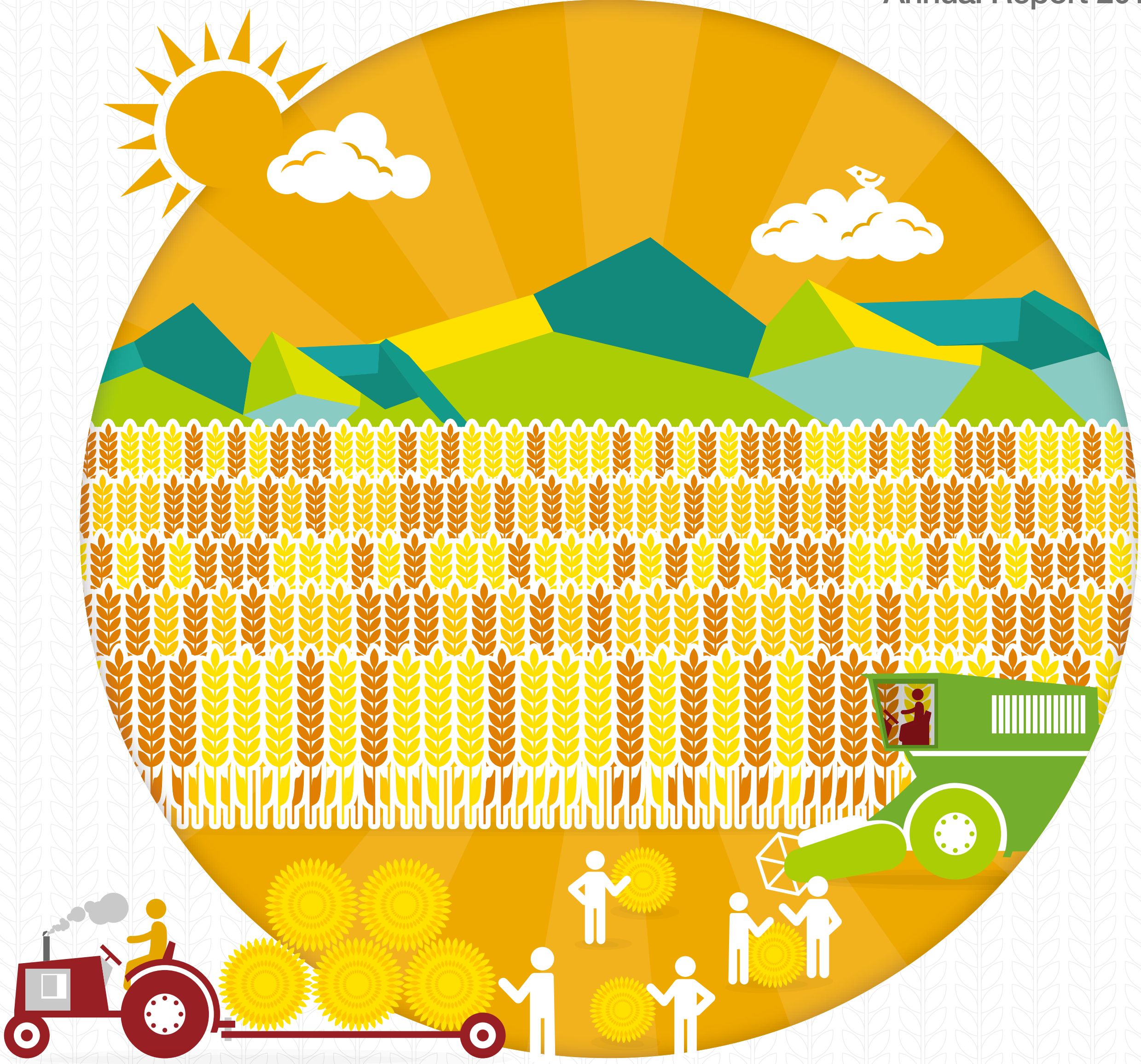
PERFORMANCE & PROGRESSION

Annual Report 2013/2014



東英 ORIENTAL PATRON

OP Financial Investments Limited

Stock Code: 1140

Contents

Forward-Looking Statements

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

Corporate Information

BOARD OF DIRECTORS

Executive Directors

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

Independent Non-executive Directors

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

AUDIT COMMITTEE

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

REMUNERATION COMMITTEE

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

NOMINATION COMMITTEE

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

CORPORATE GOVERNANCE COMMITTEE

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

AUTHORIZED REPRESENTATIVES

Mr. ZHANG Gaobo
Ms. TAM Yuen Wah

COMPANY SECRETARY

Ms. TAM Yuen Wah

INVESTOR RELATIONS OFFICER

Mr. FAN Makay, Alvin

INVESTMENT MANAGER

Oriental Patron Asia Limited

AUDITOR

PricewaterhouseCoopers

PRINCIPAL REGISTRARS

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

BRANCH REGISTRARS

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

REGISTERED OFFICE

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

PRINCIPAL PLACE OF BUSINESS

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

PRINCIPAL BANKERS

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

CUSTODIAN

Standard Chartered Bank (Hong Kong) Limited
(closed on 26 May 2014)
Hang Seng Bank Limited (effective 26 May 2014)

STOCK CODE

The Stock Exchange of Hong Kong Limited
Code: 1140

WEBSITE

www.opfin.com.hk

Chairman's Statement

Dear **Shareholders**,

I am pleased to announce the results for the financial year 2014. OPFI generated an after tax profit of HK$47.22 million compared to HK$12.81 million in 2013. Net assets per share remained strong growing incrementally to HK$1.41 per share.

Our most notable accomplishment this year is the exit of Meichen Group. After returning most our capital last year, in 2014 we divested our remaining position generating an absolute return of approximately two times capital.

With the help of resilient capital markets, our public equity investments also performed well. Strong inflows into Asian hedge funds began at the end of 2013 and continued into Q1 of 2014 to hit consecutive quarterly record inflows. OPIM benefitted directly from the resurging confidence, and our position almost fully recovered after falling by almost half in the previous year.

Meanwhile, our play on the internationalization of the RMB, specifically CSOP, generated record income during the year, near tripling profits compared to 2013. The investee successfully marketed its RQFII product in Europe, becoming the number one global RQFII asset manager now with over HK$37 billion in AUM. Thus, proving there is a demand for RMB as a strategic asset and, more importantly, CSOP's clear leadership in product innovation.

Our investment funds, overall, benefitted from the market, contributing over HK$30 million to results.

Our only struggling position this year was Nobel, which fell 16.7% during the period. Labor shortages hurt production for the year and declining oil prices project lower book valuations. Moreover, the impact of the Russia/Ukraine conflict in February was felt in markets globally. As sanctions further exacerbate economic relations in Eastern Europe, we expect to see more volatility in this space. Fortunately, the investee remains cash generating whose reserves continue to improve, and even distributed its first dividend. So while it has fallen in fair value, the thesis remains fundamentally sound as a long term private equity investment.

A year ago, we embarked on a new thesis focusing on China's changing socio-economic demands for green energy and healthcare. While we are still in early phases, our investments are showing considerable promise. In the first half of the year, we invested in an insulin distribution technology designed by US based Dance Biopharm, whose comparative peers have already won industry acceptance – boding well for our investee. We also invested in a green energy consultancy, Tong Fang Energy, which already has a proposed offer, valuing our equity position at several times our investment cost. Granted, both these investments are small compared to our normal roster, but as introductory positions, we can now explore these new industries with some confidence in their potential returns.

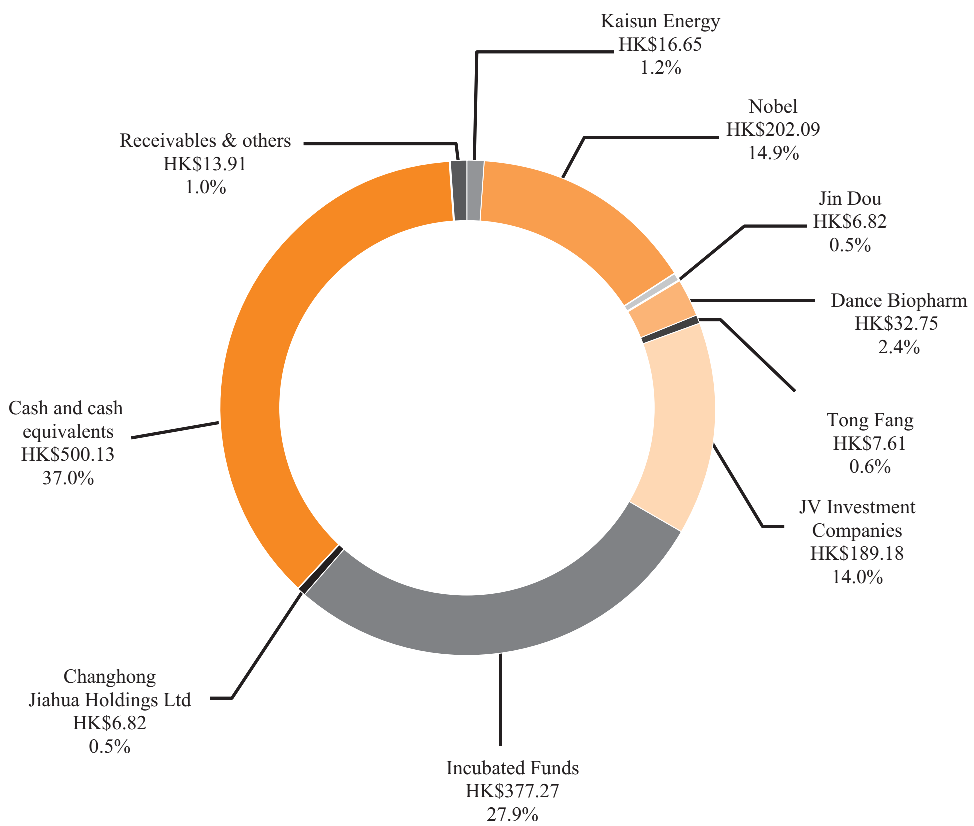
Moving forward, we are exploring investment opportunities in the trade sector between China and South South Cooperation members – such as investing in the redeployment of China's excess capacity to other South America-African countries. In effect, one country's surplus is transformed into the catalytic driver of another. This form of international cooperation offsets the ebb of China's socio-economic restructuring whilst accelerating the development and fostering international cooperation with its trade partners.

OPFI has always steered close to China's maturing policy for foreign investment, and we intend to be at the inflection point of this growing market.

Sincerely yours,
ZHANG ZHI PING

Management Discussion and Analysis

Investment Holdings by Source
(millions, as a percentage of total assets)



INVESTMENT REVIEW

The Group's portfolio performed well this year on the back of a recovery in the capital markets boosting performance in incubated funds but more significantly in our JV investment companies where operational improvements and expansionary efforts converted into stronger income. On the direct investment side, our exit from Meichen helped offset fair value losses in Nobel.

Meichen

In 2009, we invested in Meichen Group, an insurance brokerage based in Guangzhou. We allocated a total of HK$106 million through a combination of HK$45.5 million in equity plus HK$60.5 million loan. Since 2011, the investment returned over HK$101.4 million in loan repayments and capital.

In March 2014, the Group sold its entire position in Meichen Group for a total consideration of HK$203.6 million. The sale translates into a net cash return of approximately HK$118.4 million profit, and an absolute return on investment of 111% since 2009.

Further to our dividend policy, we intend to return some of the gains back to investors, retaining a portion of the earnings for future investments.

Management Discussion and Analysis

Nobel

In 2008, OPFI invested alongside China Investment Corporation in Nobel Holdings Investments Ltd. ("Nobel"), an independent upstream oil producer in Russia. Nobel's principal assets include nine subsoil licenses covering seven oil fields and two exploration areas. Our position in Nobel fell 16.7% during the period, and our 5% in the company is now valued at HK$202.1 million.

Private equity weakened alongside falling markets after the Russian-Ukraine relations escalated during the year. Moreover, global weakness in commodity prices combined with increasing mineral extraction taxes in Russia hurt valuations. Declining five-year projections illustrates a potential price decline of 4.3% on Brent Oil prices. Naturally thin operating margins in the industry makes the company particularly sensitive to changes in market prices.

Nobel's total production for the year ending December 31, 2013 was 772,265 tons, falling short of the targeted 920,079 tons. According to management, this was due to temporary delays from a staff shortage in new Western Siberia earlier in the year.

Jin Dou

In 2009, OPFI invested in a Kazakhstan agriculture project with the mandate to diversify the country's crops and commercialize regional production for export. OP Financial committed a total of US$15 million, of which only US$1.5 million was drawn.

Our position fell marginally from HK$6.9 million to HK$6.8 million during the year due to ongoing trial and infrastructure costs. While performance premiums received since inception have helped maintain an overall positive investment.

In the first half of 2013, the plantation increased to around 7,900 hectares across three farming units located in two regions of Kazakhstan. With the help of local joint venture partners, Jin Dou diversified the crop cycle to include soybean, wheat, barley, safflower and corn. The project team recently commissioned a design and planning institute to study 88,000 hectares for the development of the integrated farming and husbandry, 58,000 of which would be considered for livestock to maximize land yield throughout the year.

As the management continues to strengthen its relationship with the local business community and the government, it is also exploring ancillary joint investment opportunities in trade, infrastructure and distribution specifically into China.

JV Investment Companies

We have non-controlling positions with four asset management companies. The two major positions are OP Investment Management and CSOP.

CSOP

Our position in CSOP grew 36% from HK$100.3 million to HK$136.8 million. The company's AUM grew from HK$27.7 billion to over HK$37.9 billion after launching its China A80 ETF in September whilst expanding its ETF distribution to Europe with new products in the pipeline.

In August, 2013, CSOP issued additional shares to employees, diluting our shares to 23.7% of the management company. More importantly, CSOP is now globally recognized as the leading RQFII manager by AUM, and our position has more than doubled since 2009. We believe CSOP's current valuation on our books does not accurately reflect its market value compared to other global asset managers of its caliber, and we plan to hold the position as management continues its international expansion.

OP Investment Management ("OPIM" or "OPIM Group")

OP Investment Management, consisting of two operating entities, OP Investment Management Limited and OP Investment Management (Cayman) Limited, is a fund-management platform that supports emerging third party funds with preliminary structuring, infrastructure, and access to capital. Funds under management grew to US$314 million from US$300.8 million during the year.

After completing a restructuring effort into a fully-fledged platform, streamlining operations whilst launching new funds, the company returned to profitability. Markets were particularly favorable for Asia long-biased funds which converted into strong performance fee income. Our investment positions via ordinary shares and preferences shares recovered from HK$25.5 million to HK$47.5 million for the year.

With strong earnings in 2013, OPIM expects stable growth as fund flows return to the global alternative investment market. It plans to further develop its position as Asia's leading fund management platform.

Management Discussion and Analysis

Incubated funds

The Group invests in a portfolio of unlisted investment funds as part of a larger incubation strategy to strengthen new funds developed through our partnerships. Fund strategies range from long-only equity funds, multi-strategy hedge, to distressed property.

Including our investments managed by CSOP and OPIM, our total funds increased by approximately HK$165.6 million from HK$211.7 million to HK$377.3 million during the period largely due to new subscriptions, although the Greater China Select fund performed particularly well with a gain of 18.2%.

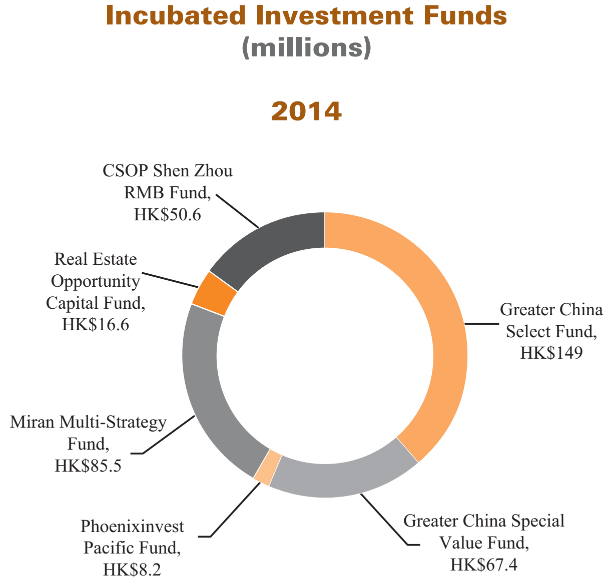


Figure 1: Total HK$377.3 million

Changes in our incubated funds' positions during the current period have been outlined below:

Fund name	Fund strategies	2013 (HK$'000)	2014 (HK$'000)	Net change (HK$'000)	Notes
GREATER CHINA SELECT FUND	Equities (Long only), China	15,917	148,965	133,048	HK$23M gain and HK$110M new subscription
GREATER CHINA SPECIAL VALUE FUND	Equities (Long), Private Equity, Emerging Markets	83,029	67,410	(15,619)	Distribution in-specie: Real Estate Opportunity Capital Fund
PHOENIXINVEST PACIFIC FUND	Equities (Long/Short), Asia Pacific	8,629	8,233	(396)	Loss
MIRAN MULTI-STRATEGY FUND	Multistrategy, Global	52,533	85,512	32,979	HK$6.6M gain and HK$26.4M new subscription
REAL ESTATE OPPORTUNITY CAPITAL FUND	Property	n/a	16,545	16,545	Received from Greater China Special Value Fund's distribution in-specie and net of HK$0.78M dividends
CSOP SHEN ZHOU RMB FUND	Bonds (RMB), China	51,556	50,610	(946)	Net of HK$1.3M dividends
Total		211,664	377,275	165,611	

Management Discussion and Analysis

NEW INVESTMENTS

OPFI has made investments into two new industries: pharmaceuticals and green energy, deploying a total HK$40.3 million for minority positions. These projects are structured to include rights to greater participation as the investees mature.

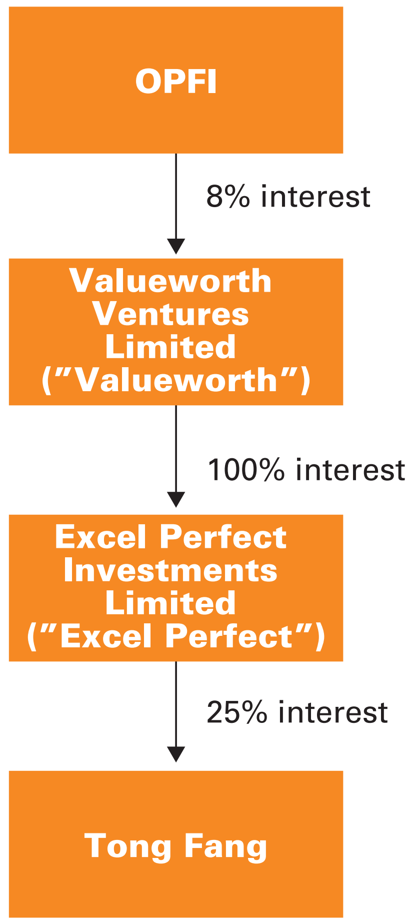
The first project is a HK$19.2 million US-based investment, Dance Biopharm Inc., which develops and manufactures insulin inhalation products which provide alternatives to self injection. The technology is still in pre-commercialisation testing and subject to FDA approval. Share price of market comparable companies in the same space have performed very well, alluding to encouraging prospects for Dance's own plans to list later this year.

In addition to equity in the US Company, the deal structure grants OPFI shares in a separate joint venture company with exclusive distribution rights to Asia. The joint venture company also holds a mandate to secure PRC regulatory approvals for distribution in China.

The second project is management buyout holding company which targets minority stakes in PRC companies. We hold 8% of the holding company, whose first acquisition is an energy management and solutions services company called, Tong Fang Energy Saving Engineering Technology Co. Ltd. ("Tong Fang"). This green company invests alongside clients on energy saving technology and generates income by sharing the customers' cost savings. Recently, Hong Kong listed Technovator International announced an offer to buy 25% of Tong Fang for RMB95 million. This values our holdings at HK$7.6 million.

Total investment cost for the project was HK$21.1 million of which HK$19.1 million was repaid before the end of the financial year.

Investment structure: Tong Fang



Management Discussion and Analysis

FINANCIAL REVIEW

Financial position

Net asset value: The Group's net assets as at 31 March 2014 increased 4% from HK$1.27 billion to HK$1.33 billion during the year. The NAV per share increased from HK$1.35 to HK$1.41.

Gearing: The gearing ratio, which is calculated on the basis of total liabilities over total equity as at 31 March 2014, was 0.02 (31 March 2013: 0.003). Despite the increase, we still managed to maintain our low leverage policy for our investments.

Investments in associates: It represents mainly our share of net assets of JV investment companies, CSOP and Guotai Junan Fund Management Limited ("Guotai Junan"). Assets increased by 36% to HK$142.7 million as at 31 March 2014 (31 March 2013: HK$104.7 million) reflecting CSOP's strong financial performance for the year.

Available-for-sale financial assets: A 6% increase from HK$295.2 million to HK$312.4 million during the year was mainly the net result of (i) decline in our position with Nobel of HK$40.5 million; (ii) increase of HK$21.4 million in OPIM Group preference shares; and (iii) increase in our position with Dance Biopharm of HK$32.7 million.

Financial assets at fair value through profit or loss: The HK$37.4 million increase from HK$346.7 million to $384.1 million during the year was mainly the net results of (i) disposal of interest in Meichen with a carrying value of HK$117 million; (ii) new subscriptions to several incubated funds of HK$134.8 million; (iii) net unrealized gain on investment funds of HK$30.8 million; and (iv) decrease in value of Glory Wing International Limited convertible note of HK$10.56 million.

Bank and cash balances: During the year ended 31 March 2014, bank and cash balances decreased from HK$521 million to HK$500 million, mainly attributable to the net results of disposal of Meichen and the new subscriptions in investment funds.

Management Discussion and Analysis

RESULTS

The Group generated particularly strong income whilst keeping administrative costs relatively the same as last year. While Meichen contributed HK$22 million to results, CSOP delivered HK$33 million in share of associates' results – more than tripling its income last year. Meanwhile, gains in investment funds contributed HK$30 million. Despite weak valuations, Nobel distributed a dividend of HK$6.6 million while Jin Dou registered performance premiums of HK$15 million. However, there was a comparatively small revaluation loss of HK$10 million in Glory Wing CB. Overall, net assets improved slightly from HK$1.27 billion to HK$1.33 billion.

Consolidated statement of profit or loss and other comprehensive income

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

	2014 HK$'000	2013 HK$'000
Dividend income from unlisted investments[1]	**8,698**	1,985
Performance premium from a co-investment partner[2]	**15,504**	15,513
Interest income[3]	**6,286**	12,093
	30,488	29,591

(1) Dividend of approximately HK$6.6 million was received from Nobel during the year. Last year's figure represents dividend received from CSOP Shen Zhou RMB Fund.

(2) CIC, co-investment partner in both the agriculture partnership and Nobel, awarded OPFI performance premiums totaling HK$15.5 million (2013: HK$15.5 million) to the Group in return for our resources allocate to the agriculture partnership – Jin Dou.

(3) Interest income of approximately HK$6.3 million (2013: HK$12.1 million) is mainly derived from our note investment and term deposits in banks. The decrease is mainly attributable to the redemption of convertible bond investments via Kaisun Energy in last year.

Net change in unrealized gain/loss on financial assets at fair value through profit or loss: The net change in unrealized gain of HK$16.1 million (2013: gain of HK$35.1 million) mainly represents the net result of (i) the unrealized gain on the Group's investment funds of approximately HK$30.8 million; (ii) the unrealized loss of HK$10.6 million on Glory Wing convertible bond; and (iii) the transfer-out of net unrealized gain of HK$3.4 million due to the disposal of Meichen.

Realized gain on disposal of subsidiaries: This represents the realized gain of HK$25.2 million arising from disposal of Meichen.

Realized loss on deemed disposal of an associate: This represents the realized loss arising from the dilution of our equity interest in CSOP from 25% to 23.7% (2013: from 30% to 25%).

Impairment loss on available-for-sale financial assets: Due to the prolonged decrease in the fair value of the Group's investment in the ordinary shares of Kaisun Energy from its investment cost, an impairment loss of HK$3.8 million was recognized during the year.

Equity-settled share-based payments: Share options of HK$3.5 million were forfeited during the year, offset by HK$1.5 million in share options vested during the year.

Administrative expenses: The total administrative expenses remains approximately the same level and no material change is noted.

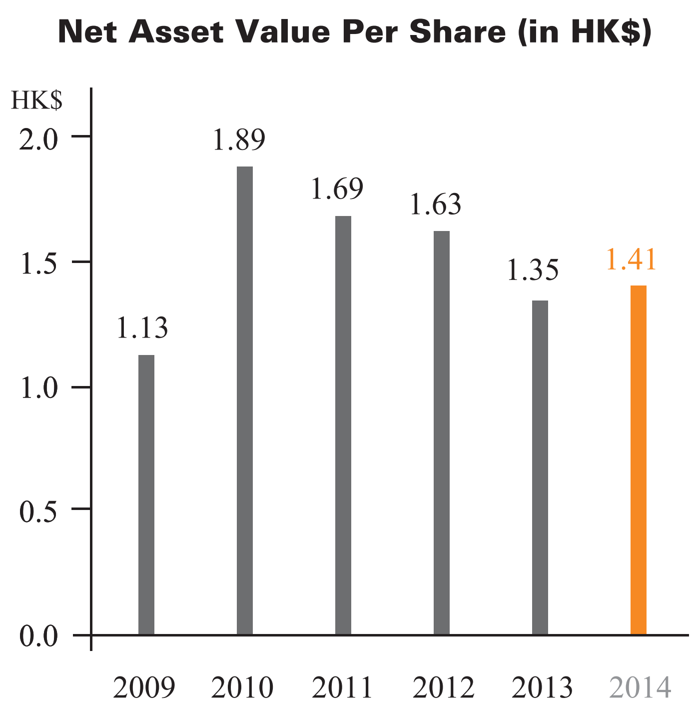
Share of results of associates: HK$33 million of the total HK$34.6 million represents share of result attributable to associate, CSOP. The remaining HK$1.6 million represents the contribution by both OPIM and Guotai Junan combined.

Management Discussion and Analysis

Other comprehensive income: Changes to the Group's NAV, otherwise not accounted for in "profit for the year", are found in "other comprehensive income". The gain of HK$6.4 million is net of (i) increase in fair value of available-for-sale investments by HK$0.1 million, mainly represents the increase in values of OPIM Group preferences shares and Dance Biopharm offset by the decrease in value of equity interest in Nobel; and (ii) impairment loss on available-for-sale financial assets transferred to "profit for the year" of HK$3.8 million. Combining with the "profit for the year", the total comprehensive income for the Year was a gain of HK$53.7 million.

Fair value changes recognized in "Other Comprehensive Income"

	2014 HK$'000	2013 HK$'000
Nobel	**(40,501)**	(115,684)
OPIM preference shares	**21,430**	(23,664)
Kaisun Energy-CB Borrowing Portion	**–**	(9,352)
Kaisun Energy-Ordinary Shares	**(3,963)**	(9,116)
Jin Dou	**(109)**	(640)
Dance	**15,669**	–
Tong Fang	**7,607**	–
Fair value change	**133**	(158,456)



Management Discussion and Analysis

DIVIDEND POLICY AND PROPOSED FINAL DIVIDEND

The Directors recommend the payment of a final dividend of HK5 cents per share in respect of the year to shareholders.

As part of a long term commitment to providing shareholder value, in the future, the Board intends to recommend dividend distribution upon successful exit of any material profitable investment position. This year's dividend is financed by the proceeds from the sale of assets related to Meichen Group.

LIQUIDITY AND FINANCIAL RESOURCES

Dividend income from investments held, performance premiums, and interest income from bank deposits and financial instruments held are currently the Group's major source of revenue. During the year, the Group continued to maintain a significant balance of cash and cash equivalents. As at 31 March 2014, the Group had cash and bank balances of HK$500 million (31 March 2013: HK$521 million). The Group had no bank borrowings and did not pledge any assets as collateral for overdrafts or other loan facilities during the period under review. The debt-to-equity ratio (interest bearing external borrowings divided by shareholders' equity) stood at zero while the current ratio (current assets divided by current liabilities) was 30 times (2013: 174 times). For further analysis of the Group's cash position, current assets and gearing, please refer to paragraphs under sub-sections headed "Financial position" above. The Board believes that the Group has sufficient financial resources to satisfy its immediate investments and working capital requirements.

CAPITAL STRUCTURE

As at 31 March 2014, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK$1.33 billion (2013: HK$1.27 billion) and 941.4 million (2013: 941.4 million), respectively.

MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS

The Group had the following material acquisitions and disposals of investments during the year.

- Disposal of Meichen's position at HK$203.6 million,
- Investment in Greater China Select Fund of HK$110 million,
- Investment in Miran Multi-Strategy Fund of HK$26.3 million,
- Investment in Dance preference share of HK$17.1 million.

SEGMENT INFORMATION

Segment information of the Group is set out in note 8 on pages 62 and 63 of this report.

EMPLOYEES

During the year, the Group had 23 (2013: 20) employees, inclusive of all directors of the Group and its subsidiaries. Total staff costs for the year amounted to HK$14.9 million (2013: HK$19.7 million). The Group's remuneration policies are in line with the market practice and are determined on the basis of the performance and experience of individual employee.

SHARE OPTION SCHEME

During the year, the Group has recognized HK$1,510,000 (2013: HK$1,340,000) in the profit or loss as share-based compensation expenses regarding the share options granted in 2010 and 2011. HK$3,468,000 was recognized in the profit or loss as the forfeiture of share options during the year.

No new share option was granted or offered during both years.

Management Discussion and Analysis

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

The investment in CSOP Shen Zhou RMB Fund and certain bank balances are denominated in Renminbi, which had a positive impact on the Group's financial position due to the appreciation trend of Renminbi during the Year.

Except for these investments and bank balances, the Group did not expose to significant foreign exchange fluctuation as most of the assets and liabilities are denominated in Hong Kong Dollars or United States Dollars.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 31 March 2014, there were no charges on the Group's assets and the Group did not have any significant contingent liabilities.

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

As at 31 March 2014, there were no plans for material investments or capital assets, but the Company may, at any point, be negotiating potential investments. The Company considers new investments as part of its normal business, and therefore management may publically announce these plans as they become necessarily disclosable to shareholders during the course of the financial year.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

EVENTS AFTER THE REPORTING PERIOD

The Group currently holds 8% interest in Valueworth, which in turn holds 25% interest in Tong Fang via Excel Perfect.

On 30 April 2014, Technovator International Limited ("Technovator") (HK listed stock code: 1206) publically announced a proposed offering of RMB95 million for the 100% interest in Excel Perfect.

The proposed deal is subject to approval of Technovator's independent shareholders in its coming shareholders' meeting.

Biographical Details of Directors and Senior Management

Brief biographical details of directors and senior management are stated below:

DIRECTOR

Executive Directors

Mr. ZHANG Zhi Ping, aged 58, was appointed as an executive director and chairman of the Company in February 2003. He has also been appointed as the chairman of the nomination committee and serving as a member of the corporate governance committee of the Company since January 2012. 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 30 years of experience in the PRC and international financial markets and held senior positions in a number of institutions, including the deputy division chief in Financial Administration Department (金融管理司) of the PBOC, the chairman and general manager of Hainan Provincial Securities Company, the inaugural director of the Securities Society of China, the inaugural director of Department of Intermediary Supervision (證券機構監管部) of China Securities Regulatory Commission ("CSRC"), a member of the listing committee of the Shanghai Stock Exchange and the chairman of the investment committee of Hainan Fudao Investment Management Company. As of April 2014, Mr. Zhang has taken up the role to serve as the Executive Chairman of the South-South Asia-Pacific Finance Center, an NGO under the UN framework established for the promotion of South South Cooperation.

Mr. ZHANG Gaobo, aged 49, was appointed as an executive director and chief executive officer of the Company in February 2003, and has been serving as a member of the nomination committee and corporate governance committee since January 2012. Mr. Zhang is responsible for formulating the investment strategies, monitoring the investment performance and approving investment decisions. Mr. Zhang founded Oriental Patron Financial Group with founding partners in 1993 and held the position as chief executive since then. He 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 1988 to 1991, Mr. Zhang worked in Hainan Provincial Government (海南省政府) and PBOC Hainan Branch and as the chairman of Hainan Stock Exchange Centre (海南證券交易中心). 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. As of April 2014, Mr. Zhang has taken up the role to serve as the Secretary-General of the South-South Asia-Pacific Finance Center, an NGO under the UN framework established for the promotion of South South Cooperation.

Independent Non-executive Directors

Mr. KWONG Che Keung, Gordon, aged 64, 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, a member of the nomination committee and corporate governance committee of the Company since January 2012. He is also an independent non-executive director of a number of companies listed on the Stock Exchange, namely NWS Holdings Limited, Global Digital Creations Holdings Limited, China Power International Development Limited, Henderson Land Development Company Limited, Henderson Investment Limited, Agile Property Holdings Limited, CITIC Telecom International Holdings Limited, China COSCO Holdings Company Limited and Chow Tai Fook Jewellery Group Limited. Mr. Kwong was previously an independent non-executive director of China Chengtong Development Group Limited until 1 November 2013. He was also an independent non-executive director of Quam Limited until 6 September 2012. 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 and the Hong Kong Institute of Certified Public Accountants.

Prof. HE Jia, aged 59, has been an independent non-executive director and serving as a member of the audit committee of the Company since February 2003 and a member of the remuneration committee of the Company since April 2005. Since January 2012, Prof. He has been appointed as the chairman of the corporate governance committee and serving as a member of the nomination committee of the Company. 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.

Biographical Details of Directors and Senior Management

Mr. WANG Xiaojun, aged 59, 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, and a member of the nomination committee and corporate governance committee of the Company since January 2012. 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 Yanzhou Coal Mining Company Limited, China Aerospace International Holdings Limited, 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. He was also an independent non-executive director of Guangzhou Shipyard International Company Limited until 31 May 2011, the date of the annual general meeting of this Company wherein he did not offer himself for re-election. He was previously an independent non-executive director of Zijin Group Mining Co. Ltd until 24 October 2013.

SENIOR MANAGEMENT

Deputy Chief Executive Officer

Mr. ZHANG Wei Dong, aged 49, is the general manager of Jin Dou Development Fund, L.P., and 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") with final position as Deputy General Manager of the department, 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 Program Management Development of Harvard Business School, and held a fellowship from Columbia University in New York.

Head of Energy & Resources

Mr. YEAP Soon P, Joanthan, aged 52, was appointed as the Partner and Head of Energy & Resources of the Company in November 2010, has responsibility for the origination and development of the Company's energy and resources businesses. He has over 25 years' experience in energy and natural resources industries. Before joining the Company, Mr. Yeap was the chief executive officer of Kaisun Energy Group Limited, a company listed on the Stock Exchange of Hong Kong Limited from 2008 to 2010. Prior to that, he was from 1997 to 2001 a chief executive officer of the China region and the managing director of the Asia Pacific region of Enron Corporation, a global energy group. Moreover, Mr. Yeap served as a chief executive officer of a subsidiary of a large oil, gas, coal and power company in the United States from 1993 to 1996. He also worked as a project director of a large United States power generating company assigned to the PRC from 1992 to 1993. During this period, Mr. Yeap was a lead developer for a foreign-invested integrated coal mine, power plant, DC transmission line project transporting translator's enquiry electricity from Shanxi province, the PRC to Jiangsu province/Shanghai, the PRC. Mr. Yeap held various engineering and financial positions with a Canadian company specializing in development, construction and operation of independent power plants worldwide between 1983 and 1992. He holds a bachelor degree in electrical engineering from the University of Alberta.

Directors' Report

The directors ("Directors") of OP Financial Investments Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group") are pleased to present their annual report together with the audited consolidated financial statements for the year ended 31 March 2014 (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 15 to the consolidated financial statements.

SEGMENT INFORMATION

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

RESULTS AND APPROPRIATIONS

The results of the Group for the Year are set out in the consolidated statement of profit or loss and other comprehensive income on page 33.

DIVIDEND

The Directors recommend the payment of a final dividend of HK5 cents per share in respect of the Year to shareholders whose names appear on the Register of Members of the Company at the close of business on Thursday, 21 August 2014. The proposed final dividend will be paid on Thursday, 28 August 2014 following the approval at the forthcoming Annual General Meeting of the Company.

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 profit or loss and other comprehensive income and the consolidated statement of changes in equity on pages 33 and 36 and note 23 to the consolidated financial statements.

FIXED ASSETS

Details of movements in fixed assets of the Group and of the Company during the Year are set out in note 14 to the consolidated financial statements.

SHARE CAPITAL

Details of movements in share capital of the Company during the Year are set out in note 21 to the consolidated financial statements.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

FIVE YEAR FINANCIAL SUMMARY

A summary of the results and assets and liabilities of the Group for the last five financial years is set out on page 92 of this report.

Directors' Report

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the Year.

SHARE OPTIONS

Information about the share options of the Company during the Year is set out in note 22 to the consolidated 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

Independent Non-executive Directors

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

In accordance with Article 113 of the Company's Articles of Association, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo will retire from office by rotation and, being eligible, offer themselves for re-election at the forthcoming annual general meeting.

The Company confirms that it has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the INEDs are independent. The reasons are given in the "Corporate Governance Report" to this report.

Biographical details of the Directors as at the date of this annual report are set out on pages 13 to 14.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors 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' Report

DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the paragraph headed "Connected transactions" in this report and in note 27 to the consolidated financial statements, no other contracts of significance in relation to the Group's business to which the Company, any 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 THE SHARES AND UNDERLYING SHARES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2014, 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 Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), to be notified to the Company and the Stock Exchange were as follows:

Long positions in shares and underlying shares of the Company:

	Number of ordinary shares/ underlying shares held in the Company				
Name of director	**Capacity in which interests are held**	**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 2014** (note 1)
Mr. ZHANG Zhi Ping (notes 2&3)	Interest of controlled corporation	359,800,000	–	359,800,000	38.22%
Mr. ZHANG Gaobo (notes 2&3)	Interest of controlled corporation	359,800,000	–	359,800,000	38.22%

Notes:

(1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 941,400,000 shares as at 31 March 2014.

(2) This represented 330,000,000 shares held by Ottness Investments Limited ("OIL"), and 29,800,000 shares held by Oriental Patron Financial Services Group Limited ("OPFSGL").

(3) OIL is a wholly owned subsidiary of Oriental Patron Financial Group Limited ("OPFGL"), while 95% of the issued share capital of OPFSGL is owned by OPFGL. The entire issued share capital of OPFGL is beneficially owned as to 51% by Mr. Zhang Zhi Ping and 49% by Mr. Zhang Gaobo. By virtue of the SFO, each of Mr. Zhang Zhi Ping and Mr. Zhang Gaobo is deemed to be interested in the shares and underlying shares of the Company held by OIL and OPFSGL.

Save as disclosed above, as at 31 March 2014, 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 OF THE COMPANY OR ANY ASSOCIATED CORPORATION

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 31 March 2014, 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 include those disclosed above in respect of the Directors and chief executive.

Long positions in shares and underlying shares of the Company:

	Number of ordinary shares/ underlying shares held in the Company				
Name of shareholder	**Capacity in which interests are held**	**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 2014** (note 1)
OIL (note 3)	Beneficial owner	330,000,000	–	330,000,000	35.05%
OPFGL (notes 2&3)	Interest of controlled corporation	359,800,000	–	359,800,000	38.22%
Primus Pacific Partners Investments 2 Ltd (note 4)	Beneficial owner	155,040,000	–	155,040,000	16.47%
Primus Pacific Partners 1 LP (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%
Primus Pacific Partners (GP1) LP (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%
Primus Pacific Partners (GP1) Ltd (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%
Mr. NG Wing Fai (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%
Mr. HUAN Guocang (note 4)	Interest of controlled corporation	155,040,000	–	155,040,000	16.47%

Notes:

(1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 941,400,000 shares as at 31 March 2014.

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

(3) OIL is a wholly owned subsidiary of OPFGL, while 95% of the issued share capital of OPFSGL is owned by OPFGL. By virtue of the SFO, OPFGL is deemed to be interested in the shares and underlying shares of the Company held by OIL and the shares held by OPFSGL.

Directors' Report

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

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

Notes: (continued)

(4) This represented 155,040,000 shares held by Primus Pacific Partners Investments 2 Ltd ("PPPI-2"). Each of Mr. Huan Guocang and Mr. Ng Wing Fai owns as to 50% of the total equity interest in Primus Pacific Partners (GP1) Ltd ("PPP-GP1") while PPP-GP1 controls 100% equity interest in Primus Pacific Partners (GP1) LP ("PPP-GP1-LP"). Further, PPP-GP1-LP controls 100% equity interest in Primus Pacific Partners 1 LP ("PPP1-LP") while PPP1-LP owns as to 100% equity interest in PPPI-2. By virtue of the SFO, each of Mr. Huan Guocang, Mr. Ng Wing Fai, PPP-GP1, PPP-GP1-LP, and PPP1-LP is deemed to be interested in the shares of the Company held by PPPI-2.

Save as disclosed above, as at 31 March 2014, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

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

EMOLUMENT POLICY

The emoluments of the Directors of the Company are subject to review and recommendation to the Board by the Remuneration Committee and then fixed by the Board with the authorisation of the shareholders at a general meeting.

SUFFICIENCY OF PUBLIC FLOAT

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 below the Investment Management Agreement and note 27 to the consolidated financial statements and employment contracts, 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.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing his findings and conclusions in respect of the continuing connected transactions of the Group in accordance with paragraph 14A.38 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange.

(a) Non-exempt continuing connected transactions

Investment Management Agreement

Pursuant to the Investment Management Agreement (the "Investment Management Agreement") dated 13 January 2011, the Company has re-appointed Oriental Patron Asia Limited ("OPAL") as its investment manager to provide investment management services for a fixed term of three years commencing on 1 April 2011 to 31 March 2014. Pursuant to the Investment Management 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 Management 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 Management Agreement. The aggregated management fee and performance fee payable to OPAL under the Investment Management Agreement is subject to a cap for each of the three years ended 31 March 2014. The cap amount for the year ended 31 March 2014 was HK$260,000,000 (2013: HK$195,000,000). During the Year, the aggregated management fees paid/payable by the Company under the Investment Management Agreement to OPAL amounting to HK$19,801,000 (2013: HK$21,648,000).

On 24 February 2014, the Company entered into a new investment management agreement ("New Investment Management Agreement") with the Investment Manager effective from 1 April 2014 to 31 March 2017. The terms of the New Investment Management Agreement were disclosed in the Company's announcement on 24 February 2014.

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 Management Agreement constitute non-exempted continuing connected transactions of the Company.

(b) Continuing connected transactions exempted from independent shareholders' approval requirements

Licence agreement

For the Year, the monthly licence fee paid by OP Investment Service Limited ("OPISL"), a wholly-owned subsidiary of the Company, to Oriental Patron Management Services Limited ("OPMSL") under the relevant licence agreement ("Licence Agreement") in respect of a portion of the premises (the "Premise") leased by OPMSL during the relevant periods as tenant from an independent third party, was HK$188,730 for the period from 1 April 2013 to 31 October 2013. It was renewed at HK$241,098 per month for the period from 1 November 2013 to 31 March 2014. The premise is used by the Group as its principal place of business in Hong Kong. The total amount of licence fees paid to OPMSL during the Year amounted to HK$2,527,000 (2013: HK$2,265,000).

The Directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo had significant influence in OPMSL which therefore is regarded as a connected person of the Company by virtue of Rule 14A.11 of the Listing Rules. Accordingly, the Licence Agreement constitutes continuing connected transaction of the Company and is only subject to the reporting and announcement requirements, the annual review requirements and the requirements set out in Rules 14A.35(1) and 14A.35(2) of the Listing Rules. It is exempt from the independent shareholders' approval requirements pursuant to Rule 14A.34 of the Listing Rules.

Directors' Report

CONNECTED TRANSACTIONS (continued)

The aforesaid continuing connected transactions have been reviewed by independent non-executive Directors of the Company. The independent non-executive Directors confirmed that the aforesaid continuing connected transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) either on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the Investment Management Agreement and the Licence Agreement governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

(c) Continuing connected transactions exempted from reporting, annual review, 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$21,333 (2013: HK$23,269).

The custodian is regarded as a connected person of the Company by 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 Rule 14A.33(3) of the Listing Rules.

The independent non-executive Directors also confirmed (i) the aggregate value of the annual management fees paid and payable by the Company to the investment manager did not exceed its prescribed caps; (ii) the aggregate value of the annual licence fees to OPMSL fell below the threshold of the Listing Rules and would be exempted from the independent shareholders' approval requirements under the Listing Rules; and (iii) the aggregate value of the annual custodian fee to the custodian fell below the de-minimis threshold of the Listing Rules and would be exempted from the reporting, annual review, announcement and independent shareholders' approval requirements under the Listing Rules.

All of the connected 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 fee paid under the Custodian Agreement, other transactions are also disclosed in notes 27 to the consolidated financial statements as related party transactions.

RETIREMENT BENEFIT SCHEME

Details of the retirement benefit scheme of the Company are set out in note 28 to the consolidated financial statements.

EVENTS AFTER THE REPORTING PERIOD

Please refer to note 29 to the consolidated financial statements.

Directors' Report

AUDIT COMMITTEE

The Company established an audit committee in accordance with rule 3.21 of the Listing Rules. Amongst other duties, the principal duties of the audit committee are to review the interim and annual results and internal control system of the Company.

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

AUDITOR

The consolidated financial statements for the Year have been audited by PricewaterhouseCoopers who retire and, being eligible, offer themselves for re-appointment at the forthcoming annual general meeting.

A resolution to re-appoint the retiring auditor, PricewaterhouseCoopers, will be submitted at the forthcoming annual general meeting of the Company.

On behalf of the Board

ZHANG ZHI PING
Chairman

Hong Kong SAR, 27 June 2014

Corporate Governance Report

CORPORATE GOVERNANCE PRINCIPLES AND PRACTICES

OP Financial Investments Limited (the "Company", together with its subsidiaries, collectively referred to as the "Group") and its board (the "Board") of directors ("Directors") strongly believes that strict adherence to the highest governance standards is vital to fulfilling its corporate responsibilities as a listed company. The Directors and employees all endeavour to uphold and nurture accountability, transparency, fairness and integrity in all aspects of the Group's operations. We are committed to the highest governance standards by regularly reviewing and enhancing our governance practices.

The principles set out in the Corporate Governance Code ("CG Code") in Appendix 14 to the Rules ("Listing Rules") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") have been adopted to shape our corporate governance structure. This Corporate Governance Report ("CG Report") describes how the principles of the CG Code were applied during the year ended 31 March 2014 (the "Year") under different aspects.

CG CODE COMPLIANCE

Except otherwise stated herein, none of the Directors is aware of any information that would reasonably indicate that the Company is not, or was not, at any time during the Year, in compliance with the CG Code.

Code provision A.5.6 states that the nomination committee (or the board) should have a policy concerning diversity of board members, and should disclose the policy or a summary of the policy in the corporate governance report. Code provision L(d)(ii) further states that if the nomination committee (or the board) has a policy concerning diversity, that section should also include the board's policy or a summary of the policy on board diversity, including any measurable objectives that it has set for implementing the policy, and progress on achieving those objectives. During the Year, the Board has adopted its Board Diversity Policy which summary is disclosed in the subsection headed "Board Diversity Policy" below in this CG Report. The Nomination Committee had discussed this issue in accordance with the policy but it had not come up with any plan to change the current composition of the Board. The measurable objectives for achieving diversity on the Board will be further considered and discussed in the meetings in the next financial year.

DIRECTORS' SECURITIES TRANSACTIONS

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

Directors' and Chief Executive's interests and/or short positions in shares and underlying shares of the Company or any associated corporation are shown on page 17.

THE BOARD

Composition

The Board currently comprises 5 members. 2 of the members are executive Directors who have considerable experience in the industry and the remaining 3 members are independent non-executive Directors ("INEDs") who are either legal professional or accounting or financial experts.

The Board's constitution is governed by Article 105 of the Articles of Association of the Company (the "Articles") under which the number of Directors shall not be less than two and Rules 3.10 and 3.10A of the Listing Rules under which every board of directors of a listed issuer must include at least three independent non-executive directors, at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise, and an issuer must appoint independent non-executive directors representing at least one-third of the board. Its composition also ensures that there is a balance of skills and experience appropriate to the requirements of the business of the Group and a balance of executive and non-executive directors (including INEDs) so that there is a strong independent element on the Board, which can effectively exercise independent judgement.

Corporate Governance Report

THE BOARD (continued)

Composition (continued)

The list of Directors and their biographies (including their roles and functions at the Company) are set out in the Biographical Details of Directors and Senior Management section of this Annual Report, and are available on the Company's website.

Board Diversity Policy

The Board adopted its Board Diversity Policy in August 2013. A summary of the policy is as follows:

Board diversity can be achieved through consideration of a number of factors, including but not limited to gender, age, cultural and educational background, or professional experience appropriate to the Company's business model and specific needs. The Nomination Committee will: (i) discuss, agree and review annually all measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption; (ii) report annually, in the CG Report of the Company's annual report, a summary of the policy, the measurable objectives set for implementing the policy, and the progress made towards achieving those objectives; and (iii) review the policy, as appropriate, to ensure the effectiveness of the policy and discuss any revisions that may be required, and recommend any such revisions to the Board for consideration and approval.

During the Year, the Nomination Committee had discussed the issue concerning the measurable objectives for achieving the diversity on the Board in accordance with the policy. A summary of discussions is set out in the subsection headed "Nomination Committee" below.

Responsibilities

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

The Board takes the responsibility for all major matters of the Company including: the preparation of the accounts, 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. It will regularly review the contribution required from a Director to perform his responsibilities to the Company, and whether he is spending sufficient time performing them.

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. The non-executive Directors will participate in board meetings and serve on the audit, remuneration, nomination and corporate governance committees to bring an independent judgement on issues of strategy, policy, performance, accountability, resources, key appointments, standards of conduct and potential conflicts of interests, if any.

As the Company is an investment company, investment management services have been delegated to the investment manager, Oriental Patron Asia Limited; the custodian services have been delegated to the custodian(s) as set out in the Corporate Information section of this Annual Report. The delegated functions and performance are reviewed periodically by the Board.

Chairman and Chief Executive

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

There is a clear division of the management of the Board and the day-to-day management of business of the Group between the roles of the Chairman and the Chief Executive to ensure that power is not concentrated in any one individual.

The Chairman is mainly responsible for providing leadership for the Board and ensuring that the Board works effectively and performs its responsibilities, and that all key and appropriate issues are discussed by the Board in a timely manner.

The Chief Executive is mainly responsible for implementing the investment strategies agreed by the Board, monitoring the investment performance and leading the day-to-day management of the Group.

Corporate Governance Report

THE BOARD (continued)

Independence of Non-executive Directors

To determine the non-executive Directors' independence, assessments are carried out upon appointment, annually and at any time where the circumstances warrant reconsideration. Each of the INEDs is appointed for a term of not more than 3 years and they are also subject to retirement by rotation at least once every 3 years in accordance with Article 113 of the Articles and the CG Code. Also, if an INED serves more than 9 years, his further appointment will be subject to a separate resolution to be approved by shareholders of the Company ("Shareholders") in accordance with the CG Code.

The Company confirms that it has received from each INED an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and the Company considers the INEDs are independent in character and judgement and fulfil the independence guidelines. Also, the three INEDs, namely, Mr. KWONG Che Keung Gordon, Prof. HE Jia and Mr. WANG Xiaojun who have been serving more than 9 years already offered themselves for re-election and their further appointments were approved by the Shareholders at the AGMs held on 1 August 2012 and 21 August 2013 respectively. The Board and the Nomination Committee further consider that all INEDs remain independent, notwithstanding their length of tenure. They continue to demonstrate the attributes of an INED noted above and there is no evidence that their tenure has had any impact on their independence. The Board and the Nomination Committee believe that their detailed knowledge and experience of the Group's business and their external experience continue to be of significant benefit to the Company and that they maintain an independent view of its affairs.

Continuous Professional Development

Directors' training is an ongoing process. During the Year, Directors received regular updates on changes and developments to the Group's business and to the legislation and regulation relating to directors' duties and corporate governance. All Directors, senior management, the Company Secretary and accounting staff are encouraged to attend relevant training courses at the Company's expense. The Company also arranges and funds suitable training and keep training record for all Directors on a yearly basis. A Director can also arrange suitable training for himself and provide the Company with his training record on a yearly basis. In addition, the Corporate Governance Committee ("CG Committee") is delegated with the responsibility of reviewing and monitoring training and continuous professional development of directors and senior management.

During the Year, all Directors have confirmed they have read the materials provided by the Company and/or attended seminars in relation to the following topics:

– The Directors' Practice Notes: (i) Issue 1: Continuing Professional Development of Directors; and (ii) Issue 2: Monthly Management Updates for the Board

– Directors' Induction – An Overview

– Listing Compliance Update

– (i) Environmental, Social and Governance (ESG) Reporting: Shaping the Future of Your Business; (ii) Brief Overview of the Companies Ordinance Rewrite; (iii) New Companies Ordinance – Impact on Corporate Governance; and (iv) Implementing Certain Provisions in the New Companies Ordinance

– Business Review – HKICPA issues draft guidance for directors

In addition, Mr. ZHANG Zhi Ping has attended seminars on financial capital and science and technology innovation. Since Mr. KWONG Che Keung Gordon is also an independent non-executive director of a number of companies listed on the Stock Exchange other than the Company, he has also attended seminars and read materials provided by other listed companies.

Corporate Governance Report

THE BOARD (continued)

Continuous Professional Development (continued)

To summarize, the Directors received trainings on the following areas to update and develop their skills and knowledge during the Year:

Director	Rules and Regulations Read Materials	Rules and Regulations Attended Seminar	Finance and Accounting Read Materials	Finance and Accounting Attended Seminar	Investments Read Materials	Investments Attended Seminar
ZHANG Zhi Ping	✓		✓		✓	✓
ZHANG Gaobo	✓		✓			
KWONG Che Keung Gordon	✓	✓	✓	✓		
HE Jia	✓		✓			
WANG Xiaojun	✓		✓			

Meetings

Each Director makes every effort to contribute to the formulation of strategy, policy and decision-making by attending each meeting, whether in person or by telephonic conference, and each of them is prepared to contribute to the Group's business. All Directors are also encouraged to attend general meetings and develop a balanced understanding of the views of the Shareholders.

Besides the AGM, regular Board and committee meetings are held for reviewing, discussing, considering and approving the financial and operating performance, the overall strategies and policies of the Company.

During the Year, 17 executive Board meetings, 4 full Board meetings, 3 Audit Committee's meetings, one Remuneration Committee's meeting, 2 Nomination Committee's meetings, 2 CG Committee's meetings, and 2 general meetings (including the AGM) were held. The attendance record of each Director was as follows:

Director	General Meeting	Executive Board	Full Board	Audit Committee	Remuneration Committee	Nomination Committee	CG Committee
ZHANG Zhi Ping	2/2	17/17	4/4			2/2	2/2
ZHANG Gaobo	2/2	17/17	4/4			2/2	2/2
KWONG Che Keung Gordon	2/2		4/4	3/3	1/1	2/2	2/2
HE Jia	2/2		4/4	3/3	1/1	2/2	2/2
WANG Xiaojun	2/2		4/4	3/3	1/1	2/2	2/2

It should also be noted that during the Year, Mr. ZHANG Zhi Ping, the Chairman, who is also an executive Director has held three meetings with the INEDs without other executive Director(s) present.

Performance Evaluation

The executive Board will conduct an evaluation of the Board's performance on annual basis with the aim of ensuring continuous improvement in the functioning of the Board. The evaluation will focus on the Board structure, culture, decision-making processes, proceedings of meetings as well as the performance of the Board as a whole, with a view towards recommending areas for further improvement. The results of the evaluation will be presented to all Directors, including the INEDs, for review.

The executive Board has conducted an evaluation for the Year which revealed that during the Year, the Board performed well with a strong composition. The Board continued to operate efficiently and was well aligned with the Group's overall objectives. Directors' participation at general meetings, quality and detail and timelines of information provided for the Board's and the Board Committees' proper consideration have improved during the Year.

Corporate Governance Report

BOARD COMMITTEES

A total of 4 Board Committees, namely the Audit Committee, the Remuneration Committee, the Nomination Committee and the CG Committee (collectively referred to as the "Committees"), have been formed, each of which has specific roles and responsibilities delegated by the Board.

The Committees' terms of reference are reviewed and updated regularly to ensure they continue to be at the forefront of best practice, and they are available on the Company's website. Each Committee's membership is also reviewed by the Board annually. The member lists of the Committees are set out below in this CG Report. The attendance record of the Committee members for the Year is shown on page 26 of this Annual Report.

Besides, other Board Committees may be formed from time to time for special purpose.

Audit Committee

The Audit Committee comprises three INEDs, 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 major role and function of the Audit Committee are to review the interim and annual results and internal control system of the Company and perform other duties under the CG Code. More details of its duties are set out in its terms of reference.

During the Year, the Audit Committee has performed the following duties:

- made recommendations to the Board on the reappointment of the external auditor, the remuneration and terms of engagement of the external auditor;

- reviewed and monitored the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

- discussed with the external auditor the nature and scope of the audit and reporting obligations;

- made recommendations on the engagement of the external auditor to supply non-audit services;

- monitored integrity of the Company's financial statements, annual report and interim report and reviewed significant financial reporting judgements contained in them;

- held two meetings with the external auditors;

- reviewed and discussed the internal control system with the management to ensure that management has performed its duty to have an effective internal control system;

- reviewed and discussed the change of the Chief Financial Officer, the adequacy of resources, staff qualifications and experience of the Company's accounting and financial reporting function.

Further details of the Company's internal controls are set out in the last section of this CG Report.

Remuneration Committee

The Remuneration Committee comprises three INEDs, namely, Mr. WANG Xiaojun, Prof. HE Jia and Mr. KWONG Che Keung, Gordon. Mr. WANG Xiaojun is the chairman of the Remuneration Committee.

The major role and function of the Remuneration Committee are to review and provide recommendations on the policy for the remuneration of all Directors and senior management. It will make recommendations to the Board on the remuneration packages of individual executive Directors and senior management. More details of its duties are set out in its terms of reference.

During the Year, the Remuneration Committee has reviewed the remuneration policy and the remuneration packages of individual executive Directors and senior management of the Company.

Corporate Governance Report

BOARD COMMITTEES (continued)

Nomination Committee

The Nomination Committee comprises two executive Directors, namely, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo, and three INEDs, namely, Mr. KWONG Che Keung, Gordon, Prof. HE Jia and Mr. WANG Xiaojun. Mr. ZHANG Zhi Ping is the chairman of the Nomination Committee.

The major role and function of the Nomination Committee are to review and provide recommendations on the policy for the nomination of directors. More details of its duties are set out in its terms of reference.

During the Year, no new Director has been appointed. The Nomination Committee has reviewed the structure, size and composition of the Board, assessed the independence of INEDs and made recommendations on the re-appointment of retiring Directors to the Board. Details of re-appointments were set out in the circular of the Company dated 9 July 2013 and all re-appointments were approved by the Shareholders at the AGM held on 21 August 2013. The Nomination Committee has also discussed the issue concerning the measurable objectives for achieving the diversity on the Board in accordance with the Board Diversity Policy and concluded that it had no plan to change the current composition of the Board yet.

Corporate Governance Committee

The CG Committee comprises two executive Directors, namely, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo, and three INEDs, namely, Prof. HE Jia, Mr. KWONG Che Keung, Gordon and Mr. WANG Xiaojun. Prof. HE Jia is the chairman of the CG Committee.

The major role and function of the CG Committee are to review and provide recommendations on the policy for the corporate governance of the Company. More details of its duties are set out in its terms of reference.

During the Year, the CG Committee has reviewed the Company's policy and practices on corporate governance, training and continuous professional development of directors and senior management, compliance with the CG Code and relevant disclosure in the annual report for the year ended 31 March 2013 and the Interim Report 2013. Save as otherwise provided in the section headed "CG Code Compliance", the CG Committee concluded that the Company has complied with the CG Code and all Directors have fully complied with the Model Code during the Year. The disclosure in this CG Report has also been reviewed by the CG Committee.

Independent Board Committee

During the Year, the Company had to renew the investment management agreement ("Investment Management Agreement") with Oriental Patron Asia Limited as its investment manager ("Investment Manager") with effect from 1 April 2014. The provision of investment management and administration services by the Investment Manager to the Company under the Investment Management Agreement has constituted continuing connected transactions ("Continuing Connected Transactions") for the period from 1 April 2014 to 31 March 2017.

For the aforesaid purpose, the Company had established an independent board committee (comprising Mr. KWONG Che Keung, Gordon, Professor HE Jia and Mr. WANG Xiaojun, being all the independent non-executive Directors) to advise the independent Shareholders as to whether the Continuing Connected Transactions (including the proposed Annual Caps) under the Investment Management Agreement are on normal commercial terms, in the ordinary and usual course of business, fair and reasonable and whether the Continuing Connected Transactions are in the interests of the Group and the Shareholders as a whole, and to advise the independent Shareholders on how to vote, taking into account the recommendations of the independent financial adviser. Details of the transactions were set out in the circular of the Company dated 24 February 2014 and the relevant resolution proposed was approved by the independent Shareholders at the extraordinary general meeting ("EGM") held on 13 March 2014.

Corporate Governance Report

AUDITOR'S REMUNERATION

The Audit Committee reviews each year with the external auditors, PricewaterhouseCoopers, of the Group with regards their independence, their appointment, the scope of their audit, their fees, and the scope and appropriate fees for any non-audit services provided by them.

During the Year, the fees paid to the Group's external auditors in respect of audit services and non-audit services amounted to HK$790,000 (2013: HK$750,000) and HK$270,000 (2013: HK$260,000) respectively. It should be noted that the non-audit services e.g. review of interim financial statements, results announcements and continuing connected transactions of the Group, provided by the external auditors during the Year were incidental to their audit services.

The statement of the external auditors of the Company about their reporting responsibilities on the consolidated financial statements is set out in the "Independent Auditor's Report" on page 32.

Besides, the Group also paid audit fee of about HK$250,000 to HLB Hodgson Impey Cheng Limited in respect of the post-completion audit of the Group's disposal of 100% equity interest in Glory Yield, and outstanding shareholder's loan in Glory Yield to third party companies. For more details of the transaction, please refer to the subsection headed "Meichen" in the Management Discussion and Analysis section set out on page 4 of this Annual Report.

COMPANY SECRETARY

The Company Secretary, Tam Yuen Wah, is responsible for facilitating the Board process, as well as communication among the Board members, with the Shareholders and management of the Company. The Company Secretary is a solicitor admitted in Hong Kong and an associate member of the Hong Kong Institute of Chartered Secretaries (HKICS). She also holds a Practitioner's Endorsement issued by the HKICS. During the Year, the Company Secretary undertook no less than 15 hours of relevant professional training.

SHAREHOLDERS' RIGHTS

Convening of Extraordinary General Meeting

Pursuant to Article 79 of the Articles, the Board may, whenever it thinks fit, convene an extraordinary general meeting ("EGM"). General meetings shall also be convened on the written requisition of:

– any two or more members of the Company; or

– any one member of the Company which is a recognized clearing house (or its nominee)

deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office specifying the objects of the meeting and signed by the requisitionist, provided that such requisitionist held as at the date of deposit of the requisition not less than 25% of the paid up capital of the Company which carries the right of voting at general meetings of the Company.

If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Corporate Governance Report

SHAREHOLDERS' RIGHTS (continued)

Convening of Extraordinary General Meeting (continued)

Pursuant to Article 80(a) of the Articles, an AGM and any EGM called for the passing of a special resolution shall be called by not less than 21 days' notice in writing and any other EGM shall be called by not less than 14 days' notice in writing. The notice shall be exclusive of the day on which it is served or deemed to be served and of the day for which it is given, and shall specify the time, place, and agenda of the meeting, particulars of the resolutions to be considered at the meeting and in the case of special business (as defined in Article 82) the general nature of that business. The notice convening an AGM shall specify the meeting as such, and the notice convening a meeting to pass a special resolution shall specify the intention to propose the resolution as a special resolution. Notice of every general meeting shall be given to the external auditors and to all members other than such as, under the provisions hereof or the terms of issue of the shares they hold, are not entitled to receive such notice from the Company.

Further details of the procedures for shareholders to convene general meetings and put forward proposals at a general meeting are set out in the Company's Articles which is available on the Company's website.

Shareholder Communication Policy

The Board is accountable to the Shareholders for the Company's performance and activities. It recognizes the importance of promoting mutual understanding between the Company and the Shareholders through ongoing engagement and communication.

The Company also maintains an ongoing dialogue with the Shareholders, for example, through AGM or other general meetings to communicate with them and encourage their participation. The Board always ensures that the Shareholders' and other stakeholders' views are heard and welcomes their questions and concerns relating to the Group's management and governance. The Shareholders and other stakeholders may at any time send their enquiries and concerns to the Company by addressing them to the Company Secretary or the Investor Relations Officer by post or email at ir@oriental-patron.com.hk. The contact details of the Investor Relations Officer are set out in the Company's website.

Details of the Company's "Shareholder Communication Policy" are available on the Company's website.

INVESTOR RELATIONS

Constitutional Documents

There was no change in the Company's constitutional documents during the Year.

General Meetings

A general meeting is an important forum where communications with the Shareholders can be effectively conducted. During the Year, an AGM and an EGM were held at the principal place of business of the Company on 21 August 2013 and 13 March 2014 respectively. All resolutions proposed at the AGM and the EGM were duly passed. Details of the poll results were posted on the websites of the Stock Exchange and the Company.

Corporate Governance Report

INTERNAL CONTROLS

Internal Control Review

Due to the fact that the operation of the Company is small and simple, the Board opines that it is not necessary for the Company to have its own internal audit function. Instead, in order to ensure that the Company maintained sound and effective controls to safeguard the Shareholders' investment and the Company's assets, the Company had engaged an audit firm, namely, Lee, Au & Co., Certified Public Accountants to carry out, on annual basis, a review of the Company's internal controls in the areas of: (i) investment; (ii) management accounting, financial reporting, treasury, legal and tax compliance; (iii) resources management; and (iv) information technology systems for the year ended 31 December 2013. An internal control review report was then presented to the management, the Audit Committee and the Board for review and discussion.

Regarding the review, Lee, Au & Co. considered the internal controls of the Company were generally effective and adequate during the Year. They have recommended the Company to improve the internal controls by, among other things, keeping proper documentation of the investment performance meetings held between the Investment Manager and the Company and proper documentation of the review procedures and review results of the consolidation worksheets which form part of the basis of the calculation of the Company's net asset value (NAV) and also form part of the contents of the Investment Manager's monthly reports to the Board. The Audit Committee considered that there was no material defect in the Company's internal control. After discussions with the Audit Committee, the executive Board and management considered that the recommendations were reasonable and would implement the relevant procedures accordingly.

Other Internal Policies

Save as disclosed above in this CG Report, the Company has also adopted its own internal policies pursuant to the recommended best practices set out in the CG Code:

- "Remuneration Policy" for Directors and Senior Management of the Group.

- "Whistleblowing Policy" which provides a system for employees to raise concerns, in confidence, with the Audit Committee about possible improprieties in financial reporting, internal control or other matters related to the Group. A copy of this policy is available on the Company's website.

- "Disclosure Policy" which sets out procedures and internal controls for the handling and dissemination of inside information.

- "Policy on Acceptance of Advantage and Handling of Conflict of Interest" which sets out the basic standard of conduct expected of all directors and staff, and the Group's policy on acceptance of advantage and handling of conflict of interest when dealing with the Group's business (adopted in June 2014).

Independent Auditor's Report

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 (together, the "Group") set out on pages 33 to 91, which comprise the consolidated and company statement of financial position as at 31 March 2014, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

DIRECTORS' RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these consolidated 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 Hong Kong Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements that give a true and fair view 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 consolidated financial statements.

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

OPINION

In our opinion, the consolidated financial statements give a true and fair view of the state of affairs of the Company and the Group as at 31 March 2014 and of the Group's profit 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.

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 June 2014

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2014

	Note	2014 HK$'000	2013 HK$'000
Revenue	6	30,488	29,591
Other income	7	1,820	274
Net change in unrealized gain/(loss) on financial assets at fair value through profit or loss			
– Classified as held for trading		25,897	99,180
– Designated as such upon initial recognition		(9,805)	(64,089)
		16,092	35,091
Realized loss on disposal of unlisted investment		–	(10,272)
Realized gain on disposal of subsidiaries	15	25,248	–
Realized gain on partial disposal of subsidiaries	15	21	–
Realized loss on deemed disposal of an associate	16	(1,426)	(2,308)
Impairment loss on available-for-sale financial assets		(3,831)	(7,927)
Equity-settled share-based payments	22	1,958	(1,340)
Administrative expenses		(43,053)	(46,670)
Profit/(loss) from operations		27,317	(3,561)
Share of results of associates	16	34,651	16,373
Profit before tax		61,968	12,812
Taxation	9	(14,748)	–
Profit for the Year	10	47,220	12,812
Other comprehensive income			
Items that may be reclassified to profits or loss			
Exchange differences		(1,088)	1,143
Available-for-sale financial assets:			
Fair value changes during the Year	17	133	(158,456)
Impairment loss on available-for-sale financial assets		3,831	7,927
Deemed disposal of an investment		–	(39,433)
Redemption of convertible bond		–	3,860
Share of other comprehensive income of associates			
Fair value changes of available-for-sale financial assets		3,642	376
Exchange differences		(78)	9
Net other comprehensive income for the Year		6,440	(184,574)
Total comprehensive income for the Year		53,660	(171,762)
Earnings per share			
Basic	12(a)	5.02 cents	1.36 cents
Diluted	12(b)	5.02 cents	1.36 cents

	Note	2014 HK$'000	2013 HK$'000
Proposed final dividend	11	47,070	–

The notes on pages 39 to 91 form an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

At 31 March 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	14	**21**	22
Investments in associates	16	**142,710**	104,666
Available-for-sale financial assets	17	**312,376**	295,163
Financial assets at fair value through profit or loss	18	**16,545**	116,972
Loans receivable	19	**–**	4,500
		471,652	521,323
Current assets			
Financial assets at fair value through profit or loss	18	**367,548**	229,774
Accounts and loans receivable	19	**10,264**	3,908
Interest receivables		**731**	921
Prepayments and other receivables		**2,895**	1,134
Bank and cash balances		**500,132**	520,953
		881,570	756,690
TOTAL ASSETS		**1,353,222**	1,278,013
Capital and reserves			
Share capital	21	**94,140**	94,140
Reserves	23	**1,185,409**	1,179,521
Proposed final dividend	11	**47,070**	–
TOTAL EQUITY		**1,326,619**	1,273,661
Current liabilities			
Other payables		**11,925**	4,352
Tax payable		**14,678**	–
TOTAL LIABILITIES		**26,603**	4,352
TOTAL EQUITY AND LIABILITIES		**1,353,222**	1,278,013
NET ASSETS		**1,326,619**	1,273,661
Net asset value per share	24	**HK$1.41**	HK$1.35

The notes on pages 39 to 91 form an integral part of these consolidated financial statements.

Approved by the Board of Directors on 27 June 2014.

ZHANG Zhi Ping	**ZHANG Gaobo**
Director	*Director*

Statement of Financial Position

At 31 March 2014

	Note	2014 HK$'000	2013 HK$'000
Non-current assets			
Property, plant and equipment	14	8	22
Investments in subsidiaries	15	–	–
Amounts due from subsidiaries	15	529,617	385,216
Investments in associates	16	60,000	60,000
Loans receivable	19	–	4,500
		589,625	449,738
Current assets			
Financial assets at fair value through profit or loss	18	57,428	59,105
Loans receivable	19	4,500	–
Amounts due from associates	19	–	37
Interest receivables		731	316
Prepayments and other receivables		492	945
Bank and cash balances		476,996	458,790
		540,147	519,193
TOTAL ASSETS		1,129,772	968,931
Capital and reserves			
Share capital	21	94,140	94,140
Reserves	23	985,979	872,541
Proposed final dividend	11	47,070	–
TOTAL EQUITY		1,127,189	966,681
Current liabilities			
Other payables		2,583	2,250
TOTAL LIABILITIES		2,583	2,250
TOTAL EQUITY AND LIABILITIES		1,129,772	968,931
NET ASSETS		1,127,189	966,681

The notes on pages 39 to 91 form an integral part of these consolidated financial statements.

Approved by the Board of Directors on 27 June 2014.

ZHANG Zhi Ping
Director

ZHANG Gaobo
Director

Consolidated Statement of Changes in Equity

For the year ended 31 March 2014

			Reserves						
	Note	Share capital HK$'000	Share premium HK$'000	Share-based payment reserve HK$'000	Investment revaluation reserve HK$'000	Exchange reserve HK$'000	Retained profits HK$'000	Proposed final dividend HK$'000	Total HK$'000
At 1 April 2012		94,140	1,059,823	18,402	194,281	(22)	171,599	–	1,538,223
Vesting of share options	22	–	–	1,340	–	–	–	–	1,340
Total comprehensive income for the Year		–	–	–	(185,726)	1,152	12,812	–	(171,762)
Interim dividend	11	–	(94,140)	–	–	–	–	–	(94,140)
At 31 March 2013 and 1 April 2013		94,140	965,683	19,742	8,555	1,130	184,411	–	1,273,661
Vesting of share options	22	–	–	1,510	–	–	–	–	1,510
Share options forfeited	22	–	–	(3,468)	–	–	–	–	(3,468)
Share of reserve movements of an associate		–	–	1,256	–	–	–	–	1,256
Total comprehensive income for the Year		–	–	–	7,606	(1,166)	47,220	–	53,660
Proposed final dividend	11	–	–	–	–	–	(47,070)	47,070	–
At 31 March 2014		**94,140**	**965,683**	**19,040**	**16,161**	**(36)**	**184,561**	**47,070**	**1,326,619**

The notes on pages 39 to 91 form an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 March 2014

	2014 HK$'000	2013 HK$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	61,968	12,812
Adjustments for:		
Dividend income	(8,698)	(1,985)
Interest income	(6,286)	(12,093)
Exchange gains	(1,563)	(640)
Depreciation	16	19
Realized loss on disposal of unlisted investments	–	10,272
Gain on disposal of subsidiaries	(25,248)	–
Loss on deemed disposal of an associate	1,426	2,308
Net change in unrealized gain on financial assets at fair value through profit or loss	(16,092)	(35,091)
Impairment loss on available-for-sale financial assets	3,831	7,927
Share of results of associates	(34,651)	(16,373)
Equity-settled share-based payments	(1,958)	1,340
Operating loss before working capital changes	(27,255)	(31,504)
Net redemption on convertible bond	–	130,028
Net proceeds on deemed disposal of an investment	–	36,548
Net proceeds on disposal of financial assets at fair value through profit or loss	–	130,999
Net proceeds on disposal of subsidiaries	137,668	–
Subscription of unlisted investment funds	(136,383)	(78,604)
Net return on unlisted investment fund	1,581	–
Purchase of available-for-sale financial assets	(17,080)	–
Decrease in accounts and loans receivable	40	14,698
Increase in prepayments and other receivables	(1,874)	(398)
Increase/(decrease) in other payables	8,871	(1,643)
Cash (used in)/generated from operations	(34,432)	200,124
Dividend received	8,947	1,485
Interest received	6,215	36,237
Tax (paid)/refund	(70)	4,762
Net cash (used in)/generated from operating activities	(19,340)	242,608
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan to an investee	(1,895)	–
Loan repayments received	–	57,058
Decrease in bank deposits	–	30,051
Purchase of property, plant and equipment	(15)	–
Net cash (used in)/generated from investing activities	(1,910)	87,109

Consolidated Statement of Cash Flows

For the year ended 31 March 2014

	2014 HK$'000	2013 HK$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Interim dividend paid	–	(94,140)
Net cash used in financing activities	–	(94,140)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	**(21,250)**	235,577
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	**520,953**	284,273
EXCHANGE GAIN ON CASH AND CASH EQUIVALENTS	**429**	1,103
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**500,132**	520,953
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	**500,132**	520,953

For non-cash transactions, refer to note 25.

The notes on pages 39 to 91 form an integral part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

1. GENERAL INFORMATION

OP Financial Investments Limited (the "Company") was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law of the Cayman Islands. The address of its registered office is P.O. Box 309GT, Ugland House, South Church Street, George Town, Grand Cayman, Cayman Islands. The address of its principal place of business is 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong. The Company'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 15 and 16 respectively.

These consolidated financial statements are presented in thousands of Hong Kong dollars ("HKD'000"), unless otherwise stated.

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

(a) New standards, amendments and interpretations adopted by the Group

In the Year, the Company and its subsidiaries (the "Group") has adopted all the relevant new and revised Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") that are currently in issue and effective for its accounting year beginning on 1 April 2013. HKFRSs comprise all applicable individual Hong Kong Financial Reporting Standards ("HKFRS"); Hong Kong Accounting Standards ("HKAS"); and interpretations. The following new and revised HKFRSs are relevant to the Group's operations. 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.

- Amendment to HKAS 1, "Financial Statement Presentation", effective for the accounting period beginning on or after 1 July 2012, requires entities to group items presented in 'other comprehensive income' ("OCI") on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). The amendments do not address which items are presented in OCI. The adoption of the amended HKAS 1 only affects the presentation of the consolidated statement of profit or loss and other comprehensive income.

- HKAS 28 (revised 2011) "Investments in Associates and Joint Ventures" includes the requirements for joint ventures, as well as associates, to be equity accounted for following the issue of HKFRS 11 ("Joint Arrangements"). The Group has already used the equity method to account for its associates, refer to note 16 for details.

- HKFRS 10 "Consolidated Financial Statements" builds on existing principles by identifying the concept of control as the determining factor in whether an entity should be included within the consolidated financial statements of the parent company. The standard provides additional guidance to assist in the determination of control where this is difficult to assess. The Group assessed HKFRS 10's impact and considered that there is minimal impact on the Group's consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

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

(a) New standards, amendments and interpretations adopted by the Group (continued)

- HKFRS 12 "Disclosures of Interests in Other Entities" includes the disclosure requirements for all forms of interests in other entities, including joint arrangements, associates, special purpose vehicles and other off balance sheet vehicles. The Group has disclosed the relevant information for the investment in associate in note 16 and the interest in unconsolidated structured entity in note 18.

- HKFRS 13 "Fair Value Measurement" aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. The requirements, which are largely aligned HKFRSs and the Generally Accepted Accounting Principles of the United States of America, do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within HKFRSs. The Group makes additional relevant disclosures in these consolidated financial statements, refer to note 5 for details.

- Amendments to HKFRS 7 "Financial instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities" required new disclosure requirements which focus on quantitative information about recognized financial instruments that are offset in the statement of financial position, as well as those recognized financial instruments that are subject to master netting or similar arrangements irrespective of whether they are offset. The amendments did not have any impact on the Group's financial position or performance.

(b) New standards, amendments and interpretations have been issued but not yet effective for the financial year beginning 1 April 2013 and have not been early adopted

- HKFRS 9 "Financial Instruments" addresses the classification, measurement and recognition of financial assets and financial liabilities and hedge accounting. HKFRS 9 was issued in November 2009 and October 2010. It replaces the parts of HKAS 39 that relate to the classification and measurement of financial instruments and hedge accounting (other than specific accounting for open portfolios and macro hedging). HKFRS 9 requires financial assets to be classified into two measurement categories: those measured at fair value and those measured at amortized cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the HKAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than profit or loss, unless this creates an accounting mismatch. The expected mandatory effective date of HKFRS 9 would be no earlier than annual periods beginning on or after 1 January 2017. The Group is yet to assess HKFRS 9's full impact. The Group will also consider the impact of the remaining phases of HKFRS 9 when completed.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

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

(b) New standards, amendments and interpretations have been issued but not yet effective for the financial year beginning 1 April 2013 and have not been early adopted (continued)

- Amendments to HKFRS 10 "Consolidated Financial Statements" is effective for annual periods beginning on or after 1 January 2014. The amendments to HKFRS 10 define an investment entity and introduce an exception from the consolidation requirements for investment entities. The Group is yet to assess the impact of the adoption of these amendments on its financial positions and performance.

- Amendments to HKAS 32 "Offsetting Financial Assets and Financial Liabilities" is effective for annual periods beginning on or after 1 January 2014. These amendments clarify the offsetting criteria in HKAS 32 and address inconsistencies in their application. This includes clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement. The amendments are not expected to have a material impact on the Group's financial position or performance.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Group 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 consolidated 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 consolidated financial statements in conformity with HKFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgements in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4 to the consolidated financial statements.

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 March 2014 and 2013.

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits and losses resulting from inter-company transactions that are recognized in assets are also eliminated. 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, investments in subsidiaries are accounted for at cost less impairment. The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving dividends from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statements exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

(ii) Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the fair value of non-controlling interest and the acquisition-date fair value of any previous equity interest in the acquiree over the net identifiable assets acquired and liabilities assumed. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Consolidation (continued)

(iii) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions, i.e. as transactions with the owners in their capacity as owners. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(iv) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognized in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets and liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

(v) Associates

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting. Under the equity method, the investment is initially recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income is reclassified to profit or loss where appropriate.

The Group's share of its associate's post-acquisition profit or loss is recognized in profit or loss, and its share of the post-acquisition movements in other comprehensive income is recognized in other comprehensive income with a corresponding adjustment to 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 recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports profits, the Group resumes recognizing its share of those profits only after its share of the profits equals the share of losses not recognized.

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.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount adjacent to 'share of results of associates' in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) Consolidation (continued)

(v) Associates (continued)

Profits and losses resulting from upstream and downstream transactions between the Group and its associates are recognized in the Group's consolidated financial statements only to the extent of unrelated investor's interests in the associates. Unrealized losses are 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.

Dilution gains and losses arising in investments in associates are recognized in profit or loss.

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

(vi) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only, and the relevant activities are directed by means of contractual arrangements. A structured entity often has restricted activities and a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity. Consequently, investment funds invested by the Group are considered as "unconsolidated structured entities", as described in note 18(b).

(b) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

(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 the Group's presentation currency.

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

Transactions in foreign currencies are translated into the functional currency using the exchange rates prevailing at the date of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Changes in the fair value of monetary securities denominated in foreign currency classified as available-for-sale are analyzed between translation differences resulting from changes in the amortized cost of the security and other changes in the carrying amount of the security. Translation differences related to changes in amortized cost are recognized in profit or loss, and other changes in carrying amount are recognized in other comprehensive income.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Foreign currency translation (continued)

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

Translation differences on non-monetary financial assets and liabilities such as equities held at fair value through profit or loss are recognized in profit or loss as part of the fair value gains or losses. Translation differences on non-monetary financial assets, such as equities classified as available-for-sale, are included in other comprehensive income.

(iii) Group companies

The results and financial position of all the Group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the Group's presentation currency are translated into the Group'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 statement of comprehensive income 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 recognized in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recognized in other comprehensive income. When a foreign operation is partially disposed of or sold, exchange differences that were recorded in equity are recognized in profit or loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized 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. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to allocate cost over their 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
Motor vehicles	25%

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

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains or losses on disposals of property, plant and equipment are the difference between the net sales proceeds and the carrying amount of the relevant assets, and are recognized in profit or loss.

(e) Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(f) Financial assets

(i) Classification

The Group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables and available-for-sale. The classification depends on the purpose for which the financial assets were acquired. The directors determine the classification of its financial assets at initial recognition.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are either financial asset held for trading or designated in this category upon initial recognition. Derivatives are also categorized as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for the amounts that are settled or expected to be settled more than 12 months after the end of the reporting period. These are classified as non-current assets. The Group's loans and receivables comprise 'accounts and loans receivable', 'interest receivables', 'prepayments and other receivables' and 'bank and cash balances' in the consolidated statement of financial position.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial assets (continued)

(i) Classification (continued)

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives financial instruments that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless the investment matures or management intends to dispose of it within 12 months of the end of the reporting period.

(ii) Recognition and measurement

Regular way purchases and sales of financial assets are recognized on the trade-date – the date on which the Group commits to purchase or sell the asset. Investments are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognized at fair value, and transaction costs are expensed in profit or loss. Financial assets are derecognized when the rights to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

Gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are presented in profit or loss in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognized in profit or loss as part of revenue when the Group's right to receive payments is established. The interest component is reported as part of interest income.

Changes in the fair value of securities classified as available-for-sale financial assets are recognized in other comprehensive income.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognized in equity are included in profit or loss as gains/losses from available-for-sale financial assets.

Interest on available-for-sale securities calculated using the effective interest method is recognized in profit or loss as part of revenue. Dividends on available-for-sale equity instruments are recognized in profit or loss as part of revenue when the Group's right to receive payments is established.

(iii) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Group and the Company's statement of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Financial assets (continued)

(iv) Impairment of financial assets

Assets carried at amortized cost

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event) and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

If there is objective evidence that an impairment loss on loans and receivables or held-to-maturity investments carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in profit or loss. If a loan or held-to-maturity investment has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. As a practical expedient, the Group may measure impairment on the basis of an instrument's fair value using an observable market price.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in profit or loss.

Assets classified as available-for-sale

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available-for-sale financial assets, a significant or prolonged decline in the fair value of the security below its cost is also evidence that the assets are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss – is removed from equity and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments classified as available-for-sale financial assets are not reversed through profit or loss.

(g) Derivative financial instruments

Derivative financial instruments are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair values. The derivative financial instruments are designated as non-hedging instruments and are classified as current assets or liabilities. Changes in the fair value of any non-hedging derivative financial instruments are recognized immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 recognized initially at fair value and subsequently measured at amortized 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 recognized in profit or loss.

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

If collection of trade and other receivables is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

(i) Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represents cash at bank and in hand, demand deposits with banks and other financial institutions, and other short-term highly liquid investments which are readily convertible into known amounts of cash with original maturity of three months or less and subject to an insignificant risk of change in value.

(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 amortized cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(ii) Equity instruments

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods and service in the ordinary course of the Group's activities. Revenue is shown net of value-added tax, returns, rebates and discounts and after eliminating sales within the Group.

Revenue is recognized when it is probable that future economic benefits will flow to the Group and the amount of revenue can be measured reliably, on the following bases:

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

(ii) Performance premium is received from co-investors so as to compensate the Group for all direct and indirect costs and expenses incurred for certain co-investment projects and its additional effort to monitor such co-investment projects. Performance premium is recognized when the efforts are made and expenses are incurred.

(iii) Interest income is recognized on a time-proportion basis using the effective interest method. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognized using the original effective interest rate.

(l) Employee benefits

(i) Employee leave entitlements

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

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

(ii) Pension obligations

The Group participates in a mandatory provident fund scheme in Hong Kong which is a defined contribution plan available to all employees, generally funded through payments to trustee-administered funds. Contributions to the schemes by the Group are calculated as a percentage of the employees' basic salaries. The contributions are recognized as employee benefit expense when they are due.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date. The Group recognizes termination benefits when it is demonstrably committed to a termination when the entity has a detailed formal plan to terminate the employment of current employees without possibility of withdrawal.

(iv) Bonus

The expected costs of bonus payments are recognized as a liability when the Group has a present legal or constructive obligation as a result of services rendered by employees and a reliable estimate of the obligations can be made.

Liabilities for bonus are measured at the amounts expected to be paid when they are settled.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Share capital and dividend distribution

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or share options are shown in equity as a deduction, net of tax, from the proceeds.

Dividend distribution to the Company's shareholders is recognized as a liability in the Group's and the Company's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

(n) Share-based payments

The Group operates a number of equity-settled, share-based compensation plans, under which the entity receives services from employees and other eligible participants as consideration for equity instruments (options) of the Group. The fair value of the employee services received in exchange for the grant of the options is recognized as an expense. The total amount to be expensed is determined by reference to the fair value of the share options granted:

- including any market performance consideration (for example, an entity's share price);
- excluding the impact of any service and non-market performance vesting conditions; and
- including the impact of any non-vesting conditions

Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. The total expense is recognized over the vesting period, which is the period over which all of the specified vesting conditions are to be satisfied. At the end of each reporting period, the entity revises its estimates of the number of options that are expected to vest based on the non-market vesting conditions. It recognizes the impact of the revision to original estimates, if any, in profit or loss, with a corresponding adjustment to equity.

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

(o) Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case the tax is also recognized in other comprehensive income or directly in equity, respectively.

(i) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted by the reporting date in the jurisdictions where the Company, its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions, where appropriate, on the basis of amounts expected to be paid to the tax authorities.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Current and deferred income tax (continued)

(ii) Deferred tax

Deferred tax is recognized on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill and the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the year-end date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

Deferred tax is provided on temporary differences arising on investments in subsidiaries and associates, except for deferred tax liability where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

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

(p) 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. Payments made under operating leases (net of any incentives received from the lessor) are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) 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);

(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.

(r) Provisions and contingent liabilities

Provisions are recognized 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 resources will be required to settle the obligation and a reliable estimate can be made.

When there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provision are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of any material effect on time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

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.

(s) 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 consolidated financial statements when material.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

(a) Tax

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

(b) Fair value estimation of financial instruments

As indicated in notes 5, 17 and 18 to the consolidated financial statements, the Group selects appropriate valuation techniques for financial instruments not quoted in an active market. The fair values of unlisted investments are determined in accordance with generally accepted pricing models such as Discounted Cash Flow Method. The values assigned to these unlisted investments are based upon available information and do not necessarily represent amounts which might ultimately be realized, since such amounts depend on future circumstances and cannot be reasonably determined until the individual position is realized.

(c) Fair value estimation of share options

The Group determines the fair value of its share options by using the Black-Scholes valuation model which requires input of subjective assumptions as disclosed in note 22. Any change in the subjective input assumptions may materially affect the fair value of an option.

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

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

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

Management estimates and judgments may change from time to time based upon future events that may or may not occur and changes in these estimates and judgments could adversely affect the carrying amounts of available-for-sale financial assets. Impairment charges on available-for-sale financial assets totaled HK$3,831,000 and HK$7,927,000 for the years ended 31 March 2014 and 2013 respectively. For additional information, refer to note 17 "Available-for-sale financial assets".

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

5. FINANCIAL INSTRUMENTS

(a) Categories of financial instruments

	Group	
	2014	2013
	HK$'000	HK$'000
Financial assets		
Available-for-sale financial assets	**312,376**	295,163
Financial assets at fair value through profit or loss		
Classified as held for trading	**367,548**	219,213
Designated as such upon initial recognition	**16,545**	127,533
Loans and receivables		
Accounts, loans receivables and others	**13,890**	10,463
Bank and cash balances	**500,132**	520,953
Financial liabilities		
Amortized cost	**26,603**	4,352

(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 analyze 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.

At 31 March 2014, the Group exposure to foreign currency risk, mainly through unlisted investment funds, bank balances and loan receivable (2013: through unlisted investment funds, unlisted equity instruments and bank balances). These investments were denominated in RMB and the maximum exposure to foreign currency risk was RMB45,097,000, equivalent to HK$56,383,000 (2013: RMB175,162,000, equivalent to HK$218,769,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(i) Foreign currency risk (continued)

Sensitivity analysis

As at 31 March 2014, if the RMB exchange rate has been 50 basis points higher/lower with all other variables held constant, the profit for the Year would have increased/decreased by approximately HK$282,000 (2013: HK$1,094,000).

At 31 March 2014, the Group holds certain financial assets which are denominated in USD. The Board is of the opinion that the Group's exposure to USD foreign currency risk is minimal as HKD has been pegged to USD by the Hong Kong's Linked Exchange Rate System.

(ii) Interest rate risk

The Group's exposure to interest rate risk arises from its interest bearing bank deposits and loans receivable (2013: interest bearing bank deposits, investment in debt securities and loans receivable). At 31 March 2014, the Group's interest bearing assets was HK$503,132,000 (2013: HK$534,514,000). A change in interest rate levels within the range foreseen by the directors for the next twelve months could have a material impact on the Group.

The directors review the Group's cash flow interest rate risk exposure regularly and consider the present interest rate risk to be manageable.

Sensitivity analysis

At 31 March 2014, if the interest rates had been 25 basis points higher/lower with all other variables held constant, the profit for the Year would have increased/decreased by approximately HK$1,250,000 (2013: HK$1,302,000).

(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 risk and return profiles.

Sensitivity analysis

At 31 March 2014, 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 with all other variables held constant, the profit for the Year would have increased/decreased by approximately HK$38,409,000 (2013: HK$33,618,000) and the investment revaluation reserve would have increased/decreased by approximately HK$31,238,000 (2013: HK$29,516,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

5. FINANCIAL INSTRUMENTS (continued)

(b) Financial risk management (continued)

(iv) Credit risk

At 31 March 2014, the Group's maximum exposure to credit risk in the event of the counterparties fail to perform their obligations in relation to each class of recognized 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 investment-grade credit-ratings assigned by international credit-rating agencies.

The Group's investment in the convertible bonds issued by Glory Wing International Limited (see note 18) has been revalued to nil during the year due to prolonged overdue of principal and interest payments. Apart from this, the Group's credit risk on debt securities held is limited because the management closely monitor the financial position of the underlying companies by regularly reviews their financial and operational results and assess their abilities to fulfill the repayment obligations.

At 31 March 2014, the Group had less concentration of credit risk by geographical location and by customer than the previous year. 28% of its receivables was due from one co-investment partner in the Mainland China (2013: 37% due from one co-investment partner and an investee located in the Mainland China). The maximum exposure to credit risk on this co-investment partner was HK$3,868,000 (2013: HK$3,871,000). However, the directors consider that the credit risks associated with these counterparties are limited as:

- the co-investment partner is with good credit rating in the industry
- the Group has power of significant influence on the decision making process of the investee
- the Group closely reviews the financial positions of the investee

(v) Liquidity risk

Liquidity risk is the risk that the Group cannot meet its current obligations as they fall due. 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. At 31 March 2014, the Group held cash and cash equivalents of HK$500,132,000 (2013: HK$520,953,000) which were considered adequate for working capital management.

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 2014	
Tax and other payables	26,603
At 31 March 2013	
Other payables	4,352

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair values estimation

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

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

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

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

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

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

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

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

Disclosures of level in fair value hierarchy at 31 March 2014:

Description	Fair value measurement using: Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss				
Listed securities	6,818	–	–	6,818
Unlisted investment funds	–	360,730	16,545	377,275
Available-for-sale financial assets				
Listed securities	16,646	–	–	16,646
Unlisted equity investments	–	–	295,730	295,730
Total	23,464	360,730	312,275	696,469

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair values estimation (continued)

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

	Year ended 31 March 2014				
	Financial assets at fair value through profit or loss			Available-for-sale financial assets	
Description	Unlisted equity investments HK$'000	Unlisted investment fund HK$'000	Debt investments, with interest receivable HK$'000	Unlisted equity investments HK$'000	Total HK$'000
At the beginning of the Year	116,972	–	10,861	274,554	402,387
Total gains or losses recognized					
– in profit or loss (#)	21,880	4,904	(10,561)	–	16,223
– in other comprehensive income	–	–	–	4,096	4,096
Provision	–	–	(300)	–	(300)
Purchases/Additions	–	14,002	–	17,080	31,082
Disposals/Distributions	(138,852)	(2,361)	–	–	(141,213)
At the end of the Year	–	16,545	–	295,730	312,275
(#) Total gains or losses included in profit or loss that is attributable to the change in unrealized gains or losses relating to those assets and liabilities held at the end of reporting period	–	4,124	(10,561)	–	(6,437)

Disclosures of level in fair value hierarchy at 31 March 2013:

	Fair value measurement using:			
Description	Level 1 HK$'000	Level 2 HK$'000	Level 3 HK$'000	Total HK$'000
Financial assets at fair value through profit or loss				
Listed securities	7,549	–	–	7,549
Unlisted investment funds	–	211,664	–	211,664
Unlisted equity investments	–	–	116,972	116,972
Debt investments, with interest receivable	–	–	10,861	10,861
Available-for-sale financial assets				
Listed securities	20,609	–	–	20,609
Unlisted equity investments	–	–	274,554	274,554
Total	28,158	211,664	402,387	642,209

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair values estimation (continued)

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

	Year ended 31 March 2013						
	Financial assets at fair value through profit or loss				Available-for-sale financial assets		
Description	Unlisted equity investments HK$'000	Equity investments with embedded derivative HK$'000	Debt investments, with interest receivable HK$'000	Derivatives HK$'000	Unlisted equity investments HK$'000	Debt investments with interest receivable HK$'000	Total HK$'000
At the beginning of the Year	231	93,986	12,592	844	470,933	152,702	731,288
Total gains or losses recognized							
– in profit or loss (#)	3,368	–	(1,737)	(840)	39,433	6,918	47,142
– in other comprehensive income	–	–	–	–	(179,421)	(5,492)	(184,913)
Total interest recognized in profit or loss	–	–	306	–	–	7,091	7,397
Total interest received	–	–	(300)	–	–	(31,191)	(31,491)
Purchases	113,604	–	–	–	–		113,604
Disposals	(231)	(93,986)	–	(4)	(56,391)	(130,028)	(280,640)
At the end of the Year	116,972	–	10,861	–	274,554	–	402,387
(#) Total gains or losses included in profit or loss that is attributable to the change in unrealized gains or losses relating to those assets and liabilities held at the end of reporting period	3,368	–	(1,737)	–	–	–	1,631

For financial assets at fair value through profit or loss, the total gains or losses recognized, including those for assets held at the end of reporting period, are presented in profit or loss in "net change in unrealized gain/loss on financial assets at fair value through profit or loss". For available-for-sale-financial assets, these amounts are presented in other comprehensive income in "available-for-sale financial assets: fair value changes during the Year".

The consolidated financial statements include holdings in unlisted financial instruments which are measured at fair value (note 17 and note 18). Fair value is estimated using generally accepted pricing models, which included some assumptions that are not supportable by observable market rates. In determining the fair value, certain unobservable inputs and a risk adjusted discount factor were used.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

5. FINANCIAL INSTRUMENTS (continued)

(c) Fair values estimation (continued)

Description	Fair value at 31 March 2014 HK$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Available-for-sale financial assets					
OPIM and OPIMC (non-voting preference shares)	46,469	Discounted cash flow	Discount rate	18.20%	The higher the discount rate, the lower the fair value
			Growth rate/ long-term growth rate	7.25%/3%	The higher the growth rate, the higher the fair value
Thrive World Limited (equity interest)	202,089	Discounted cash flow	Discount rate	14.23%	The higher the discount rate, the lower the fair value
			Forecasted oil price	US$100.5 to US$105 per barrel for 2014 to 2017	The higher the oil price, the higher the fair value
Jin Dou Development Fund, L.P. (partnership interest)	6,816	Share of net assets	N/A	N/A	N/A
Dance Biopharm Inc. (equity interest)	32,749	Recent market price	N/A	N/A	N/A
Valueworth Ventures Limited (equity interest)	7,607	Recent market price	N/A	N/A	N/A
Financial assets at fair value through profit or loss					
Real Estate Opportunity Capital Fund (partnership interest)	16,545	Share of net assets	N/A	N/A	N/A

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

6. REVENUE

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

	2014 HK$'000	2013 HK$'000
Dividend income from unlisted investments	8,698	1,985
Performance premium from co-investment partner	15,504	15,513
Interest income	6,286	12,093
	30,488	29,591

7. OTHER INCOME

	2014 HK$'000	2013 HK$'000
Exchange gains	1,563	–
Sundry income	257	274
	1,820	274

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.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

8. SEGMENT INFORMATION (continued)

Geographical information:

	2014 HK$'000	2013 HK$'000
Revenue		
Hong Kong	6,149	13,563
Mainland China	23,559	16,028
Other countries	780	–
	30,488	29,591

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

Non-current assets other than financial instruments

	2014 HK$'000	2013 HK$'000
Hong Kong	142,731	104,688

Information about major investments and co-investment partners:

During the Year, performance premium received from one of the Group's unlisted investments and dividend income received from one of the Group's unlisted investments which individually accounted for 10% or more of the Group's total revenue amounted to approximately HK$15,504,000 and HK$6,605,000 respectively (2013: performance premium received from one of the Group's unlisted investments and interest income derived from one of the Group's unlisted investments which accounted for 10% or more of the Group's total revenue amounted to approximately HK$15,513,000 and HK$7,091,000 respectively).

During the Year, performance premium and dividend income received from one (2013: one) of the Group's co-investment partners which accounted for 10% or more of the Group's total revenue amounted to approximately HK$22,110,000 (2013: HK$15,513,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

9. TAXATION

Hong Kong

(a) Hong Kong Profits Tax has been provided at a rate of 16.5% (2013: 16.5%) on the estimated assessable profit for the Year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in that overseas country.

	2014 HK$'000	2013 HK$'000
Overseas tax	14,678	–
Under-provision of Hong Kong Profits Tax for previous year	70	–
	14,748	–

The overseas tax amount represents applicable PRC tax provided at rates prevailing in the relevant jurisdiction.

(b) The reconciliation between the income tax and the product of profit before tax multiplied by the domestic tax rates applicable to profits of the consolidated entities is as follows:

	2014 HK$'000	2013 HK$'000
Profit before tax	61,968	12,812
Tax calculated at domestic tax rates applicable to profits in the respective countries	15,728	2,114
Tax effect of income that is not taxable	(5,357)	(11,940)
Tax effect of expenses that are not deductible	4,930	8,673
Tax effect of temporary differences not recognized	(1)	2
Tax effect of tax losses not recognized	572	1,151
Tax effect of utilisation of tax losses not previously recognized	(1,194)	–
Under-provision of tax in previous year	70	–
Income tax	14,748	–

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

10. PROFIT FOR THE YEAR

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

	2014 HK$'000	2013 HK$'000
Auditor's remuneration		
Audit	1,040	750
Others	281	335
	1,321	1,085
Depreciation	16	19
Investment management fee	19,800	21,647
Operating lease payments in respect of office premises	2,539	2,275
Staff costs (including directors' emoluments)		
Salaries and other benefits	16,623	18,216
Retirement benefits scheme contributions	206	185
Equity-settled share-based compensation	1,510	1,340
	18,339	19,741

(b) The profit for the Year dealt with in the financial statements of the Company was approximately HK$162,466,000 (2013: loss of HK$18,389,000) (note 23).

11. DIVIDENDS

The Board proposed to pay a final dividend of HK5 cents per ordinary share for the Year (2013: nil). The estimated total final dividend, based on the number of shares outstanding as at 31 March 2014, is HK$47,070,000. The proposed final dividend is subject to shareholders' review and approval at the forthcoming annual general meeting to be held on 14 August 2014.

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

12. EARNINGS PER SHARE

(a) Basic earnings per share

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

	2014	2013
Profit for the Year (HK$'000)	47,220	12,812
Weighted average number of ordinary shares in issue (in thousand)	941,400	941,400
Basic earnings per share	HK5.02 cents	HK1.36 cents

(b) Diluted earnings per share

Diluted earnings per share for both years were the same as the basic earnings per share as the Company's outstanding share options had no dilutive effect for both years.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

13. 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 2014 are as follows:

Name of director	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors				
ZHANG Zhi Ping	–	130	6	136
ZHANG Gaobo	–	130	7	137
Independent non-executive directors				
KWONG Che Keung, Gordon	250	–	–	250
HE Jia	250	–	–	250
WANG Xiaojun	250	–	–	250
	750	260	13	1,023

The emoluments paid or payable to directors of the Company during the year ended 31 March 2013 are as follows:

Name of director	Fees HK$'000	Salaries and other benefits HK$'000	Retirement benefits scheme contributions HK$'000	Total HK$'000
Executive directors				
ZHANG Zhi Ping	–	130	6	136
ZHANG Gaobo	–	130	7	137
Non-executive director				
LIU Hongru	21	–	–	21
Independent non-executive directors				
KWONG Che Keung, Gordon	250	–	–	250
HE Jia	250	–	–	250
WANG Xiaojun	250	–	–	250
	771	260	13	1,044

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

13. DIRECTORS' AND SENIOR MANAGEMENT'S EMOLUMENTS (continued)

(a) Directors' emoluments (continued)

The emoluments of the directors fell within the following bands:

	2014 Number of directors	2013 Number of directors
HK$Nil – HK$1,000,000	5	6

(b) Senior management's emoluments

Of the five individuals whose emoluments were the highest in the Group for the Year, none of them (2013: 0) was a director. The emoluments of the 5 highest paid individuals are as follows:

	2014 HK$'000	2013 HK$'000
Salaries and other benefits	10,448	11,968
Retirement benefits scheme contributions	71	69
Discretionary bonuses	1,750	1,700
	12,269	13,737

During the year ended 31 March 2014 and 31 March 2013, 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.

The emoluments of the 5 highest paid individuals fell within the following bands:

	2014 Number of individuals	2013 Number of individuals
HK$Nil – HK$1,000,000	1	–
HK$1,000,001 – HK$1,500,000	1	–
HK$1,500,001 – HK$2,000,000	1	3
HK$2,000,001 – HK$2,500,000	–	–
HK$2,500,001 – HK$3,000,000	–	–
HK$3,000,001 – HK$3,500,000	–	–
HK$3,500,001 – HK$4,000,000	1	1
HK$4,000,001 – HK$4,500,000	1	1

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14. PROPERTY, PLANT AND EQUIPMENT

Group

	Computer equipment HK$'000	Office equipment HK$'000	Furniture HK$'000	Total HK$'000
Cost				
At 1 April 2012	67	11	72	150
At 31 March 2013	67	11	72	150
Additions	15	–	–	15
At 31 March 2014	82	11	72	165
Accumulated depreciation				
At 1 April 2012	36	5	68	109
Charge for the year	14	3	2	19
At 31 March 2013	50	8	70	128
Charge for the year	12	2	2	16
At 31 March 2014	62	10	72	144
Carrying amount				
At 31 March 2014	**20**	**1**	**–**	**21**
At 31 March 2013	17	3	2	22

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14. PROPERTY, PLANT AND EQUIPMENT (continued)

Company

	Computer equipment HK$'000	Office equipment HK$'000	Furniture HK$'000	Total HK$'000
Cost				
At 1 April 2012	67	11	72	150
At 31 March 2013	67	11	72	150
At 31 March 2014	67	11	72	150
Accumulated depreciation				
At 1 April 2012	36	5	68	109
Charge for the year	14	3	2	19
At 31 March 2013	50	8	70	128
Charge for the year	10	2	2	14
At 31 March 2014	60	10	72	142
Carrying amount				
At 31 March 2014	**7**	**1**	**–**	**8**
At 31 March 2013	17	3	2	22

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For the year ended 31 March 2014

15. INVESTMENTS IN SUBSIDIARIES/AMOUNTS DUE FROM SUBSIDIARIES

	Company	
	2014 **HK$'000**	2013 HK$'000
Unlisted shares, at cost	**–**	–
Amounts due from subsidiaries	**529,617**	385,216

The amounts due from subsidiaries are unsecured, interest-free and have no fixed repayment terms but are not expected to be repaid within next 12 months.

Details of the principal subsidiaries at 31 March 2014 are as follows:

Name of subsidiary	Place of incorporation and operation	Issued and paid up capital	Effective interest held	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
OPFI (GP1) Limited	Cayman Islands	US$1	100%	Investment holding
OP Investment Service Limited	Hong Kong	HK$1	100%	Management services
Panlink Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Profit Raider Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Prosper Gain Holdings Limited	British Virgin Islands	US$1	100%	Investment holding
River King Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Sunshine Prosper Limited	British Virgin Islands	US$1	100%	Investment holding
Suremind Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Crown Honor Holdings Limited	British Virgin Islands	US$100,000	100% *	Investment holding
Keynew Investments Limited	British Virgin Islands	US$1	100% *	Investment holding
Wisland Investments Limited	British Virgin Islands	US$1	100% *	Investment holding

* Shares held indirectly by the Company

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15. INVESTMENTS IN SUBSIDIARIES/AMOUNTS DUE FROM SUBSIDIARIES (continued)

Details of the principal subsidiaries at 31 March 2013 are as follows:

Name of subsidiary	Place of incorporation and operation	Issued and paid up capital	Effective interest held	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
OPFI (GP1) Limited	Cayman Islands	US$1	100%	Investment holding
OP Investment Service Limited	Hong Kong	HK$1	100%	Management services
Panlink Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Profit Raider Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Prosper Gain Holdings Limited	British Virgin Islands	US$1	100%	Investment holding
River King Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Sunshine Prosper Limited	British Virgin Islands	US$1	100%	Investment holding
Suremind Investments Limited	British Virgin Islands	US$1	100%	Investment holding
Crown Honor Holdings Limited	British Virgin Islands	US$100,000	100%*	Investment holding
Excel Perfect Investments Limited	Hong Kong	HK$1	100%*	Investment holding
Glory Yield Holdings Limited	British Virgin Islands	US$50,000	100%*	Investment holding
Keynew Investments Limited	British Virgin Islands	US$1	100%*	Investment holding
Meichen Finance Group Limited	Hong Kong	HK$10,000	100%*	Investment holding
Valueworth Ventures Limited	British Virgin Islands	US$1	100%*	Investment holding
Wisland Investments Limited	British Virgin Islands	US$1	100%*	Investment holding
深圳市美英智科技有限公司	The People's Republic of China	RMB39,940,000	100%*	Investment holding

* shares held indirectly by the Company

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15. INVESTMENTS IN SUBSIDIARIES/AMOUNTS DUE FROM SUBSIDIARIES (continued)

Disposal of Glory Yield

On 11 February 2014, the Group entered into an agreement with buyers to dispose of (i) its 100% interests in a wholly-owned subsidiary, Glory Yield Holdings Limited ("Glory Yield"), including the subsidiaries held by Glory Yield (together referred to as the "Glory Yield Group"); and (ii) the Group's loan to Glory Yield of HK$56,817,000, at a total consideration of HK$203,600,000. The transaction was completed on 18 March 2014. A realized gain of HK$25,248,000 is recognized in profit or loss from the disposal of the Glory Yield Group. Details of the disposal are as follows:

	HK$'000
Net assets of Glory Yield Group at disposal	
Unlisted equity investment, classified as financial assets at fair value through profit or loss	134,344
Bank and cash balances	51,332
Other assets	281
Shareholder's loan	(56,817)
Other liabilities	(1,465)
	127,675
Realized gain on disposal represented by:	
Current year gain on disposal	21,880
Unrealized gain recognized in previous years	3,368
	25,248
Net cash inflow arising on disposal:	
Cash consideration	203,600
Costs directly attributable to the disposal	(14,600)
Cash and cash equivalent balances disposed	(51,332)
	137,668

Disposal of Valueworth

On 6 May 2013, the Group disposed 92% of its wholly-owned subsidiary, Valueworth Ventures Limited ("Valueworth"), including the subsidiaries held by Valueworth (together as the "Valueworth Group"), through an allotment of new shares by Valueworth to the Group and other buyers. Valueworth Group has been dormant since its incorporation and a gain of HK$21,000 is recognized in profit or loss from this disposal.

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16. INVESTMENTS IN ASSOCIATES

	Group 2014 HK$'000	Group 2013 HK$'000
Unlisted shares		
Share of net assets	**142,710**	104,666

	Company 2014 HK$'000	Company 2013 HK$'000
Unlisted shares, at cost	**60,000**	60,000

Details of the Group's associates at 31 March 2014 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	23.68% (Note 1) (2013: 25%)	Asset management and investment holding	60,000 (2013: 60,000)	136,778 (2013: 100,340)	136,778 (2013: 100,340)
Guotai Junan Fund Management Limited ("Guotai Junan")	Corporate	Hong Kong	2,990,000 ordinary shares of HK$1 each	29.9% (2013: 29.9%)	Asset management and trading in securities	2,990 (2013: 2,990)	4,877 (2013: 3,836)	4,877 (2013: 3,836)
OP Investment Management Limited ("OPIM")	Corporate	Hong Kong	1,464,300 ordinary shares of HK$1 each	30% (Note 2) (2013: 30%)	Asset management	1,464 (2013: 1,464)	1,051 (2013: 485)	502 (2013: 485)
OP Investment Management (Cayman) Limited ("OPIMC")	Corporate	Cayman Islands	600 ordinary shares of US$1 each	30% (Note 2) (2013: 30%)	Asset management	5 (2013: 5)	5 (2013: 5)	5 (2013: 5)
Prodirect Investments Limited ("PIL")	Corporate	British Virgin Islands	3 ordinary shares of US$1 each	30% (2013: 30%)	Investment holding	– (2013: –)	– (2013: –)	– (2013: –)

Note:

1 In August 2013, CSOP issued additional 13,333,333 ordinary shares to its employees, which further diluted the Group's equity interest in CSOP from 25% to 23.68%. The Group recognized a loss of HK$1,426,000 from this deemed disposal of interest in CSOP.

In February 2013, CSOP issued additional 40,000,000 ordinary shares to its employees which diluted the Group's equity interest in CSOP from 30% to 25%. The Group recognized a loss of HK$2,308,000 from this deemed disposal of interest in CSOP.

2 According to the Memorandum and Articles of Association of OPIM and OPIMC, 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 OPIM and OPIMC available for distribution by way of dividend are distributed among the holders of preference shares only.

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16. INVESTMENTS IN ASSOCIATES (continued)

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

	2014 HK$'000	2013 HK$'000
At 31 March		
Total current assets	721,553	520,678
Total non-current assets	5,053	3,260
Total current liabilities	(122,907)	(76,333)
Total non-current liabilities	–	(2,564)
Net assets	603,699	445,041
Group's share of associates' net assets	142,710	104,666
Year ended 31 March		
Total revenue	375,686	193,781
Total profits for the Year	145,408	55,924
Other comprehensive income for the Year	1,402	1,619
Total comprehensive income for the Year	146,810	57,543
Group's share of associates' profits for the Year	34,651	16,373
Group's share of associates' other comprehensive income for the Year	3,564	385

17. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	Group 2014 HK$'000	Company 2014 HK$'000	Group 2013 HK$'000	Company 2013 HK$'000
Listed equity securities, at fair value	16,646	–	20,609	–
Unlisted equity securities, at fair value	295,730	–	274,554	–
	312,376	–	295,163	–

Notes to the Consolidated Financial Statements

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17. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

Details of the Group's available-for-sale financial assets at 31 March 2014 and 2013 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$'000	Carrying amount HK$'000	FV change during the Year HK$'000	Percentage of total assets of the Group
(a) Kaisun Energy Group Limited ("Kaisun Energy")	Cayman Islands	132,110,000 (2013: 132,110,000) ordinary shares of HK$0.01 each	5.0% (2013: 5.0%)	133,745 (2013: 133,745)	16,646 (2013: 20,609)	(3,963) (2013: (9,116))	1.23% (2013: 1.61%)

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	FV change during the Year HK$'000	Percentage of total assets of the Group
(b) OPIM/OPIMC	Hong Kong/ Cayman Islands	1,000/100 (2013: 1,000/100) non-voting preference shares of HK$1/ US$1 each	100% (2013: 100%)	22,345 (2013: 22,345)	46,469 (2013: 25,039)	21,430 (2013: (23,664))	3.43% (2013: 1.96%)
(c) Thrive World Limited ("TWL")	British Virgin Islands	10 (2013: 10) ordinary shares of US$1 each	10% (2013: 10%)	232,648 (2013: 232,648)	202,089 (2013: 242,590)	(40,501) (2013: (115,684))	14.93% (2013: 18.98%)
(d) Jin Dou Development Fund, L.P. ("Jin Dou")	Cayman Islands	US$1,500,000 contribution	1.48% (2013: 1.48%)	11,653 (2013: 11,653)	6,816 (2013: 6,925)	(109) (2013: (640))	0.50% (2013: 0.54%)
(e) Dance Biopharm Inc ("Dance")	Delaware, USA	1,206,142 (2013: N/A) preference shares of US$0.0001 each	5.99% (2013: N/A)	17,080 (2013: N/A)	32,749 (2013: N/A)	15,669 (2013: N/A)	2.42% (2013: N/A)
(f) Valueworth Ventures Limited ("Valueworth")	British Virgin Islands	8 (2013: N/A) ordinary shares of US$1 each	8% (2013: N/A)	< 1	7,607 (2013: N/A)	7,607 (2013: N/A)	0.56% (2013: 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.

Notes to the Consolidated Financial Statements

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17. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

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

(a) The Company through a subsidiary, Profit Raider Investments Limited, holds 132,110,000 (2013: 132,110,000) 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 (2013: Nil). The latest audited loss attributable to shareholders of Kaisun Energy for its year ended 31 December 2013 was approximately HK$167,936,000 (2013: loss of HK$174,201,000) and the audited net assets attributable to shareholders of Kaisun Energy at 31 December 2013 was approximately HK$477,799,000 (2013: HK$653,764,000). The fair value of the investment in Kaisun Energy ordinary shares is based on quoted market bid prices at the year-end date.

Impairment charges on the Group's investment in the ordinary shares of Kaisun Energy were HK$3,831,000 for the Year (2013: HK$7,927,000).

(b) The Company through a subsidiary, Suremind Investments Limited, holds 100% of the non-voting preference shares in OPIM and OPIMC. No dividend was declared and received during the Year (2013: Nil). The unaudited profit for the 12-months ended 31 March 2014 of OPIM was approximately HK$2,106,000 (2013: HK$370,000) and the unaudited profit for the 12-months ended 31 March 2014 of OPIMC was approximately HK$2,857,000 (2013: unaudited loss of HK$317,000). The unaudited net asset value of OPIM at 31 March 2014 was approximately HK$3,504,000 (2013: HK$1,619,000) and the unaudited net asset value of OPIMC at 31 March 2014 was approximately HK$6,378,000 (2013: HK$5,410,000). The fair value of 100% non-voting preference shares in OPIM and OPIMC at 31 March 2014 were 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 OPIM and OPIMC derived from the most recent approved financial budgets for the next 17.75 years (2013: 17.75 years). The discount rate used is 18.20% (2013:15.69%) and cash flows beyond 17.75 year (2013: 17.75 year) are extrapolated using a growth rate of 3% (2013: 3%).

(c) The Company through a subsidiary, Wisland Investments Limited, holds 10% of the ordinary shares in TWL. TWL, an investment holding company, holds 50% equity interests in Nobel Holdings Investment Limited ("NHIL"). NHIL is in the business of exploration and production of oil and natural gas in Russia. Dividend of US$852,000 (equivalent to HK$6,605,000) was received during the Year (2013: Nil). The fair value of the investment in TWL is determined by the directors mainly based on the fair value of the underlying assets held by TWL, determined by reference to the valuation carried out by an external independent valuer by 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 18.75 years (2013: 18.75 years). The discount rate used is 14.23% (2013: 12.63%).

(d) The Company through a subsidiary, OPFI(GP1) Limited, contributed US$1,500,000 (2013: US$1,500,000) to Jin Dou, a partnership with a co-investment partner, for the purpose of exploring agricultural investment opportunities in Kazakhstan. As at 31 March 2014, the Group's share of interest in Jin Dou is 1.48% (2013: 1.48%). Based on the latest 31 March 2014 unaudited management account of Jin Dou, the Group shared loss for the Year and net assets of approximately HK$109,000 and HK$6,816,000 respectively (2013: HK$640,000 and HK$6,925,000 respectively). As the project is still in exploring stage and the future income streams are uncertain, the fair value of the investment was determined by reference to the net asset value as at 31 March 2014.

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17. AVAILABLE-FOR-SALE FINANCIAL ASSETS (continued)

(e) In May and December 2013, the Company through a subsidiary, River King Investments Limited, a company incorporated in the British Virgin Islands, subscribed for 1,149,000 and 57,142 preference shares issued by Dance at a consideration of HK$15,527,000 and HK$1,553,000 respectively. Dance is a pharmaceutical company incorporated in Delaware, the United States of America. The Board considers that the purchase price in December 2013 still represents the best estimated fair value of the preference shares of Dance as at 31 March 2014.

(f) In January 2013, the Group established a wholly-owned subsidiary, Valueworth, a company incorporated in the British Virgin Islands. On 11 April 2013, Valueworth increased its capital base by allotting additional 99 ordinary shares at par value of US$1 per share to the Group and 2 new investors. The Group's effective equity interest in Valueworth was reduced from 100% to 8%. A gain on partial disposal of Valueworth of approximately HK$21,000 was recognized in profit or loss.

The fair value of the investment in Valueworth is mainly determined by the directors, making reference to the valuation result carried out by external independent valuer in a recent offer by Technovator International Limited ("Technovator") (HK listed stock code: 1206) published on 30 April 2014, in which Technovator is offering a total RMB95 million for the 100% interest in Excel Perfect Investments Limited ("Excel Perfect"), the wholly-owned subsidiary of Valueworth. The proposed deal is subject to approval of Technovator's independent shareholders in its coming shareholders' meeting.

18. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group 2014 HK$'000	**Company 2014 HK$'000**	Group 2013 HK$'000	Company 2013 HK$'000
Equity securities listed in Hong Kong	**6,818**	**6,818**	7,549	7,549
Unlisted investment funds	**377,275**	**50,610**	211,664	51,556
Unlisted equity securities	**–**	**–**	116,972	–
Unlisted debt securities	**–**	**–**	10,561	–
	384,093	**57,428**	346,746	59,105
Analyzed as:				
Current assets	**367,548**	**57,428**	229,774	59,105
Non-current assets	**16,545**	**–**	116,972	–
	384,093	**57,428**	346,746	59,105

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 debt securities are designated as financial assets at fair value through profit or loss on initial recognition.

During the Year, net change in unrealized gain of approximately HK$16,092,000 (2013: net change in unrealized gain of approximately HK$35,091,000) arising from changes in fair value of financial assets at fair value through profit or loss was recognized in profit or loss.

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18. 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 2014

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$'000	Carrying amount# HK$'000	Unrealized gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group
(a)	Changhong Jiahua Holdings Limited	Bermuda	4,870,000 ordinary shares of HK$0.025 each	1.04%	9,287	6,818	(731)	0.50%

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	Unrealized gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group
(b)	Greater China Select Fund	Cayman Islands	186,097 participating shares of US$0.01 each	N/A	135,950	148,965	23,048	11.01%
(b)	Greater China Special Value Fund	Cayman Islands	150,258 participating shares of US$0.01 each	N/A	114,886	67,410	(1,617)	4.98%
(b)	CSOP Shen Zhou RMB Fund	Cayman Islands	4,000,000 participating shares of RMB10 each	N/A	49,316	50,610	(1,004)	3.74%
(b)	Phoenixinvest Pacific Fund	Cayman Islands	10,000 participating shares of US$100 Each	N/A	7,756	8,233	(396)	0.61%
(b)	Miran Multi-Strategy Fund	Cayman Islands	102,767 participating shares of US$100 each	N/A	53,123	85,512	6,596	6.32%
(b)	Real Estate Opportunity Capital Fund	USA	N/A	N/A	14,002	16,545	4,124	1.22%

Unlisted debt 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	Unrealized gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group
(d)	Convertible bond issued by Glory Wing International Limited ("Glory Wing")	British Virgin Islands	N/A	N/A	10,000	–	(10,561)	0%

The carrying amounts also represent their fair values.

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18. 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: (continued)

At 31 March 2013

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$'000	Carrying amount# HK$'000	Unrealized gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group
(a)	Changhong Jiahua Holdings Limited (previously named as China Data Broadcasting Holdings Limited) ("CHANGHONG")	Bermuda	4,870,000 ordinary shares of HK$0.025 each	1.04%	9,287	7,549	(925)	0.59%

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	Unrealized gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group
(b)	Greater China Select Fund	Cayman Islands	26,160 participating shares of US$0.01 each	N/A	20,950	15,917	(938)	1.25%
(b)	Greater China Special Value Fund	Cayman Islands	150,258 participating shares of US$0.01 each	N/A	114,886	83,029	(20,484)	6.5%
(b)	CSOP Shen Zhou RMB Fund	Cayman Islands	4,000,000 participating shares of RMB10 each	N/A	49,316	51,556	1,480	4.03%
(b)	Phoenixinvest Pacific Fund	Cayman Islands	10,000 participating shares of US$100 Each	N/A	7,756	8,629	873	0.68%
(b)	Miran Multi-Strategy Fund	Cayman Islands	68,500 participating shares of US$100 each	N/A	53,123	52,533	(590)	4.11%

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	Unrealized gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group
(c)	廣州美臣投資管理咨詢有限公司 ("GZ Meichen")	The People's Republic of China	Registered capital of RMB22.26 million	22.26%	113,604	116,972	3,368	9.15%

Notes to the Consolidated Financial Statements

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18. 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: (continued)

At 31 March 2013 (continued)

Unlisted debt 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	Unrealized gain/(loss) (Note 1) HK$'000	Percentage of total assets of the Group
(d) Convertible bond issued by Glory Wing International Limited ("Glory Wing")	British Virgin Islands	N/A	N/A	10,000	10,561	(1,737)	0.83%

The carrying amounts also represent their fair values.

Notes:

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

(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) CHANGHONG is principally engaged in the trading of consumer electronic products and the related parts and components. No dividend was received during the Year (2013: Nil). The audited profit attributable to shareholders of CHANGHONG for its year ended 31 December 2013 was approximately HK$178,090,000 (31 December 2012: loss of HK$10,080,000) and the audited net assets attributable to shareholders of CHANGHONG at 31 December 2013 was approximately HK$983,274,000 (31 December 2012: HK$38,011,000). The fair value of the investment in CHANGHONG is based on quoted market bid prices.

(b) Greater China Select Fund, Greater China Special Value Fund, CSOP Shen Zhou RMB Fund, Phoenixinvest Pacific Fund and Miran Multi-Strategy Fund are open-ended investment funds which primary objectives are to provide absolute returns through pursuing different strategies, investing primarily in liquid equities and derivative instruments. During the Year, dividend of HK$1,313,000 (2013: HK$1,985,000) was received from CSOP Shen Zhou RMB Fund and no dividend was received from other open-ended investment funds.

Real Estate Opportunity Capital Fund is a close-ended investment limited partnership invested by the Group, which primary objective is to seek significant, long-term capital appreciation from the purchase of U.S. real property and asset-backed loans at distressed prices. During the Year, dividend of HK$780,000 was received from this fund (2013: nil).

The fair value of these unlisted investment funds and limited partnership were established by reference to the prices quoted by the respective administrators.

Interest in unconsolidated structured entities

The Directors assessed that the Group does not have control in these unlisted investment funds and limited partnership as described in note 3(a)(i) and considered that they are unconsolidated structured entities. The maximum exposure to loss from the Group's interest in these unlisted investment funds and limited partnership as at 31 March 2014 and 31 March 2013 are the same as their fair value at the same date. The change in fair value of these unlisted investment funds and limited partnership is included in profit or loss in "net change in unrealized gain/loss on financial assets at fair value through profit or loss".

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

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

(b) (continued)

The table below shows the total net asset value of the investment funds and limited partnership that the Group held as at 31 March 2014:

Investment fund/limited partnership	Total net asset value HK$'000
Greater China Select Fund	148,965
Greater China Special Value Fund	67,410
CSOP Shen Zhou RMB Fund	1,285,160
Phoenixinvest Pacific Fund	185,317
Miran Multi-Strategy Fund	285,721
Real Estate Opportunity Capital Fund	151,024

(c) The Group has an indirect 22.26% equity interest in GZ Meichen through a wholly-owned subsidiary Glory Yield Holdings Limited ("Glory Yield") since 31 August 2012.

As at 31 March 2013, the fair value of equity interest in GZ Meichen was 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 GZ Meichen derived from the most recent approved financial budgets for the next 9.75 years. The discount rate used is 16.75% and cash flow beyond 9.75-year period are extrapolated using a growth rate of 2.63%.

On 18 March 2014, the Group completed a disposal of 100% equity interest in Glory Yield, and an outstanding shareholder's loan in Glory Yield to third party companies at a total consideration of HK$203,600,000. Consequently, the Group no longer has investment in equity interest in GZ Meichen as at 31 March 2014. Refer to note 15 for the disposal of Glory Yield.

(d) Glory Wing is an investment vehicle whose core position is an Iron Ore mining operation called Taolegai Mine, located in Inner Mongolia. Glory Wing has invested a total of HK$70 million and the amount was financed by issuance of convertible bonds, of which the Group's allocation is HK$10 million. The convertible bonds bear interest at 3% per annum with original maturity on 9 April 2013. The Group could exercise the conversion option at any time until the maturity date.

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

The bond was matured on 31 March 2014 and the principal and accrued interest are outstanding for settlement. The Group is negotiating with the investee on a possible settlement solution, depsite no plan has been agreed as at the reporting date. As such, the Directors determined to revalue it to nil as at 31 March 2014 (2013: HK$10,561,000).

As at 31 March 2013, the fair value of the instrument was determined by reference to the valuation carried out by an external independent valuer by using the Discounted Cash Flow Method. The inputs to the models for that year are as follows:

Expected volatility	–	44.70%
Dividend yield	–	0%
Share Price	–	HK$5,200
Risk free rate	–	0.04%

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

19. ACCOUNTS AND LOANS RECEIVABLE

Group

	Note	2014 HK$'000	2013 HK$'000
Accounts receivable	(a)	3,868	3,871
Amounts due from associates	(b)	–	37
Loan to an investee	(c)	1,896	–
Loan to an associate	(d)	1,500	1,500
Other loan	(e)	3,000	3,000
		10,264	8,408
Represented by:			
Non-current assets		–	4,500
Current assets		10,264	3,908
		10,264	8,408

Company

	Note	2014 HK$'000	2013 HK$'000
Amounts due from associates	(b)	–	37
Loan to an associate	(d)	1,500	1,500
Other loan	(e)	3,000	3,000
		4,500	4,537
Represented by:			
Non-current assets		–	4,500
Current assets		4,500	37
		4,500	4,537

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

19. ACCOUNTS AND LOANS RECEIVABLE (continued)

(a) At 31 March 2014, the Group's accounts receivable represented performance premium receivable from a co-investment partner. 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:

	2014 HK$'000	2013 HK$'000
Unbilled	**3,868**	3,871

Unbilled accounts receivable represents performance premium recognized throughout the Year. It will be billed in arrear at the end of each calendar year.

At 31 March 2014 and 2013, the accounts receivable was neither past due nor impaired.

(b) Amounts due from associates arise mainly from administrative expenses paid by the Group on behalf of the associates. The amounts were unsecured, interest-free. The balance was settled during the Year.

(c) Loan to an investee is interest-free, unsecured, and have no fixed repayment term.

(d) On 1 July 2012, a shareholders' loan supplementary agreement was signed by all shareholders of the associate. Pursuant to this agreement, the loan to an associate is unsecured, interest-free and not repayable until 30 June 2014.

(e) Other loan represents loan to the major shareholder of one of the Group's associates. On 1 July 2012, a supplementary loan agreement was signed by this major shareholder and the Group. Pursuant to this agreement, other loan is unsecured, interest bearing at 5% per annum and not repayable until 30 June 2014.

20. DEFERRED TAX

At 31 March 2014, deferred tax has not been recognized in respect of the following items:

	Group 2014 HK$'000	**Company 2014 HK$'000**	Group 2013 HK$'000	Company 2013 HK$'000
Unused tax losses	**31,858**	**27,739**	33,652	24,725
Deductible temporary differences	**73**	**86**	78	78
	31,931	**27,825**	33,730	24,803

At 31 March 2014, the Group has not recognized deferred tax asset in respect of unused tax losses of approximately HK$31,858,000 (2013: approximately HK$33,652,000) due to the unpredictability of future profit streams. These balances will not expire until utilized.

At 31 March 2014, the Group has not recognized deferred tax asset in respect of excess of accounting depreciation over tax depreciation of approximately HK$73,000 (2013: HK$78,000).

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

21. SHARE CAPITAL

	Number of shares			
	2014 Thousand shares	2013 Thousand shares	**2014 HK$'000**	2013 HK$'000
Authorized				
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 and at end of the year	**941,400**	941,400	**94,140**	94,140

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 2014 and 2013.

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

22. 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, directors, employees and consultants) of the Company, an option to subscribe for shares as incentives or rewards for their contribution to the Company. The subscription price will be determined by the Board (subject to adjustment), and will not be less than the highest of (a) the closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotations sheet for the five trading days immediately preceding the date of grant; and (c) the nominal value of the shares of the Company. A nominal consideration of HK$1 is payable on acceptance of the grant of an option. The maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under this scheme and any other share option schemes adopted by the Company may not exceed 10% of the share capital of the Company in issue.

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the share option scheme at any time not later than 10 years from the date on which the offer for grant of the option is made. Subject to the terms of the share options determined by the Board, the participant may have to meet certain vesting conditions before becoming unconditionally entitled to the share options. For the share options that existed during the years ended 31 March 2014 and 2013, vesting conditions includes performance conditions such as complete or successful exit of specified investment projects and market conditions such as the Company's market capitalization.

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

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For the year ended 31 March 2014

22. SHARE OPTION SCHEME (continued)

Movement of the Company's share options during the Year ended 31 March 2014:

Grantee	Date of grant	Outstanding at beginning of the Year	Granted during the Year	Lapsed during the Year	Forfeited during the Year	Outstanding at end of the Year	Exercisable at end of the Year	Exercise price HK$	Exercise period
Directors of group companies	20.4.2010	3,500,000	–	–	–	3,500,000	3,500,000	1.64	20.4.2010 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	–	–	–	3,500,000	–	1.64	31.7.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	–	–	–	1,750,000	–	1.64	31.12.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	–	–	–	1,750,000	1,750,000	1.64	31.3.2011 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	–	–	–	3,500,000	–	1.64	31.12.2012 to 19.4.2015
Employees	20.4.2010	2,550,000	–	–	–	2,550,000	2,550,000	1.64	20.4.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	–	–	–	1,750,000	–	1.64	31.7.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	–	–	–	1,750,000	–	1.64	31.3.2011 to 19.4.2015
Employees	20.4.2010	1,750,000	–	–	–	1,750,000	–	1.64	31.12.2012 to 19.4.2015
Consultants	18.2.2011	13,000,000	–	–	(4,250,000)	8,750,000	8,750,000	1.64	18.2.2011 to 17.2.2016
		34,800,000	–	–	(4,250,000)	30,550,000	16,550,000		

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

22. SHARE OPTION SCHEME (continued)

Movement of the Company's share options during the Year ended 31 March 2013:

Grantee	Date of grant	Outstanding at beginning of the Year	Granted during the Year	Lapsed during the Year	Forfeited during the Year	Outstanding at end of the Year	Exercisable at end of the Year	Exercise price HK$	Exercise period
Directors of group companies	20.4.2010	3,500,000	–	–	–	3,500,000	3,500,000	1.64	20.4.2010 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	–	–	–	3,500,000	–	1.64	31.7.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	–	–	–	1,750,000	–	1.64	31.12.2010 to 19.4.2015
Directors of group companies	20.4.2010	1,750,000	–	–	–	1,750,000	–	1.64	31.3.2011 to 19.4.2015
Directors of group companies	20.4.2010	3,500,000	–	–	–	3,500,000	–	1.64	31.12.2012 to 19.4.2015
Employees	20.4.2010	2,550,000	–	–	–	2,550,000	2,550,000	1.64	20.4.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	–	–	–	1,750,000	–	1.64	31.7.2010 to 19.4.2015
Employees	20.4.2010	1,750,000	–	–	–	1,750,000	–	1.64	31.3.2011 to 19.4.2015
Employees	20.4.2010	1,750,000	–	–	–	1,750,000	–	1.64	31.12.2012 to 19.4.2015
Consultants	18.2.2011	13,000,000	–	–	–	13,000,000	13,000,000	1.64	18.2.2011 to 17.2.2016
		34,800,000	–	–	–	34,800,000	19,050,000		

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

22. SHARE OPTION SCHEME (continued)

Notes:

(a) The closing prices of the ordinary shares of the Company immediately before the date on which the options were granted was HK$1.55 and HK$1.52 on 20 April 2010 and 18 February 2011 respectively.

(b) The Black-Scholes Option Pricing Model has been used to estimate the fair value of the options. The variables and assumptions used in computing the fair value of the share options are based on the directors' best estimate. The value of an option varies with different variables of certain subjective assumptions.

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

Theoretical aggregate value:	HK$13,706,000
Fair value recognized in profit or loss during the Year:	HK$1,510,000 (2013: HK$1,340,000)
Risk free interest rate:	2.027%
Expected volatility:	97.288%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	2.423%

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

Theoretical aggregate value:	HK$10,607,000
Fair value recognized in profit or loss during the Year:	Nil (2013: Nil)
Risk free interest rate:	1.897%
Expected volatility:	99.38%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	0.75%

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

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

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

(c) During the Year, certain option grantees ceased their services to the Group. Under the Share Option Scheme, a total of HK$3,468,000 has been recognized in profit or loss as the forfeiture of those share options.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

23. RESERVES

(a) Group

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

(b) Company

	Share premium HK$'000	Share-based payment reserve HK$'000	Retained profits/ (accumulated losses) HK$'000	Proposed final dividend HK$'000	Total HK$'000
At 1 April 2012	1,059,823	18,402	(94,495)	–	983,730
Share options vested	–	1,340	–	–	1,340
Interim dividend	(94,140)	–	–	–	(94,140)
Total comprehensive income for the year	–	–	(18,389)	–	(18,389)
At 31 March 2013	965,683	19,742	(112,884)	–	872,541
Share options vested	–	1,510	–	–	1,510
Share options forfeited	–	(3,468)	–	–	(3,468)
Total comprehensive income for the Year	–		162,466	–	162,466
Proposed final dividend	–	–	(47,070)	47,070	–
At 31 March 2014	**965,683**	**17,784**	**2,512**	**47,070**	**1,033,049**

A final dividend of HK5 cents per share is proposed for the Year.

On 27 November 2012, the Board resolved to declare interim dividend of HK10 cents per share with total amount of HK$94,140,000.

The Company's reserves available for distribution comprise share premium, share-based payment reserve and retained earnings. In the opinion of the directors, the Company's reserves available for distribution to the shareholders at 31 March 2014 were approximately HK$1,033,049,000 (2013: HK$872,541,000).

(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 recognized in accordance with the accounting policy adopted for equity-settled share-based payments in note 3(n) to the consolidated 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(f) to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

24. 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 2014 of approximately HK$1,326,619,000 (2013: HK$1,273,661,000) by the number of ordinary shares in issue at that date, being 941,400,000 (2013: 941,400,000).

25. MAJOR NON-CASH TRANSACTIONS

The Group received the partnership interest in Real Estate Opportunity Capital Fund of approximately HK$14,002,000 as the result of distribution in specie from the Greater China Special Value Fund during the Year.

There were no major non-cash transaction in the year ended 31 March 2013.

26. COMMITMENTS

(a) Capital commitments

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

		Group	
	Note	**2014 HK$'000**	2013 HK$'000
Capital contribution to Jin Dou	i	**104,800**	104,800
Capital injection to Panlink	ii	**93,769**	93,671

Note:

(i) According to the "Supplementary to Limited Partnership Agreement" signed between the Group and the limited partner of Jin Dou during the year ended 31 March 2012, the Group has committed to a further capital contribution of US$13.5 million (equivalent to HK$104,800,000) to Jin Dou. The calling of the further capital contribution lies upon the future funding needs of Jin Dou.

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

(b) Operating lease commitments

At 31 March 2014, the total future minimum lease payments under non-cancellable operating leases for office premise and staff quarters are payable as follows:

	Group	
	2014 HK$'000	2013 HK$'000
Within one year	**3,613**	1,321
In the second to fifth years inclusive	**660**	–
	4,273	1,321

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27. 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	2014 HK$'000	2013 HK$'000
Oriental Patron Asia Limited ("OPAL") (note a)	Investment management fee paid/ payable (of which approximately HK$1,717,000 (2013: approximately HK$1,743,000) was included in other payables) (note c)	19,801	21,648
Oriental Patron Management Services Limited ("OPMSL") (note b)	Rental paid (note b)	2,526	2,265
CHHL and GZ Meichen (note d)	Share re-organization	–	698

Notes:

(a) OPAL 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) The Company, through a wholly-owned subsidiary, entered into a license agreement with OPMSL on 31 March 2011 in respect of the provision of the principal place of business of the Company for a monthly rental of HK$188,730 effective from 1 April 2012 to 31 March 2013. The agreement was renewed at the same rent for the period from 1 April 2013 to 31 October 2013 and was further renewed at HK$241,098 per month for the period from 1 November 2013 to 31 March 2014.

OPMSL is a related company as the directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPMSL.

(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.

(d) On 31 August 2012, Sunshine Prosper Limited, a wholly-owned subsidiary for the Company, acquired the remaining 70% ordinary shares and 20% non-voting preference shares of CHHL as part of the share re-organization of CHHL group. The Group has significant influence on CHHL prior to 31 August 2012 and has significant influence in GZ Meichen after 31 August 2012. The Group has disposed the entire interest of this investment on 18 March 2014.

(e) Please refer to note 19 for other related party balances and transactions.

Compensation of key management personnel

The key management personnel of the Company comprises all directors, details of their remuneration are disclosed in note 13 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 March 2014

28. RETIREMENT BENEFIT 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 profit or loss amounted to approximately HK$206,000 (2013: approximately HK$185,000).

29. EVENTS AFTER THE REPORTING PERIOD

The Group currently holds 8% interest in Valueworth, which in turn holds 25% interest in Tong Fang via Excel Perfect.

On 30 April 2014, Technovator International Limited ("Technovator") (HK listed stock code: 1206) publically announced a proposed offering of RMB95 million for the 100% interest in Excel Perfect.

30. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorized for issue by the Board on 27 June 2014.

Financial Summary

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				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
RESULTS					
Revenue	**30,488**	29,591	47,679	47,934	458,201
Profit/(loss) before tax	**61,968**	12,812	(43,048)	(233,327)	478,368
Income tax	**(14,748)**	–	418	–	(5,298)
Profit/(loss) for the year	**47,220**	12,812	(42,630)	(233,327)	473,070
Other comprehensive income	**6,440**	(184,574)	(8,777)	41,381	120,257
Total comprehensive income	**53,660**	(171,762)	(51,407)	(191,946)	593,327

	At 31 March				
	2014 HK$'000	2013 HK$'000	2012 HK$'000	2011 HK$'000	2010 HK$'000
ASSETS AND LIABILITIES					
Total assets	**1,353,222**	1,278,013	1,540,895	1,596,764	1,554,399
Total liabilities	**(26,603)**	(4,352)	(2,672)	(8,476)	(74,300)
Net assets	**1,326,619**	1,273,661	1,538,223	1,588,288	1,480,099