company that the conditions set out in paragraph 2.1 have been satisfied and the date on which such conditions were satisfied or that such conditions have not been satisfied as of any particular date and the exact date of the "Adoption Date" shall be conclusive evidence of the matters certified.

3. PURPOSE AND ADMINISTRATION

3.1 The purpose of this Scheme is to enable the Group to grant Options to the Eligible Participants as incentives or rewards for their contribution to the Group.

3.2 This Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to this Scheme or their interpretation or effect shall (save for the grant of Options referred to in paragraph 4.2 which shall be approved in the manner referred to therein and save as otherwise provided herein) be final and binding on all persons who may be affected thereby.

3.3 Subject to paragraphs 2 and 14, this Scheme shall be valid and effective until the Termination Date, after which period no further Options may be issued but the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of this Scheme.

3.4 A Grantee shall ensure that the acceptance of an Offer, the holding and exercise of his Option in accordance with this Scheme, the allotment and issue of Shares to him upon the exercise of his Option and the holding of such Shares are valid and comply with all laws, legislation and regulations including all applicable exchange control, fiscal and other laws to which he is subject. The Directors may, as a condition precedent of making an Offer and allotting Shares upon an exercise of an Option, require an Eligible Participant to produce such evidence as it may reasonably require for such purpose.

4. GRANT OF OPTIONS

4.1 Subject to paragraph 4.2, the Directors shall, in accordance with the provisions of this Scheme, be entitled but shall not be bound at any time within a period of ten (10) years commencing from the Adoption Date to make an Offer to any person belonging to the following classes of participants to subscribe, and no person other than the Eligible Participant named in such Offer may subscribe for such number of Shares (being a board lot for dealings in the Shares on the Stock Exchange or an integral multiple thereof) at such Subscription Price as the Directors shall, subject to paragraph 9, determines:

(a) any Eligible Employee;

(b) any non-executive directors (including independent non-executive directors) of the Company, any Subsidiary or any Invested Entity;

(c) any person or entity that provides research, development or other investment support to the Group or any Invested Entity;

(d) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued or proposed to be issued by any member of the Group or any Invested Entity;

(e) any adviser (professional or otherwise) or consultant to any area of business or business development of any member of the Group or any Invested Entity; and

(f) other group or classes of participants who have contributed or may contribute by way of co-investment or investment partnership or other investment arrangements to the growth or development of the Group or any Invested Entity,

and, for the purposes of this Scheme, the Offer may be made to any company wholly owned by one or more Eligible Participants. For the avoidance of doubt, the grant of any options by the Company for the subscription of Shares or other securities of the Group to any person who falls within any of the above classes of Eligible Participants shall not, by itself, unless the Directors otherwise determined, be construed as a grant of Option under this Scheme.

4.2 The making of an Offer to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (excluding any non-executive Director who or whose associate is the proposed Grantee of an Option).

4.3 The eligibility of any of the Eligible Participants to an Offer shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group.

4.4 An Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Directors may from time to time determine, either generally or on a case-by-case basis, specifying the number of Shares and the Option Period in respect of which the Offer is made and further requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme and shall remain open for acceptance by the Eligible Participant concerned (and by no other person) for a period of up to 21 days from the Offer Date.

4.5 An Offer shall state, in addition to the matters specified in paragraph 4.4, the following:

(a) the name, address and position of the Eligible Participant;

(b) the number of Shares in respect of which the Offer is made and the Exercise Price for such Shares;

(c) the Option Period in respect of which the Offer is made or, as the case may be, the Option Period in respect of separate parcels of Shares comprised in the Offer;

(d) the last date by which the Offer must be accepted (which may not be later than 21 days from the Offer Date);

(e) the procedure for acceptance;

(f) the performance target(s) (if any) that must be attained by the Eligible Participant before any Option can be exercised;

(g) such other terms and conditions of the Offer as may be imposed by the Directors as are not inconsistent with this Scheme; and

(h) a statement requiring the Eligible Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of this Scheme including, without limitation, the conditions specified in paragraphs 3.4, 6.1, 15.8 to 15.11, inclusive.

4.6 An Offer shall have been accepted by an Eligible Participant in respect of all Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof is received by the Company within such time as may be specified in the Offer (which shall not be later than 21 days from the Offer Date). Such remittance shall in no circumstances be refundable.

4.7 Any Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Eligible Participant and received by the Company together with a remittance in favour of the Company of HK$1.00 by way of consideration for the grant thereof within such time as may be specified in the Offer (which may not be later than 21 days from the Offer Date).

4.8 Upon an Offer being accepted by an Eligible Participant in whole or in part in accordance with paragraph 4.6 or 4.7, an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Eligible Participant on the date of such acceptance. To the extent that the Offer is not accepted within the time specified in the Offer in the manner indicated in paragraph 4.6 or 4.7, it will be deemed to have been irrevocably declined.

4.9 The Option Period of an Option may not end later than ten (10) years from the Offer Date of that Option.

4.10 Options will not be listed or dealt in on the Stock Exchange.

4.11 For so long as the Shares are listed on the Stock Exchange, an Offer may not be made:

(i) after an event involving inside information has occurred or a matter involving inside information has been the subject of a decision until such inside information has been published by the Company in accordance with the Listing Rules;

(ii) on any day on which its financial results are published and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results of the Company;

(iii) on any day on which its financial results are published and during the period of 30 days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results of the Company; and

(iv) during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Companies prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

5. SUBSCRIPTION PRICE

5.1 The Subscription Price in respect of any Option shall, subject to any adjustments made pursuant to paragraph 9, be at the discretion of the Directors, provided that it shall be not less than the highest of:

(a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date;

(b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; or

(c) the nominal value of a Share.

6. EXERCISE OF OPTIONS

6.1 An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Option or enter into any agreement so to do.

Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Option granted to such Grantee to the extent not already exercised.

6.2 Unless otherwise determined by the Directors and stated in the Offer to a Grantee, a Grantee is not required to hold an Option for any minimum period nor achieve any performance targets before the exercise of an Option granted to him.

6.3 Subject to paragraphs 3.4 and 15.8 and the fulfillment of all terms and conditions set out in the Offer, including the attainment of any performance targets stated therein, an Option shall be exercisable in whole or in part in the circumstances and in the manner as set out in paragraphs 6.4 and 6.5 by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is so exercised (which, except where the number of Shares in respect of which the Option remains unexercised is less than one board lot or where the Option is exercised in full, must be for a board lot for dealings in Shares on the Stock Exchange or an integral multiple thereof). Each such notice must be accompanied by a remittance for the full amount of the Subscription Price for Shares in respect of which the notice is given. Within 21 days (7 days in the case of an exercise pursuant to paragraph 6.4(c)) after receipt of the notice and, where appropriate, receipt of the certificate of the Auditors or the independent financial advisers pursuant to paragraph 9, the Company shall accordingly allot the relevant number of Shares to the Grantee (or, in the event of an exercise of Option by a Personal Representative pursuant to paragraph 6.4(a), to the estate of the Grantee) fully paid and issue to the Grantee (or his estate in the event of an exercise by his Personal Representative as aforesaid) a share certificate for every board lot of Shares so allotted and a share certificate for the balance (if any) of the Shares so allotted which do not constitute a board lot.

6.4 Subject as hereinafter provided, an Option may (and may only) be exercised by the Grantee at any time or times during the Option Period provided that:

(a) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee by reason of his death, ill-health or retirement in accordance with his contract of employment before exercising the Option in full, his Personal Representative(s) or, as appropriate, the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within a period of 12 months following the date of cessation of employment which date shall be the last day on which the Grantee was at work with the Company or the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not, or such longer period as the Directors may determine or, if any of the events referred to in paragraph 6.4(c) or 6.4(d) occur during such period, exercise the Option pursuant to paragraph 6.4(c) or 6.4(d) respectively;

(b) if the Grantee is an Eligible Employee and in the event of his ceasing to be an Eligible Employee for any reason other than his death, ill-health or retirement in accordance with his contract of employment or the termination of his employment on one or more of the grounds specified in paragraph 7.1(c)

before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable unless the Directors otherwise determine in which event the Grantee may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the provisions of paragraph 6.3 within such period as the Directors may determine following the date of such cessation or termination or, if any of the events referred to in sub-paragraph 6.4(c) or 6.4(d) occur during such period, exercise the Option pursuant to paragraph 6.4(c) or 6.4(d) respectively. The date of cessation or termination as aforesaid shall be the last day on which the Grantee was actually at work with the Company or the relevant Subsidiary or the Invested Entity whether salary is paid in lieu of notice or not;

(c) if a general offer or partial offer, whether by way of take-over offer, share re-purchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders, or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror, the Company shall use all reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph 6.3 at any time thereafter and up to the close of such offer (or any revised offer) or the record date for entitlements under scheme of arrangement, as the case may be; and

(d) in the event of an effective resolution being proposed for the voluntary winding-up of the Company during the Option Period, the Grantee may, subject to the provisions of all applicable laws, by notice in writing to the Company at any time prior to the date on which such resolution is passed exercise his Option (to the extent not already exercised) either to its full extent or to the extent specified in such notice in accordance with the provisions of paragraph 6.3 and shall accordingly be entitled, in respect of the Shares falling to be allotted and issued upon the exercise of his Option, to participate in the distribution of the assets of the Company available in liquidation pari passu with the Shareholders on the day prior to the date of such resolution.

6.5 Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the then existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members ("**Exercise Date**") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or

made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

7. EARLY TERMINATION OF OPTION PERIOD

7.1 The Option Period in respect of any Option shall automatically terminate and that Option (to the extent not already exercised) shall lapse on the earliest of:

(a) the expiry of the Option Period;

(b) the expiry of any of the periods referred to in paragraph 6.4;

(c) in respect of a Grantee who is an Eligible Employee, the date on which the Grantee ceases to be an Eligible Employee by reason of a termination of his employment on the grounds that he has been guilty of persistent or serious misconduct, or has committed any act of bankruptcy or has become insolvent or has made any arrangement or composition with his creditors generally, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or the Group into disrepute);

(d) in respect of a Grantee other than an Eligible Employee, the date on which the Directors shall at their absolute discretion determine that (i) the Grantee or his associate has committed any breach of any contract entered into between the Grantee or his associate on the one part and the Group or any Invested Entity on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his creditors generally; and (ii) the Option shall lapse; and

(e) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph 6.1 by the Grantee in respect of that or any other Option.

7.2 A resolution of the Directors to the effect that the employment of a Grantee has or has not been terminated on one or more of the grounds specified in paragraph 7.l(c) or that any event referred to in paragraph 7.1(d)(i) has occurred shall be conclusive.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

8.1 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 Group shall not exceed 30 per cent. of the share capital of the Company in issue from time to time. No options may be granted under this Scheme or any other share option scheme adopted by the Group if the grant of such option will result in the limit referred to in this paragraph 8.1 being exceeded.

8.2 The total number of Shares which may be issued upon exercise of all Options (excluding, for this purpose, options which have lapsed in accordance with the terms of this Scheme and any other share option scheme of the Group) to be granted under this Scheme and any other share option scheme of the Group must not in aggregate exceed 10 per cent. of the Shares in issue on the date which this Scheme is approved by the Shareholders at the general meeting of the Company, which is 184,139,600 Shares ("**General Scheme Limit**") provided that:

(a) subject to paragraph 8.1 and without prejudice to paragraph 8.2(b), the Company may seek approval of its shareholders in general meeting to refresh the General Scheme Limit provided that the total number of Shares which may be issued upon exercise of all Options to be granted under this Scheme and any other share option scheme(s) of the Group must not exceed 10 per cent. of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit, options previously granted under this Scheme and any other share option scheme(s) of the Group (including those outstanding, cancelled, lapsed or exercised in accordance with this Scheme and any other share option scheme(s) of the Group) will not be counted; and

(b) subject to paragraph 8.1 and without prejudice to paragraph 8.2(a), the Company may seek separate shareholders' approval in general meeting to grant Options under this Scheme beyond the General Scheme Limit or, if applicable, the extended limit referred to in paragraph 8.2(a) to Eligible Participants specifically identified by the Company before such approval is sought.

8.3 Subject to paragraph 8.4, the total number of Shares issued and which may fall to be issued upon exercise of the Options and the options granted under any other share option scheme(s) of the Group (including both exercised or outstanding options) to each Grantee in any 12-month period shall not exceed 1 per cent. of the Shares in issue for the time being. Where any further grant of Options to a Grantee under this Scheme would result in the Shares issued and to be issued upon exercise of all options granted and proposed to be granted to such person (including exercised, cancelled and outstanding options) under this Scheme and any other share option scheme(s) of the Group in the 12-month period up to and including the date of such further grant representing in aggregate over 1 per cent. of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Grantee and his close associates (or his associates if the Grantee is a connected person) abstaining from voting. The Company must send a circular to the Shareholders and the circular must disclose the identity of the Grantee, the number and terms of the Options to be granted (and Options previously granted to such Grantee), the information required under rule 17.02(2)(d) and the disclaimer required under rule 17.02(4) of the Listing Rules. The number and terms (including the Subscription Price) of Options to be granted to such Grantee must be fixed before Shareholders' approval and the date of board meeting for proposing such further grant should be taken as the Offer Date for the purpose of calculating the Subscription price.

8.4 Any grant of Options under this Scheme to a Director, chief executive or substantial Shareholder or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Grantee). Where any grant of Options to a substantial Shareholder or an independent non-executive Director or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

(a) representing in aggregate over 0.1 per cent. of the Shares in issue; and

(b) (where the Shares are listed on the Stock Exchange), having an aggregate value, based on the closing price of the Shares at the Offer Date of each Offer, in excess of HK$5 million;

such further grant of Options must be approved by the Shareholders, in general meeting. The Company must send a circular to the Shareholders. The proposed Grantee, his associates and all core connected persons of the Company must abstain from voting in favour at such general meetings.

8.5 For the purpose of seeking the approval of the Shareholders under paragraphs 8.2, 8.3 and 8.4, the Company must send a circular to the shareholders containing the information required under the Listing Rules and where the Listing Rules shall so require, the vote at the shareholders' meeting convened to obtain the requisite approval shall be taken on a poll with those persons required under the Listing Rules abstaining from voting.

8.6 Any change in the terms of Options granted to a substantial shareholder or an independent non-executive Director or any of their respective associates must be approved by the Shareholders in general meeting.

9. ADJUSTMENTS TO THE SUBSCRIPTION PRICE

9.1 In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable or this Scheme remains in effect, and such event arises from a capitalization of profits or reserves, rights issue, consolidation, sub-division or reduction of the share capital of the Company, then, in any such case the Company shall instruct the Auditors or an independent financial adviser to certify in writing the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

(a) the number of Shares to which this Scheme or any Option(s) relates (insofar as it is/they are unexercised); and/or

(b) the Subscription Price of any Option,

and an adjustment as so certified by the Auditors or such independent financial adviser shall be made, provided that:

(a) any such adjustment shall give the Grantee the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustment;

(b) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;

(c) the issue of Shares as consideration in a transaction shall not be regarded as a circumstance requiring adjustment.

In respect of any adjustment referred to in this paragraph 9.1, other than any adjustment made on a capitalization issue, the Auditors or such independent financial adviser must confirm to the Directors in writing that the adjustments has been made in compliance with such rules, codes and guidance notes of the Stock Exchange from time to time.

9.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 9.1, the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph 6.3, inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the Auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or the independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph 9.1.

9.3 In giving any certificate under this paragraph 9, the Auditors or the independent financial adviser appointed under paragraph 9.1 shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

10. CANCELLATION OF OPTIONS

10.1 Subject to paragraph 6.1 and Chapter 17 of the Listing Rules, any Option granted but not exercised may not be cancelled except with the prior written consent of the relevant Grantee and the approval of the Directors.

11. SHARE CAPITAL

11.1 The exercise of any Option shall be subject to the members of the Company in general meeting approving any necessary increase in the authorized share capital of the Company. Subject thereto, the Directors shall make available sufficient authorized but unissued share capital of the Company to allot the Shares on the exercise of any Option.

12. DISPUTES

12.1 Any dispute arising in connection with the number of Shares the subject of an Option, or any adjustment under paragraph 9.1 shall be referred to the decision of the Auditors who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

13. ALTERATION OF THIS SCHEME

13.1 Subject to paragraphs 13.2 and 13.4 this Scheme may be altered in any respect by a resolution of the Directors except that:

(a) the provisions of this Scheme as to the definitions of "Eligible Participants", "Grantee", "Option Period" and "Termination Date" in paragraph 1.1;

(b) the provisions of this Scheme relating to the matters governed by Rule 17.03 of the Listing Rules;

shall not be altered to the advantage of Grantees or prospective Grantees except with the prior sanction of a resolution of the Company in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the holders of the Shares under the articles of association for the time being of the Company for a variation of the rights attached to the Shares.

13.2 Subject to paragraph 13.3, any alterations to the terms and conditions of this Scheme which are of a material nature shall be approved by the Shareholders except where the alterations take effect automatically under the existing terms of this Scheme.

13.3 Any change to the authority of the Directors or the administrators of this Scheme in relation to any alteration to the terms of this Scheme must be approved by the Shareholders in general meeting.

13.4 The terms of this Scheme and/or any Options amended pursuant to this paragraph 13 must comply with the applicable requirements of the Listing Rules.

14. TERMINATION

14.1 The Company by resolution in general meeting may at any time terminate the operation of this Scheme and in such event no further Options will be offered but in all other respects the provisions of this Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options (to the extent not already exercised) granted prior thereto or otherwise as may be required in accordance with the provisions of this Scheme and Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with this Scheme.

15. MISCELLANEOUS

15.1 This Scheme shall not form part of any contract of employment between the Company, any Subsidiary or any Invested Entity and any Eligible Employee and the rights and obligations of any Eligible Employee under the terms of his office or employment shall not be affected by his participation in this Scheme or any right which he may have to participate in it and this Scheme shall afford such an Eligible Employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

15.2 This Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

15.3 The Company shall bear the costs of establishing and administering this Scheme, including any costs of the Auditors or any independent financial adviser in relation to the preparation of any certificate by them or provision of any other service in relation to this Scheme.

15.4 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders at the same time or within a reasonable time of any such notices or documents being sent to the Shareholders.

15.5 Any notice or other communication between the Company and a Grantee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its principal place of business in Hong Kong and, in the case of the Grantee, his address in Hong Kong as notified to the Company from time to time or, if none or incorrect or out of date, his last place of employment with the Company or the Company's principal place of business in Hong Kong from time to time.

15.6 Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.

15.7 Any notice or other communication if sent to the Grantee shall be deemed to be given or made:

(a) one (1) day after the date of posting, if sent by mail; and

(b) when delivered, if delivered by hand.

15.8 A Grantee shall, before accepting an Offer or exercising his Option, obtain all necessary consents that may be required to enable him to accept the Offer or to exercise the Option and the Company to allot and issue to him in accordance with the provisions of this Scheme the Shares falling to be allotted and issued upon the exercise of his Option. By accepting an Offer or exercising his Option, the Grantee thereof is deemed to have represented to the Company that he has obtained all such consents. Compliance with this paragraph shall be a condition precedent to an acceptance of an Offer by a Grantee and an exercise by a Grantee of his Options.

15.9 A Grantee shall pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in this Scheme or the exercise of any Option.

15.10 By accepting an Offer, an Eligible Participant shall be deemed irrevocably to have waived any entitlement, by way of compensation for loss of office or otherwise howsoever, to any sum or other benefit to compensate him for loss of any rights under this Scheme.

15.11 This Scheme and all Options granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. INTERESTS OF DIRECTORS AND CHIEF EXECUTIVES

Interests and short positions of Directors and chief executives of the Company

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executives of the Company and their respective associates in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) to be notified to the Company and the Stock Exchange pursuant to the Model Code; or (c) to be entered into the register pursuant to section 352 of the SFO were as follows:

Long positions in the Shares

Name of director	Capacity	Number of issued Shares held	Interests under equity derivatives	Total interests	Percentage of the existing issued share capital of the Company *(Note 1)*
Mr. Zhang Zhi Ping *(Notes 2 & 3)*	Interest of controlled corporation	359,800,000	–	359,800,000	19.54%
Mr. Zhang Gaobo *(Notes 2 & 3)*	Interest of controlled corporation	359,800,000	–	359,800,000	19.54%

Notes:

1. The percentage of shareholding was calculated on the basis of the Company's total issued Shares of 1,841,396,000 Shares as at the Latest Practicable Date.

2. This represented the aggregate of 330,000,000 Shares held by Ottness and 29,800,000 Shares held by OPFSGL.

3. Ottness is a wholly owned subsidiary of OPFGL while 95% of the issued share capital of OPFSGL 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 held by Ottness and OPFSGL.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company and their respective associates had any interest or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); (b) to be notified to the Company and the Stock Exchange pursuant to the Model Code; or (c) to be entered into the register pursuant to section 352 of the SFO.

3. INTERESTS OF SUBSTANTIAL SHAREHOLDERS

Interests and short positions in Shares of substantial Shareholders

As at the Latest Practicable Date, so far as is known to the Directors and the chief executives of the Company, the following persons (other than a Director or chief executive of the Company) had an interest or short position in the Shares and underlying Shares which fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register kept by the Company pursuant to Section 336 of the SFO, or who were, directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

Long positions in the Shares

Name of Shareholder	Capacity	Number of issued Shares held	Interests under equity derivatives	Total interests	Percentage of the existing issued share capital of the Company *(Note 1)*
Ottness *(Note 3)*	Beneficial Owner	330,000,000	–	330,000,000	17.92%
OPFGL *(Notes 2 & 3)*	Interest of controlled corporation	359,800,000	–	359,800,000	19.54%
Dr. LIU Zhiwei	Beneficial Owner	182,330,000	–	182,330,000	9.90%

Name of Shareholder	Capacity	Number of issued Shares held	Interests under equity derivatives	Total interests	Percentage of the existing issued share capital of the Company *(Note 1)*
Bestone Asset Management Co., Ltd *(Note 4)*	Beneficial owner	170,000,000	–	170,000,000	9.23%
21st Century Champion Limited *(Note 4)*	Interest of controlled corporation	170,000,000	–	170,000,000	9.23%
Ms. WANG Juan *(Note 4)*	Interest of controlled corporation	170,000,000	–	170,000,000	9.23%
Ms. YANG Fuyi	Beneficial owner	163,574,500	–	163,574,500	8.88%
Grand Link Finance Limited *(Note 5)*	Beneficial owner	158,244,000	–	158,244,000	8.59%
Ms. WANG Delian *(Note 5)*	Interest in controlled corporation	158,244,000	–	158,244,000	8.59%
Mr. GENG Shuanghua	Beneficial owner	106,100,000	–	106,100,000	5.76%

Notes:

(1) The percentage of shareholding was calculated on the basis of the Company's total issued shares of 1,841,396,000 Shares as at Latest Practicable Date.

(2) This represented an aggregate of 330,000,000 Shares held by Ottness and 29,800,000 Shares held by OPFSGL.

(3) Ottness 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 held by Ottness and OPFSGL.

(4) This represented 170,000,000 Shares held by Bestone Asset Management Co., Ltd ("**Bestone Asset Management**"). Ms. Wang Juan ("**Ms. Wang**") owns 100% of the issued share capital in 21st Century Champion Limited ("**21st Century Champion**") while 21st Century Champion owns 100% of the issued share capital in Bestone Asset Management. By virtue of the SFO, each of Ms. Wang and 21st Century Champion is deemed to be interested in the Shares and underlying Shares held by Bestone Asset Management.

(5) This represented 158,244,000 Shares held by Grand Link Finance Limited (**"GLFL**"). Mr. Wang Delian (**"Mr. Wang**") owns 100% of the issued share capital in GLFL. By virtue of the SFO, Mr. Wang is deemed to be interested in the Shares and underlying Shares held by GLFL.

Save as disclosed under paragraph 3 of this Appendix, there is no person known to the Directors, who, as at the Latest Practicable Date, had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register kept by the Company pursuant to section 336 of the SFO or who was directly or indirectly interested in 10% or more of the nominal value of any class of Shares carrying rights to vote in all circumstances at general meetings of the Company.

4. DIRECTORS' INTERESTS IN CONTRACTS AND ASSETS

(a) As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any asset which have been since 31 March 2015, the date to which the latest published audited financial statements of the Company were made up, acquired or disposed of by or leased to any member of the Group or are proposed to be acquired or disposed of by or leased to any member of the Group.

(b) As at the Latest Practicable Date, save for the Continuing Connected Transactions which are disclosed in this circular and the transactions contemplated under the licence agreement between OP Investment Service Limited, a wholly-owned subsidiary of the Company, as licensee and Oriental Patron Management Services Limited, which is an indirect subsidiary of OPFGL, as licensor in respect of the premises dated 3 March 2016 (for details of which please refer to the Company's announcement of 3 March 2016), none of the Directors was materially interested in any contract or arrangement and which was significant in relation to the business of the Group.

5. DIRECTORS' SERVICE AGREEMENT

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which are not expiring or determinable by the Company within one year without payment of compensation (other than statutory compensation).

6. EXPERT AND CONSENT

The following are the qualifications of the expert who have been named in this circular or have given opinions, letters or advice which are contained in this circular:

Name	Qualification
Chanceton	a licensed corporation under the SFO to carry on Type 6 (advising on corporate finance) regulated activity

As at the Latest Practicable Date, Chanceton did not have any beneficial interest in the share capital of any member of the Group or had any right, whether legally enforceable or not, to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, Chanceton did not have any interest, either directly or indirectly, in any assets which have been, since 31 March 2015, being the date to which the latest published audited accounts of the Company were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

Chanceton has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its opinion/letter/advice and/or references to its name, in the form and context in which it respectively appears.

7. MATERIAL ADVERSE CHANGE

Up to the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 March 2015, being the date to which the latest published audited consolidated financial statements of the Company were made up.

8. COMPETING INTEREST

As at the Latest Practicable Date, none of the Directors and their respective close associates was interested in any business apart from the business of the Company, which competed or was likely to compete, either directly or indirectly, with that of the Company.

9. MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text in the case of any inconsistency.

10. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection during normal business hours from 10:00 a.m. to 5:00 p.m. (except Saturdays and public holidays) at the principal place of business of the Company in Hong Kong at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong from the date of this circular up to and including the date of the EGM, and at the EGM:

(a) this circular;

(b) the memorandum of association of the Company and the Articles;

(c) the New Share Option Scheme;

(d) the New Investment Management Agreement;

(e) the Existing Investment Management Agreement;

(f) the letter from the Independent Board Committee to the Independent Shareholders, the texts of which are set out on page 23 of this circular;

(g) the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, the text of which are set out in on pages 24 to 45 of this circular; and

(h) the written consent referred to under the section headed "Expert and Consent" in this Appendix.

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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of OP Financial Investments Limited ("**Company**") will be held at 11:00 a.m. on Friday, 13 May 2016 at 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong for the purpose of, as special business, to consider and, if thought fit, pass the following ordinary resolutions (with or without modifications):

ORDINARY RESOLUTIONS

1. "**THAT**

   (i) subject to the granting by the Listing Committee of The Stock Exchange of Hong Kong Limited of the listing of and permission to deal in the shares ("**Shares**") in the capital of the Company with nominal value of HK$0.10 each to be issued and allotted by the Company under the proposed share option scheme of the Company (the "**Scheme**"), the rules of which are set out in a document submitted to this meeting marked "**A**" and signed for the purpose of identification by the chairman of this meeting, such Scheme be and is hereby approved and adopted as the Company's share option scheme and the directors of the Company (the "**Directors**") (or a duly authorized committee thereof) be and are hereby authorized to take all such steps as they may deem necessary, desirable or expedient to carry into effect, waive or amend the Scheme subject to the terms of the Scheme and Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time); and

   (ii) the Directors be and are hereby authorized to grant options to subscribe for Shares in accordance with the rules of the Scheme, to issue and allot Shares pursuant to the exercise of the options so granted, to administer the Scheme in accordance with its terms and to take all necessary actions incidental thereto as the Directors deem fit."

2. "**THAT** the terms and conditions of the New Investment Management Agreement (as defined in the Circular) (a copy of which has been produced to

* *For identification purposes only*

this meeting marked "**B**" and initialed by the chairman of this meeting for the purpose of identification) and the Proposed Annual Caps (as defined in the Circular) in relation to the termination of the Existing Investment Management Agreement (as defined in the Circular) with effect from the Commencement Date (as defined in the Circular) and the provision of investment management and administration services by Oriental Patron Asia Limited to the Company for the period from the Commencement Date up to and including 31 March 2019 ("**Continuing Connected Transactions**") be and are hereby approved and the Directors (or a duly authorized committee thereof) authorized for and on behalf of the Company (among other matters) to sign, execute, perfect, deliver or to authorize signing, executing, perfecting and delivering all such documents and deeds to put into effect the Continuing Connected Transactions as to be regulated by the New Investment Management Agreement be and are hereby approved, ratified and confirmed, and the Directors (or a duly authorized committee thereof) be and are hereby authorized to do all such acts, matters and things as they may in their discretion consider necessary, expedient or desirable to give effect to and implement the Continuing Connected Transactions and the Proposed Annual Caps pursuant to the New Investment Management Agreement, to waive compliance from or make and agree such variations of a non-material nature to any of the terms of the New Investment Management Agreement as they may in their discretion consider to be desirable and in the interest of the Company and its shareholders as a whole."

Yours faithfully,
By order of the Board
OP Financial Investments Limited
Zhang Zhi Ping
Chairman

Hong Kong, 25 April 2016

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

Head office and principal place of business in Hong Kong:
27th Floor, Two Exchange Square
8 Connaught Place, Central
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.

2. In order to be valid, the form of proxy must be duly completed and signed in accordance with the instructions printed thereon and deposited together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, at the offices of the Company's Hong Kong branch registrar, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong no less than 48 hours before the time for holding the meeting or adjourned meeting.

3. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the above meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.

4. In the case of joint registered holders of a share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders are present at the above meeting personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall also be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by the order in which the names of the joint holders stand on the register of members of the Company in respect of the relevant joint holding.

5. Shareholders are requested to pay attention to relevant announcement posted on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.opfin.com.hk) or to telephone the Company's hotline on (852)2135 0211 for arrangements of the meeting in the event that a No.8 (or above) typhoon or black rainstorm warning is hoisted in Hong Kong on the day of the meeting.

As at the date of this notice, 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, Prof HE Jia and Mr WANG Xiaojun.