PROMISES & PURSUITS

2010
Annual Report

東英 ORIENTAL PATRON

OP FINANCIAL INVESTMENTS LIMITED

STOCK CODE : 1140

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Directors

Mr. ZHANG Zhi Ping *(Chairman)*
Mr. ZHANG Gaobo
(Chief Executive Officer)

Non-executive Director

Mr. LIU Hongru

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

AUTHORISED REPRESENTATIVES

Mr. ZHANG Gaobo
Ms. TAM Yuen Wah

COMPANY SECRETARY

Ms. TAM Yuen Wah

INVESTMENT MANAGER

Oriental Patron Fund Management

LEGAL ADVISERS

Chiu & Partners

AUDITOR

RSM Nelson Wheeler

PRINCIPAL REGISTRARS

Butterfield Fulcrum Group
(Cayman) Limited
Butterfield House
68 Fort Street
P.O. Box 609
Grand Cayman KY1-1107
Cayman Islands

BRANCH REGISTRARS

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL BANKER

Standard Chartered Bank
Industrial and Commercial Bank of China
(Asia) Limited

CUSTODIAN

Standard Chartered Bank

STOCK CODE

The Stock Exchange of Hong Kong Limited
Code: 1140

WEBSITE

www.opfin.com.hk

Financial Highlights

Net Profit
Increase to

HK$ 473 Million

Profit compared to a loss of HK$26 million in 2009

Total Comprehensive Income
Increase to

HK$ 593 Million

Compared to HK$16 million in 2009

Earnings per Share
Increase to

HK 60.3 cents

Profit compared to a loss of HK3.5 cents in 2009

NAV per Share

67%

Reached HK$1.89 by 31 March 2010, compared to HK$1.13 in 2009

Capital Invested
Increase to

83%

Compared to 57% in 2009

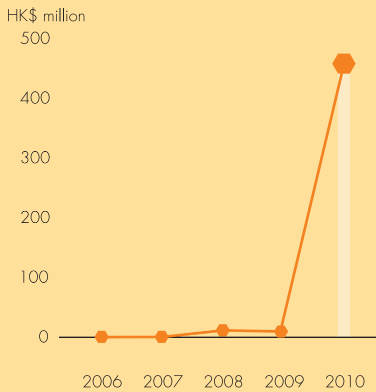
Net Assets
Increase to

HK$ 1.48 Billion

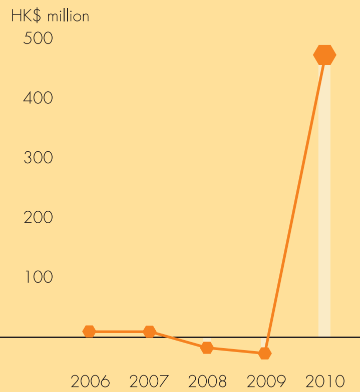
Compared to HK$886.77 million in 2009

Financial Summary

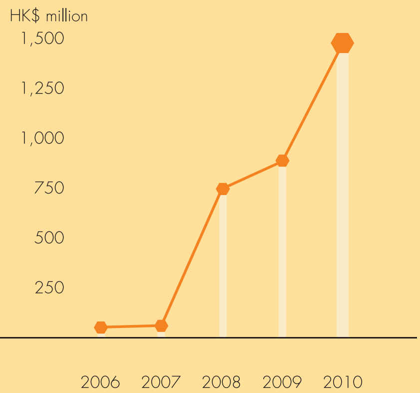
Revenue



Profit/(Loss) for the year



Net Assets



A summary of the published results and assets and liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out below. This summary does not form part of the audited financial statements.

	Year ended 31 March				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
RESULTS					
Revenue	**458,201**	7,663	9,464	1,438	792
Profit/(Loss) before tax	**478,368**	(25,616)	(16,783)	9,454	8,182
Income tax	**(5,298)**	—	—	(1,403)	(307)
Profit/(Loss) for the year	**473,070**	(25,616)	(16,783)	8,051	7,875
Other comprehensive income	**120,257**	41,461	—	—	—
Total comprehensive income for the year	**593,327**	15,845	(16,783)	8,051	7,875

	At 31 March				
	2010	2009	2008	2007	2006
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
ASSETS AND LIABILITIES					
Total assets	**1,554,399**	901,075	765,216	63,019	54,247
Total liabilities	**(74,300)**	(14,303)	(16,937)	(1,778)	(1,058)
Net assets	**1,480,099**	886,772	748,279	61,241	53,189

Chairman's Statement

Dear Shareholders,

I am pleased to report in financial year 2010; we grew our net assets to approximately HK$1.48 billion, up 67% from 2009. We generated an after tax profit of HK$473.07 million, the strongest performance to date since 2008, when we first established our new investment model.

Notably, global markets have recovered following prompt and extensive government stimulus packages. Here in Asia, elevated market sentiment translated into gains across most sectors as China recorded annual GDP growth of 8.7%. Hong Kong's stock market was spurred by new liquidity from China and renewed interest from foreign investors. Fleeing low yields in US and Europe, foreign investments helped drive the Hang Seng index up by 52% year-on-year.

This year, we successfully met three main objectives: to generate significant returns from our financial services platform, to secure our first institutional level cross-border investment through our proprietary direct investment solutions model, and to deliver material shareholder value.

Our financial service partnerships with China Southern Fund Management and Guotai Junan performed well, contributing approximately HK$22.95 million to our profits for the year.

In financial year 2009, we originated our first investment with Kaisun Energy, and this year, we initiated the exit phase. To date, our positions in Kaisun Energy recorded investment returns of over 235%. We have partially realized the gains, contributing a respectable return both to us and our co-investors.

This year, we also announced our milestone arrangement for China Investment Corp to co-invest in Nobel Oil. Since closing and announcing the deal, our Nobel Oil Group assets have appreciated over 39%, evidence that our acquisition was successful and well timed. The project is scheduled to be listed and we are now in the preparation phase.

In less than three years, we fulfilled three significant objectives, delivering on promises we made in financial year 2008. Whilst accountability is amongst our most highly held ideals, we are equally committed to innovation and evolution.

Though structurally OP Financial is an investment company, we are supported by our investment manager Oriental Patron Group — providing investment banking services, combining a robust financial platform with deep Asian values; experience built from a seventeen-year long history here in Hong Kong.

Moving into the next financial year, we shall leverage the group's knowledge, global network, deep understanding of China, and synergies between Oriental Patron Group's various businesses to deliver rewarding investment solutions to our investors and partners.

Meanwhile, our deal flow continues to expand in scale and volume, and we will be actively looking for new sources of capital to capture market opportunities. For retail investors, this is a chance to participate in investments mostly reserved for major institution investors.

It is an audacious endeavour, to evolve from mere investor to market innovator, but we are compelled by the organic growth of China's financial sector, the massive shift in global economics, and the ambition of our investment partners. From QDII to QFII asset management; from sovereign strategic acquisitions to global corporate M&A, from China-centric to Global visionary; I am convinced, now more than ever, of our capacity to progress and to grow — to be one of the region's preferred independent financial institutions. It is a fine pursuit that is limited only by our imagination and perseverance.

Sincerely yours,

ZHANG ZHI PING

Management Discussion and Analysis

On behalf of the board of directors (the "Board"), I would like to present to the shareholders the consolidated results of OP Financial Investments Limited ("OP Financial" or the "Company") and its subsidiaries (the "Group") for the financial year ended 31 March 2010 (the "Year").

INTRODUCTION

OP Financial is a Hong Kong listed investment company with the mandate allowing us to invest in various assets, financial instruments, and businesses globally.

We produce medium to long term shareholder returns by developing customized investment solutions for and alongside institutional and corporate investors in the region. Our co-investors are mainly large financial institutions and organizations targeting either high growth opportunities within China or strategic investments outside the region. We also invest in funds of listed and unlisted equities to generate diversified returns. Over time, these funds will serve as the foundation of a marketable proprietary financial services platform catered towards attracting new investment partners.

We have redefined our two main investment focuses to appropriately address the evolution in our business model. Direct Investment Solutions, previously known as "PEIB Investment Approach", includes both our proprietary investments as well as the managed investments together with other investors. These investments target strategic resources and related businesses globally, but they may also include high growth medium sized businesses in China. The Financial Services Platform includes: (i) "Partnerships with major players"; these are joint ventures with financial institutions, and (ii) "Integrated Fund Solutions," which focuses on developing asset managers, and fund incubation strategies.

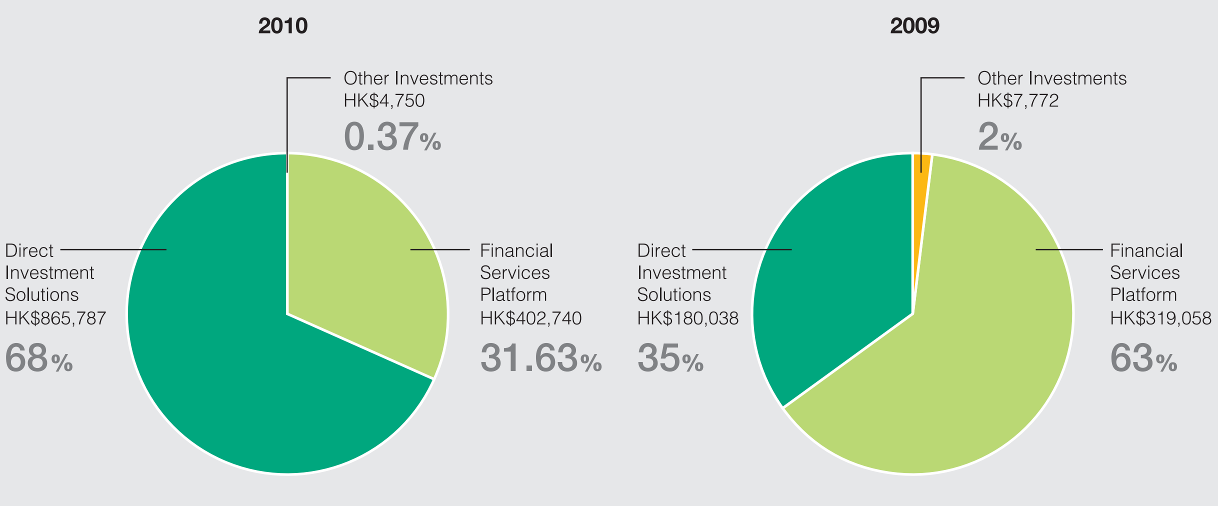
INVESTMENT REVIEW

Investment holdings as at 31 March

	2010 HK$'000	2009 HK$'000
Direct Investment Solutions		
Kaisun Energy		
Equity	144,771	n.a.
Convertible Bond	298,206	n.a.
	442,977	180,038 [note]
Nobel Oil	323,824	—
Meichen Finance		
Equity	91,725	—
Profit Guarantee	7,261	—
	98,986	—
Total Direct Investment Solutions	865,787	180,038
Financial Services Platform		
Partnerships with Major Players		
CSOP Asset Management	79,454	57,685
Guotai Junan Fund Management	2,906	1,685
TOP Commodity Capital Management	40	—
OP Calypso Capital Group	34,046	29,424
	116,446	88,794
Integrated Fund Solutions		
Calypso Asia Fund	135,497	120,110
Asian Special Opportunities Fund	120,741	110,154
Greater China Select Funds	30,056	—
	286,294	230,264
Total Financial Services Platform	402,740	319,058
Other Investments		
Kith Holdings	—	7,293
Pacific Life Science	—	479
China Data Broadcasting	4,750	—
Total Other Investments	4,750	7,772

Note: The Group's investment interest was through a co-investment holding vehicle formed with syndicate investors until its dissolution in 2010.

Investment holdings by investment focus as at 31 March (in HK$'000)



Management Discussion and Analysis

DIRECT INVESTMENT SOLUTIONS

Kaisun Energy

Kaisun Energy Group Limited ("Kaisun Energy") is an integrated coking coal producer which operates a coal mine in Inner Mongolia with reserves of 99.6 million tonnes. As at 31 March 2010, it reported a total comprehensive income of HK$453.62 million from HK$8.49 million a year prior. Restructuring progressed well and this has been reflected in a stronger net asset value and market response.

The Group partially realised investments in convertible bonds and shares of Kaisun Energy through a co-investment holding vehicle formed with syndicate investors. During the Year, the holding vehicle made certain investment disposals. The proceeds from the investment disposals with any remaining cash, convertible bonds and shares of Kaisun Energy was returned as respective capital and dividends to the shareholders of the holding vehicle allowing investors a clean exit.

As a performance premium for the successful divestment, co-investment partners awarded us a greater proportional distribution of shares and convertible bonds in Kaisun Energy. Taking into account the awarded share premiums, this project has recorded an investment return over 235%. The value of our current investments in Kaisun Energy have grown to approximately HK$442.98 million in shares and convertible bonds.

Nobel Oil

The Group successfully arranged a co-investment with China Investment Corporation, cumulatively representing a 50% equity interest in Nobel Holdings Investments Ltd ("Nobel Oil"). Nobel Oil is an independent Russian oil and gas production group which engages exploration and production. It owns two producing and four non-producing oil fields in Russia under seven subsoil licenses with aggregated proven reserves of 120.46 million barrels. The Group's holding grew to HK$323.82 million at the end of the Year for an unrealized gain of 39.19% as reflected in the statement of comprehensive income under "other comprehensive income on page 36."

As the syndicate managing investor, OP Financial contributed management expertise from origination, monitoring, to exit. The Group was awarded performance premiums in return for the successful execution of the deal and the subsequent monitoring of the asset. The awarded performance premiums significantly reduced the overall investment entry cost.

Meichen Finance

During the Year, we invested HK$45.45 million in Meichen Finance Group Ltd. ("Meichen Finance"), a rapidly growing insurance agency and brokerage in China. It performed well in 2009 having sold policies of approximately RMB830 million in insurance premiums representing a year-on-year growth of 130%. Our net position appreciated to approximately HK$98.99 million to reflect this progress. We will continue to monitor its performance in 2010 and provide strategic support as needed.

FINANCIAL SERVICES PLATFORM

Partnerships with Major Players

We have investments in four asset management companies with total assets under management and advisory of approximately HK$7.4 billion. Aggregate results of the four companies attributable to the Group totalled approximately HK$22.95 million for the Year.

Integrated Fund Solutions

Part of the Group's strategy to build a proprietary asset management platform is to incubate or acquire funds with a strong track record and sound management. We provide seed capital, infrastructure, technology, and administrative support to fund managers, allowing them to focus on building performance.

The Group maintains investments in two funds managed by the OP Calypso Capital Group, which grew by approximately HK$25.98 million to HK$256.24 million from HK$230.26 million in 2009. One new fund series of additional HK$30 million was added to the portfolio during the Year.

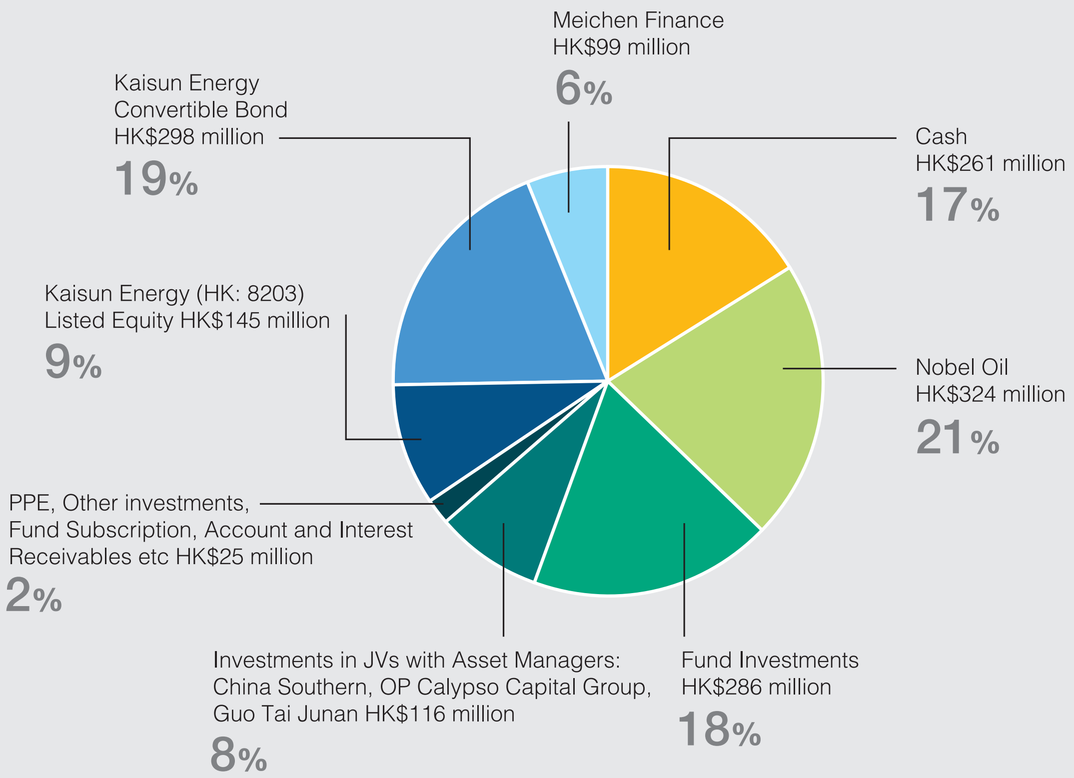
OUTLOOK

This Year is a milestone for OP Financial. We delivered on promises we made only a few years ago, and we met strategic objectives ahead of schedule. Looking ahead, our goals center around organic growth and optimizing existing investments. At the same time, we intend to strengthen our financial position to meet the demands of investments specific to the institutional and sovereign market.

We will deepen existing relationships with our institutional co-investors and continue to expand our investor base, building on the businesses we began in financial year 2009. Meanwhile, we are on schedule to complete the exit of our existing investments this year. Our success thus far has helped initiate new opportunities for the coming financial year.

In terms of new projects, we are assessing opportunities in CIS countries and the Middle East, targeting energy and natural resources of which China is experiencing a shortage and demand remains high. Moreover, we have identified opportunities in the agricultural sector in Central Asia, where there is substantial arable land relatively underutilized. China, with a growing capital, advanced technology and more importantly, strong consumer demand, is a natural investment partner. In these deals forthcoming, OP shall again participate in the leading role of originator, advisor, investor and manager.

Investment holdings by source
Total Assets HK$1.554 billion (as at 31 March 2010)



Numbers rounded to nearest million

Management Discussion and Analysis

FINANCIAL REVIEW

Results

The Group made significant developments in its main investments this year, both strategic and operational in both of our main investment focuses; consequently generating net profits of HK$473.07 million (2009: loss of HK$25.62 million), including new investments, grew our net assets to approximately HK$1.48 billion, a net increase of 67% from the previous year. Earnings per share grew to HK60.3 cents from a loss (HK3.5 cents) in 2009.

Income Statement

Revenue, during the year was as follows:

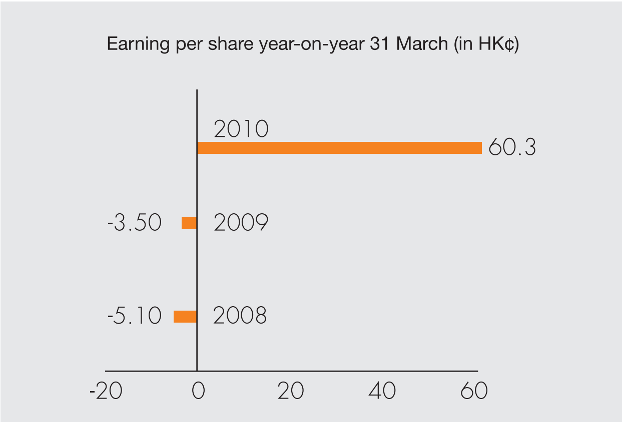
	2010	2009
	HK$'000	HK$'000
Dividend income from listed investments	**241**	72
Dividend income from unlisted investments[1]	**330,416**	—
Performance premium from co-investment partners[2]	**121,097**	—
Interest income[3]	**6,447**	7,591
	458,201	7,663

The substantial growth in revenue to HK$458.20 million (2009: HK$7.66 million) was mainly due to the following:

(1) Dividend income mainly from the Kaisun Energy divestment including dividend in-specie of Kaisun convertible bonds and shares totalling HK$314.70 million and cash dividend of HK$7.03 million.

(2) Co-investment partners in both the Kaisun Energy and Nobel oil projects awarded performance premiums totalling HK$121.10 million to the Group in return for our resources devoted to the investment projects.

(3) Interest income year-on-year to approximately HK$6.45 million (2009: HK$7.59 million) as we increased our investment activities, intermittently reducing our bank balance.



Net gain/(loss) on financial assets at fair value through profit or loss: This mainly represents (i) the gain in fair value of approximately HK$29.83 million on the three investment funds managed by OP Calypso Capital Group, (ii) the gain in fair value of the conversion option embedded in the convertible bonds of Kaisun Energy of approximately HK$57.74 million and (iii) the gain in fair value of investment in Meichen Finance of approximately HK$13.52 million.

Loss on redemption of available-for-sale financial assets: This represents the loss incurred from the preference share redemptions in the Kaisun Energy co-investment holding vehicle. For the overall returns (inclusive of dividend income) in Kaisun Energy, please refer to paragraphs headed "Kaisun Energy" under the Management Discussion and Analysis section above, in this announcement.

Fair value gain on other financial liabilities: This represents the write back of the remaining financial liabilities increased for the contingent consideration payable in connection with the investment in OP Calypso Capital Group in August 2008.

Administrative expenses: The significant increase in expenses is a result of the investment management and performance fee paid and payable to the investment manager, totalling HK$83 million (2009: HK$18.38 million).

The remaining administrative expenses totalling HK$19.92 million (2009: HK$12.53 million) represent mainly staff costs, rental expenses, and overhead costs incurred to maintain and support the operations of the Group.

Share of results of associates: A net amount of approximately HK$22.95 million (2009: loss of HK$4.81 million) was accounted for our share of results of associates from joint ventures such as CSOP, OP Calypso Capital Group and Guotai Junan. These companies generate revenue based on management and performance fees according to assets under management.

Income tax: Total income tax in 2010 increased to HK$5.30 million (2009: HK$Nil) due to the increase in assessable profits.

Statement of Comprehensive Income

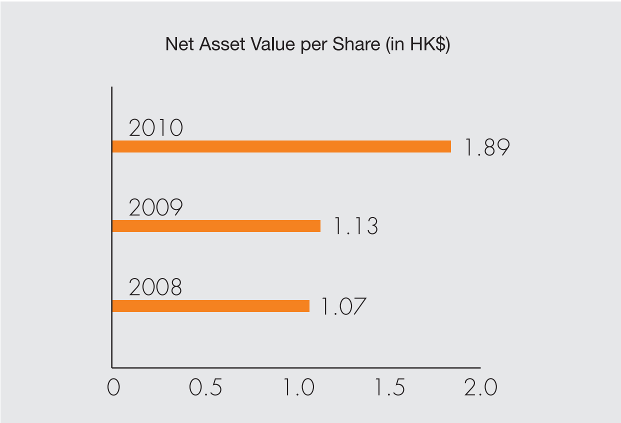
Changes to the Group's net asset value, otherwise not accounted for in the income statement, are found in the statement of comprehensive income under "other comprehensive income" on page 36. The profit of HK$473.07 million for the Year is carried through from the income statement. The remaining unrealized gains from long term investments, otherwise identified as "Available-for-sale financial assets", totalling HK$154.92 million. Total comprehensive income for the Year was HK$593.33 million — equal to the total net asset value gain for the Year.

Fair Value Changes For the Year Ending 31 March

	2010 HK$'000	2009 HK$'000
Kaisun Energy		
Ordinary Shares	**11,633**	n.a.
Convertible Bond	**7,435**	n.a.
	19,068	34,664 note
Nobel Oil	**91,176**	—
Meichen Finance	**40,016**	—
OP Calypso Capital Group	**4,661**	6,797
Total	**154,921**	41,461

Note: *In 2009, the Group's investment interest was through a co-investment holding vehicle formed with syndicate investors until its dissolution in 2010.*

Management Discussion and Analysis



Financial position

Net asset value: The Group's net assets as at 31 March 2010 have significantly increased by 67% to HK$1.48 billion from HK$886.77 million a year ago. Consequently, the net asset value per share increased by 67% to HK$1.89 (31 March 2009: HK$1.13). The substantial increase in the net assets represents mostly the partial realization of our investments in Kaisun Energy. This also observes significant growth in our Nobel Oil and Meichen Finance investments. Performance premiums from co-investors worth HK$121.10 million also contributed to the increased net assets.

Net current assets: The Group had net current assets of HK$539.54 million (31 March 2009: HK$621.22 million) and no borrowings as at 31 March 2010. Whilst relatively unchanged, the cash portion has been reduced from approximately HK$391.76 million to HK$261.37 million due to increased investment activities and additional administrative costs paid to our investment manager. Our bank balance however remains healthy and well positioned to pursue new opportunities in 2011.

Gearing: The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 31 March 2010 was 0.05 (31 March 2009: 0.02). We are currently maintaining a low leverage policy for our investments. While some debt financing instruments may be used at the investment level; moving forward in 2011, we shall maintain debt to a minimum at the Group level.

Investments in associates: Representing our share of the net assets of joint venture asset management companies, CSOP Asset Management Limited, and Guotai Junan Fund Management Limited. The increase of 38% to HK$82.64 million as at 31 March 2010 (31 March 2009: HK$59.65 million) reflects their operating performance for the Year.

Available-for-sale financial assets: The significant increase in available-for-sale financial assets to HK$694.89 million (31 March 2009: HK$209.64 million) is largely the result of (i) our new investments in Nobel Oil and Meichen Finance and their fair value appreciation; and (ii) the fair value appreciation of our Kaisun Energy investments. For further details of these three investments, please refer to the Management Discussion and Analysis section.

Bank and cash balances: As at 31 March 2010, the Group had cash and bank balances of HK$261.37 million (31 March 2009: HK$391.76 million). The slight decrease in bank and cash balances is the net difference between the cash investment in Nobel Oil, Meichen Finance as well as other investments made during the year and the cash received from the exit of the Kaisun co-investment holding vehicle during the Year.

Accrued charges: This mainly represents the investment management and performance fees payable to our investment manager calculated based on the increase in the net asset value performance of the Group.

Liquidity and financial resources

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

During the Year, the Group's cash and cash equivalents remain strong. As at 31 March 2010, the Group had bank balances of HK$261.37 million (31 March 2009: HK$391.76 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 8 times (2009: 61 times). For further analysis of the Group's cash position, net 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

There has been no change in the Company's capital structure during the Year. For information in relation to issue of new shares subsequent to 31 March 2010, please refer to note 31 to the financial statements under the paragraphs headed "Events after the reporting period".

As at 31 March 2010, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK$1,480.10 million (2009: HK$886.77 million) and 784.50 million (2009: 784.50 million) respectively.

Employees

During the Year, the Group had 15 (2009: 10) employees, inclusive of the two executive directors. Total staff costs for the Year amounted to HK$11.85 million (2009: HK$7.84 million). The Group's remuneration policies are in line with the market practice and are determined on the basis of the performance and experience of individual employee.

Exposure to fluctuations in exchange rates and related hedges

The Group's assets and liabilities are denominated in Hong Kong Dollars or United States Dollars and, therefore, the Group had no significant exposure to foreign exchange fluctuations.

Charges on the Group's assets and contingent liabilities

As at 31 March 2010, there were no charges on the Group's assets and the Group did not have any significant contingent liabilities.

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.

ZHANG GAOBO
Chief Executive Officer

Hong Kong SAR, 22 July 2010

Biographical Details of Directors and Senior Management

DIRECTOR

Executive Directors

Mr. ZHANG Zhi Ping, aged 54, was appointed as an executive director and chairman of the Company in February 2003. Mr. Zhang is the chairman of Oriental Patron Financial Group and is responsible for formulating the investment strategies, monitoring the investment performance and approving investment decisions. Mr. Zhang obtained a bachelor's degree in Arts from Heilongjiang University in 1982 and later graduated from Graduate School of the People's Bank of China ("PBOC") (中國人民銀行研究生部) and obtained a master's degree in Economics. Mr. Zhang has over 20 years of experience in the PRC and international financial markets and held senior positions in a number of institutions. From December 1984 to February 1989, Mr. Zhang was a deputy division chief in Financial Administration Department (金融管理司) of the PBOC and was responsible for the supervision of financial markets in the PRC. From February 1989 to March 1993, Mr. Zhang was the chairman and general manager of Hainan Provincial Securities Company and the inaugural director of the Securities Society of China. Since the inception of China Securities Regulatory Commission ("CSRC") in April 1993, Mr. Zhang was the inaugural director of Department of Intermediary Supervision (證券機構監管部) and a member of the listing committee of the Shanghai Stock Exchange until May 1996. During the periods from May 1992 to March 1993 and from June 1996 to February 2001, Mr. Zhang was the chairman of the investment committee of Hainan Fudao Investment Management Company which manages Hainan Fudao Investment Fund.

Mr. ZHANG Gaobo, aged 45, was appointed as an executive director and chief executive officer of the Company in February 2003. Mr. Zhang is a Founding Partner and Chief Executive Officer of Oriental Patron Financial Group and is responsible for formulating the investment strategies, monitoring the investment performance and approving investment decisions. Mr. Zhang obtained a bachelor's degree in Science from Henan University in 1985 and later graduated from the Peking University with a master's degree in Economics in 1988. From February 1988 to February 1991, Mr. Zhang was a deputy chief of the Policy Division of Hainan Provincial Government (海南省政府政策處). During his tenure with Hainan Provincial Government, he was responsible for drafting of economic policies for Hainan Provincial Government. From March 1991 to 1993, Mr. Zhang was deputy chief of Financial Markets Administration Committee (金融市場管理委員會) of PBOC Hainan Branch and was responsible for the regulation of financial markets in Hainan Province. From January 1992 to 1994, Mr. Zhang was the chairman of Hainan Stock Exchange Centre (海南證券交易中心) and had the overall responsibility for the operation of Hainan Stock Exchange Centre. Mr. Zhang is also an independent non-executive director of Beijing Enterprises Water Group Limited, a company listed on the Stock Exchange of Hong Kong Limited (the "Stock Exchange") and a non-executive director of Vimetco N.V., a company listed on the London Stock Exchange.

Non-executive Director

Mr. LIU Hongru, aged 79, was appointed as a non-executive director in February 2003. He is also the honourable chairman of Oriental Patron Financial Group. Mr. Liu graduated from the Economics Department of the University of Moscow in 1959 with an associate doctor's degree. Mr. Liu worked as the president of China Institute of Finance and Banking, a vice governor of the Agricultural Bank of China and PBOC, a deputy director of the State Economic Restructuring Committee, and the chairman of the CSRC. Mr. Liu is currently the chairman of Capital Market Research Institute and a professor at the Peking University, the Tsinghua University, the Postgraduate School of the PBOC and the City University of Hong Kong. Mr. Liu is currently serves as an independent non-executive director of Petrochina Company Limited, a company listed on the Stock Exchange.

Independent Non-executive Directors

Mr. KWONG Che Keung, Gordon, aged 60, has been an independent non-executive Director and the chairman of the audit committee of the Company since February 2003. Mr. Kwong has also been serving as a member of the remuneration committee of the Company since April 2005. He is also an independent non-executive director of a number of companies listed on the Stock Exchange, namely COSCO International Holdings Limited, Beijing Capital International Airport Company

Limited, Frasers Property (China) Limited, NWS Holdings Limited, China Chengtong Development Group Limited, Global Digital Creations Holdings Limited, Quam Limited, China Power International Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited, Agile Property Holdings Limited and CITIC 1616 Holdings Limited. He was also an independent non-executive director of Tianjin Development Holdings Limited and China Oilfield Services Limited until 26 May 2010 and 28 May 2010, the respective dates of the annual general meeting of these two companies wherein he did not offer himself for re-election. From 1984 to 1998, Mr. Kwong was a partner of Pricewaterhouse and was a council member of the Stock Exchange from 1992 to 1997. He has a Bachelor of Social Science degree from the University of Hong Kong and is a fellow member of the Institute of Chartered Accountants in England and Wales.

Prof. HE Jia, aged 55, has been an independent non-executive director and a member of the audit committee of the Company since February 2003. Prof. He has also been serving as a member of the remuneration committee of the Company since April 2005. Prof. He is a professor of Department of Finance at the Chinese University of Hong Kong and a professor at the Tsinghua University. He was a commissioner of the Strategy and Development Committee of CSRC and director of research of Shenzhen Stock Exchange from June 2001 to October 2002. He is an editor of China Financial Economics Review, and is serving as a member of editorial boards of a number of journals, including *China Accounting and Finance Review and Research in Banking and Finance*. He holds a Doctor of Philosophy degree in Finance from the Wharton School of University of Pennsylvania, the United States.

Mr. WANG Xiaojun, aged 55, has been an independent non-executive Director and a member of the audit committee of the Company since August 2004. Mr. Wang has also been serving as the chairman of the remuneration committee of the Company since April 2005. Mr. Wang is a partner of Jun He Law Offices and was admitted lawyer and solicitor in the PRC, Hong Kong and England and Wales in 1988, 1995 and 1996 respectively. Mr. Wang has worked as a member of the legal expert group in the Stock Exchange and solicitor in Richards Bulter and has worked as an investment banker in Peregrine and ING Barings. He graduated from the People's University of China and the Graduate School of the Chinese Academy of Social Science and holds a bachelor degree in Laws and a master degree in Laws. Mr. Wang is currently an independent non-executive director of Guangzhou Shipyard International Company Limited and Zijin Group Mining Co. Ltd, companies listed on the Stock Exchange, and 北方國際合作股份有限公司 (NORINCO International Cooperation Limited), a company listed on the Shenzhen Stock Exchange.

SENIOR MANAGEMENT

Deputy Chief Executive Officer

Mr. Zhang Weidong, aged 45, is the Group's lead manager of agricultural fund, and currently the Partner and Deputy CEO of Oriental Patron Financial Group primarily responsible for private equity investments. Mr. Zhang has over 13 years experience in the operation and management of commercial banking, during which he worked in the International Business Department of the Industrial and Commercial Bank of China Limited ("ICBC") at Deputy General Manager level, including 3 years in ICBC Almaty Branch, where he was in charge of treasury, credit lending and office operations. Moreover, Mr. Zhang has 11 years of investment banking experience, served as Executive Director of ICEA Finance Group (the investment banking arm of ICBC) and managing director of Alpha Alliance Finance Holdings, responsible for corporate finance and sales department respectively.

Mr. Zhang holds a master degree from Renmin University in Economics, a diploma of PMD of Harvard Business School, and held a fellowship from Columbia University in New York.

Chief Investment Officer — Assets Management

Mr. Benoit Descourtieux *CFA*, aged 47, has overall responsibility for the investment management of Oriental Patron Financial Group and associates. He has been working in asset management industry since 1986 and has resided in Asia since 1987. Benoit is a founder and principal at OP Calypso Capital Limited (formerly known as Calypso Capital Limited)("OP Calypso"), an alternative independent investment manager established in Hong Kong in 2003. Before setting up OP Calypso, Benoit was President and Chief Executive Officer for Lombard Odier (Asia) Limited from 1999 to July 2003 acting as office head and Chief Investment Officer. Prior to that he was from 1997 to 1999 an Associate Director at Indocam Asset Management, the Asian investment arm of Credit Agricole Asset Management, managing equity, fixed income and balanced products with both absolute return and benchmark focus.

Head of Assets Management Operation

Mr. Michael Stockford, aged 50, has overall responsibility for the operation of Oriental Patron Financial Group's fund management business. He has been resident in Asia since 1987. Michael is a founder and principal at OP Calypso, an alternative independent investment manager established in Hong Kong in 2003. Before setting up OP Calypso, he was from 1997 to July 2003 a Director and Regional Head of Operations for Credit Agricole Asset Management in Asia, with particular focus on Risk, Compliance and Internal Control. Michael brings proven experience in Corporate Management, Risk Control, Operations and Compliance. He was a founding member of Credit Agricole Asset Management's Global Compliance Steering Committee and has been the Chairman of several mutual funds. He has established two asset management ventures in the region; the first in Hong Kong between National Westminster Bank and Wheelock & Co. and the second in Korea between Credit Agricole and the National Agricultural Co-operative Federation.

Directors' Report

The directors ("Directors") of OP Financial Investments Limited (the "Company") submit their report together with the audited financial statements of the Company and its subsidiaries (the "Group") for the year ended 31 March 2010 (the "Year").

PRINCIPAL ACTIVITIES

The Company is an investment company incorporated with limited liability as an exempted company in the Cayman Islands on 26 July 2002. The principal investment objective is to achieve earnings for the Company in the form of medium to long term capital appreciation through investing in a diversified portfolio of global investments in listed and unlisted enterprises. The activities of its principal subsidiaries are set out in note 16 to the financial statements.

SEGMENT INFORMATION

Segment information of the Group is set out in note 8 to the financial statements.

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated income statement and consolidated statement of comprehensive income on pages 35 and 36 respectively.

The Directors do not recommend the payment of a final dividend for the Year (2009: HK$Nil).

RESERVES

Details of the movements in the reserves of the Group and of the Company during the Year are set out in the consolidated statement of comprehensive income and consolidated statement of changes in equity on pages 36 and 39 and note 25 to the financial statements, respectively.

SHARE CAPITAL

Details of the movements in the share capital of the Company during the Year are set out in note 23 to the financial statements.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Company's Memorandum and Articles of Association and there is no restriction against such rights under the laws of Cayman Islands.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 5 of this report.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of its shares during the Year.

SHARE OPTIONS

Information about the share options of the Company during the Year is set out in note 24 to the financial statements.

DIRECTORS

The Directors during the Year and up to the date of this report were:

Executive Directors

Mr. ZHANG Zhi Ping
Mr. ZHANG Gaobo

Non-executive Director

Mr. LIU Hongru

Independent Non-executive Directors

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

In accordance with Articles 113 of the Company's Articles of Association, Mr. KWONG Che Keung, Gordon and Prof. HE Jia will retire by rotation from office and, being eligible, offer themselves for re-election.

The non-executive Director and each of the independent non-executive Directors are appointed for a term of not more than three years and they are also subject to retirement by rotation in accordance with the Company's Articles of Association.

Directors' Report

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for an initial fixed term of three years commencing on 1 February 2003 and will continue thereafter until terminated by not less than three months' notice in writing served by either party on the other, which notice shall not expire until after the initial fixed term. Each of these executive Directors is entitled to the respective basic salary (subject to an annual increment at the discretion of the Directors of not more than 10% of the annual salary at the time of the relevant review). In addition, in respect of the financial year ended 31 March 2004 and each of the financial years thereafter of the Company, each of the executive Directors is also entitled to a discretionary bonus provided that the aggregate amount of the bonuses payable to all the executive Directors in respect of any financial year of the Company may not exceed 5% of the audited net profit of the Company (or as the case may be, combined or consolidated audited net profit of the Company and its subsidiaries (if any)) (after taxation and minority interests but before extraordinary or exceptional items) in respect of that financial year of the Company. An executive Director shall not vote on any resolution of the Board regarding the amount of the discretionary bonus payable to him. No discretionary bonus has been paid to the executive Directors for the Year.

Saved as disclosed above, no other Directors have entered into service agreements with the Company which are not determined by the Company within one year without payment of compensation, other than statutory compensation.

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the paragraph headed "Connected transactions" in this report and in note 29 to the financial statements, no other contracts of significance in relation to the Company's business to which the Company, each of its subsidiaries or its fellow subsidiaries was a party and in which any Director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the Year or at any time during the Year.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at 31 March 2010 and 22 July 2010 ("the Latest Practicable Date") respectively, the interests and short positions of the Directors and chief executive of the Company in the shares and underlying shares of the Company and its associated corporations (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 Listing Company (the "Model Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares and underlying shares of the Company

Name of director	Capacity in which interests are held	Number of ordinary shares/underlying shares held in the Company			Total interests as to % to the issued share capital of the Company as at 31 March 2010 (note 1)	Total interests as to % to the issued share capital of the Company as at the Latest Practicable Date (note 2)
		Corporate interests in shares	Interests under equity derivatives	Total Interests		
Mr. ZHANG Zhi Ping (notes 3 & 5)	Interest of controlled corporation and beneficial owner	359,800,000	1,000,000	360,800,000	45.99%	38.33%
Mr. ZHANG Gaobo (notes 4 & 5)	Interest of controlled corporation and beneficial owner	359,800,000	1,000,000	360,800,000	45.99%	38.33%

Notes:

(1) The percentage of shareholding was calculated on the basis of the Company's total issued shares of 784,500,000 shares as at 31 March 2010.

(2) The percentage of shareholding was calculated on the basis of the Company's total issued shares of 941,400,000 shares as at the Latest Practicable Date.

(3) This represented 330,000,000 shares held by Ottness Investments Limited ("OIL"), 29,800,000 shares held by Oriental Patron Financial Services Group Limited ("OPFSGL") and 1,000,000 share options granted to Mr. Zhang Zhi Ping. The share options entitled the holders to subscribe for shares of the Company at an exercise price and exercise period as disclosed in the section headed "Share Option Scheme" in note 24 to the financial statements.

(4) This represented 330,000,000 shares held by OIL, 29,800,000 shares held by OPFSGL and 1,000,000 share options granted to Mr. Zhang Gaobo. The share options entitled the holders to subscribe for shares of the Company at an exercise price and exercise period as disclosed in the section headed "Share Option Scheme" in note 24 to the financial statements.

(5) 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 31 March 2010, none of the Directors or chief executive had any interest or short positions in the shares and underlying shares 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.

Directors' Report

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 March 2010 and the Latest Practicable Date respectively, the Company had been notified of the following substantial shareholders' interests or short positions, being 5% or more of the Company's shares and underlying shares. These interests are in addition to those disclosed above in respect of the Directors and chief executive.

Long positions in shares and underlying shares of the Company

Name of director	Capacity in which interests are held	Number of ordinary shares/underlying shares held in the Company: Corporate interests in shares	Interests under equity derivatives	Total Interests	Total interests as to % to the issued share capital of the Company as at 31 March 2010 (note 1)	Total interests as to % to the issued share capital of the Company as at the Latest Practicable Date (note 2)
OIL (note 3 & 5)	Beneficial owner	330,000,000	—	330,000,000	42.07%	35.05%
OPFGL (note 4 & 5)	Interest of controlled corporation	359,800,000	—	359,800,000	45.86%	38.22%
Primus Pacific Partners Investments 2 Ltd (note 6 & 7)	Beneficial owner	155,040,000	—	155,040,000	19.76%	16.47%
Primus Pacific Partners 1 LP (note 6 & 7)	Interest of controlled corporation	155,040,000	—	155,040,000	19.76%	16.47%
Primus Pacific Partners (GP1) LP (note 6 & 7)	Interest of controlled corporation	155,040,000	—	155,040,000	19.76%	16.47%
Primus Pacific Partners (GP1) Ltd (note 6 & 7)	Interest of controlled corporation	155,040,000	—	155,040,000	19.76%	16.47%
Mr. NG Wing Fai (note 6 & 7)	Interest of controlled corporation	155,040,000	—	155,040,000	19.76%	16.47%
MR. HUAN Guocang (note 6 & 7)	Interest of controlled corporation	155,040,000	—	155,040,000	19.76%	16.47%

Notes:

(1) The percentage of shareholding was calculated on the basis of the Company's total issued shares of 784,500,000 shares as at 31 March 2010.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN SHARES AND UNDERLYING SHARES *(continued)*

Long positions in shares and underlying shares of the Company *(continued)*

(2) The percentage of shareholding was calculated on the basis of the Company's total issued shares of 941,400,000 shares as at the Latest Practicable Date.

(3) This represented 330,000,000 shares held by OIL.

(4) This represented 330,000,000 shares held by OIL and 29,800,000 shares held by OPFSGL.

(5) 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.

(6) This represented 155,040,000 shares held by Primus Pacific Partners Investments 2 Ltd ("PPPI-2").

(7) Each of Mr. Huan Guocang and Mr. Ng Wing Fai owns as to 50% of the total equity interest in Primus Pacific Partners (GP1) Ltd ("PPP-GP1") while PPP-GP1 controls 100% equity interest in Primus Pacific Partners (GP1) LP ("PPP-GP1-LP"). Further, PPP-GP1-LP controls 100% equity interest in Primus Pacific Partners 1 LP ("PPP1-LP") while PPP1-LP owns as to 100% equity interest in PPPI-2. By virtue of the SFO, each of Mr. Huan Guocang, Mr. Ng Wing Fai, PPP-GP1, PPP-GP1-LP, and PPP1-LP is deemed to be interested in the shares and underlying shares of the Company held by PPP1-2.

Save as disclosed above, as at 31 March 2010 and the Latest Practicable Date respectively, 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.

SUFFICIENCY OF PUBLIC FLOAT

The Company is an investment company listed on the Stock Exchange pursuant to Chapter 21 of the Listing Rules. The minimum public float requirement under Rule 8.08(1) of the Listing Rules does not applied to the Company. Nevertheless, based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this report, there is a public float of more than 25% of the issued capital of the Company.

MANAGEMENT CONTRACTS

Save as disclosed in the paragraph headed "Connected transactions" and note 29 to the financial statements, no other contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the Year.

Directors' Report

CONNECTED TRANSACTIONS

During the Year, the Company had the following connected transactions, certain details of which are disclosed in compliance with the requirements of Chapter 14A of the Listing Rules.

(a) Non-exempt continuing connected transactions

Pursuant to the Investment Management Agreement (the "Investment Agreement") dated 1 April 2008, the Company has re-appointed Oriental Patron Fund Management (the trade name adopted by Oriental Patron Asia Limited ("OPAL") in fund management activities) as its investment manager to provide investment management services for a fixed term of three years commencing on 1 April 2008 to 31 March 2011. Pursuant to the Investment Agreement, the Company will pay OPAL a monthly management fee at 1.5% per annum of the Net Asset Value ("NAV") as at the immediately preceding Valuation Date as defined in the Investment Agreement on the basis of the actual number of days in arrears in the relevant calendar month over a year of 360 days and a performance fee at 10% of the increase in the NAV per share as at the Performance Fee Valuation Day as defined in the Investment Agreement. The aggregated management fee and performance payable to OPAL under the Investment Agreement is subject to a cap for each of the three years ending 31 March 2011. The cap amount for the year ended 31 March 2010 was HK$83,000,000.

OPAL being the investment manager of the Company is regarded as a connected person of the Company by virtue of Rule 21.13 the Listing Rules. In addition, OPAL is a wholly-owned subsidiary of OPFSGL. The Directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo had significant influence in OPFSGL. Accordingly the services rendered under the Investment Agreement constitute non-exempted continuing connected transactions of the Company.

During the Year, the aggregated management and performance fees paid/payable by Company under the Investment Agreement to OPAL amounting to HK$83,000,000 (2009: HK$18,384,836).

The independent non-executive Directors confirmed that the Investment Agreement and the investment management services were rendered (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms; and (iii) in accordance with the Investment Agreement on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditors of the Company have reported to the Directors that the aforesaid continuing connected transactions under the Investment Agreement (i) have been approved by the Directors; (ii) have been entered into in accordance with the terms of the Investment Agreement; and (iii) have not exceeded the prescribed caps as disclosed in the relevant announcement.

(b) Connected transactions exempted from reporting, announcement and independent shareholders' approval requirements

Custodian agreement

Pursuant to the Custodian Agreement (the "Custodian Agreement") dated 26 February 2003, the Company appointed Standard Chartered Bank as its custodian with effect from 20 March 2003. The custodian has agreed to provide securities services to the Company including the safe custody and physical settlement of the securities in the investment portfolio of the Company, and the collection of dividends and other entitlements in respect of such securities. The Custodian Agreement will continue in force until terminated by either the Company or the custodian giving to the other not less than 60 days' notice in writing expiring at any time. Pursuant to the Custodian Agreement, custody fee of 0.05% to 0.08% per annum in respect of listed securities, a flat fee per counter per month in respect of unlisted securities, subject to certain minimum charge per month, and transaction fee of about US$40 to US$80 per receipt or delivery of securities will be paid to the custodian. The custodian fee paid during the Year amounted to HK$23,966 (2009: HK$29,420).

The custodian is regarded as a connected person of the Company virtue of Rule 21.13 of the Listing Rules. Accordingly the Custodian Agreement constitutes a de-minimis connected transaction of the Company for purpose of the Listing Rules.

CONNECTED TRANSACTIONS *(continued)*

(b) Connected transactions exempted from reporting, announcement and independent shareholders' approval requirements *(continued)*

Licence agreement

On 13 March 2009, the Company entered into a licence agreement (the "Licence Agreement") with Oriental Patron Finance Limited ("OPFL"). Pursuant to the Licence Agreement, the Company was granted a licence to use a portion of the property (the "Property") currently leased by OPFL as tenant from an independent third party at a monthly fee of HK$78,400 for a year from 1 May 2009 to 30 April 2010. The Property is used by the Company as its principal place of business in Hong Kong. The licence fee paid to OPFL during the Year amounted to HK$940,800 (2009: HK$871,400).

The Directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo had significant influence in OPFL. Accordingly, the Licence Agreement constitutes a de-minimis connected transaction of the Company for purpose of the Listing Rules.

The independent non-executive Directors confirmed that each of the above de-minimis connected transactions were entered into (i) on normal commercial terms and on the arm's length basis; (ii) in the ordinary and usual course of business of the Company; and (iii) on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The independent non-executive Directors also confirmed the monetary value of the aggregate value of the annual custodian fee to the custodian, the aggregate value of the annual licence fee to OPFL fell below the de minimis threshold of the Listing Rules, and would be exempted from the reporting, announcement and independent shareholders' approval requirements under the Listing Rules.

All of the connections transactions entered by the Group above have complied with the applicable disclosure requirements in accordance with Chapter 14A of the Listing Rules. Apart from the custodian paid under the Custodian Agreement, other transactions are also disclosed in note 29 to the financial statements as related party transactions.

COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE PRACTICES

Throughout the Year, the Company was in compliance with the Code of Corporate Governance Practices (the "CG Code") as set out in Appendix 14 of the Listing Rules.

A detailed "Corporate Governance Report" setting out the Company's framework of governance and explanations about how the provisions of the CG Code have been applied are set out on pages 27 to 32 of this annual report.

RETIREMENT BENEFITS SCHEME

Details of the retirement benefit scheme of the Company are set out in note 30 to the financial statements.

Directors' Report

AUDIT COMMITTEE

The Company established an audit committee in accordance with rule 3.21 of the Listing Rules. The Company's audit committee comprised three independent non-executive Directors, namely, Mr. KWONG Che Keung, Gordon, Prof. HE Jia and Mr. WANG Xiaojun. 4 meetings were held during the Year.

The summary of duties and works of the audit committee is set out in "Corporate Governance Report" in this annual report.

The audited financial statements for the Year have been reviewed by the audit committee.

AUDITOR

Pursuant to the Company's policy regarding rotation of its external auditors not more than every eight financial years for the purpose of good corporate governance practices, the Company is due to rotate its auditors for the financial year ending 31 March 2011. Accordingly the retiring auditor, RSM Nelson Wheeler ("RSM") has agreed to cease to act as the Company's auditors with effect from the date of the forthcoming annual general meeting and not to offer itself for re-appointment on that date.

RSM has confirmed that there is no disagreement between the Board and itself on the above change and there are no other matters which need to be brought to the attention of the Shareholders or creditors of the Company. Apart from the reason set out in the above paragraph, the Board also confirms that there are no matters in respect of the above change of auditors that should be brought to the attention of the Shareholders or creditors of the Group.

The Board has proposed to appoint PricewaterhouseCoopers as the Company's auditors for the financial year ending 31 March 2011. Resolution regarding the above change of the Company's auditors will be proposed at the forthcoming annual general meeting for the Shareholders' consideration and approval. The change of the above auditors will take effect upon the approval by the Shareholders at the general meeting.

The Board would like to take this opportunity to express its gratitude to RSM for its professional services and support in the past.

On behalf of the Board

ZHANG ZHI PING
Executive Director

Hong Kong SAR, 22 July 2010

Corporate Governance Report

The board of directors (the "Board") recognises the importance of corporate governance to the Group's healthy growth and is dedicated to maintaining good standards of corporate governance so as to enhance corporate transparency and protect the interests of shareholders.

The Group has complied with the Code on Corporate Governance Practices ("CG Code") as set out in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") during the year ended 31 March 2010 (the "Year").

The key corporate governance principles and practices of the Group are summarized as follows:

THE BOARD

Responsibilities

The overall management of the Group's business is vested in the Board, which assumes the responsibility for leadership and control of the Group and is collectively responsible for promotion for the success of the Group by directing and supervising its affairs. All directors should take decisions objectively in the interests of the Group.

The Board takes the responsibility for all major matters of the Group including: the approval and monitoring of all policy matters, overall strategies, internal control and risk management systems, appointment and retirement of directors and other significant financial and operational matters.

The executive directors are responsible for overseeing the day-to-day management of the Group's operations and implementation of the strategies set by the Board.

As the Company is an investment company, investment management services have been delegated to the investment manager and the custodian, fund services and transaction handling services have been delegated to the custodian. The delegated functions and work tasks are reviewed periodically by the Board.

Corporate Governance Report

THE BOARD *(continued)*

Composition

The composition of the Board ensures a balance of skills and experience appropriate to the requirements of the business of the Group and to the exercising of independent judgement.

The Board of the Company comprised the following directors:

Executive Directors

Mr. ZHANG Zhi Ping *(Chairman)*
Mr. ZHANG Gaobo *(Chief Executive Officer)*

Non-executive Director

Mr. LIU Hongru

Independent Non-executive Directors

Mr. KWONG Che Keung, Gordon *(Chairman of Audit Committee and member of Remuneration Committee)*
Prof. HE Jia *(member of Audit Committee and Remuneration Committee)*
Mr. WANG Xiaojun *(member of Audit Committee and Chairman of Remuneration Committee)*

The names and biographical details of each director are disclosed on pages 16 to 17 of this annual report.

During the Year, the Board at all times met the requirements of the Listing Rules in relation to the appointment of at least 3 independent non-executive directors with at least 1 independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise.

The Company confirms that it has received from each of the independent non-executive directors an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the independent non-executive directors are independent.

The non-executive director and each of the independent non-executive directors are appointed for a term of not more than three years and they are also subject to retirement by rotation in accordance with the Company's Articles of Association.

THE BOARD *(continued)*

Board Meetings

Regular Board meetings are held for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

During the Year, 26 executive Board meetings and 4 full Board meetings were held and the attendance of individual directors was as follows:

	Attendance	
Name of directors	**Executive Board**	**Full Board**
Mr. ZHANG Zhi Ping	26/26	4/4
Mr. ZHANG Gaobo	26/26	3/4
Mr. LIU Hongru	—	2/4
Mr. KWONG Che Keung, Gordon	—	4/4
Prof. HE Jia	—	4/4
Mr. WANG Xiaojun	—	4/4

Chairman and Chief Executive Officer

The Chairman and Chief Executive Officer of the Company are Mr. Zhang Zhi Ping and Mr. Zhang Gaobo respectively.

The Chairman is responsible for providing leadership for the Board and ensuring that the Board works effectively and that all key and appropriate issues are discussed by the Board on a timely manner.

The Chief Executive Officer is responsible for formulating the investment strategies, monitoring the investment performance and approving investment decisions.

Corporate Governance Report

BOARD COMMITTEES

In order to strengthen the functions of the Board and to oversee particular aspects of the Group's affairs, two committees have been established, namely, the Remuneration Committee and the Audit Committee. Both committees are established with defined written terms of reference.

Remuneration Committee

The Board has established a Remuneration Committee comprising three independent non-executive directors, namely, Mr. Kwong Che Keung, Gordon, Prof. He Jia and Mr. Wang Xiaojun. Mr. Wang Xiaojun is the chairman of the Remuneration Committee.

The primary objective for setting up the Remuneration Committee is to comply with the Code Provision as set out in the CG Code. Its responsibilities are to review and consider the Group's policy for remuneration of directors and senior management, to recommend to the Board the remuneration packages of executive directors, non-executive director and the senior management.

The Remuneration Committee held one meeting during the Year. Details of individual attendance of its members are set out below:

Name of directors	**Attendance**
Mr. KWONG Che Keung, Gordon	1/1
Prof. HE Jia	1/1
Mr. WANG Xiaojun	1/1

Audit Committee

The Audit committee comprised three independent non-executive directors, namely, Mr. Kwong Che Keung, Gordon, Prof. He Jia and Mr. Wang Xiaojun. Mr. Kwong Che Keung, Gordon is the chairman of the Audit Committee.

The main duties of the Audit Committee include the following:

(1) To review the financial statements and reports and consider any significant or unusual items raised by the Company's staff responsible for the accounting and financial reporting function, compliance officer or external auditors before submission to the Board.

(2) To review the relationship with the external auditors by reference to the work performed by the auditors, their fees and terms of engagement, and make recommendation to the Board on the appointment, re-appointment and removal of external auditors.

(3) To review the adequacy and effectiveness of the Group's financial reporting system, internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget and risk management system and associated procedures.

BOARD COMMITTEES *(continued)*

Audit Committee *(continued)*

The Audit Committee held 4 meetings during the Year. Details of individual attendance of its members are set out below:

Name of directors	**Attendance**
Mr. KWONG Che Keung, Gordon	4/4
Prof. HE Jia	4/4
Mr. WANG Xiaojun	4/4

The Group's annual report for the Year has been reviewed by the Audit Committee.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 of the Listing Rules. All directors have confirmed, following specific enquiry by the Company, that they have fully complied with the Model Code throughout the Year.

AUDITOR'S REMUNERATION

The Audit Committee reviews each year with the external auditor of the Company with regards their independence, approves their appointment, discusses the scope of their audit, approves their fees, and the scope and appropriate fees for any non-audit services requested to be provided by them.

During the Year, the fees paid to the Company's auditor in respect of audit services and non-audit services amounted to HK$500,000 and HK$110,000 respectively.

The statement of the external auditor of the Company about their reporting responsibilities on the financial statements is set out in the "Independent Auditor's Report" on pages 33 to 34.

INTERNAL CONTROL

The Board has overall responsibility for the maintenance of an internal control system to protect shareholders' interest and safeguard the Group's assets.

During the Year, the Board has conducted an annual review of the effectiveness of the internal control system including the adequacy of resources, qualifications and experience of staff of the Company's accounting and financial reporting function, and their training programmes and budget in compliance with the relevant Code Provisions as set out in the CG Code. Both of the Audit Committee and the Board are satisfied that the existing internal control system of the Group is adequate and effective.

Corporate Governance Report

COMMUNICATION WITH SHAREHOLDERS

The Company uses a range of communication tools to ensure its shareholders are kept well informed of the Group's information. These include timely publication of the Company's monthly net asset values, annual and interim results, various notices, announcements and circulars. The annual general meeting also serves as a communication channel between directors and shareholders. During the general meeting, chairman of the Board will present to answer any queries that shareholders may have. Procedures for voting by poll and other relevant information have been included in all circulars accompanying notice convening general meeting.

DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

The Board is responsible for presenting a balanced, clear and understandable assessment of annual and interim reports, price-sensitive announcements and other disclosures required under the Listing Rules and other regulatory requirement.

The directors acknowledge their responsibility for preparing the financial statements of the Group for each financial year which gives a true and fair view of the state of the Group.

Independent Auditor's Report

RSM Nelson Wheeler
中瑞岳華(香港)會計師事務所
Certified Public Accountants

TO THE SHAREHOLDERS OF
OP FINANCIAL INVESTMENTS LIMITED
(Incorporated in the Cayman Islands with limited liability)

We have audited the consolidated financial statements of OP Financial Investments Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 35 to 78, which comprise the consolidated and Company's statements of financial position as at 31 March 2010, and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation and the true and fair presentation of these financial statements in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and the true and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. We conducted our audit in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and true and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditor's Report (Continued)

OPINION

In our opinion the consolidated financial statements give a true and fair view of the state of affairs of the Company and of the Group as at 31 March 2010 and of the Group's results and cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards and have been properly prepared in accordance with the disclosure requirements of the Hong Kong Companies Ordinance.

RSM Nelson Wheeler
Certified Public Accountants
Hong Kong

22 July 2010

Consolidated Income Statement

For the year ended 31 March 2010

	Note	2010 HK$'000	2009 HK$'000
Revenue	6	**458,201**	7,663
Other income	7	**4**	—
Net gain/(loss) on financial assets at fair value through profit or loss			
— Classified as held for trading		**102,308**	(7,034)
— Designated as such upon initial recognition		**6,255**	—
		108,563	(7,034)
Gain on disposal of available-for-sale financial assets		**471**	—
Loss on redemption of available-for-sale financial assets		**(16,654)**	—
Impairment loss on available-for-sale financial assets		**—**	(78)
Fair value gain on other financial liabilities	21	**7,760**	9,628
Administrative expenses		**(102,923)**	(30,914)
Profit/(Loss) from operations		**455,422**	(20,735)
Finance costs	9	**—**	(74)
Share of results of associates	17	**22,946**	(4,807)
Profit/(Loss) before tax		**478,368**	(25,616)
Income tax	10	**(5,298)**	—
Profit/(Loss) for the year	11	**473,070**	(25,616)
Earnings/(Loss) per share			
Basic	13(a)	**HK60.3 cents**	HK(3.5 cents)
Diluted	13(b)	**N/A**	N/A

Consolidated Statement of Comprehensive Income

For the year ended 31 March 2010

	2010 HK$'000	2009 HK$'000
Profit/(Loss) for the year	**473,070**	(25,616)
Other comprehensive income		
Available-for-sale financial assets		
Fair value changes during the year	**154,921**	41,461
Reclassification adjustments relating to redemption of available-for-sale financial assets during the year	**(34,664)**	—
	120,257	41,461
Total comprehensive income for the year	**593,327**	15,845

Consolidated Statement of Financial Position

At 31 March 2010

	Note	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment	15	108	143
Investments in associates	17	82,643	59,652
Available-for-sale financial assets	18	694,890	209,636
Financial assets at fair value through profit or loss	19	162,920	—
		940,561	269,431
Current assets			
Financial assets at fair value through profit or loss	19	332,824	237,580
Accounts receivable	20	8,377	—
Interest receivables		48	323
Fund subscription		7,734	—
Prepayments and other receivables		3,490	578
Tax recoverable		—	1,404
Bank and cash balances		261,365	391,759
		613,838	631,644
Current liabilities			
Accrued charges		69,002	6,543
Tax payable		5,298	—
Other financial liabilities	21	—	3,880
		74,300	10,423
Net current assets		539,538	621,221
Total assets less current liabilities		1,480,099	890,652
Non-current liabilities			
Other financial liabilities	21	—	3,880
NET ASSETS		1,480,099	886,772
Capital and reserves			
Share capital	23	78,450	78,450
Reserves	25(a)	1,401,649	808,322
TOTAL EQUITY		1,480,099	886,772
Net asset value per share	26	HK$1.89	HK$1.13

Approved by the Board of Directors on 22 July 2010

ZHANG Zhi Ping
Director

ZHANG Gaobo
Director

Statement of Financial Position

At 31 March 2010

	Note	2010 HK$'000	2009 HK$'000
Non-current assets			
Property, plant and equipment	15	108	143
Investments in subsidiaries	16	—	—
Investments in associates	17	60,000	57,685
Available-for-sale financial assets	18	—	479
		60,108	58,307
Current assets			
Financial assets at fair value through profit or loss	19	4,750	7,293
Interest receivables		48	323
Prepayments and other receivables		3,199	578
Tax recoverable		—	1,404
Amounts due from subsidiaries	16	582,000	406,389
Bank and cash balances		255,434	391,759
		845,431	807,746
Current liabilities			
Accrued charges		68,784	6,543
Tax payable		1,124	—
Other financial liabilities	21	—	3,880
		69,908	10,423
Net current assets		775,523	797,323
Total assets less current liabilities		835,631	855,630
Non-current liabilities			
Other financial liabilities	21	—	3,880
NET ASSETS		835,631	851,750
Capital and reserves			
Share capital	23	78,450	78,450
Reserves	25(b)	757,181	773,300
TOTAL EQUITY		835,631	851,750

Approved by the Board of Directors on 22 July 2010

ZHANG Zhi Ping
Director

ZHANG Gaobo
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2010

		Reserves				
	Share capital HK$'000	**Share premium** HK$'000	**Share-based payment reserve** HK$'000	**Investment revaluation reserve** HK$'000	**(Accumulated losses)/ Retained profits** HK$'000	**Total** HK$'000
At 1 April 2008	70,050	678,190	7,175	—	(7,136)	748,279
Total comprehensive income for the year	—	—	—	41,461	(25,616)	15,845
Share options lapsed	—	—	(1,055)	—	1,055	—
Issue of shares for investments in associates and available-for-sale financial assets	550	5,390	—	—	—	5,940
Issue of shares by placing	7,850	109,900	—	—	—	117,750
Share issue expenses	—	(1,042)	—	—	—	(1,042)
Changes in equity for the year	8,400	114,248	(1,055)	41,461	(24,561)	138,493
At 31 March 2009	78,450	792,438	6,120	41,461	(31,697)	886,772
Total comprehensive income and changes in equity for the year	—	—	—	120,257	473,070	593,327
At 31 March 2010	**78,450**	**792,438**	**6,120**	**161,718**	**441,373**	**1,480,099**

Consolidated Statement of Cash Flows

For the year ended 31 March 2010

	2010 HK$'000	2009 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before tax	478,368	(25,616)
Adjustments for:		
Dividend income	(330,657)	(72)
Interest income	(6,447)	(7,591)
Interest expenses	—	74
Depreciation	59	54
Gain on disposal of available-for-sale financial assets	(471)	—
Loss on redemption of available-for-sale financial assets	16,654	—
Net unrealised (gain)/loss on financial assets at fair value through profit or loss	(105,884)	7,140
Fair value gain on other financial liabilities	(7,760)	(9,628)
Impairment loss on available-for-sale financial assets	—	78
Share of results of associates	(22,946)	4,807
Operating profit/(loss) before working capital changes	20,916	(30,754)
Increase in financial assets at fair value through profit or loss	(47,326)	(244,711)
Increase in available-for-sale financial assets	(166,462)	(145,838)
Increase in accounts receivable	(8,377)	—
Decrease in amount due from a broker	—	4,237
Increase in fund subscription	(7,734)	—
Increase in prepayments and other receivables	(2,912)	(438)
Increase/(Decrease) in accrued charges	62,459	(10,393)
Cash used in operations	(149,436)	(427,897)
Dividend received	15,957	91
Interest received	1,750	9,216
Interest paid	—	(74)
Tax refund	1,404	—
Net cash used in operating activities	(130,325)	(418,664)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in an associate	(45)	(60,000)
Purchase of property, plant and equipment	(24)	(197)
Net cash used in investing activities	(69)	(60,197)

Consolidated Statement of Cash Flows (Continued)

For the year ended 31 March 2010

	2010 HK$'000	2009 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Net proceeds from issue of shares on placement	–	116,708
Net cash generated from financing activities	–	116,708
NET DECREASE IN CASH AND CASH EQUIVALENTS	(130,394)	(362,153)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR	391,759	753,912
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	261,365	391,759
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	261,365	391,759

Notes to the Financial Statements

For the year ended 31 March 2010

1. GENERAL INFORMATION

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's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The Company is an investment holding company. The principal activities of its subsidiaries and associates are set out in Notes 16 and 17 respectively.

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

In the current year, the Group has adopted all of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants that are relevant to its operations and effective for its accounting year beginning on 1 April 2009. HKFRSs comprise all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and Interpretations. The adoption of these new and revised HKFRSs had no material impact on the Group's results and financial position for the current or prior years, and did not result in any significant changes in the accounting policies of the Group. Nevertheless, certain changes in presentation and disclosure have been adopted by the Group in compliance with the following new and revised HKFRSs:

(a) Presentation of Financial Statements

HKAS 1 (Revised) "Presentation of Financial Statements" affects certain disclosures and presentation of the financial statements. The balance sheet is renamed as the statement of financial position and the cash flow statement is renamed as the statement of cash flows. All income and expenses arising from transactions with non-owners are presented in the income statement and statement of comprehensive income, and the total carried to the statement of changes in equity. The owner changes in equity are presented in the statement of changes in equity. HKAS 1 (Revised) also requires disclosures of the reclassification adjustments and tax effects relating to each component of other comprehensive income for the year. HKAS 1 (Revised) has been applied retrospectively.

(b) Amendments to HKFRS 7 "Financial Instruments: Disclosures — Improving Disclosures about Financial Instruments"

The HKFRS 7 amendments require additional disclosures about fair value measurement and liquidity risk. Fair value measurements related to items recorded at fair value are to be disclosed by sources of inputs using a three-level fair value hierarchy, by class, for all financial instruments recognised at fair value. In addition, a reconciliation between the beginning and ending balances is now required for level 3 fair value measurements, as well as significant transfers between levels in the fair value hierarchy. The amendments also clarify the requirements for liquidity risk disclosures with respect to derivative transactions and assets used for liquidity management. The Group has not presented comparative information for the new disclosures required by the amendments in accordance with the transitional provision set out in the amendments.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

2. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS *(continued)*

(c) Operating Segments

HKFRS 8 "Operating Segments" requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. Previously, HKAS 14 "Segment Reporting" required an entity to identify two sets of segments (business and geographical), using a risks and rewards approach, with the entity's "system of internal financial reporting to key management personnel" serving as the starting point for the identification of such segments. The Group has determined that its primary segment reported under HKAS 14 are the same as the segment reported under HKFRS 8. HKFRS 8 has been applied retrospectively.

The segment accounting policies under HKFRS 8 are stated in Note 8 to the financial statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with HKFRSs, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange and by the Hong Kong Companies Ordinance.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of certain investments and derivatives which are carried at their fair values.

The preparation of financial statements in conformity with HKFRSs requires the use of certain key assumptions and estimates. It also requires management to exercise its judgements in the process of applying the accounting policies. The areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4 to the financial statements.

The significant accounting policies applied in the preparation of the financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March. Subsidiaries are entities over which the Group has control. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has control.

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

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position the investments in subsidiaries are stated at cost less allowance for impairment losses. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(b) Associates

Associates are entities over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policies of an entity but is not control or joint control over those policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has significant influence.

Investment in an associate is accounted for in the consolidated financial statements by the equity method and is initially recognised at cost. Identifiable assets, liabilities and contingent liabilities of the associate in an acquisition are measured at their fair values at the acquisition date. The excess of the cost of acquisition over the Group's share of the net fair value of the associate's identifiable assets, liabilities and contingent liabilities is recorded as goodwill. The goodwill is included in the carrying amount of the investment and is tested for impairment together with the investment at the end of each reporting period when there is objective evidence that the investment is impaired. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised in the consolidated profit or loss.

The Group's share of an associate's post-acquisition profits or losses is recognised in the consolidated profit or loss, and its share of the post-acquisition movements in reserves is recognised in the consolidated reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The gain or loss on disposal of an associate represents the difference between the proceeds of the sale and the Group's share of its carrying amount together with any remaining goodwill relating to the associate and also any related accumulated foreign currency translation reserve.

Unrealised profits on transactions between the Group and its associates are eliminated to the extent of the Group's interests in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position the investments in associates are stated at cost less allowance for impairment losses. The results of associates are accounted for by the Company on the basis of dividends received and receivable.

(c) Foreign currency translation

(i) Functional and presentation currency

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

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Foreign currency translation *(continued)*

(ii) Transactions and balances in each entity's financial statements

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are included in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) Translation on consolidation

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

— Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

— Income and expenses for each income statement are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

— All resulting exchange differences are recognised in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are recognised in the consolidated profit or loss as part of the gain or loss on disposal.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Computer equipment	25%
Office equipment	25%
Furniture	25%
Fixtures	Over the unexpired terms of the leases

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(d) Property, plant and equipment *(continued)*

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(e) Operating leases

Leases that do not substantially transfer to the Group all the risks and rewards of ownership of assets are accounted for as operating leases. Lease payments (net of any incentive received from the lessor) are recognised as an expense on a straight-line basis over the lease term.

(f) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and the cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

(g) Investments

Investments are recognised and derecognised on a trade date basis where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, plus directly attributable transaction costs except in the case of financial assets at fair value through profit or loss.

Investments are classified as either financial assets at fair value through profit or loss or available-for-sale financial assets.

(i) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either investments classified as held for trading or designated as at fair value through profit or loss upon initial recognition. These investments are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(g) Investments *(continued)*

(ii) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets not classified as accounts and other receivables, held-to-maturity investments or financial assets at fair value through profit or loss. Available-for-sale financial assets are subsequently measured at fair value. Gains or losses arising from changes in fair value of these investments are recognised in other comprehensive income until the investments are disposed of or there is objective evidence that the investments are impaired, at which time the cumulative gains or losses previously recognised in other comprehensive income are recognised in profit or loss. Interest calculated using the effective interest method is recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale financial assets are not subsequently reversed through profit or loss. Impairment losses recognised in the profit or loss for debt instruments classified as available-for-sale financial assets are subsequently reversed and recognised in profit or loss if an increase in the fair value of the instruments can be objectively related to an event occurring after the recognition of the impairment loss.

(h) Accounts and other receivables

Accounts and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of accounts and other receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. The amount of the allowance is the difference between the receivables' carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate computed at initial recognition. The amount of the allowance is recognised in profit or loss.

Impairment losses are reversed in subsequent periods and recognised in profit or loss when an increase in the receivables' recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the receivables at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

(i) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

(j) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under HKFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(i) Accounts and other payables

Accounts and other payables are stated initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(j) Financial liabilities and equity instruments *(continued)*

(ii) Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably, on the following bases:

(i) Dividend income is recognised when the shareholder's right to receive payment is established.

(ii) Interest income is recognised on a time-proportion basis using the effective interest method.

(iii) Performance premium is recognised when the services are rendered.

(l) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(ii) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

(iii) Termination benefits

Termination benefits are recognised when, and only when, the Group demonstrably commits itself to terminate employment or to provide benefits as a result of voluntary redundancy by having a detailed formal plan which is without realistic possibility of withdrawal.

(m) Share-based payments

The Group issues equity-settled share-based payments to certain employees and other eligible participants. Equity-settled share-based payments are measured at fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions, with a corresponding increase in share-based payment reserve.

At the time when the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits/accumulated losses.

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(n) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(o) Related parties

A party is related to the Group if:

(i) directly or indirectly through one or more intermediaries, the party controls, is controlled by, or is under common control with, the Group; has an interest in the Group that gives it significant influence over the Group; or has joint control over the Group;

(ii) the party is an associate;

(iii) the party is a joint venture;

(iv) the party is a member of the key management personnel of the Company or its parent;

(v) the party is a close member of the family of any individual referred to in (i) or (iv);

3. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(o) Related parties *(continued)*

(vi) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v); or

(vii) the party is a post-employment benefit plan for the benefit of employees of the Group, or of any entity that is a related party of the Group.

(p) Impairment of assets

At the end of each reporting period, the Group reviews the carrying amounts of its assets except financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(q) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events, are also disclosed as contingent liabilities unless the probability of outflow is remote.

(r) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

4. KEY ESTIMATES

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) Income taxes

Significant estimates are required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(b) Estimation of fair value of available-for-sale financial assets and financial assets at fair value through profit or loss

As indicated in Notes 18 and 19 to the financial statements, the Group selects appropriate valuation techniques for financial instruments not quoted in an active market. Valuation techniques commonly used by market practitioners are applied. The fair values of unlisted investments are determined in accordance with generally accepted pricing models such as Discounted Cash Flow Method or Binomial Option Pricing Model. The values assigned to unlisted investments are 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) Estimation of fair value of other financial liabilities

As explained in Note 21 to the financial statements, other financial liabilities represent consideration share options granted. The estimation of the fair value of the consideration share options requires the selection of an appropriate valuation model, consideration as to the inputs necessary of the valuation model chosen and the estimation of the probability of meeting the vesting conditions attached to the options.

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group	
	2010	2009
	HK$'000	HK$'000
Financial assets		
Available-for-sale financial assets	**694,890**	209,636
Financial assets at fair value through profit or loss		
Classified as held for trading	**460,994**	237,557
Designated as such upon initial recognition	**34,750**	23
Loans and receivables (including bank and cash balances)	**280,577**	392,489
Financial liabilities		
Amortised cost	**69,002**	6,543
Financial liabilities at fair value through profit or loss classified as held for trading	**–**	7,760

5. FINANCIAL INSTRUMENTS *(continued)*

(b) 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 Board of Directors (the "Board") meets periodically to analyse and formulate strategies to manage the Group's exposure to these risks to ensure appropriate measures are implemented on a timely and effective manner. The Group has not used any derivatives or other instruments for hedging purpose.

The financial risks to which the Group is exposed to are described below.

(i) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arises.

There are no significant amounts of the Group's foreign currency denominated monetary assets and liabilities other than functional currency of the relevant group entity. The directors are of the opinion that the Group's exposure to foreign currency risk is minimal.

(ii) Interest rate risk

The Group's exposure to cash flow interest rate risk arises from its bank deposits. These bank deposits bear interests at variable rates varied with the then prevailing market conditions. The directors review the Group's cash flow interest rate risk exposure regularly and do not consider the present interest rate risk to be significant.

(iii) Equity price risk

The Group is exposed to equity price risk through its financial assets at fair value through profit or loss and available-for-sale financial assets. The Board manages this exposure by maintaining a portfolio of investments with different risks and return profiles.

Sensitivity analysis

If the price of the Group's financial assets at fair value through profit or loss and the Group's available-for-sale financial assets had been 10% higher/lower, the profit for the year would increase/decrease by approximately HK$46,553,000 (2009: the loss for the year would decrease/increase by approximately HK$23,635,000) and the investment revaluation reserve would increase/decrease by approximately HK$69,489,000 (2009: HK$20,916,000).

(iv) Credit risk

At 31 March 2010, the Group's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations in relation to each class of recognised financial assets is the carrying amount of these assets as stated in the consolidated statement of financial position.

The Group's credit risk on bank balances is limited because most of the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

At 31 March 2010, the Group had concentration of credit risk by geographical location and by customer as 100% of its accounts receivable was due from a co-investment partner located in the Mainland China (2009: Nil). However, the directors consider that the credit risk is limited as the counterparty is with good credit rating in the industry.

5. FINANCIAL INSTRUMENTS *(continued)*

(b) Financial risk management *(continued)*

(v) Liquidity risk

Liquidity risk is the risk that the Group cannot meet its current obligations as they fall due. The Group's liquidity risk is minimal and is managed by matching the settlement of trading in securities. For the management of the Group's liquidity risk, the Group monitors and maintains a sufficient level of cash and cash equivalents adequate to finance the Group's operations and mitigate the effects of fluctuation in cash flows. The directors review and monitor its working capital requirements regularly.

The following tables set out the Group's remaining contractual maturity for its non-derivative financial liabilities. The tables are drawn up based on the undiscounted cash flows of financial liabilities and the earliest dates on which the Group can be required to pay.

	Less than 1 year HK$'000
At 31 March 2010	
Accrued charges	**69,002**
At 31 March 2009	
Accrued charges	6,543

(c) Fair values

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

The fair values of financial assets traded in active markets such as listed equity investments are based on quoted market prices at the reporting date. The quoted market price for financial assets held by the Group usually is the current bid price.

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 administrator.

The fair values of derivative instruments included in other financial liabilities are determined in accordance with generally accepted valuation pricing model.

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 (unobservable inputs).

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

5. FINANCIAL INSTRUMENTS *(continued)*

(c) Fair values *(continued)*

Disclosures of level in fair value hierarchy at 31 March 2010:

Description	**Level 1** HK$'000	**Level 2** HK$'000	**Level 3** HK$'000	**Total** HK$'000
	Fair value measurement using:			
Financial assets at fair value through profit or loss				
Equity investments	4,750	286,294	231	291,275
Equity investments with embedded derivative	—	—	34,519	34,519
Derivatives	—	—	169,950	169,950
Available-for-sale financial assets				
Equity investments	144,771	—	414,602	559,373
Debt investments	—	—	135,517	135,517
Total	149,521	286,294	754,819	1,190,634

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

	Year ended 31 March 2010					
	Financial assets at fair value through profit or loss			**Available-for-sale financial assets**		
Description	**Equity investments** HK$'000	**Equity investments with embedded derivative** HK$'000	**Derivatives** HK$'000	**Equity investments** HK$'000	**Debt investments** HK$'000	**Total** HK$'000
At beginning of the year	23	—	—	209,157	—	209,180
Total gains or losses recognised						
— in profit or loss (#)	6	6,255	64,996	—	—	71,257
— in other comprehensive income	—	—	—	135,853	7,435	143,288
Total interest recognised in profit or loss	—	—	—	—	4,972	4,972
Purchases/Additions	231	28,264	104,954	249,607	123,110	506,166
Disposal/Redemption	(29)	—	—	(180,015)	—	(180,044)
At end of the year	231	34,519	169,950	414,602	135,517	754,819
(#) Include gains or losses for assets held at end of reporting period	—	6,255	64,996	—	—	71,251

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in the consolidated income statement.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

6. REVENUE

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

	2010 HK$'000	2009 HK$'000
Dividend income from listed investments	241	72
Dividend income from unlisted investments	330,416	—
Performance premiums from co-investment partners	121,097	—
Interest income	6,447	7,591
	458,201	7,663

7. OTHER INCOME

	2010 HK$'000	2009 HK$'000
Exchange gains	4	—

8. SEGMENT INFORMATION

The chief operating decision maker has been identified as the Board. The Board assesses the operating segments using a 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

	2010 HK$'000	2009 HK$'000
Revenue		
Hong Kong	337,104	7,663
Mainland China	121,097	—
	458,201	7,663

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

8. SEGMENT INFORMATION *(continued)*

	2010 HK$'000	2009 HK$'000
Non-current assets other than financial instruments		
Hong Kong	**82,751**	59,795

Information about major investments and co-investment partners

During the year, dividend income and loan interest income derived from one of the Group's investments which accounted for 10% or more of the Group's revenue amounted to approximately HK$322,383,000 (2009: Nil).

During the year, performance premiums derived from one of the Group's co-investment partners which accounted for 10% or more of the Group's revenue amounted to approximately HK$83,988,000 (2009: Nil).

9. FINANCE COSTS

	2010 HK$'000	2009 HK$'000
Interest on bank and other borrowings wholly repayable within five years	**–**	74

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

10. INCOME TAX

(a) Hong Kong Profits Tax has been provided at a rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the year.

	2010 HK$'000	2009 HK$'000
Provision for the year	5,298	—

(b) The reconciliation between the income tax and the product of profit/(loss) before tax multiplied by Hong Kong Profits Tax rate is as follows:

	2010 HK$'000	2009 HK$'000
Profit/(Loss) before tax	478,368	(25,616)
Tax at Hong Kong Profits Tax rate of 16.5% (2009: 16.5%)	78,930	(4,227)
Tax effect of income that is not taxable	(87,137)	(2,844)
Tax effect of expenses that are not deductible	17,106	6,545
Tax effect of temporary differences not recognised	5	(3)
Tax effect of tax losses not recognised	48	529
Tax effect of utilisation of tax losses not previously recognised	(3,638)	—
Effect of different tax rate of a subsidiary	(16)	—
Income tax	5,298	—

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

11. PROFIT/(LOSS) FOR THE YEAR

(a) The Group's profit/(loss) for the year is stated after charging the following:

	2010 HK$'000	2009 HK$'000
Auditor's remuneration		
Audit	500	300
Others	110	110
	610	410
Depreciation	59	54
Investment management fee	17,637	13,395
Performance fee	65,363	4,990
Operating lease payments in respect of office premises	941	871
Staff costs (including directors' emoluments, Note 14(a))		
Salaries and other benefits	11,740	7,775
Retirement benefits scheme contributions	108	67
	11,848	7,842

All the above expenses are included in administrative expenses.

(b) The loss for the year dealt with in the financial statements of the Company for the year ended 31 March 2010 was approximately HK$16,119,000 (2009: HK$19,183,000) (Note 25(b)).

12. DIVIDENDS

The Board has resolved not to pay a final dividend (2009: Nil).

13. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit for the year of approximately HK$473,070,000 (2009: loss of approximately HK$25,616,000) and the weighted average number of 784,500,000 (2009: 728,589,042) ordinary shares in issue during the year.

(b) Diluted earnings/(loss) per share

Diluted earnings per share for the year ended 31 March 2010 has not been presented as the Company's outstanding share options had no dilutive effect for the year ended 31 March 2010 as the exercise prices of those share options were higher than the average market price for shares.

Diluted loss per share for the year ended 31 March 2009 has not been presented as the Company's outstanding warrants and share options had no dilutive effect for the year ended 31 March 2009 as the exercise prices of those warrants and share options were higher than the average market price for shares.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS

(a) Directors' emoluments

The emoluments paid or payable to directors of the Company during the year ended 31 March 2010 are as follows:

Name of director	**Fees**	**Salaries and other benefits**	**Retirement benefits scheme contributions**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors				
ZHANG Zhi Ping	**—**	**130**	**7**	**137**
ZHANG Gaobo	**—**	**130**	**6**	**136**
Non-executive directors				
LIU Hongru	**100**	**—**	**—**	**100**
Independent non-executive directors				
KWONG Che Keung, Gordon	**150**	**—**	**—**	**150**
HE Jia	**150**	**—**	**—**	**150**
WANG Xiaojun	**150**	**—**	**—**	**150**
	550	**260**	**13**	**823**

The emoluments paid or payable to directors of the Company during the year ended 31 March 2009 are as follows:

Name of director	Fees	Salaries and other benefits	Retirement benefits scheme contributions	Total
	HK$'000	HK$'000	HK$'000	HK$'000
Executive directors				
ZHANG Zhi Ping	—	130	6	136
ZHANG Gaobo	—	130	7	137
Non-executive directors				
LIU Hongru	100	—	—	100
ZHANG Huaqiao *	51	—	—	51
Independent non-executive directors				
KWONG Che Keung, Gordon	150	—	—	150
HE Jia	150	—	—	150
WANG Xiaojun	150	—	—	150
	601	260	13	874

* Mr. ZHANG Huaqiao resigned on 3 October 2008.

14. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS *(continued)*

(a) Directors' emoluments *(continued)*

The emoluments of the directors fell within the following bands:

	2010 Number of directors	2009 Number of directors
HK$Nil—HK$1,000,000	6	7

(b) Senior management's emoluments

Of the five individuals whose emoluments were the highest in the Group for the year, none (2009: 0) was a director. The emoluments of the five individuals (2009: 5) are as follows:

	2010 HK$'000	2009 HK$'000
Salaries and other benefits	6,669	6,772
Retirement benefits scheme contributions	58	51
Discretionary bonuses	2,860	—
	9,587	6,823

During the year ended 31 March 2010, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group.

During the year ended 31 March 2009, included in the above salaries and other benefits was an amount of approximately HK$1,229,000 paid as an inducement to join the Group.

The emoluments of the 5 individuals (2009: 5) fell within the following bands:

	2010 Number of individual	2009 Number of individual
HK$Nil—HK$1,000,000	2	2
HK$1,500,001—HK$2,000,000	—	2
HK$2,000,001—HK$2,500,000	1	—
HK$2,500,001—HK$3,000,000	—	1
HK$3,000,001—HK$3,500,000	2	—

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

15. PROPERTY, PLANT AND EQUIPMENT

Group and Company

	Computer equipment HK$'000	Office equipment HK$'000	Furniture HK$'000	Fixtures HK$'000	Total HK$'000
Cost					
At 1 April 2008	—	—	—	—	—
Additions	21	2	64	110	197
At 31 March 2009	21	2	64	110	197
Additions	12	5	7	—	24
At 31 March 2010	33	7	71	110	221
Accumulated depreciation					
At 1 April 2008	—	—	—	—	—
Charge for the year	2	—	16	36	54
At 31 March 2009	2	—	16	36	54
Charge for the year	6	1	17	35	59
At 31 March 2010	8	1	33	71	113
Carrying amount					
At 31 March 2010	**25**	**6**	**38**	**39**	**108**
At 31 March 2009	19	2	48	74	143

16. INVESTMENTS IN SUBSIDIARIES/AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2010 HK$'000	2009 HK$'000
Unlisted shares, at cost	**—**	—
Amounts due from subsidiaries	**582,000**	406,389

The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

16. INVESTMENTS IN SUBSIDIARIES/AMOUNTS DUE FROM SUBSIDIARIES *(continued)*

Details of the principal subsidiaries at 31 March 2010 are as follows:

Name of subsidiary	Place of incorporation and operation	Issued and paid up capital	Percentage of ownership interest/ voting power/ profit sharing Direct	Principal activity
Golden Investor Investments Limited	British Virgin Islands	US$2	100%	Investment holding
OP Capital Investments Limited	Hong Kong	HK$1	100%	Investment holding
OP Investment Service Limited	Hong Kong	HK$1	100%	Management service
Prodiect Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Profit Raider Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Suremind Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Sunshine Prosper Limited	British Virgin Islands	US$1	100%	Investment holding

The above list contains the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

17. INVESTMENTS IN ASSOCIATES

	Group	
	2010 HK$'000	2009 HK$'000
Unlisted shares		
Share of net assets	82,643	59,652

	Company	
	2010 HK$'000	2009 HK$'000
Unlisted shares, at cost	60,000	60,000
Impairment losses	—	(2,315)
	60,000	57,685

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

17. INVESTMENTS IN ASSOCIATES *(continued)*

Details of the Group's associates at 31 March 2010 are as follows:

Name of associate	Business structure	Place of incorporation and operation	Particular of issued shares held	Percentage of ownership interest	Principal activity	Cost HK$'000	Carrying amount HK$'000	Net assets attributable to the Group HK$'000
CSOP Asset Management Limited ("CSOP")	Corporate	Hong Kong	60,000,000 ordinary shares of HK$1 each	30% (2009: 30%)	Asset management and investment holding	60,000 (2009: 60,000)	79,454 (2009: 57,685)	79,454 (2009: 57,685)
OP Calypso Capital Limited ("CHK")	Corporate	Hong Kong	1,464,300 ordinary shares of HK$1 each	30% (Note) (2009: 30%)	Asset management	1,464 (2009: 1,464)	238 (2009: 277)	238 (2009: 277)
OP Calypso Capital (Cayman) Limited ("CC")	Corporate	Cayman Islands	600 ordinary shares of US$1 each	30% (Note) (2009: 30%)	Asset management	5 (2009: 5)	5 (2009: 5)	5 (2009: 5)
Guotai Junan Fund Management Limited	Corporate	Hong Kong	2,990,000 ordinary shares of HK$1 each	29.9% (2009: 29.9%)	Asset management and trading in securities	2,990 (2009: 2,990)	2,906 (2009: 1,685)	2,906 (2009: 1,685)
Top Commodity Capital Management Limited	Corporate	Hong Kong	45,000 ordinary shares of HK$1 each	30% (2009: Nil)	Asset management	45 (2009: Nil)	40 (2009: Nil)	40 (2009: Nil)

Note: According to the Memorandum and Articles of Association of CHK and CC, each holder of ordinary shares is entitled to one vote for each ordinary share held. However, the holders of ordinary shares are not entitled to any dividend on their ordinary shares and the net profits of CHK and CC available for distribution by way of dividend are distributed among the holders of preference shares only.

Summarised financial information in respect of the Group's associates (based on the management accounts of the associates) is set out below:

	2010 HK$'000	2009 HK$'000
At 31 March		
Total assets	**348,957**	202,058
Total liabilities	**(24,250)**	(1,617)
Net assets	**324,707**	200,441
Group's share of associates' net assets	**82,643**	59,652
Year ended 31 March		
Total revenue	**67,759**	8,928
Total profit/(loss) for the year	**93,890**	(9,962)
Group's share of associates' profit/(loss) for the year	**22,946**	(4,807)

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group 2010 HK$'000	**Company 2010 HK$'000**	Group 2009 HK$'000	Company 2009 HK$'000
Listed equity securities, at fair value	**144,771**	**–**	—	—
Unlisted equity securities, at fair value	**414,602**	**–**	209,157	—
Unlisted debt instruments, at fair value	**135,517**	**–**	—	—
	694,890	**–**	209,157	—
Unlisted equity securities, at cost	**–**	**–**	778	778
Impairment losses	**–**	**–**	(299)	(299)
	–	**–**	479	479
	694,890	**–**	209,636	479

During the year, net unrealised gain of approximately HK$154,921,000 (2009: approximately HK$41,461,000) 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 31 March 2010 are as follows:

Listed equity securities

	Name of investee	**Place of incorporation**	**Particular of issued shares held**	**Proportion of investee's capital owned**	**Cost** HK$'000	**Market value** HK$'000	**Percentage of total assets of the Group**	**Net assets attributable to the Group (Note)** HK$'000
(a)	Kaisun Energy Group Limited ("Kaisun Energy")	Cayman Islands	129,260,000 ordinary shares of HK$0.01 each	6.4% (2009: Nil)	133,138 (2009: Nil)	144,771 (2009: Nil)	9.31%	105,114 (2009: Nil)

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS *(continued)*

Unlisted equity securities

	Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee 's capital owned	Cost HK$'000	Carrying amount HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group (Note) HK$'000
(b)	CHK	Hong Kong	1,000 non-voting preference shares of HK$1.00 each	100%	4,519 (2009: 4,519)	11,119# (2009: 8,257)	0.72%	1 (2009: 1)
(c)	CC	Cayman Islands	100 non-voting preference shares of US$1.00 each	100%	21,184 (2009: 21,184)	22,684# (2009: 20,885)	1.46%	2,334 (2009: 1,582)
(d)	Thrive World Limited ("TWL")	British Virgin Islands	10 ordinary shares of US$1.00 each	10% (2009: Nil)	232,648 (2009: Nil)	323,824# (2009: Nil)	20.83%	223,675 (2009: Nil)
(e)	Crown Honor Holdings Limited ("CHHL")	British Virgin Islands	300,000 non-voting preference shares of US$0.10 each	30% (2009: Nil)	16,959 (2009: Nil)	56,975# (2009: Nil)	3.67%	24,378 (2009: Nil)

Unlisted debt instruments

	Nature	Place of incorporation	Particular of issued shares held	Proportion of investee 's capital owned	Cost HK$'000	Carrying amount HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group HK$'000
(f)	Debt component in unlisted convertible bonds	N/A	N/A	N/A	123,110 (2009: Nil)	135,517# (2009: Nil)	8.72%	N/A

The carrying amounts also represent their fair values.

Note: The calculation of net assets attributable to the Group is based on the latest published interim reports or annual reports or unaudited accounts of the respective investments at the reporting date.

A brief description of the business and financial information of the investments, is as follows:

(a) The Company through a subsidiary, Profit Raider Investments Limited, holds 129,260,000 ordinary shares issued by Kaisun Energy, a limited company incorporated in the Cayman Islands with its shares listed on the Growth Enterprise Market of the Stock Exchange. Kaisun Energy is principally engaged in the exploitation and sale of raw coal. No dividend was received during the year. The audited profit attributable to shareholders of Kaisun Energy for the year ended 31 March 2010 was approximately HK$452,693,000 and the audited net assets attributable to shareholders of Kaisun Energy at 31 March 2010 was approximately HK$1,642,401,000. The fair value of the investment in Kaisun Energy is based on quoted market bid prices.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

18. AVAILABLE-FOR-SALE FINANCIAL ASSETS *(continued)*

(b) The Company through a subsidiary, Suremind Investments Limited, holds 100% non-voting preference shares in CHK. No dividend was received during the year. The unaudited loss for the year ended 31 March 2010 of CHK was approximately HK$130,000 and the unaudited net asset value of CHK at 31 March 2010 was approximately HK$793,000. The fair value of 100% non-voting preference shares in CHK at 31 March 2010 is determined by the directors by reference to the valuation carried out by an external independent valuer by using the Discounted Cash Flow Method which is based on the cash flow projections derived from the most recent approved financial budgets for the next 9.75 years. The discount rate used is 12.5% and cash flows beyond 9.75-year period are extrapolated using a growth rate of 3%.

(c) The Company through a subsidiary, Suremind Investments Limited, holds 100% non-voting preference shares in CC. Dividend income of approximately HK$8,691,000 was received during the year (2009: Nil). The unaudited profit for the year ended 31 March 2010 of CC was approximately HK$9,466,000 and the unaudited net asset value of CC at 31 March 2010 was approximately HK$2,350,000. The fair value of 100% non-voting preference shares in CC is determined by the directors by reference to the valuation carried out by an external independent valuer by using the Discounted Cash Flow Method which is based on the cash flow projections derived from the most recent approved financial budgets for the next 9.75 years. The discount rate used is 12.5% and cash flows beyond 9.75-year period are extrapolated using a growth rate of 3%.

(d) The Company through a subsidiary, Wisland Investments Limited, holds 10% ordinary shares in TWL. TWL, an investment holding company, holds 50% equity interests in Nobel Holdings Investments Limited ("NHIL"). NHIL is in the business of exploration and production of oil and natural gas in Russia. No dividend was received during the year. The unaudited loss attributable to shareholders of TWL for the ten months ended 31 March 2010 was approximately HK$83,171,000 and the unaudited net asset value of TWL at 31 March 2010 was approximately HK$2,236,748,000. The fair value of the investment in TWL is determined by the directors mainly based on the fair value of the underlying asset held by TWL, determined by reference to the valuation carried out by an external independent valuer by using the Discounted Cash Flow Method which is based on a technical report issued by an international oil and gas consulting firm appointed by the management of NHIL in respect of the estimated oil reserves for the next 20 years. The discount rate used is 11.56%.

(e) Pursuant to a subscription agreement dated 9 September 2009 (the "Subscription Agreement"), the Group through a subsidiary, Sunshine Prosper Limited, holds 80% non-voting preference shares in CHHL. 30% non-voting preference shares in CHHL are classified as available-for-sale financial assets; whereas 50% non-voting preference shares in CHHL are classified as financial assets at fair value through profit or loss (details of which are set out in Note 19(c) to the financial statements). The fair value of the 30% non-voting preference shares in CHHL at 31 March 2010 is determined by the directors by reference to the valuation carried out by an external independent valuer by using the Discounted Cash Flow Method which is based on the cash flow projections prepared by the management of CHHL derived from the most recent approved financial budgets covering a two-year period. The discount rate used is 17.72% and cash flows beyond the two-year period are extrapolated using a growth rate of 1%.

(f) The Company through a subsidiary, Profit Raider Investments Limited, holds convertible bonds with an aggregate principal amount of HK$142,620,000 issued by Kaisun Energy. The convertible bonds bear interest at 3.75% per annum with maturity on 10 June 2013. The Group can exercise the conversion option at anytime until the maturity date. The conversion price is HK$0.7 per share. Unless previously converted or redeemed or repurchased, Kaisun Energy shall redeem the convertible bonds at the outstanding principal amount together with interest accrued thereon at the maturity date. The convertible bonds (debt component) are classified as available-for-sale financial assets; separating the equity conversion option (the embedded derivative) from the host bond classified as financial assets at fair value through profit or loss (Note 19(d)). The fair value of the debt component of the convertible bonds is determined by reference to the valuation carried out by an external independent valuer by using the Discounted Cash Flow Method. The discount rate used is 5.421%.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group 2010 HK$'000	Company 2010 HK$'000	Group 2009 HK$'000	Company 2009 HK$'000
Equity securities listed in Hong Kong, at fair value	4,750	4,750	7,293	7,293
Unlisted investment funds, at fair value	286,294	—	230,264	—
Unlisted equity securities, at fair value	231	—	23	—
Unlisted equity securities with embedded derivative, at fair value	34,519	—	—	—
Derivatives, at fair value	169,950	—	—	—
	495,744	4,750	237,580	7,293
Analysed as:				
Current assets	332,824	4,750	237,580	7,293
Non-current assets	162,920	—	—	—
	495,744	4,750	237,580	7,293

The investments in listed equity securities, unlisted investment funds and derivatives are classified as held for trading; whereas the investments in unlisted equity securities and unlisted equity securities with embedded derivative are designated as financial assets at fair value through profit or loss on initial recognition.

During the year, net unrealised gain of approximately HK$105,884,000 (2009: net unrealised loss of approximately HK$7,140,000) arising from changes in fair value of financial assets at fair value through profit or loss was recognised in the consolidated income statement.

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

Details of the Group's financial assets at fair value through profit or loss are as follows:

At 31 March 2010

Equity securities listed on the Stock Exchange

	Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK$'000	Market value HK$'000	Unrealised gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group (Note 2) HK$'000
(a)	China Data Broadcasting Holdings Limited ("CHINA DATA")	Bermuda	5,000,000 ordinary shares of HK$0.025 each	1.57%	9,535	4,750	4,750	0.31%	221

Unlisted investment funds

	Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK$'000	Carrying amount HK$'000	Unrealised gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group (Note 2) HK$'000
(b)	Asian Special Opportunities Fund	Cayman Islands	150,000 participating shares of US$0.01 each	N/A	117,082	120,741#	10,587	7.77%	120,741
(b)	Calypso Asia Fund	Cayman Islands	141,757 participating shares of US$0.01 each	N/A	116,257	135,497#	19,240	8.72%	135,497
(b)	Greater China Select Fund	Cayman Islands	28,339 participating shares of US$0.01 each	N/A	22,000	21,791#	(209)	1.40%	21,791
(b)	Greater China Select Fund, original series	Cayman Islands	83,615 participating shares of US$0.01 each	N/A	8,000	8,265#	265	0.53%	8,265

Unlisted equity securities

	Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK$'000	Carrying amount HK$'000	Unrealised gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group (Note 2) HK$'000
(c)	CHHL	British Virgin Islands	300,000 ordinary shares of US$0.10 each	30%	231	231#	–	0.01%	231

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

At 31 March 2010 *(continued)*

Unlisted equity securities with embedded derivative

	Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK$'000	Carrying amount HK$'000	Unrealised gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group (Note 2) HK$'000
(c)	CHHL–500,000 preference shares with embedded derivative of percentage adjustment	British Virgin Islands	500,000 non-voting preference shares of US$0.10 each	50%	28,264	34,519#	6,255	2.22%	40,630

Derivatives

	Nature	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK$'000	Carrying amount HK$'000	Unrealised gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group (Note 2) HK$'000
(c)	Profit guarantees	N/A	N/A	N/A	N/A	7,261#	7,261	0.47%	N/A
(d)	Derivative component in unlisted convertible bonds	N/A	N/A	N/A	104,954	162,689#	57,735	10.47%	N/A

The carrying amounts also represent their fair values.

At 31 March 2009

Equity securities listed on the Stock Exchange

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK$'000	Market value HK$'000	Unrealised gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group (Note 2) HK$'000
CHINA DATA	Bermuda	5,000,000 ordinary shares of HK$0.025 each	1.57%	9,535	Nil	Nil	Nil	N/A
KITH Holdings Limited	Bermuda	3,300,000 ordinary shares of HK$0.10 each	1.26%	10,532	7,293	(3,239)	0.81%	5,930

Unlisted investment funds

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK$'000	Carrying amount HK$'000	Unrealised gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group (Note 2) HK$'000
Asian Special Opportunities Fund	Cayman Islands	150,000 participating shares of US$0.01 each	N/A	117,082	110,154#	(6,928)	12.22%	110,154
Calypso Asia Fund	Cayman Islands	150,000 participating shares of US$0.01 each	N/A	117,083	120,110#	3,027	13.33%	120,110

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

19 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

At 31 March 2009 *(continued)*

Unlisted equity securities

Name of investee	Place of incorporation	Particular of issued shares held	Proportion of investee's capital owned	Cost HK$'000	Carrying amount HK$'000	Unrealised gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group	Net assets attributable to the Group (Note 2) HK$'000
Glimmer Stone Investments Limited	British Virgin Islands	29,900 ordinary shares of US$0.10 each	29.90% of ordinary shares	23	23#	Nil	Nil	23

The carrying amounts also represent their fair values.

Notes:

(1) The unrealised gain/loss represented the changes in fair value of the respective investments.

(2) The calculation of net assets attributable to the Group is based on the latest published interim reports or annual reports or unaudited accounts of the respective investments at the reporting date.

A brief description of the business and financial information of the investments is as follows:

(a) CHINA DATA is principally engaged in the trading of consumer electronic products and the related parts and components. No dividend was received during the year. The audited profit attributable to shareholders of CHINA DATA for the year ended 31 December 2009 was approximately HK$21,467,000 and the audited net assets attributable to shareholders of CHINA DATA at 31 December 2009 was approximately HK$14,064,000. The fair value of the investment in CHINA DATA is based on quoted market bid prices.

(b) Asian Special Opportunities Fund, Calypso Asia Fund and Greater China Select Fund are open ended funds which primary objective is to provide absolute returns through pursuing a strategy, investing primarily in liquid equities and derivative instruments. No dividend was received during the year. The unaudited net asset values of Asian Special Opportunities Fund, Calypso Asia Fund and Greater China Select Fund at 31 March 2010 were approximately HK$120,741,000, HK$155,097,000 and HK$30,056,000 respectively. The fair values of these unlisted investment funds are established by reference to the prices quoted by fund administrator.

(c) Pursuant to the Subscription Agreement, the Group through a subsidiary, Sunshine Prosper Limited, holds 30% ordinary shares and 80% non-voting preference shares in CHHL. CHHL is principally engaged in managing an insurance policy distribution network. The unaudited profit attributable to shareholders of CHHL for the year ended 31 December 2009 was approximately HK$28,789,000 and the unaudited net assets attributable to shareholders of CHHL at 31 December 2009 was approximately HK$82,034,000.

According to the Memorandum and Articles of Association of CHHL, each holder of ordinary share is entitled to one vote at a meeting of the shareholders; whereas the holders of non-voting preference shares are entitled to all the audited consolidated profit after tax of CHHL. No dividend was received during the year.

As part of the Subscription Agreement, the percentages of shareholdings of non-voting preference shares held by the Group and the co-investor shall be adjusted in accordance with the audited consolidated profit after tax for the financial years end on 31 December 2009, 31 December 2010 and 31 December 2011 in the manners specified in the Subscription Agreement (the "Percentage Adjustment"). The Group's return thereon will change in response to the changes in operating results of CHHL and hence an embedded derivative exists in the terms of the Subscription Agreement with respect to adjustment up to a maximum of 50% of non-voting preference shares in CHHL held by the Group. The 50% non-voting preference shares in CHHL (subject to the Percentage Adjustment) including the related embedded derivative are designated as financial assets at fair value through profit or loss; whereas the 30% non-voting preference shares are accounted for as available-for-sale financial assets.

19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS *(continued)*

(c) *(continued)*

Pursuant to the Subscription Agreement, CHHL and certain warrantors provide profit guarantees to the Group that the audited consolidated profit after tax of CHHL will not be less than RMB20 million and RMB60 million for the financial years end on 31 December 2009 and 31 December 2010 respectively (the "Profit Guarantee"). If CHHL fails to meet the aforesaid guaranteed profit in any of the two years, the warrantors shall pay a cash compensation for the relevant year equivalent to the shortfall of the guaranteed profit attributable to the Group's equity interest of non-voting preference shares in CHHL. Alternatively, the Group may exercise its rights to call for redemption of all or any part of the non-voting preference shares held at a price specified in the Subscription Agreement.

The fair value of the 50% non-voting preference shares in CHHL at 31 March 2010 is determined by reference to the valuation carried out by an external independent valuer by using the Discounted Cash Flow Method which is based on the cash flow projections prepared by the management of CHHL derived from the most recent approved financial budgets covering a two-year period. The discount rate used is 17.72% and cash flows beyond the two-year period are extrapolated using a growth rate of 1%. The fair value of the 50% non-voting preference shares in CHHL is then adjusted by the fair value of the embedded derivative of Percentage Adjustment determined by reference to the valuation carried out by an external independent valuer by using the Discounted Cash Flow Method which is based on the expected cash flows resulted from the Percentage Adjustment taking into account the probability of meeting the underlying conditions as specified in the Subscription Agreement. The discount rate used is 2.275%.

The fair value of the Profit Guarantees is determined by reference to the valuation carried out by an external independent valuer by using the Discounted Cash Flow Method which is based on the expected cash flows from the cash compensation and redemption of shares taking into account the probability that CHHL fails to meet the guaranteed profit. The discount rate used is 2.275%.

(d) The fair value of the derivative component in unlisted convertible bonds issued by Kaisun Energy is determined by reference to the valuation carried out by an external independent valuer by using the Binomial Option Pricing Model. The inputs to the model are as follows:

Expected volatility	—	95.344%
Dividend yield	—	0%
Spot price	—	HK$1.14
Risk free rate	—	1.314%

20. ACCOUNTS RECEIVABLE

At 31 March 2010, the Group's accounts receivable represented performance premium receivable from a co-investment partner. The credit period on services rendered is 90 days. The Group does not hold any collateral or other credit enhancements over the accounts receivable.

The aging analysis of accounts receivable based on the invoice date is as follows:

	2010 **HK$'000**	2009 HK$'000
Within 3 months	**8,377**	—

At 31 March 2010, the accounts receivable was neither past due nor impaired.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

21. OTHER FINANCIAL LIABILITIES

Group and Company

On 7 August 2008, the Group acquired 30% of the issued ordinary shares and 100% of the issued non-voting preference shares in each of CHK and CC.

The consideration comprised the initial issuance of 5.5 million new shares of the Company on 7 August 2008, the issuance of additional 4.5 million consideration shares and the grant of consideration share options for 20 million shares (subject to the achievement of certain vesting conditions as described in the announcement of the Company dated 26 June 2008). Due to the vesting conditions were not fulfilled, the requirement of the issuance of additional 4.5 million consideration shares and 10 million consideration share options were discharged.

The remaining 10 million consideration share options issuable after 30 June 2010 were accounted for as derivatives. At 31 March 2010, the fair value of the remaining 10 million consideration share options was nil, based on the directors' best estimate by using the Binomial Option Pricing Model and taking into account the probability of meeting the vesting conditions attached to the options as zero.

During the year ended 31 March 2010, the estimation of the probability of meeting the vesting conditions attached to the options reduced the fair value of other financial liabilities to nil balance, hence, fair value gain of approximately HK$7,760,000 (2009: HK$9,628,000) arising from changes in fair value of other financial liabilities was recognised in the consolidated income statement.

22. DEFERRED TAX

At the reporting date, deferred tax has not been recognised in respect of the following items:

	Group 2010 HK$'000	**Company 2010 HK$'000**	Group and Company 2009 HK$'000
Unused tax losses	**190**	**–**	22,049
Deductible/(Taxable) temporary differences	**15**	**15**	(15)
	205	**15**	22,034

At 31 March 2010, the Group has not recognised deferred tax asset in respect of unused tax losses of approximately HK$190,000 (2009: approximately HK$22,049,000) due to the unpredictability of future profit streams. The unrecognised tax losses will expire in five years (2009: Nil).

At 31 March 2010, the Group has not recognised deferred tax asset in respect of excess of accounting depreciation over tax depreciation of approximately HK$15,000.

At 31 March 2009, the Group did not recognise deferred tax liability in respect of accelerated tax depreciation of approximately HK$15,000. The unrecognised deferred tax liability was offset with the unrecognised deferred tax asset for that year.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

23. SHARE CAPITAL

	Number of shares			
	2010 **'000**	2009 '000	**2010** **HK$'000**	2009 HK$'000
Authorised				
Ordinary shares of HK$0.10 each	**2,000,000**	2,000,000	**200,000**	200,000
Issued and fully paid:				
Ordinary shares of HK$0.10 each				
At beginning of the year	**784,500**	700,500	**78,450**	70,050
Issue of shares for investments in associates and available-for-sale financial assets	**–**	5,500	**–**	550
Issue of shares by placing	**–**	78,500	**–**	7,850
At end of the year	**784,500**	784,500	**78,450**	78,450

Capital Management

The Group's primary objectives when managing capital are to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The directors regard total equity as capital, for capital management purposes.

The Group manages its capital structure and makes adjustments to it, in light of change in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 March 2010 and 2009.

Neither the Company nor its subsidiaries is subject to externally imposed requirements.

24. 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 of participants (including, among others, full-time employees) of the Company, an option to subscribe for shares as incentives or rewards for their contribution to the Company. The subscription price will be determined by the Board (subject to adjustment), and will not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant; and (c) the nominal value of the shares of the Company. A nominal consideration of HK$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this scheme and any other share option schemes adopted by the Company may not exceed 10% of the share capital of the Company in issue. An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the share option scheme at any time not later than 10 years from the date on which the offer for grant of the option is made.

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

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

24. SHARE OPTION SCHEME *(continued)*

The following table shows the movement of the Company's share options during the year ended 31 March 2010:

Grantee	Date of grant	Outstanding at beginning of the year	Granted during the year	Lapsed during the year	Outstanding at end of the year	Exercise price	Exercise Period
Directors	20 December 2007	2,000,000	—	—	2,000,000	HK$1.974	20 December 2007 – 20 December 2010
Employees	20 December 2007	3,800,000	—	—	3,800,000	HK$1.974	20 December 2007 – 20 December 2010
		5,800,000	—	—	5,800,000		

Movement of the Company's share options during the year ended 31 March 2009:

Grantee	Date of grant	Outstanding at beginning of the year	Granted during the year	Lapsed during the year	Outstanding at end of the year	Exercise price	Exercise Period
Directors	20 December 2007	3,000,000	—	(1,000,000)	2,000,000	HK$1.974	20 December 2007 – 20 December 2010
Employees	20 December 2007	3,800,000	—	—	3,800,000	HK$1.974	20 December 2007 – 20 December 2010
		6,800,000	—	(1,000,000)	5,800,000		

Notes:

(a) There is no vesting period of the share options from the date of grant.

(b) The closing price of the ordinary shares of the Company immediately before the date on which the options were granted was HK$1.95 on 20 December 2007.

(c) 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. The theoretical aggregate value of the options was estimated at approximately HK$7,175,000 as at 20 December 2007 (when the options were granted) with the following variables and assumptions:

Risk free interest rate:	2.607%
Expected volatility:	92.535%
Expected life of the options:	3 years from the date of grant
Expected dividend yield:	2.457%

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.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

25. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of comprehensive income and consolidated statement of changes in equity.

(b) Company

	Share premium HK$'000	Share-based payment reserve HK$'000	Accumulated losses HK$'000	Total HK$'000
At 1 April 2008	678,190	7,175	(7,130)	678,235
Share options lapsed	—	(1,055)	1,055	—
Issue of shares for investments in associates and available-for-sale financial assets	5,390	—	—	5,390
Issue of shares by placing	109,900	—	—	109,900
Share issue expenses	(1,042)	—	—	(1,042)
Loss for the year	—	—	(19,183)	(19,183)
At 31 March 2009	792,438	6,120	(25,258)	773,300
Loss for the year	—	—	(16,119)	(16,119)
At 31 March 2010	**792,438**	**6,120**	**(41,377)**	**757,181**

The Company's reserves available for distribution comprise share premium, share-based payment reserve and accumulated losses. In the opinion of the directors, the Company's reserves available for distribution to the shareholders at 31 March 2010 were approximately HK$757,181,000 (2009: HK$773,300,000).

(c) Nature and purpose of reserves

(i) Share premium account

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company subject to the provisions of the Memorandum and Articles of Association and provided that the Company is able to pay its debts as they fall due in the ordinary course of business immediately following the distribution of dividends.

(ii) Share-based payment reserve

The share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees and other eligible participants of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 3(m) to the financial statements.

(iii) Investment revaluation reserve

The investment revaluation reserve comprises the cumulative net change in fair value of available-for-sale financial assets held at the reporting date and is dealt with in accordance with the accounting policy in Note 3(g)(ii) to the financial statements.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

26. NET ASSET VALUE PER SHARE

The net asset value per share is calculated by dividing the net asset value of the Group at 31 March 2010 of approximately HK$1,480,099,000 (2009: HK$886,772,000) by the number of ordinary shares in issue at that date, being 784,500,000 (2009: 784,500,000).

27. MAJOR NON-CASH TRANSACTIONS

During the year, dividend income of approximately HK$314,700,000 represents the distribution of shares and convertible bonds of Kaisun Energy by an investee.

28. LEASE COMMITMENTS

At 31 March 2010, the total future minimum lease payments under non-cancellable operating lease for office premises are payable as follows:

	Group and Company	
	2010	2009
	HK$'000	HK$'000
Within one year	–	941
In the second to fifth years inclusive	–	78
	–	1,019

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

29. RELATED PARTY TRANSACTIONS

During the year, the Group had entered into the following significant related party transactions:

Transactions and balances with related parties

Name of related party	Nature of transactions and balances	**2010 HK$'000**	2009 HK$'000
Oriental Patron Asia Limited ("OPAL") (Note a)	Investment management fee paid/payable (of which approximately HK$1,737,000 (2009: approximately HK$1,215,000) was included in accrued charges) (Note c)	**17,637**	13,395
OPAL	Accrued performance fee (Note c)	**65,363**	4,990
OPAL	Advisory fee paid	**–**	100
OPAL	Placing commission and documentation fee paid	**–**	874
OPAL	Loan interest paid	**–**	4
Oriental Patron Securities Limited	Commission paid	**–**	74
Oriental Patron Finance Limited ("OPFL") (Note b)	Rental paid (Note d)	**941**	871
CSOP	Loan interest income received	**–**	55

Notes:

(a) OPAL (trading as Oriental Patron Fund Management for its fund management activities) is the investment manager of the Company and is a wholly owned subsidiary of Oriental Patron Financial Services Group Limited ("OPFSGL"). OPAL is considered as a related company of the Group as the directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPFSGL.

(b) OPFL is a related company; the directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPFL.

(c) Investment management fee and performance fee are charged in accordance with the agreement with OPAL for investment management services. The investment management fee 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. Performance fee represented 10% of the net increase in the Net Asset Value per share at the Performance Fee Valuation Day as defined in the agreement.

(d) The Company entered into a licence agreement with OPFL on 13 March 2009 in respect of the provision of the principal place of business of the Company for a monthly rental of HK$78,400.

Compensation of key management personnel

The key management personnel of the Company comprises all directors, details of their remuneration are disclosed in Note 14(a) to the financial statements.

Notes to the Financial Statements (Continued)

For the year ended 31 March 2010

30. RETIREMENT BENEFITS SCHEME

The Group makes contributions to a defined contribution Mandatory Provident Fund Scheme (the "Scheme") under the Mandatory Provident Fund Schemes Ordinance which is available for all eligible employees in Hong Kong. The assets of the Scheme are held separately from those of the Group, in funds under the control of trustee. The Group contributes 5% of relevant payroll costs to the Scheme, which contribution is matched by employees.

During the year, the Group's contributions charged to the consolidated income statement amounted to approximately HK$108,000 (2009: approximately HK$67,000).

31. EVENTS AFTER THE REPORTING PERIOD

On 4 May 2010, the Company entered into a placing agreement with a placing agent pursuant to which the Company has conditionally agreed to place, through the placing agent an aggregate of 156,900,000 new shares of the Company to independent third party placees at a price of HK$1.90 per placing share. The net proceeds from the placing amounted to approximately HK$283,100,000. The placing was completed on 5 July 2010. Further details of the placing of new shares were set out in the announcement of the Company dated 5 July 2010.

32. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the Board on 22 July 2010.