



CROSSING BORDERS

Interim Report 2015/2016



OP Financial Investments Limited

Stock Code: 1140



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FORWARD-LOOKING STATEMENTS

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

CORPORATE GOVERNANCE COMMITTEE

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

AUTHORISED REPRESENTATIVES

Mr. ZHANG Gaobo
Mr. LEUNG Kai Wai

COMPANY SECRETARY

Mr. LEUNG Kai Wai

INVESTOR RELATIONS OFFICER

Ms. WU Shan

INVESTMENT MANAGER

Oriental Patron Asia Limited

AUDITOR

PricewaterhouseCoopers

CORPORATE INFORMATION (CONTINUED)

PRINCIPAL REGISTRAR

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

STOCK CODE

The Stock Exchange of Hong Kong Limited
Code: 1140

WEBSITE

www.opfin.com.hk

BRANCH REGISTRAR

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Level 22, Hopewell Centre
183 Queen's Road East
Wanchai
Hong Kong

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL BANKERS

Bank of Communication Co., Ltd. Hong Kong Branch
China Construction Bank (Asia) Corporation Limited
Hang Seng Bank Limited
Industrial and Commercial Bank of China (Asia) Limited



CHAIRMAN'S STATEMENT

Dear Shareholders,

The first half of 2015 was a challenging year for Asia, and I'm pleased to announce OP Financial has done well in weathering the volatility whilst significantly strengthening our balance sheet in preparation of new investments. While there was no significant change in the overall investment portfolio, OP Financial returned a strong profit for the interim period of HK\$44.71 million, mainly attributable to a profitable divestment from a special situation investment which offset paper losses in our oil and gas position. Meanwhile, our successful placement of 900,000,000 ordinary shares helped increase our investable capital by approximately HK\$1.32 billion, and strengthens both our shareholder and capital base for future development.

Under the "new normal" status, China faces increased pressure for structural transformation. Neither the previous growth pattern nor the dependence on organic growth and national market helps Chinese enterprises to cope with the environment. As a result, leading Chinese companies are exploring assets overseas; not only to improve technical and management quality, but also build their brand internationally through overseas investments, including M&A.

These companies share certain common characteristics. First, many are listed SMEs, whom have become one of the most active groups in cross-border activities. Secondly, most notable investment activity has taken place in new industries such as healthcare, Internet, high-end manufacturing, new energy, and other consumer markets, whilst traditional agriculture is seeing some attention as well. Thirdly, their targets can be classified into two regions: US and Europe countries that possess technology, brand, distribution channel and resources, as well as South-South countries that need low-cost manufacturing, insufficient raw materials and consumer products.

We foresee that this is a long term trend. It requires years to complete these transactions as these companies digest and restructure, enter into new markets or relocate capacity. Furthermore, a high saving rates and a weakening real estate market in China provide liquidity. It leads to A-share listed companies' higher valuations than the average level globally. All things considered, China's listed companies are willing to and capable to purchase overseas assets.

CHAIRMAN'S STATEMENT (CONTINUED)

OP Financial has focused on helping PRC companies and sovereign funds extend their business overseas since our inception, and we've established a proven investment process and developed a regional professional network. Our management team possesses both a thorough understanding of the Chinese market and international best practices. Joining forces with Chinese enterprises in cross-border investments creates tremendous value for our shareholders. We provide co-investment partners with end-to-end support from capital financing and deal structuring to corporate governance. Meanwhile, our partners in the industry provide us an exit path. A few years ago, Chinese enterprises "going global" were mostly large-scale SOEs and industry and natural resources leaders. Today, this trend has only grown and extended to SMEs as well, all of whom demand cross-border expertise. Bringing both capital and experience to the table, we are confident that OP Financial is well positioned as a strategic co-investor.

Meanwhile, OP Financial will continue to grow its positions in financial platforms. CSOP, our investment in asset management platform and the world's largest RQFII asset manager, continues to dominate the market through its diversified and innovative ETF products. At the same time, OPIM is developing an affordable platform solution built specifically for emerging fund managers to manage assets offshore. OP Financial is exploring investments in other financial platforms with equally promising.

With the support of the OP Group and our shareholders, OP Financial will become the leading cross-border investment platform in Asia, creating more value for shareholders.

Zhang Zhi Ping

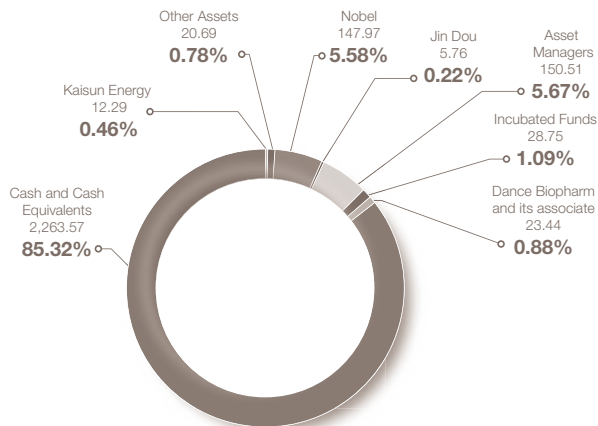
Chairman

27 November 2015, Hong Kong



MANAGEMENT DISCUSSION AND ANALYSIS

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



The investment portfolio of OP Financial Investments Limited (the “Company” or “OP Financial”) and its subsidiaries (the “Group”) performed relatively well during the six months ended 30 September 2015 (the “Period”). The Group’s profit for the Period amounted to HK\$44.71 million, which is mainly attributable to the distribution from capital return from the Zhonghui Project, the profits from redemption of an incubated fund and disposal of the investment in Technovator International Limited (“Technovator”).

INVESTMENT REVIEW

Nobel

In 2008, OP Financial invested alongside China Investment Corporation (“CIC”) in Nobel Holdings Investments Ltd. (“Nobel”), an independent upstream oil producer in Russia. Nobel’s principal assets include nine subsoil licenses covering seven oil fields and two exploration areas.

During the Period, the global crude oil market saw an excess of supply over demand. OPEC members and non-members’ unwillingness to limit oil output, along with the expectation of a raise of the U.S. Federal Reserve’s interest rate and the RMB’s renewed depreciation have exerted a downward pressure on international oil prices. Moreover, the Russian government has implemented a tax reform system, which increased the mineral extraction tax rate and reduced the export duties on oil products since 1 January 2015.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Nobel (Continued)

The low crude oil price and tax reform policy exerted pressure on Russia's upstream oil producers. Nobel increased its oil exports and control the cost to relieve earnings pressure to some extent. However, as the global oil price fell and production costs increased, the fair value of Nobel dropped from HK\$162.06 million to HK\$147.97 million.

In the long-run, the supply-demand relationship in the global oil market will gradually strike a balance. The Group will continue to seek opportunities for a trade sale of its investment in Nobel to regional players.

Jin Dou

OP Financial invested in a Kazakhstan agriculture project named Jin Dou with CIC in 2009, mandated to diversify the country's crops and commercialise regional production such as non-genetically modified soybeans for export. OP Financial committed a total of US\$15 million, of which only US\$1.50 million was drawn.

During the Period, taking into the account of the performance premium received since the launch of Jin Dou, the Group's investment has effectively maintained a positive return.

An integrated farming and husbandry strategy was applied by Jin Dou management to stabilise the return on the project. During the Period, Jin Dou hired the Surveying and Design Institute of Xinjiang Production and Construction Corps to conduct a feasibility study regarding the implementation plan for a total area of 88,000 hectares. It is expected that crop and livestock projects will be implemented simultaneously in 2016.

The "One Belt and One Road" initiative provides an enormous potential for agricultural cooperation between Kazakhstan and China. Jin Dou will actively explore opportunities in export, investment and cooperation with China.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Asset Managers

OP Financial has non-controlling positions in five (2014: five) asset management companies. The two major positions are CSOP Asset Management Limited (“CSOP”) and OP Investment Management (“OPIM”).

CSOP

CSOP holds the world’s largest Renminbi RQFII quota of RMB46.10 billion (equivalent to approximately US\$7.23 billion). It manages more than ten ETFs including CSOP FTSE China A50 ETF. As of 30 September 2015, CSOP’s ETF accounted for approximately 64% of the global investment in RQFII ETFs in terms of AUM.

The carrying value of the Group’s CSOP position was HK\$132.60 million as at 30 September 2015. The Group received a distribution of HK\$45.28 million from CSOP in May 2015.

CSOP actively develops a wide variety of equal weighted index ETF products, e.g. CSOP MSCI T50 ETF, tracking the performance of largest 50 internet giants listed in Hong Kong and United States and CSOP China Chinext ETF, tracking the China GEM Index. In March 2015, CSOP FTSE China A50 ETF was launched on NYSE Arca. It was the largest initial capital investment among all equity ETFs in United States since 2007.

As China’s capital markets become increasingly accessible and standardised, CSOP’s ability to leverage its leading position amongst the Chinese asset managers in investment product design and diversification has earned the recognition from an increasing number of international investors. Given the favourable market outlook and value of CSOP, it is OP Financial’s strategy to continue to hold this position as one of the core investments.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Asset Managers (Continued)

OPIM

OPIM, comprising OP Investment Management (Cayman) Limited and OP Investment Management Limited, is an asset management company and platform which partners with Asian based managers to develop emerging funds across major strategies.

During the Period, the Group's investment position via ordinary shares and preferences shares as at 30 September 2015 increased to HK\$9.58 million.

In the first nine months of 2015, amid market volatilities and slowing growth in China, Chinese investors revived their demands for products to diversify country risks. These demands are driving fund managers to chase offshore capital. With PRC fund managers expanding their product base offshore, OPIM has developed a proprietary platform that helps managers launch new funds with lower AUM thresholds in less time than a traditional fund to meet the demand for fast and affordable Cayman fund structuring. The company has also strengthened its IT systems and staff capabilities to improve its management of UCITs authorised retail funds as well as growing regulatory requirements in Asia.

Incubated Funds

The Group previously invested in a portfolio of unlisted investment funds as part of a larger strategy to incubate new funds developed through OP Financial's partnership. As those funds have become more established, the Group has been gradually redeeming its seed capital and accordingly the total fund decreased from HK\$135.50 million to HK\$28.75 million during the Period. The Group recorded a realised gain on redemption of investment funds of HK\$15.27 million.

Zhonghui Project

The Group made a special situation investment of HK\$197 million through a limited investment partnership in January 2015, which was an interim financing arrangement for the purchase of Zhonghui Plaza in Beijing. The investment attached with call/put options from the controlling shareholder of Zhonghui Plaza's property developer. During the Period, the call option was exercised and the interim financing was fully repaid. The Group recognised the distribution of HK\$88.65 million of which HK\$66.82 million from capital return on this project is recognised during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Financial position

Net asset value ("NAV"): The Group's net assets as at 30 September 2015 was HK\$1.43 per share or HK\$2.63 billion.

Gearing: The gearing ratio, which is calculated on the basis of total liabilities over total equity as at 30 September 2015, was 0.01 (31 March 2015: 0.02). The Group is currently maintaining a low leverage policy for its investments.

Investments accounted for using equity method: This mainly represents the share of the net assets of asset management companies, CSOP and Guotai Junan Fund Management Limited. The value of these investments decreased by 64.04% to HK\$144.11 million as at 30 September 2015 (31 March 2015: HK\$400.75 million), mainly due to a return of the capital and distribution from the Zhonghui Project and the decrease of CSOP's carrying amount.

Available-for-sale financial assets: An 8.13% decrease from HK\$213.20 million to HK\$195.86 million during the Period mainly resulted from the net result of increase in fair value of the position of Kaisun Energy Group Limited ("Kaisun Energy") and a drop from fair value of Nobel.

Financial assets at fair value through profit or loss: The HK\$121.09 million or 77.78% decrease from HK\$155.69 million to HK\$34.60 million during the Period was primarily due to (i) HK\$93.20 million in full redemption of Miran Multi Strategy Fund, and (ii) HK\$16.84 million on disposal of entire position in Technovator.

Bank and cash balances: As at 30 September 2015, bank and cash balances increased substantially from HK\$513.38 million to HK\$2.26 billion mainly attributable to (i) the completion of a placement of the 900 million new shares to raise net proceeds of HK\$1.32 billion and (ii) return of capital and distribution from the Zhonghui Project.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

RESULTS

The Group was profitable during the Period, gaining HK\$44.71 million compared to a profit of HK\$10.26 million in the same period of last year. The total comprehensive income recorded a gain of HK\$38.77 million compared to a loss of HK\$28.92 million in the same period of last year. These are primarily due to the distribution from capital return from the Zhonghui Project as well as gains from disposal of Technovator and redemption of an incubated fund.

Consolidated Statement of Comprehensive Income

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

	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Dividend income from unlisted investments ⁽¹⁾	2,038	8,293
Performance premium from co-investment partner ⁽²⁾	7,752	7,780
Interest income ⁽³⁾	3,035	4,126
	12,825	20,199

⁽¹⁾ Dividends received from Real Estate Opportunity Capital Fund during the Period.

⁽²⁾ CIC, co-investment partner in both Jin Dou and Nobel, awarded OP Financial performance premiums totaling HK\$7.75 million (2014: HK\$7.78 million) to the Group in return for resources allocated to the Jin Dou.

⁽³⁾ Interest income of approximately HK\$3.04 million (2014: HK\$4.13 million) is mainly generated from term deposits in banks.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

RESULTS (Continued)

Consolidated Statement of Comprehensive Income (Continued)

Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss: The net change in unrealised loss of HK\$29.54 million mainly represents the net result of (i) the unrealised loss of HK\$9.15 million on incubated funds; (ii) the unrealised gain of HK\$2.50 million on listed shares; (iii) the transfer out of net unrealised gain of HK\$13.69 million on incubated funds and HK\$7.27 million on Technovator.

Realised gain on redemption of investment funds: This represents the realised gain of HK\$15.27 million on redemption of Miran Multi Strategy Fund.

Realised gain on sale of financial assets at fair value through profit or loss: This represents the realised gain of HK\$7.27 million on disposal of Technovator.

Distribution from capital return on investment of a joint venture: This represents the realised attributable distribution of HK\$66.82 million from the Zhonghui Project.

Impairment loss on available-for-sale financial assets: The HK\$14.09 million loss represents the further impairment on Nobel.

Equity-settled share-based payments: This represents the net value of share options vested and forfeited during the Period. These share options were granted to certain directors, employees and consultants on 20 April 2010 and 22 May 2015 respectively, which are vested over four to five years from the grant date.

Administrative expenses: The total amount of HK\$26.94 million is mainly the result of investment management fee and staff costs.

Share of results of associates: A net amount of HK\$13.48 million (2014: HK\$27.08 million) accounts for share of results of associates such as CSOP and Guotai Junan Fund Management Limited. These companies generate revenue based on management and performance fees from AUM.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

RESULTS (Continued)

Consolidated Statement of Comprehensive Income (Continued)

Other comprehensive income: Changes to the Group's NAV, otherwise not accounted for in "profit for the Period", are found in "other comprehensive income". The loss of HK\$5.95 million is mainly net of: (i) decrease in fair value of available-for-sale investments by HK\$17.35 million and (ii) impairment loss on available-for-sale financial assets transferred to "profit for the year" of HK\$14.09 million. Combining with the "profit for the Period", the total comprehensive income for the Period was a gain of HK\$38.77 million.

Fair value changes recognised in Other Comprehensive Income:

	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Nobel	(14,088)	(11,918)
Kaisun Energy	1,057	(3,039)
OPIM	545	(17,565)
Jin Dou	(538)	(335)
Dance Biopharm	(4,322)	32
Technovator	-	(7,607)
Fair value decrease	(17,346)	(40,432)

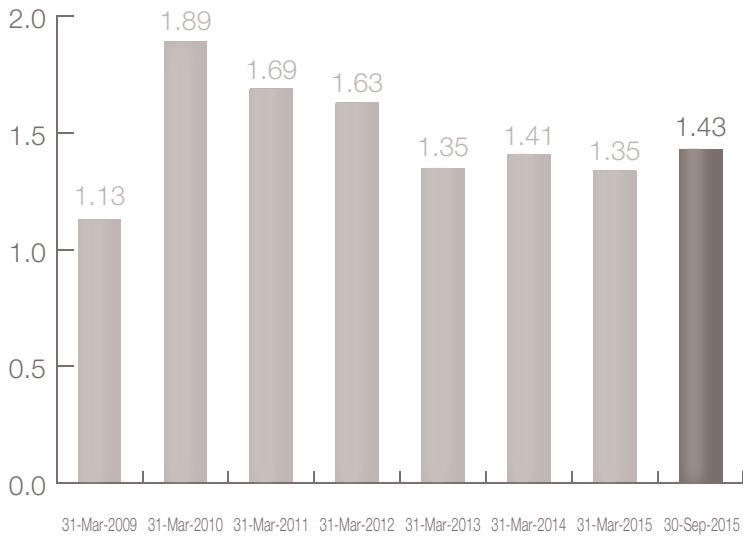


MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

RESULTS (Continued)

Consolidated Statement of Comprehensive Income (Continued)

NAV Per Share in HK\$



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INTERIM DIVIDEND

The board of directors (the “Board” or the “Directors”) has resolved not to pay any interim dividend in respect of the Period (2014: nil).

LIQUIDITY AND FINANCIAL RESOURCES

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

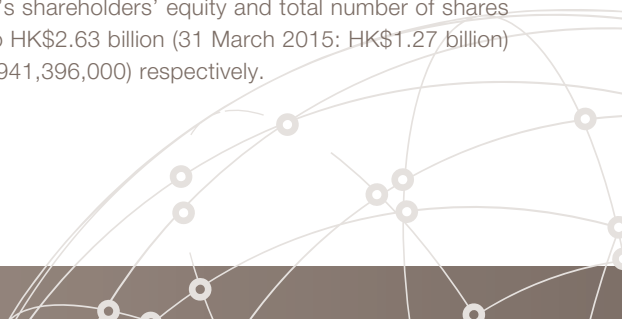
During the Period, the Group continued to maintain a significant balance of cash and cash equivalents. As at 30 September 2015, the Group had cash and bank balances of approximately HK\$2.26 billion (31 March 2015: HK\$513.38 million). The Group had no bank borrowings and did not pledge any assets as collateral for overdrafts or other loan facilities during the Period under review. The debt-to-equity ratio (interest bearing external borrowings divided by shareholders’ equity) stood at zero while the current ratio (current assets divided by current liabilities) was 96 times (31 March 2015: 26 times). For further analysis of the Group’s cash position, current assets and gearing, please refer to paragraphs under sub-sections headed “Financial position” above.

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

CAPITAL STRUCTURE

On 4 August 2015, the Company completed the placing of 900,000,000 ordinary shares at a price of HK\$1.50 per share. The net proceeds from the placing were approximately HK\$1.32 billion.

As at 30 September 2015, the Group’s shareholders’ equity and total number of shares in issue for the Company increased to HK\$2.63 billion (31 March 2015: HK\$1.27 billion) and 1,841,396,000 (31 March 2015: 941,396,000) respectively.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS

The Group had the following material disposals of investments during the Period.

- Return of its attributable capital and distribution of HK\$285.65 million from the Zhonghui Project
- Redemption of HK\$93.20 million from Miran Multi Strategy Fund
- Disposal of HK\$16.84 million in Technovator

SEGMENT INFORMATION

Segment information of the Group is set out in note 8 on pages 47 and 48 of this report.

EMPLOYEES

During the Period, the Group had 31 (2014: 25) employees, inclusive of all directors of the Group and its subsidiaries. Total staff costs for the Period amounted to HK\$8.92 million (2014: HK\$7.69 million). The Group's remuneration policies are in line with the market practice and are determined on the basis of the performance and experience of individual employees.

SHARE OPTION SCHEME

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

At 30 September 2015, the Group had exposure to foreign exchange fluctuation through bank balances and other receivables. These assets were denominated in RMB and the maximum exposure to foreign currency risk was RMB692,000, equivalent to HK\$845,000 (at 31 March 2015: RMB691,000, equivalent to HK\$864,000).

At 30 September 2015, the Group held certain financial assets which were denominated in US Dollars. The Board is of the opinion that the Group's exposure to US Dollar foreign currency risk is minimal as Hong Kong Dollar is pegged to US Dollar by the Hong Kong's Linked Exchange Rate System.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2015, there were no charges on the Group's assets and the Group did not have any significant contingent liabilities.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND THEIR EXPECTED SOURCES OF FUNDING

As at 30 September 2015, there were no plans for material investments or capital assets, but the Group may, at any point, be negotiating potential investments. The Group considers new investments as part of its ordinary and usual business, and therefore management may publically announce these plans as they become necessarily disclosable to shareholders during the course of the financial year.



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

PURCHASE, SALE OR REDEMPTION OF SECURITIES

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

CORPORATE GOVERNANCE CODE

Except otherwise stated herein, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not, at any time during the Period, in compliance with the Corporate Governance Code set out in Appendix 14 to the Listing Rules.

Code provision A.6.7 provided that, the independent non-executive Directors and other non-executive Directors, as equal Board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. During the Period, due to other business commitment on urgent basis, Mr. Wang Xiaojun, being an independent non-executive Director and the chairman of the remuneration committee of the Company, was not available to attend the extraordinary general meeting of the Company held on 16 July 2015 ("EGM"). However, all of the executive Directors, namely Mr. Zhang Zhi Ping, Mr. Zhang Gaobo and the other two independent non-executive Directors, namely Mr. Kwong Che Keung Gordon and Prof. He Jia attended the EGM.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

As at 30 September 2015, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares and underlying shares of the Company:

Name of Director	Capacity/Nature of interest	Number of ordinary shares/underlying shares held in the Company		Total interests as to % to the issued share capital of the Company as at 30 September 2015 (note 1)
		Number of shares held	Interests under equity derivatives	
Mr. ZHANG Zhi Ping (notes 2 & 3)	Interest of controlled corporation	359,800,000	-	19.54
Mr. ZHANG Gaobo (notes 2 & 3)	Interest of controlled corporation	359,800,000	-	19.54

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

Long positions in shares and underlying shares of the Company: (Continued)

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 1,841,396,000 shares as at 30 September 2015.
- (2) This represented 330,000,000 shares held by Ottness Investments Limited ("OIL") and 29,800,000 shares held by Oriental Patron Financial Services Group Limited ("OPFSGL").
- (3) OIL is a wholly owned subsidiary of Oriental Patron Financial Group Limited ("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 of the Company held by OIL and OPFSGL.

Save as disclosed above, as at 30 September 2015, none of the Directors or chief executive had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 September 2015, the Company had been notified of the following substantial shareholders' interests or short positions, being 5% or more of the Company's shares and underlying shares. These interests are in addition to those disclosed above in respect of the Directors and chief executive.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

Long positions in shares and underlying shares of the Company:

Name of shareholder	Capacity/Nature of interest	Number of ordinary shares/underlying shares held in the Company		Total interests as to % of the issued share capital of the Company as at 30 September 2015 (note 1)
		Number of shares held	Interests under equity derivatives	
OIL (note 3)	Beneficial owner	330,000,000	-	17.92
OPFGL (notes 2 & 3)	Interest of controlled corporation	359,800,000	-	19.54
Dr. LIU Zhiwei	Beneficial owner	182,330,000	-	9.90
Bestone Asset Management Co., Ltd (note 4)	Beneficial owner	170,000,000	-	9.23
21st Century Champion Limited (note 4)	Interest in controlled corporation	170,000,000	-	9.23
Ms. WANG Juan (note 4)	Interest in controlled corporation	170,000,000	-	9.23
Caitong Funds SPC (for and on behalf of Bestone Greater China Fund SP) (note 5)	Beneficial owner	170,000,000	-	9.23
Caitong International Asset Management Co., Limited (note 5)	Interest in controlled corporation	170,000,000	-	9.23

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

Long positions in shares and underlying shares of the Company: (Continued)

Name of shareholder	Capacity/Nature of interest	Number of ordinary shares/underlying shares held in the Company		Total interests as to % of the issued share capital of the Company as at 30 September 2015 (note 1)
		Number of shares held	Interests under equity derivatives	
Caitong Securities (Hong Kong) Co., Limited (note 5)	Interest in controlled corporation	170,000,000	–	9.23
Caitong Securities Co., Limited (note 5)	Interest in controlled corporation	170,000,000	–	9.23
浙江省金融控股有限公司 (Zhejiang Provincial Finance Holdings Limited) (note 5)	Interest in controlled corporation	170,000,000	–	9.23
浙江省財務開發公司 (Zhejiang Provincial Finance Development Corporation) (note 5)	Interest in controlled corporation	170,000,000	–	9.23
Ms. YANG Fuyi	Beneficial owner	163,574,500	–	8.88
Grand Link Finance Limited (note 6)	Beneficial owner	158,244,000	–	8.59
Mr. WANG Delian (note 6)	Interest in controlled corporation	158,244,000	–	8.59
Mr. GENG Shuanghua	Beneficial owner	106,100,000	–	5.76

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

Long positions in shares and underlying shares of the Company: (Continued)

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 1,841,396,000 shares as at 30 September 2015.
- (2) This represented an aggregate of 330,000,000 shares held by OIL and 29,800,000 shares held by OPFSGL.
- (3) OIL is a wholly owned subsidiary of OPFGL, while 95% of the issued share capital of OPFSGL is owned by OPFGL. By virtue of the SFO, OPFGL is deemed to be interested in the shares and underlying shares of the Company held by OIL and OPFSGL.
- (4) This represented 170,000,000 shares held by Bestone Asset Management Co., Ltd ("Bestone Asset Management"). Ms. Wang Juan ("Ms. Wang") owns 100% of the total 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 held by Bestone Asset Management.
- (5) This represented 170,000,000 shares held by Caitong Funds SPC (for and on behalf of Bestone Greater China Fund SP) ("CF-SPC"). 浙江省財務開發公司 (Zhejiang Provincial Finance Development Corporation) ("ZPFDC") owns 100% of the equity interest in 浙江省金融控股有限公司 (Zhejiang Provincial Finance Holdings Limited) ("ZPFHL") which in turn owns 36.60% of the equity interest in Caitong Securities Co., Limited ("CSCL"). CSCL owns 100% of the issued share capital in Caitong Securities (Hong Kong) Co., Limited ("CSHK"), CSHK owns 100% of the issued share capital in Caitong International Asset Management Co., Limited ("CIAM"), which in turn owns the entire issued share capital in CF-SPC. By virtue of the SFO, each of ZPFDC, ZPFHL, CSCL, CSHK and CIAM is deemed to be interested in the shares held by CF-SPC.
- (6) This represented 158,244,000 shares held by Grand Link Finance Limited ("GLFL"). Mr. Wang Delian ("Mr. Wang") owns 100% of the total issued share capital in GLFL. By virtue of the SFO, Mr. Wang is deemed to be interested in the shares held by GLFL.

Save as disclosed above, as at 30 September 2015, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

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

AUDIT COMMITTEE

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

REVIEW OF ACCOUNTS

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

APPRECIATION

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

By order of the Board

OP Financial Investments Limited

ZHANG Gaobo

Executive Director and CEO

Hong Kong SAR, 27 November 2015



INDEPENDENT REVIEW REPORT

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF OP FINANCIAL INVESTMENTS LIMITED

(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 27 to 72, which comprises the interim condensed consolidated statement of financial position of OP Financial Investments Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2015 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.



INDEPENDENT REVIEW REPORT (CONTINUED)

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 November 2015

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2015

		Six months ended 30 September	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
	Note		
Revenue	6	12,825	20,199
Other income	7	–	660
Net change in unrealised (loss)/gain on financial assets at fair value through profit or loss	16		
– Classified as held for trading		(27,606)	2,538
– Designated as such upon initial recognition		(1,936)	(720)
		(29,542)	1,818
Realised gain/(loss) on redemptions of investment funds		15,265	(15,892)
Realised gain on sale of financial assets at fair value through profit or loss		7,269	–
Distribution from capital return on investment of a joint venture		66,824	–
Impairment loss on available-for-sale financial assets	15	(14,088)	(3,038)
Equity-settled share-based payments	19	(387)	(571)
Administrative expenses		(26,937)	(19,993)
Profit/(loss) from operations		31,229	(16,817)
Share of results of associates		13,484	27,080
Profit before tax		44,713	10,263
Taxation	9	–	–
Profit for the period	10	44,713	10,263

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the six months ended 30 September 2015

		Six months ended 30 September	
		2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
	Note		
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Available-for-sale financial assets:			
Fair value changes	15	(17,346)	(40,432)
Impairment loss	15	14,088	3,038
Share of other comprehensive income of associates:			
Fair value changes of available-for-sale financial assets		(2,456)	(1,823)
Exchange differences		(234)	36
Net other comprehensive income for the period		(5,948)	(39,181)
Total comprehensive income for the period		38,765	(28,918)
Earnings per share			
Basic	12(a)	3.65 cents	1.09 cents
Diluted	12(b)	3.64 cents	1.09 cents

The notes on pages 34 to 72 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2015

	Note	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Non-current assets			
Property, plant and equipment	13	52	26
Investments accounted for using equity method	14	144,109	400,749
Available-for-sale financial assets	15	195,858	213,204
Financial assets at fair value through profit or loss	16	7,417	11,823
		347,436	625,802
Current assets			
Financial assets at fair value through profit or loss	16	27,182	143,862
Accounts and loans receivable	17	11,652	8,399
Interest receivable		1,006	770
Prepayments and other receivables		2,129	369
Bank and cash balances		2,263,567	513,375
		2,305,536	666,775
TOTAL ASSETS		2,652,972	1,292,577
Capital and reserves			
Share capital	18	184,140	94,140
Reserves		2,444,748	1,172,716
TOTAL EQUITY		2,628,888	1,266,856



CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 September 2015

	Note	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Current liabilities			
Other payables		4,692	6,329
Tax payable		19,392	19,392
TOTAL LIABILITIES		24,084	25,721
TOTAL EQUITY AND LIABILITIES		2,652,972	1,292,577
NET ASSETS		2,628,888	1,266,856
Net asset value per share	20	HK\$1.43	HK\$1.35

The notes on pages 34 to 72 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2015

(Unaudited)

	Note	Reserves							Total HK\$'000
		Share capital HK\$'000	Share premium HK\$'000	Share- based payment reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	Proposed dividend HK\$'000	
At 1 April 2014		94,140	965,683	19,040	16,161	(36)	184,561	47,070	1,326,619
Vesting of share options	19	-	-	571	-	-	-	-	571
Share options forfeited	19	-	-	(1,448)	-	-	1,448	-	-
Share reserve movement of associate		-	-	17	-	-	-	-	17
Share repurchase	18	-	(3)	-	-	-	-	-	(3)
Total comprehensive income for the period		-	-	-	(39,217)	36	10,263	-	(28,918)
Dividend paid	11	-	-	-	-	-	-	(47,070)	(47,070)
At 30 September 2014		94,140	965,680	18,180	(23,056)	-	196,272	-	1,251,216
At 1 April 2015		94,140	965,680	18,494	5,227	-	183,315	-	1,266,856
Vesting of share options	19	-	-	6,276	-	-	-	-	6,276
Unvested share options lapsed	19	-	-	(5,889)	-	-	-	-	(5,889)
Share options forfeited	19	-	-	(5,308)	-	-	5,308	-	-
Issue of new shares	18	90,000	1,232,880	-	-	-	-	-	1,322,880
Total comprehensive income for the period		-	-	-	(5,714)	(234)	44,713	-	38,765
At 30 September 2015		184,140	2,198,560	13,573	(487)	(234)	233,336	-	2,628,888

The notes on pages 34 to 72 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2015

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash generated from operations	87,101	121,961
Dividend received	2,038	932
Interest received	2,762	3,399
Net cash generated from operating activities	91,901	126,292
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquire equity interest of an associate	–	(1,264)
Distribution from investment in an associate	45,276	–
Loan repayment received	4,500	–
Proceeds from disposal of an investment	285,650	–
Purchase of property, plant and equipment	(34)	–
Net cash generated from/(used in) investing activities	335,392	(1,264)
CASH FLOWS FROM FINANCING ACTIVITIES		
Share repurchase	–	(4)
Dividend paid	–	(47,070)
Net proceeds from issuance of new shares	1,322,880	–
Net cash generated from/(used in) financing activities	1,322,880	(47,074)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2015

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
NET INCREASE IN CASH AND CASH EQUIVALENTS	1,750,173	77,954
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	513,375	500,132
EXCHANGE GAIN ON CASH AND CASH EQUIVALENTS	19	18
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,263,567	578,104
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	2,263,567	578,104

The notes on pages 34 to 72 form an integral part of this condensed consolidated interim financial information.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2015

1 General information

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

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

2 Basis of preparation of the condensed consolidated interim financial information

The unaudited condensed consolidated interim financial information for the six months ended 30 September 2015 (the “Period”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2015, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA. The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2015, except as stated in note 3 below.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

3 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2015, as described in those annual financial statements, except:

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

There is no standards or interpretations are effective for the first time for this interim period and adopted by the Company and its subsidiaries (together, “the Group”).

The following standards and amendments to standards have been issued but are not effective for the financial period beginning 1 April 2015 and have not been early adopted:

- i) Amendments to HKFRS 10, HKFRS 12 and HKAS 28 on investment entities: applying the consolidation exception clarifies the application of the consolidation exception for investment entities and their subsidiaries. The amendments to HKFRS 10 clarifies that the exception from preparing consolidated financial statements is available to intermediate parent entities which are subsidiaries of investment entities. The exception is available when the investment entity parent measures its subsidiaries at fair value. The intermediate parent would also need to meet the other criteria for exception listed in HKFRS 10. The amendments also clarifies that an investment entity should consolidate a subsidiary which is not an investment entity and which provides services in support of the investment entity’s investment activities, such that it acts as an extension of the investment entity. However, the amendments also confirm that if the subsidiary is itself an investment entity, the investment entity parent should measure its investment in the subsidiary at fair value through profit or loss. This approach is required regardless of whether the subsidiary provides investment related services to the parent or to third parties. The amendments to HKAS 28 allows an entity which is not an investment entity, but has an interest in an associate or a joint venture which is an investment entity, a relief to retain the fair value measurement applied by the investment entity associate or joint venture, or to unwind the fair value measurement and instead perform a consolidation at the level of the investment entity associate or joint venture for their subsidiaries when applying the equity method. The standard is effective for annual periods beginning on or after 1 January 2016 and earlier application is permitted. The Group is assessing the impact of amendments to HKFRS 10, HKFRS 12 and HKAS 28.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

3 Accounting policies (Continued)

- ii) HKFRS 9 “Financial instruments” addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of HKFRS 9 was issued in July 2014. It replaces the guidance in HKAS 39 that relates to the classification and measurement of financial instruments. HKFRS 9 retains but simplifies the mixed measurement model and establishes three primary measurement categories for financial assets: amortised cost, fair value through other comprehensive income and fair value through profit or loss. The basis of classification depends on the entity’s business model and the contractual cash flow characteristics of the financial asset. Investments in equity instruments are required to be measured at fair value through profit or loss with the irrevocable option at inception to present changes in fair value in other comprehensive income. There is now a new expected credit losses model that replaces the incurred loss impairment model used in HKAS 39. For financial liabilities there were no changes to classification and measurement except for the recognition of changes in own credit risk in other comprehensive income, for liabilities designated at fair value through profit or loss. HKFRS 9 relaxes the requirements for hedge effectiveness by replacing the bright line hedge effectiveness tests. It requires an economic relationship between the hedged item and hedging instrument and for the ‘hedged ratio’ to be the same as the one management actually use for risk management purposes.

Contemporaneous documentation is still required but is different to that currently prepared under HKAS 39. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted. The Group is assessing the impact of HKFRS 9.

- iii) HKFRS 15 “Revenue from contracts with customers” deals with revenue recognition and establishes principles for reporting useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity’s contracts with customers. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. The standard replaces HKAS 18 “Revenue” and HKAS 11 “Construction contracts” and related interpretations. The standard is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is assessing the impact of HKFRS 15.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

4 Critical accounting estimates and judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Tax

Significant estimates are required in determining the provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax provisions in the period in which such determination is made.

(b) Fair value estimation of financial instruments

As indicated in notes 5, 15 and 16 to the condensed consolidated financial statements, the Group selects appropriate valuation techniques for financial instruments not quoted in an active market. The fair values of unlisted investments are determined in accordance with generally accepted pricing models such as discounted cash flow method, share of net assets and recent transaction price. The values assigned to these unlisted investments are the best estimation made by management based upon available information and do not necessarily represent amounts which might ultimately be realised, since such amounts depend on future circumstances and cannot be reasonably determined until the individual position is realised.

(c) Fair value estimation of share options

The Group determines the fair value of its share options by using the Black-Scholes valuation model which requires input of subjective assumptions as disclosed in note 19. Any change in the subjective input assumptions may materially affect the fair value of an option.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

4 Critical accounting estimates and judgement (Continued)

(d) Assessment of investment entities

In preparing the condensed consolidated financial information, significant judgment has been applied by the management in the determination of the Company's status as an investment entity under Amendments to HKFRS 10, "Consolidated Financial Statements". Management have assessed the definition of an investment entity under HKFRS 10, "Consolidated Financial Statements" and given that the performance of the investments in associates are not measured on a fair value basis, management have concluded that the Company does not fall within the definition of an investment entity under HKFRS 10.

(e) Impairment of available-for-sale financial assets

Available-for-sale financial assets are impaired if there is objective evidence of impairment as a result of loss events. The Group exercises judgment in determining whether there is objective evidence of occurrence of loss events, which result in a decrease in estimated future cash flows of the financial assets. The estimation of future cash flows also requires judgment. In the assessment of impairment of available-for-sale equity instruments, the Group also considers whether there has been a significant or prolonged decline in fair value below their cost. The determination of what is a significant or prolonged decline requires management judgment.

Impairment may occur when there is objective evidence of deterioration in the financial conditions of the investee industry and sector performance, or changes in operating and financing cash flows. The determination of impairment in this respect also includes significant management judgment.

Management estimates and judgments may change from time to time based upon future events that may or may not occur and changes in these estimates and judgments could adversely affect the carrying amounts of available-for-sale financial assets. Impairment charges on available-for-sale financial assets were HK\$14,088,000 and HK\$3,038,000 for the period ended 30 September 2015 and 2014 respectively. For additional information, refer to note 15 "available-for-sale financial assets".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

5 Financial instruments

(a) Financial risk management

The Group's activities expose it to a variety of financial risks: foreign currency risk, interest rate risk, equity price risk, credit risk and liquidity risk.

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 March 2015.

There has been no change in the risk management policies since year ended 31 March 2015.

(b) Fair value estimation

The fair values of the Group's financial assets and liabilities are not materially different from their carrying amounts.

The fair value of financial instruments traded in active markets is based on quoted market prices for identical instruments at the reporting date. A market is regarded as active if quoted prices are readily and regularly available, and those prices represent actual and regularly occurring market transactions on an arm's length basis. These instruments are included in level 1. The Group use market bid/ask price to value its listed investments which is permitted under HKFRS 13.

Other unlisted equity investments, unlisted investment funds, unlisted debt instruments and unlisted derivatives are stated at their fair values, which are determined by reference to the valuation in accordance with generally accepted valuation methodologies or the prices quoted by fund administrators.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

The following disclosures of fair value measurements use a fair value hierarchy which has 3 levels:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs).

Disclosures of level in fair value hierarchy at 30 September 2015 (unaudited)

Fair value measurement using:

Description	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss				
Listed securities	5,844	–	–	5,844
Unlisted investment funds	–	21,338	7,417	28,755
Available-for-sale financial assets				
Listed securities	12,286	–	–	12,286
Unlisted equity investments	–	–	183,572	183,572
Total	18,130	21,338	190,989	230,457

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

Reconciliation of assets measured at fair value based on level 3:

Description	Period ended 30 September 2015 (unaudited)		
	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Total HK\$'000
	Unlisted investment funds HK\$'000	Unlisted equity investments HK\$'000	
At the beginning of the period	11,823	201,975	213,798
Total gains or losses recognised			
- in profit or loss ^(a)	122	-	122
- in other comprehensive income	-	(18,403)	(18,403)
Distributions	(4,528)	-	(4,528)
At the end of the period	7,417	183,572	190,989
^(a) Total gains or losses included in profit or loss that is attributable to the change in unrealised gains or loss relating to those assets and liabilities held at the end of the report period	122	-	122

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

Disclosures of level in fair value hierarchy at 31 March 2015 (audited)

Fair value measurement using:

Description	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss				
Listed securities	20,182	–	–	20,182
Unlisted investment funds	–	123,680	11,823	135,503
Available-for-sale financial assets				
Listed securities	11,229	–	–	11,229
Unlisted equity investments	–	–	201,975	201,975
Total	31,411	123,680	213,798	368,889

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

Reconciliation of assets measured at fair value based on level 3:

Description	Year ended 31 March 2015 (audited)		
	Financial assets at fair value through profit or loss	Available-for-sale financial assets	Total HK\$'000
	Unlisted investment funds HK\$'000	Unlisted equity investments HK\$'000	
At beginning of the Year	16,545	295,730	312,275
Total gains or losses recognised			
– in profit or loss (*)	(1,652)	–	(1,652)
– in other comprehensive income	–	(93,755)	(93,755)
Distributions	(3,070)	–	(3,070)
At end of the Year	11,823	201,975	213,798

(*) Total gains or losses included in profit or loss that is attributable to the change in unrealised gains or loss relating to those assets and liabilities held at the end of the report period	(1,652)	–	(1,652)
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For financial assets at fair value through profit or loss, the total gains or losses recognised, including those for assets held at the end of reporting period, are presented in profit or loss in “net change in unrealised gain/loss on financial assets at fair value through profit or loss”. For available-for-sale financial assets, these amounts are presented in other comprehensive income in “available-for-sale financial assets: fair value changes during the period/year”.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

The condensed interim financial information includes holdings in unlisted financial instruments which are measured at fair value (note 15 and note 16). Fair values are estimated using generally accepted pricing models, which included some assumptions that are not supportable by observable market rates. In determining the fair value, certain unobservable inputs and a risk adjusted discount factor were used.

(Unaudited)

Description	Fair value at 30 September 2015 HK\$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Available-for-sale financial assets					
OPIM and OPIMC (non-voting preference shares)	8,584	Discounted cash flow	Discount rate	18.36%	Higher the discount rate, lower the fair value
			Growth rate/long term growth rate	5.58%/ 3%	Higher the growth rate, higher the fair value
Thrive World Limited (equity interest)	147,974	Discounted cash flow	Discount rate	15.00%	Higher the discount rate, lower the fair value
			Forecast oil price	US\$52.18 to US\$73.75 per barrel for 2015 to 2018	Higher the oil price, higher the fair value
Jin Dou Development, L.P. (partnership interest)	5,757	Share of net assets	N/A	N/A	N/A
Dance Biopharm Holdings Inc. (equity interest)	21,257	Latest transacted price	N/A	N/A	N/A
Financial assets at fair value through profit or loss					
Real Estate Opportunity Capital Fund (partnership interest)	7,417	Share of net assets	N/A	N/A	N/A

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

(Audited)

Description	Fair value at 31 March 2015 HK\$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Available-for-sale financial assets					
OPIM and OPIMC (non-voting preference shares)	8,039	Discounted cash flow	Discount rate	17.59%	Higher the discount rate, lower the fair value
			Growth rate/ long term growth rate	9.32%/ 3.04%	Higher the growth rate, higher the fair value
Thrive World Limited (equity interest)	162,062	Discounted cash flow	Discount rate	15.45%	Higher the discount rate, lower the fair value
			Forecast oil price	US\$62.8 to US\$75 per barrel for 2015 to 2018	Higher the oil price, higher the fair value
Jin Dou Development, L.P. (partnership interest)	6,295	Share of net assets	N/A	N/A	N/A
Dance Biopharm Inc. (equity interest)	25,579	Latest transacted price, adjusted by share of expense	N/A	N/A	N/A
Financial assets at fair value through profit or loss					
Real Estate Opportunity Capital Fund (partnership interest)	11,823	Share of net assets	N/A	N/A	N/A

The change in valuation disclosed in the above table shows the direction an increase or decrease in the respective input variables would have on the valuation result.

No interrelationships between unobservable inputs used in the Group's valuation of its Level 3 investments have been identified.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

6 Revenue

Revenue, which is also the Group's turnover, represents the income received and receivable on investments during the period as follows:

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Dividend income from unlisted investments	2,038	8,293
Performance premium from a co-investment partner	7,752	7,780
Interest income	3,035	4,126
	12,825	20,199

7 Other income

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Exchange gains	–	69
Sundry income	–	591
	–	660

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

8 Segment information

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

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

Geographical information

	Six months ended 30 September	
	2015 (Unaudited) HK\$’000	2014 (Unaudited) HK\$’000
Revenue		
Hong Kong	5,037	12,345
People’s Republic of China	7,788	7,854
	12,825	20,199

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



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

8 Segment information (Continued)

Geographical information (Continued)

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Non-current assets other than financial instruments		
Hong Kong	144,161	178,617

Information about major investments and co-investment partners

During the Period, performance premiums derived from one of the Group's unlisted investments and dividend received from one of the investments, which accounted for 10% (2014: 10%) or more of the Group's total revenue amounted to approximately HK\$7,752,000 (2014: HK\$7,780,000) and HK\$2,038,000 (2014: HK\$7,674,000) respectively.

During the Period, performance premiums derived from one of the Group's co-investment partners, which accounted for 10% (2014: 10%) or more of the Group's revenue amounted to approximately HK\$7,752,000 (2014: HK\$7,777,000).

9 Taxation

No provision for Hong Kong Profits Tax has been made since the Group has sufficient tax losses brought forward to set off against current period's assessable profit (2014: nil).

As at 30 September 2015, the Group has unused tax losses of approximately HK\$29,741,000 (31 March 2015: HK\$33,569,000) available to offset against future profits.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

10 Profit for the Period

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

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Depreciation	8	7
Investment management fee	13,364	9,905
Operating lease payments in respect of office premises	2,236	1,447
Staff costs (including directors' emoluments)		
Salaries and other benefits	8,396	7,007
Retirement benefits scheme contributions	136	110
Equity-settled share-based payments	387	571
	8,919	7,688

11 Dividend

The Board has resolved not to pay any interim dividend in respect of the Period (2014: Nil).



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

12 Earnings per share

(a) Basic earnings per share

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

	Six months ended 30 September	
	2015 (Unaudited)	2014 (Unaudited)
Profit for the Period (HK\$'000)	44,713	10,263
Weighted average number of ordinary shares in issue (in thousand)	1,226,642	941,399
Basic earnings per share	3.65 cents	1.09 cents

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

12 Earnings per share (Continued)

(b) Diluted earnings per share

Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of share options. A calculation is done to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the share options.

	Six months ended 30 September	
	2015 (Unaudited)	2014 (Unaudited)
Profit for the Period (HK\$'000)	44,713	10,263
Weighted average number of ordinary shares in issue (in thousand)	1,226,642	941,399
Adjustment for shares options (in thousand)	94	–
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	1,226,736	941,399
Diluted earnings per share	3.64 cents	1.09 cents

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

13 Property, plant and equipment

	Computer equipment HK\$'000	Office equipment HK\$'000	Furniture HK\$'000	Total HK\$'000
Cost				
At 1 April 2014	82	11	72	165
Accumulated depreciation				
At 1 April 2014	62	10	72	144
Charge for the period	6	1	–	7
At 30 September 2014	68	11	72	151
Carrying amount				
At 30 September 2014	14	–	–	14
Cost				
At 1 April 2015	94	11	76	181
Additions	34	–	–	34
At 30 September 2015	128	11	76	215
Accumulated depreciation				
At 1 April 2015	71	11	73	155
Charge for the period	8	–	–	8
At 30 September 2015	79	11	73	163
Carrying amount				
At 30 September 2015	49	–	3	52

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

14 Investments accounted for using equity method

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Associates	144,109	178,591
Joint venture	–	222,158
	144,109	400,749

Details of the investments at 30 September 2015 and 31 March 2015 are as follows:

Name of entity	Percentage of ownership interest	Carrying amount at	
		30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Associates			
CSOP Asset Management Limited	24% (31.3.2015: 24%)	132,604	166,278
Guotai Junan Fund Management Limited	29.9% (31.3.2015: 29.9%)	6,914	6,054
OP Investment Management Limited ("OPIM")	30% (31.3.2015: 30%)	992	995

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

14 Investments accounted for using equity method (Continued)

Name of entity	Percentage of ownership interest	Carrying amount at	
		30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Associates			
OP Investment Management (Cayman) Limited ("OPIMC")	30% (31.3.2015: 30%)	5	5
Harmony Plus Holdings Limited	20% (31.3.2015: 20%)	2,178	2,184
Miran Capital Management Limited	29% (31.3.2015: 29%)	1,416	3,075
Prodirect Investments Limited	30% (31.3.2015: 30%)	–	–
South South Green Energy Limited	30% (31.3.2015: 30%)	–	–
Joint Venture			
Grand Central Tian Di, L.P. (Note a)	– (31.3.2015: 50%)	–	222,158
		144,109	400,749

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

14 Investments accounted for using equity method (Continued)

Note:

- (a) In January 2015, the Company through a subsidiary, OPFI GP(2) Limited, formed a partnership namely Grand Central Tian Di, L.P. ("Grand Central") with a co-investment partner, for the purpose of financing a special situation asset. OPFI GP(2) Limited contributed 50% of partnership interest of Grand Central. The special situation asset is an interim financing arrangement for a third party to purchase a commercial property known as Zhonghui Plaza, which is situated in the prime commercial district on East Second Ring Road, Beijing PRC. The total investment amount by Grand Central was HK\$400 million. OPFI GP(2) Limited contributed 50%, i.e. HK\$200 million. OPFI GP(2) Limited finance this contribution amount of HK\$200 million by issuing 200 million non-voting preference shares of HK\$1 each. The Company subscribed 197 million and the remaining 3 million preference shares were subscribed by an independent investor.

During the Period, the relevant interim financing was fully repaid to Grand Central by the third party and accordingly Grand Central distributed all of its reserves and returned the capital to its partners in an aggregated sum of HK\$580 million. OPFI GP(2) Limited utilised its shares of distributions of HK\$290 million for the redemption of the entire issue of 200 million non-voting preference shares. The distribution of HK\$66.8 million from the redemption of 197 million preference shares held by the Company was recognised in the profit or loss.

For the description of the business and financial information of the investments, please refer to note 16 of the Company's 2014/15 annual report.



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

15 Available-for-sale financial assets

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Listed equity securities, at fair value	12,286	11,229
Unlisted equity securities, at fair value	183,572	201,975
	195,858	213,204

During the Period, net change in unrealised loss of approximately HK\$17,346,000 (2014: loss of approximately HK\$40,432,000) arising from changes in fair value of available-for-sale financial assets was recognised directly in the investment revaluation reserve.

Details of the Group's available-for-sale financial assets at 30 September 2015 and 31 March 2015 are as follows:

Name of investee	Proportion of investees' capital owned	Fair value at	
		30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
<i>Listed equity securities</i>			
Kaisun Energy Group Limited	3.5% (31.3.2015: 5.0%)	12,286	11,229

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

15 Available-for-sale financial assets (Continued)

Name of investee	Proportion of investees' capital owned	Fair value at	
		30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Unlisted equity securities			
Thrive World Limited (Note a)	10% of ordinary shares (31.3.2015: 10%)	147,974	162,062
OPIM/OPIMC	100% of non-voting preference shares (31.3.2015: 100%)	8,584	8,039
Jin Dou Development Fund, L.P.	1.48% of total contribution (31.3.2015: 1.48%)	5,757	6,295
Dance Biopharm Inc. ("Dance") (Note b)	5.99% of voting preference shares	–	25,579
Dance Biopharm Holdings Inc. ("Dance Holding") (Note b)	3.72% of voting common shares	21,257	–
Valuworth Ventures Limited	8% of ordinary shares (31.3.2015: 8%)	<1	<1
		195,858	213,204

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

15 Available-for-sale financial assets (Continued)

Notes:

- (a) Impairment loss on the investment in Thrive World Limited of HK\$14,088,000 was charged to the profit or loss for the Period.
- (b) In May and December 2013, the Company through a subsidiary, River King Investments Limited ("River King"), a company incorporated in the British Virgin Island, subscribed for 1,149,000 and 57,142 preference shares issued by Dance at a consideration of HK\$15,527,000 and HK\$1,553,000 respectively. Dance is a pharmaceutical company incorporated in Delaware, the United States of America. On 30 September 2015, through a merger exercise, Dance became a wholly owned subsidiary of Dance Holding and the preference shares held by River King were converted into 548,531 common shares of Dance Holding. On 2 October 2015, Dance Holding completed a private placement of its common shares at a specified offer price. The Board considered that the specified offer price represented the best estimated fair value of the common shares of Dance Holding received by River King under the merger exercise as at 30 September 2015.

For the description of the business and financial information of the investments, please refer to note 17 of the Company's 2014/15 annual report.

16 Financial assets at fair value through profit or loss

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Equity securities listed in Hong Kong	5,844	20,182
Unlisted investment funds	28,755	135,503
	34,599	155,685
Analysed as:		
Current assets	27,182	143,862
Non-current assets	7,417	11,823
	34,599	155,685

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

16 Financial assets at fair value through profit or loss (Continued)

During the Period, net change in unrealised loss of approximately HK\$29,542,000 (2014: net unrealised gain of approximately HK\$1,818,000) arising from changes in fair value of financial assets at fair value through profit or loss was recognised in the condensed consolidated statement of profit or loss and other comprehensive income.

Details of the Group's financial assets at fair value through profit or loss at 30 September 2015 and 31 March 2015 are as follows:

Name of investee	Carrying amount at	
	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Equity securities listed on the Stock Exchange		
Changhong Jiahua Holdings Limited	5,844	9,058
Technovator International Limited ("Technovator") (Note a)	–	11,124
Unlisted investment funds		
Greater China Select Fund (Note b)	12,523	22,194
Greater China Special Value Fund (Note c)	8,815	12,976
Miran Multi Strategy Fund (Note d)	–	88,510
Real Estate Opportunity Capital Fund (Note e)	7,417	11,823
	34,599	155,685

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

16 Financial assets at fair value through profit or loss (Continued)

Notes:

- (a) The investment in Technovator was fully disposed during the Period. A realised gain of HK\$7.27 million was recognised in the current period profit or loss.
- (b) An unrealised loss of HK\$9.67 million was recognised in the current period profit or loss.
- (c) An unrealised loss of HK\$4.16 million was recognised in the current period profit or loss.
- (d) The fund was fully redeemed on 11 June 2015 at US\$116.97 per unit. A realised gain of US\$1.97 million or approximately HK\$15.27 million was recognised in the current period profit or loss.
- (e) Return of capital with distribution of HK\$4.53 million was received from the fund and an unrealised gain of HK\$0.12 million was recognised in the current period profit or loss.

For the description of the business and financial information of the rest of the investments, please refer to note 18 of the Company's 2014/15 annual report.

17 Accounts and loans receivable

	Note	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Accounts receivable		11,626	3,877
Amount due from associates	(a)	26	20
Amount due from a related company	(a)	–	2
Loan to an associate	(b)	–	1,500
Other loan	(c)	–	3,000
		11,652	8,399

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

17 Accounts and loans receivable (Continued)

	Note	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Analysed as:			
Current assets		11,652	8,399
		11,652	8,399

Notes:

- Amount due from associates and a related company is interest-free, unsecured and repayable on demand.
- Loan to an associate was fully settled during the Period.
- The loan to the major shareholder of one of the Group's associates was fully settled during the Period.

18 Share capital

	Number of shares (in thousands)	HK\$'000 (unaudited)
Ordinary shares of HK\$0.10 each		
<i>Authorised:</i>		
At 1 April 2014 and 31 March 2015	2,000,000	200,000
Increased in authorised share capital (Note a)	2,000,000	200,000
At 30 September 2015	4,000,000	400,000

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

18 Share capital (Continued)

	Number of shares (in thousands)	HK\$'000 (unaudited)
<i>Issued and fully paid:</i>		
At 1 April 2014	941,400	94,140
Share repurchase (Note b)	(4)	–
At 30 September 2014	941,396	94,140

	Number of shares (in thousands)	HK\$'000 (unaudited)
<i>Issued and fully paid:</i>		
At 1 April 2015	941,396	94,140
Placement of shares (Note c)	900,000	90,000
At 30 September 2015	1,841,396	184,140

Notes:

- (a) For the future expansion and growth of the Group, the directors of the Company proposed to increase the authorised share capital of the Company from HK\$200,000,000 divided into 2,000,000,000 shares to HK\$400,000,000 divided into 4,000,000,000 shares by the creation of additional 2,000,000,000 new shares at par value HK\$0.10 each. Such increase was passed by an ordinary resolution of the shareholders at the extraordinary general meeting of the Company held on 16 July 2015.
- (b) During the year ended 31 March 2015, the Company repurchased a total of its 4,000 ordinary shares ("Repurchased Shares") on the Stock Exchange at average HK\$0.91 per share. The Repurchased Shares were then cancelled and the issued share capital of the Company was accordingly reduced to 941,396,000 shares.
- (c) On 1 June 2015, the Company entered into a placing agreement with the placing agent pursuant to which the placing agent agreed to place up to 900,000,000 new shares to not less than six placees at a price of HK\$1.50 per share. The net proceeds from the placing, net of professional fees and out-of-pocket expenses, will be used for future investments of the Group. The allotment and issuance of new shares under the placing agreement was passed by an ordinary resolution of the shareholders at the extraordinary general meeting of the Company held on 16 July 2015 and the placing was completed on 4 August 2015.

All the new ordinary shares issued during the current period rank *pari passu* with the then existing shares in all aspects.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

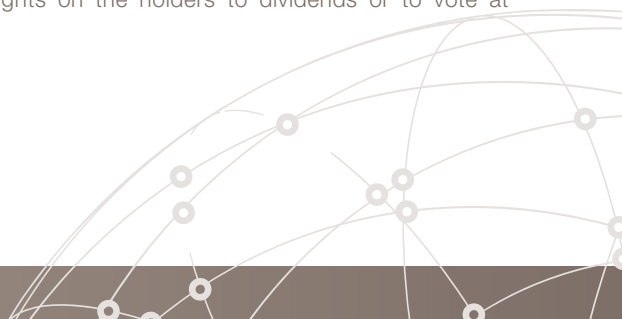
For the six months ended 30 September 2015

19 Share option scheme

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

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the share option scheme at any time not later than 10 years from the date on which the offer for grant of the option is made. Subject to the terms of the share options determined by the Board, the participant may have to meet certain vesting conditions before becoming unconditionally entitled to the share options. For the share options that existed during the periods ended 30 September 2015 and 2014, vesting conditions includes performance conditions such as complete or successful exit of specified investment projects and market conditions such as the Company's market capitalization.

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



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

19 Share option scheme (Continued)

Movement of the Company's share options during the Period:

Grantee	Date of grant	Outstanding at beginning of the Period	Granted during the Period	Lapsed during the Period	Forfeited during the Period	Outstanding at end of the Period	Exercisable at the end of the Period	Exercise price	Exercise period
Directors of group companies	20.4.2010	3,500,000	-	-	(3,500,000)	-	-	1.64	20.4.2010 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	-	(3,500,000)	-	-	-	1.64	31.7.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	-	(1,750,000)	-	-	-	1.64	31.12.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	-	-	(1,750,000)	-	-	1.64	31.3.2011 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	-	(3,500,000)	-	-	-	1.64	31.12.2012 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	(1,750,000)	-	-	1.64	20.4.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	-	(1,750,000)	-	-	-	1.64	31.7.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	-	(1,750,000)	-	-	-	1.64	31.3.2011 to 19.4.2015
Employees	20.4.2010	1,750,000	-	(1,750,000)	-	-	-	1.64	31.12.2012 to 19.4.2015

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

19 Share option scheme (Continued)

Movement of the Company's share options during the Period (continued):

Grantee	Date of grant	Outstanding at beginning of the Period	Granted during the Period	Lapsed during the Period	Forfeited during the Period	Outstanding at end of the Period	Exercisable at the end of the Period	Exercise price HK\$	Exercise period
Consultants	18.2.2011	7,500,000	-	-	-	7,500,000	7,500,000	1.64	18.2.2011 to 17.2.2016
Directors of group companies	22.5.2015	-	4,500,000	-	-	4,500,000	-	1.65	22.5.2016 to 21.5.2020
Directors of group companies	22.5.2015	-	4,500,000	-	-	4,500,000	-	1.65	22.5.2017 to 21.5.2020
Directors of group companies	22.5.2015	-	4,500,000	-	-	4,500,000	-	1.65	22.5.2018 to 21.5.2020
Directors of group companies	22.5.2015	-	4,500,000	-	-	4,500,000	-	1.65	22.5.2019 to 21.5.2020
Employees	22.5.2015	-	6,250,000	-	(1,250,000)	5,000,000	-	1.65	22.5.2016 to 21.5.2020
Employees	22.5.2015	-	6,250,000	-	(1,250,000)	5,000,000	-	1.65	22.5.2017 to 21.5.2020
Employees	22.5.2015	-	6,250,000	-	(1,250,000)	5,000,000	-	1.65	22.5.2018 to 21.5.2020

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

19 Share option scheme (Continued)

Movement of the Company's share options during the Period (continued):

Grantee	Date of grant	Outstanding at beginning of the Period	Granted during the Period	Lapsed during the Period	Forfeited during the Period	Outstanding at end of the Period	Exercisable at the end of the Period	Exercise price HK\$	Exercise period
Employees	22.5.2015	-	6,250,000	-	(1,250,000)	5,000,000	-	1.65	22.5.2019 to 21.5.2020
Consultants	22.5.2015	-	3,250,000	-	-	3,250,000	-	1.65	22.5.2016 to 21.5.2020
Consultants	22.5.2015	-	3,250,000	-	-	3,250,000	-	1.65	22.5.2017 to 21.5.2020
Consultants	22.5.2015	-	3,250,000	-	-	3,250,000	-	1.65	22.5.2018 to 21.5.2020
Consultants	22.5.2015	-	3,250,000	-	-	3,250,000	-	1.65	22.5.2019 to 21.5.2020
		28,500,000	56,000,000	(14,000,000)	(12,000,000)	58,500,000	7,500,000		

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

19 Share option scheme (Continued)

Movement of the Company's share options during the six months ended 30 September 2014:

Grantee	Date of grant	Outstanding at beginning of the period	Granted during the period	Lapsed during the period	Forfeited during the period	Outstanding	Exercisable at the end of the period	Exercise price HK\$	Exercise period
						at end of the period			
Directors of group companies	20.4.2010	3,500,000	-	-	-	3,500,000	3,500,000	1.64	20.4.2010 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	-	-	-	3,500,000	-	1.64	31.7.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	-	-	-	1,750,000	-	1.64	31.12.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	-	-	-	1,750,000	1,750,000	1.64	31.3.2011 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	-	-	-	3,500,000	-	1.64	31.12.2012 to 19.4.2015
Employees	20.4.2010	2,550,000	-	-	(500,000)	2,050,000	2,050,000	1.64	20.4.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	-	1,750,000	-	1.64	31.7.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	-	1,750,000	-	1.64	31.3.2011 to 19.4.2015
Employees	20.4.2010	1,750,000	-	-	-	1,750,000	-	1.64	31.12.2012 to 19.4.2015
Consultants	18.2.2011	8,750,000	-	-	(1,250,000)	7,500,000	7,500,000	1.64	18.2.2011 to 17.2.2016
		30,550,000	-	-	(1,750,000)	28,800,000	14,800,000		

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

19 Share option scheme (Continued)

Notes:

- (a) The closing prices of the ordinary shares of the Company immediately before the date on which the options were granted was HK\$1.55, HK\$1.52 and HK\$1.62 on 20 April 2010, 18 February 2011 and 22 May 2015 respectively.
- (b) The Black-Scholes Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

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

Theoretical aggregate value:	HK\$13,706,000
Fair value reversed in profit or loss during the current period:	HK\$5,794,000 (2014: Fair value recognised in profit or loss of HK\$571,000)
Risk free interest rate:	2.027%
Expected volatility:	97.288%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	2.423%

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

Theoretical aggregate value:	HK\$10,607,000
Fair value recognised in profit or loss during the current period:	HK\$Nil (2014: HK\$Nil)
Risk free interest rate:	1.897%
Expected volatility:	99.38%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	0.75%

Details of the share options granted on 22 May 2015 was as follows:

Theoretical aggregate value:	HK\$36,038,000
Fair value recognised in profit or loss during the current period:	HK\$6,181,000
Risk free interest rate:	1.079%
Expected volatility:	62.58%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	4.58%

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

19 Share option scheme (Continued)

(b) (continued)

The measurement dates of the share options were 20 April 2010, 18 February 2011 and 22 May 2015, being the dates of grant of the share options. Where the grantees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest or lapse.

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

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

20 Net asset value per share

The net asset value per share is calculated by dividing the net asset value of the Group at 30 September 2015 of approximately HK\$2,628,888,000 (31 March 2015: approximately HK\$1,266,856,000) by the number of ordinary shares in issue at that date, being 1,841,396,000 (31 March 2015: 941,396,000).



NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

21 Commitments

(a) Capital commitment

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

	Group	
	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Capital contribution to Jin Dou ⁽¹⁾	104,841	104,693

⁽¹⁾ According to the "Supplementary to Limited Partnership Agreement" signed between the Group and the limited partner of Jin Dou Development Fund, L.P. during the year ended 31 March 2012, the Group has committed to a further capital contribution of US\$13.5 million (equivalent to HK\$104.8 million) to Jin Dou. The calling of the further capital contribution lies upon the future funding needs of Jin Dou.

(b) Operating lease commitments

At 30 September 2015, the total future minimum lease payments under non-cancellable operating lease for office premises and staff quarter are payable as follows:

	30 September 2015 (Unaudited) HK\$'000	31 March 2015 (Audited) HK\$'000
Within one year	2,480	5,020
	2,480	5,020

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

22 Related party transactions

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

(a) Transactions and balances with related parties

1. During the Period, investment management fee of approximately HK\$13,364,000 (2014: approximately HK\$9,905,000) were charged by Oriental Patron Asia Limited (“OPAL”), which is the investment manager of the Company and is a wholly owned subsidiary of Oriental Patron Financial Services Group Limited (“OPFSGL”). OPAL is a related company; as the directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPFSGL. The investment management fee was charged in accordance with the agreement with OPAL for investment management services and was calculated at 1.5% per annum on the net asset value of the Group at each preceding month end as defined in the agreement.

At 30 September 2015, investment management fee payable of approximately HK\$3,311,000 (at 31 March 2015: approximately HK\$1,670,000) was included in other payables.

2. During the Period, the Group paid rental expense of approximately HK\$2,236,000 to Oriental Patron Management Service Limited (“OPMSL”) for office premises (2014: HK\$1,447,000). OPMSL is a wholly owned subsidiary of OPFSGL and it is considered as a related company of the Group as its directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPFSGL.
3. At 30 September 2015, accrued directors’ fees due to the Company’s independent non-executive directors of approximately HK\$375,000 (at 31 March 2015: Nil) was included in other payables.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2015

22 Related party transactions (Continued)

(b) Compensation of key management personnel

	Six months ended 30 September	
	2015 (Unaudited) HK\$'000	2014 (Unaudited) HK\$'000
Salaries and other short-term employee benefits	495	495
Contributions to retirement benefits scheme	6	6
Equity-settled share-based payments ⁽¹⁾	(1,359)	571
	(858)	1,072

⁽¹⁾ The equity-settled share-based payment represents the lapse of share options granted to the key management personnel on 20 April 2010.

23 Approval of condensed consolidated interim financial information

The condensed consolidated interim financial information was approved and authorised for issue by the Board on 27 November 2015.