



OP Financial Investments Limited
Stock Code: 1140

CROSSING
BORDERS

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FORWARD-LOOKING STATEMENTS

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. ZHANG Zhi Ping (*Chairman*)
Mr. ZHANG Gaobo (*Chief executive officer*)
Dr. LIU Zhiwei (*President*)
Mr. ZHANG Weidong

Non-executive Director

Dr. WU Zhong

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
Dr. LIU Zhiwei
Mr. KWONG Che Keung, Gordon
Mr. WANG Xiaojun

AUTHORISED REPRESENTATIVES

Mr. ZHANG Gaobo
Mr. ZHOU Tao, David

COMPANY SECRETARY

Mr. ZHOU Tao, David

INVESTOR RELATIONS OFFICER

Ms. WU Shan

INVESTMENT MANAGER

Oriental Patron Asia Limited

AUDITOR

PricewaterhouseCoopers

CORPORATE INFORMATION (CONTINUED)

PRINCIPAL REGISTRARS

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STOCK CODE

The Stock Exchange of Hong Kong Limited
Code: 1140

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REGISTERED OFFICE

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George Town
Grand Cayman
Cayman Islands

PRINCIPAL PLACE OF BUSINESS

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8 Connaught Place
Central
Hong Kong

PRINCIPAL BANKERS

China CITIC Bank International Limited
China Construction Bank (Asia) Corporation Limited
Hang Seng Bank Limited
Xiamen International Bank Company Limited

CHAIRMAN'S STATEMENT

Dear Shareholders,

In the first half of 2017, the Group has achieved significant improvement on overall business and financial performance. For the six months ended 30 September 2017 (the "Period"), the total comprehensive income of the Group amounted to approximately HK\$159.52 million, while net asset value increased to approximately HK\$3.00 billion.

During the Period, the Company followed the established strategic layout to promote the two business lines, continued to explore strategic investment on platforms as well as medium to short-term investment opportunity, and achieved outstanding performance.

In terms of the strategic investment, we have completed three major projects during the Period. 1) We formed OP EBS Fintech Investment L.P. with China Everbright Securities International, through which we completed the investment on Wacai Holdings Limited, the leading internet finance company, and established comprehensive strategic partnership. 2) We jointly established BE Financial Service (Beijing) Investment Holdings Limited to develop fund management business for PPP projects of Beijing Enterprises Water Group Limited ("BEWG", stock code: 371.HK) in relation to water treatment and environmental protection. BEWG is the largest water treatment company in China. 3) We setup an investment entity named Henan CCOP New Life Service Limited with Central China Real Estate Ltd ("Central China", stock code: 832.HK), the largest real estate company in Henan Province. The investment entity aims to provide service to Central China and the large customer base in central China districts through "Internet +" and the combination between industry and finance.

In terms of the medium to short-term arbitrage business, we recorded revenue in fixed income through investing in debt instrument and providing financing arrangement to issuers. We also successfully captured some investment opportunities in stock market and achieved good returns.

CHAIRMAN'S STATEMENT (CONTINUED)

During the Period, our financial platforms business continues to grow and reflected the accelerated trend of global capital's layout in Chinese market. Among which, CSOP continues to focus on providing investment advisory services to Asian and global investors with a dedicated focus on China investing. As the largest RQFII manager in the world, its ETF products on China index and China Bond have gained wide popularity from investors, while the investment return of its innovative leveraged & Inverse ETFs have also outperformed the market. Based on the ecosystem that OPIM developed, it effectively links up capital allocators, emerging fund managers and service providers, which make OPIM the reliable partner for institutional investors to deploy Asian market and discover emerging trading talents. In September 2017, OPIM was awarded the Best Hedge Fund Platform of the Year by HFM for the two consecutive years, which recognized its outstanding performance and industry leadership.

The other major projects we invested earlier have recorded stable performance during the Period.

Looking forward, OP Financial will continue enhance the cooperation with leading companies in the industry to jointly discover the extensive business opportunities embedded in cross-border and crossover investments. Also, the Company will improve its capability of integrated investment solutions to capture the medium to short-term investment and enhance the liquidity of assets. We will strive to develop OP Financial as a leading investment platform in Asia and create sustainable value for our shareholders who granted confidence and solid support to the Company all the time.

Zhang Zhi Ping

Chairman

27 November 2017, Hong Kong

MANAGEMENT DISCUSSION AND ANALYSIS

INVESTMENT REVIEW

OP Financial is a company based in Hong Kong with a focus on cross-border investment opportunities. The Company is listed on the main board of Hong Kong Stock Exchange under the ticker of 1140.

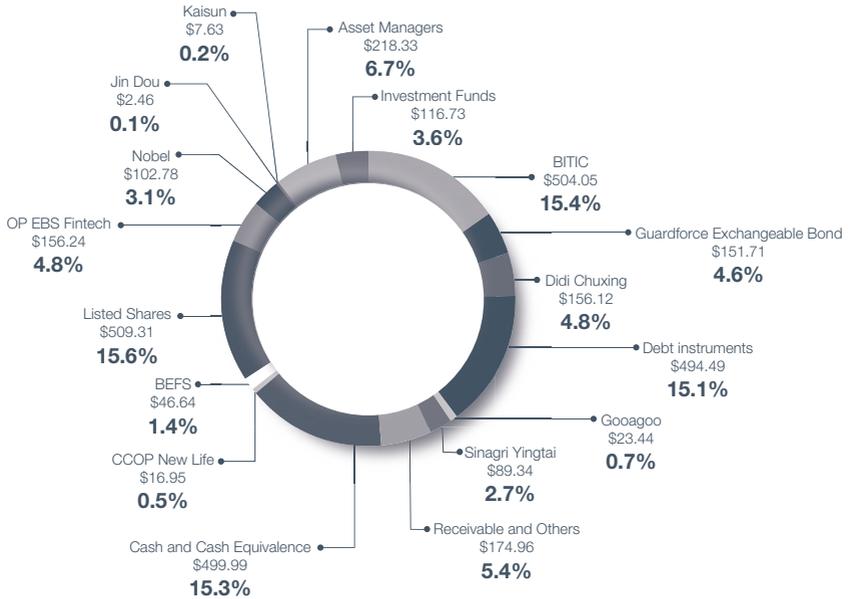
OP Financial has built an investment portfolio of companies and funds that is diversified across geographies and industries. The Group provides PRC investors with access to attractive equity opportunities in overseas markets and international investors with Chinese opportunities. The Group also invests in bonds and other debt instruments to generate diversified returns and maintain asset liquidity.

During the Period, the Group has optimized the portfolio by its capital to capture the promising sectors in internet finance, environmental protection and crossover industry. The portfolio has delivered strong growth. The total comprehensive income amounted to HK\$159.52 million, which was primarily due to interest income, performance premium and appreciation of positions in associates and other investments.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

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



MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Beijing International Trust Corporation Ltd



北京信托

OP Financial acquired 25% equity interest in Treasure Up Ventures Limited (“Treasure Up”) in January 2016, which in turn participates in a minority interest in Beijing International Trust Co, Ltd (“BITIC”).

BITIC is a Chinese large-scale non-banking financial institution, which engages in trusts, investment funds, financial services, brokerage and advisory businesses. As of 31 December 2016, BITIC reported net assets of RMB7.7 billion, trusts’ total asset of RMB258.6 billion, revenue of RMB1.849 billion and net income of RMB993 million. The net profit margin was improved from 52.8% to 53.7% in 2015 and 2016 respectively.

According to China Trustee Association, the aggregated assets under management of China’s 68 trust companies were RMB20.2 trillion at the end of December 2016, an increase of 24.0% as compared to 2015. The investment in BITIC gives OP Financial access to one of the dominant participants in China’s steady growing trust industry.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Didi Chuxing

OP Financial subscribed for US\$15 million (equivalent to approximately HK\$116.45 million) preferred shares issued by Xiaoju Kuaizhi Inc (“Xiaoju Kuaizhi”) in May 2016.

Xiaoju Kuaizhi is the parent company of Didi Chuxing, one of the world’s largest and the dominant Chinese ride-hailing service provider with over 450 million users in more than 400 cities in China since its establishment in 2012. Aside from the acquisition of Uber China, Didi Chuxing has built investment and technology partnerships with Lyft, Grab, Ola, Uber, 99, Taxify and Careem, all of which are leading players around the world in ride-hailing industry. In April 2017, Didi Chuxing completed a new financing round of over US\$5.5 billion to support its global strategy and continued investments in AI-based technologies.

The investment in Didi Chuxing allows OP Financial to benefit from the attractive opportunities in the mobile transportation and sharing economy.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Guardforce Holdings (HK) Ltd



OP Financial has provided funding to Guardforce Holdings (HK) Ltd, one of Asia's most proven and trusted security solutions providers ("Guardforce"). The purpose of funding is to help Guardforce to deploy its security business in the Belt and Road countries. Through cross-border and overseas acquisitions with financial backing from OP Financial, Guardforce has expanded its businesses to Hong Kong, Macao, Thailand, Australia and New Zealand.

OP Financial subscribed for a US\$15 million (equivalent to approximately HK\$116.37 million) exchangeable bond issued by Guardforce. The bond is exchangeable into ordinary shares of Guardforce Holdings Ltd, which indirectly holds shares of Guardforce Cash Solutions (Thailand) Ltd ("Guardforce CIT Thailand"). Guardforce CIT Thailand is an independent cash solutions provider which engages in cash management and ATM management services.

The exchangeable bond investment allows OP Financial to yield a stable annual compound rate of return, while also enjoying a potential upside of appreciation in asset value of Guardforce CIT Thailand.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Sinagri Yingtai AMP Limited



In March 2017, OP Financial invested in Sinagri Yingtai AMP Limited (“Sinagri Yingtai”)’s 14.55% registered capital. The interest was diluted to 13.51% during the Period.

Sinagri Yingtai is a Chinese high-tech biotechnology company focusing on research, development, production and distribution of antimicrobial peptides (AMPs). It is the only company setting a standardized production procedure of 99.6% pure AMPs in the Chinese market and owns 14 key patents of biological fermentation technology. AMPs’ market size in China is expected to reach RMB19.6 billion to RMB24 billion given that they are the best substitute of antibiotics on animal feeds.

The investment in Sinagri Yingtai is one of medium to short-term investment projects, which allows OP Financial to join forces with a leading enterprise in the industry.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Gooagoo Group Holdings Ltd



GOOAGOO 购阿购

OP Financial invested US\$3 million (equivalent to approximately HK\$23.27 million) for a limited partnership interest in Tsingdata Holdings L.P. (“Tsingdata”), a BVI registered partnership with the sole purpose of participating in series B financing of Gooagoo Group Holdings Ltd (“Gooagoo”) in August 2016.

Gooagoo is a Chinese high-tech service provider for Offline-to-Online data collecting and processing, big data analysis and online marketing platform operation. Its core products are open data bridging technology and color bill system, the application of which helps commercial entities to integrate and analyze consumer data and assists the customer relationship management.

The investment in Gooagoo fits well with OP Financial’s portfolio strategy in technology and “Internet +” business sectors.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Nobel Holdings Investments Ltd

In 2008, OP Financial invested alongside China Investment Corporation (“CIC”) in Nobel Holdings Investments Ltd (“Nobel”). OP Financial contributed US\$30 million (equivalent to approximately HK\$232.65 million) to acquire an approximate 10% equity interest in Thrive World Limited, of which directly holds 50% equity interest in Nobel.

Nobel is one of the largest independent upstream oil producers in Russia, with principal assets including nine subsoil licenses covering seven oil fields and two exploration areas in Komi Republic and Western Siberia. According to the latest reserve report dated 1 March 2017, the proved oil reserves and probable oil reserves of Nobel’s oil fields were approximately 138.81 million barrels and 188.06 million barrels respectively. Amid the spread concerns on the supply-demand balance of crude oil, the benchmark oil prices fluctuated in general during the Period. The fair value of the investment in Nobel fell to HK\$102.78 million.

Jin Dou Development Fund L.P.

OP Financial formed a co-investment vehicle with CIC, named Jin Dou Development Fund L.P. (“Jin Dou”) in 2009, whose purpose is to explore agricultural investment opportunities in Kazakhstan, diversify the country’s crops and commercialize regional production such as non-genetically modified soybeans for export. CIC and OP Financial committed US\$300 million and US\$15 million respectively to the project. Nevertheless only a capital call of US\$1.5 million (equivalent to approximately HK\$11.65 million) has been made to OP Financial up to date. While the position fell from HK\$4.77 million to HK\$2.46 million, the Group’s investment in Jin Dou remains positive after taking into account the performance premiums received since inception.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Henan CCOP New Life Service Limited

OP Financial committed RMB60 million to setup an investment entity with Central China Real Estate Ltd (“Central China”), a leading Chinese real estate company listed on the main board of HKEx (Stock Code: 832.HK) primarily developing branded properties in Henan Province. The investment entity, Henan CCOP New Life Service Limited (河南建業東英新生活服務有限公司, “CCOP New Life”), has already been set up in April 2017, and OP Financial invested RMB15 million (equivalent to HK\$16.95 million) for 30% registered capital.

By leveraging OP Financial’s capital strength and experience, CCOP New Life aims to explore the unmet demands of Central China’s tens of thousands of existing high end customers, and design and provide solutions by developing and financing proper projects.

The establishment and investment in CCOP New Life is in line with the consumption upgrade status in China, as well as OP Financial’s focus on crossover investment to make good use of internet or emerging technologies to promote and evolve traditional industries.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Wacai Holdings Limited

In September 2017, OP Financial and China Everbright Securities International Structured Finance Company Limited formed a special purpose investment partnership named OP EBS Fintech Investment L.P. (“OP EBS Fintech”), for subscription of preferred shares of Wacai Holdings Limited (“Wacai”) at a consideration of US\$50.00 million.

Wacai is one of the earliest established Fin-tech companies in China, which initially launched the first personal finance account keeping mobile application in China. It has gradually evolved into an internet finance platform with a wide array of personal financial management tools and services, wealth management services and credit solutions through an extensive portfolio of mobile apps to meet users’ evolving lifelong personal financial service needs.

The investment allows OP Financial to benefit from the attractive opportunities arise in the internet finance industry.

BE Financial Service (Beijing) Investment Holdings Limited

As the promotor to establish BE Financial Service (Beijing) Investment Holdings Limited (北控金服(北京)投資控股有限公司, “BEFS”) in August 2017, OP Financial committed RMB200 million for 20% registered capital in BEFS and has paid up the first capital call of RMB40 million (equivalent to HK\$46.64 million) in August 2017.

BEFS will act as the most important investment & financing and investment management platform of Beijing Enterprises Water Group Limited (Stock code: 371.HK) (“BEWG”). BEFS will work along with its subsidiaries to provide comprehensive services of fund investment, financing and management for BEWG’s PPP projects in relation to environmental protection.

The investment allows OP Financial to cooperate with leading industry partners to tap into promising environmental protection industry.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Nine Dragons Paper (Holdings) Limited



OP Financial invested HK\$198.20 million for equity interest in Nine Dragons Paper (Holdings) Limited (“ND Paper”) in June 2017, a listed company on the main board of HKEx (Stock Code: 2689.HK).

ND Paper is the largest containerboard manufacturer in Asia and is primarily engaged in the production and sale of a broad variety of packaging paperboard products, as well as the production and sale of recycled printing and writing paper and specialty paper. ND Paper announced the annual results for the year ended 30 June 2017 in September, it reported the sales of RMB39,154.8 million and profit attributable to equity holders of approximately RMB4,383.7 million, while the gross margin increased from 18.3% in FY2016 to 20.4% in FY2017.

The investment in ND Paper is one of medium to short-term investment projects, which allows OP Financial to benefit from the new balance in supply-demand dynamics of paper production industry.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Telling Telecommunication Holding Co., Ltd.



OP Financial invested RMB177.30 million (equivalent to approximately HK\$206.03 million) for equity interest in Telling Telecommunication Holding Co., Ltd. (“Telling Holdings”) in July 2017.

Telling Holdings, a company listed on the Shenzhen Stock Exchange (Stock Code: 829.SZ), is a China-based company principally engaged in the distribution of mobile phones, which is also involved in lottery, mobile Internet, mobile resale and liquor business. Telling Holdings announced the plan to develop smart betting branch, integrated marketing and sales platform and video lottery system during the Period.

The investment in Telling Holdings is in line with the OP Financial’s focus on crossover investment to make good use of internet or emerging technologies to promote traditional industries.

Debt Instruments

As of 30 September 2017, OP Financial’s holding in debt instruments amounted to HK\$494.49 million, with the entitled interest rate ranging from to 5% to 30% per annum. The issuers of the debt instruments engaged in different industries, such as property, energy and finance industry. The investment in debt instruments provides OP Financial with diversified returns and enhanced liquidity of the investment portfolio.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

Asset Managers (Financial services platform)

Financial services platform includes joint investments with financial institutions and infrastructure fund platform focusing on developing home grown asset managers. During the Period, OP Financial has investments in three asset management companies, of which the major positions are CSOP Asset Management Ltd and OPIM Holdings Limited.

CSOP Asset Management Ltd



OP Financial established an asset management company in Hong Kong named CSOP Asset Management Limited (“CSOP”) jointly with China Southern Asset Management Co. Ltd in 2008.

Currently OP Financial owns 30% of issued capital of CSOP. The carrying value of the Group’s CSOP position was HK\$157.50 million on 30 September 2017, an increase of 19.14% as compared to the fair value on 31 March 2017, while the share of cumulative profits from 1 April 2017 amounted to HK\$26 million.

As of 30 September 2017, CSOP holds a total of RMB46.10 billion Renminbi Qualified Foreign Institutional Investor (RQFII) quota, making it the largest RQFII manager in the market. After MSCI announced the plan to add mainland Chinese A-shares to its benchmark emerging markets index in June, CSOP has seen more interest from international institutions to invest in China market and has been expected to benefit from the trend by leveraging its innovative products.

OP Financial will hold this position as one of the core investments in its financial services platform.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

INVESTMENT REVIEW (Continued)

OPIM Holdings Limited

OP Financial currently owns 30% of the issued share capital in OPIM Holdings Limited and also owns 100% of the issued non-voting preference shares of its subsidiaries (together “OPIM”). As of 30 September 2017, the current position of OP Financial in OPIM was HK\$54.44 million.

OPIM is an asset manager which serves both global and Asia-based managers to develop funds across diversified strategies for institutional and professional investors, and charges management fee and premium from fund managers. It has built an ecosystem linking up fund managers, service providers and capital allocators. The ecosystem enables the fund managers to work with the industry’s best service partners and launch funds in fast and affordable structures, as well as allow the fund managers to focus on performance and build a professional track record. As the leading hedge fund structuring and incubation platform, OPIM launched 6 new funds during the Period and has signed 19 new funds as of 30 September 2017.

In September, OPIM announced a strategic investment into Fundseeder Holdings, LLC (“Fundseeder”), which is an emerging financial software company in US that provides real-time performance feedback for traders and trusted analytics for investors. OPIM intends to launch Hong Kong and China version of Fundseeder to assist institutional investors to connect with emerging trading talents in the 4th quarter of 2017.

The lists of the Group’s investments will be set out in the notes to the condensed consolidated interim financial information.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

FINANCIAL REVIEW

Financial position

Net asset value: The Group's net asset value as at 30 September 2017 was HK\$3.00 billion, or HK\$1.58 per share.

Gearing: The gearing ratio, which is calculated on the basis of total liabilities over total equity as at 30 September 2017, was 0.09 (31 March 2017: 0.04). We managed to maintain our low leverage policy for our investments.

Investments accounted for using equity method: It represents mainly our share of net assets of asset management companies, and interest in Treasure Up, CCOP New Life, BEFS and OP EBS Fintech. Assets increased by 37.96% to HK\$888.60 million as at 30 September 2017 (31 March 2017: HK\$644.12 million) reflecting the appreciation in asset value of our position in CSOP, and new investments of OP EBS Fintech, BEFS and CCOP New Life.

Available-for-sale financial assets: An increase of 7.67% from HK\$322.04 million to HK\$346.74 million was mainly the result of exchange gain on US dollar and appreciation in asset value of our position in Didi Chuxing offsetting the decrease of value in Kaisun Energy Group Limited ("Kaisun", Stock Code: 8203.HK), Nobel and Jin Dou.

Financial assets at fair value through profit or loss: A significant increase from HK\$275.17 million to HK\$886.59 million was mainly the net result of (i) new investments in Greater China Select Fund and listed shares; (ii) gain on Guardforce exchangeable bond and Sinagri Yingtai; and (iii) net unrealized gain in shares and funds.

Held-to-maturity investments: It represents the investments in debt instruments during the Period.

Bank and cash balances: During the Period, bank and cash balances decreased from HK\$1.79 billion to HK\$499.99 million, mainly attributable to cash utilized in new investments including equity investments, listed shares and funds and other debt instruments during the Period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

RESULTS

The Group's portfolio delivered strong growth during the Period. The total comprehensive income amounted to a gain of HK\$159.52 million compared to HK\$18.66 million in the same period last year. These are primarily due to appreciation of positions in CSOP, performance premiums from Jin Dou, unrealized gain on listed shares, exchangeable bond, unrealized gain on financial liabilities at fair value through profit or loss and interest income generating from the Group's debt instruments, offsetting impairment losses.

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 for the six months ended 30 September was as follows:

	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Dividend income ⁽¹⁾	1,135	698
Performance premium from co-investment partner ⁽²⁾	7,809	7,758
Interest income ⁽³⁾	34,300	21,408
Option premium received ⁽⁴⁾	–	16,798
	43,244	46,662

(1) Dividends received from listed investments during the Period.

(2) CIC, co-investment partner in both Jin Dou agriculture partnership and Nobel, awarded OP Financial performance premiums totaling HK\$7.81 million (30 September 2016: HK\$7.76 million) to the Group in return for our resources allocated to the agricultural partnership – Jin Dou.

(3) Interest income of HK\$34.30 million generates from the Group's debt instruments as well as term deposit in banks.

(4) Premium from call options in connection with the investment in Guardforce's exchangeable bond.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

RESULTS (Continued)

Net change in unrealized gain/(loss) on financial assets at fair value through profit or loss: The net change in unrealized gain of HK\$114.02 million (30 September 2016: loss of HK\$56.03 million) mainly represents the net result of (i) the net unrealized gain of HK\$99.77 million on listed shares; (ii) the unrealized gain of HK\$13.95 million on exchangeable bond; (iii) Net unrealized gain of HK\$3.55 million on Sinagri Yingtai; and (iv) the net unrealized loss of HK\$3.25 million on investment funds.

Net change in unrealized gain/(loss) on financial liabilities at fair value through profit or loss: The net change in unrealized gain of HK\$10.85 million mainly represents the net result of (i) the unrealized gain of HK\$11.14 million on financial participation agreement with an investment partner; and (ii) the unrealized loss of HK\$0.29 million on accrued consultancy fee to the shareholder of Treasure Up, to be paid upon the exit of investment in Treasure Up according to the investment agreement.

Impairment loss on investments: The HK\$3.35 million loss represents the impairments on Kaisun, OP Vision and Nobel.

Equity-settled share-based payments: This represents the value of share options vested during the Period. These share options were granted to certain directors, employees and consultants on 20 May 2016, which are vested over five years from the grant date.

Operating and administrative expenses: An increase of HK\$14.97 million from HK\$42.99 million in the same period last year to HK\$57.96 million this Period is mainly attributable to the increase in volume of investment activities, which triggered higher investment management fees, office premise rentals and staff related costs.

Share of results of associates: a net amount of approximately HK\$42.92 million (2016: HK\$14.70 million) accounted for our share of results of our investments including CSOP, Guotai Junan, OPIM, OP EBS Fintech and Treasure Up. The first 3 companies generate revenue based on management and performance fees from assets under management.

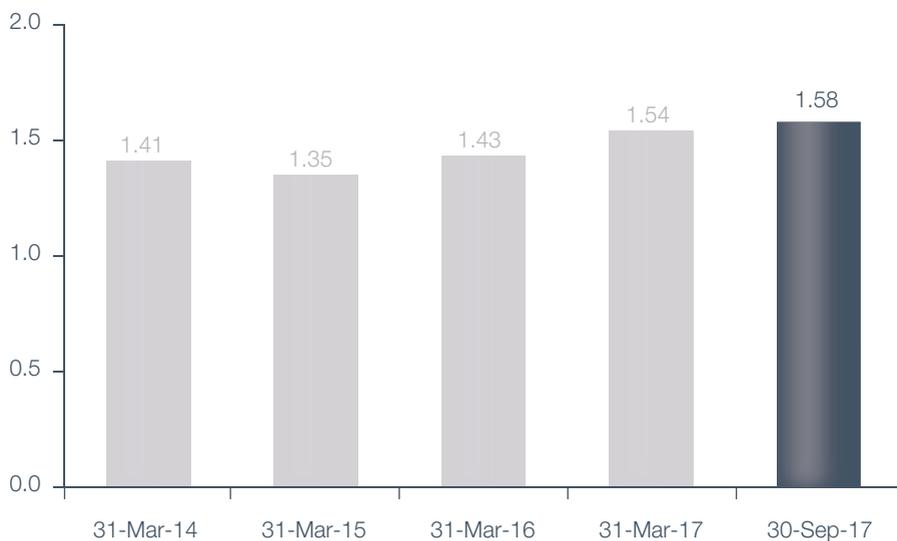
Other comprehensive income: Changes to the Group's NAV, otherwise not accounted for in "profit for the Period", are found in "other comprehensive income". The gain of HK\$28.17 million (30 September 2016: loss of HK\$2.97 million) is mainly net of (i) increase in fair value of available-for-sale financial assets by HK\$24.70 million and (ii) a transfer of impairment losses on available-for-sale financial assets of HK\$3.35 million to profit or loss, offsetting the share of other comprehensive income of associates. Combining with the "profit for the Period", the total comprehensive income for the Period was a gain of HK\$159.52 million.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

RESULTS (Continued)

Fair value changes recognized in Other Comprehensive Income:

	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Didi Chuxing	39,560	(97)
OPIM	11,220	3,010
Gooagoo	123	(3)
OP Vision	(676)	(1,334)
Kaisun	(1,288)	(2,378)
Jin Dou	(2,301)	(187)
Nobel	(21,937)	(26,667)
Dance	–	(21,268)
Fair value increase/(decrease)	24,701	(48,924)

NAV Per Share in HK\$

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

DIVIDEND POLICY AND PROPOSED INTERIM DIVIDEND

The Board has resolved not to pay any interim dividend in respect of the six months ended 30 September 2017 (2016: nil).

LIQUIDITY AND FINANCIAL RESOURCES

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

As at 30 September 2017, the Group had cash and bank balances of HK\$499.99 million (31 March 2017: HK\$1.79 billion). The Group had loan payable of RMB60 million and pledged US\$9.5 million bank deposit as collateral for such loan payable during the Period under review. The debt-to-equity ratio (interest bearing external borrowings divided by shareholders' equity) stood at 2.3% while the current ratio (current assets divided by current liabilities) was 9 times (31 March 2017: 19 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 30 September 2017, the Group's shareholders' equity and total number of shares in issue for the Company stood at HK\$3.00 billion (31 March 2017: HK\$2.91 billion) and 1,897,396,000 (31 March 2017: 1,897,396,000) respectively.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS

The Group had the following material acquisitions and investments, as well as disposals of investments during the Period.

- Investment of HK\$654.94 million and partial settlement of HK\$208.00 million in debt instruments
- Investment of HK\$404.23 million in listed shares
- Investment of HK\$156.26 million in OP EBS Fintech
- Investment of HK\$100.00 million in Greater China Select Fund
- Investment of HK\$46.64 million in BEFS
- Investment of HK\$16.95 million in CCOP New Life

SEGMENT INFORMATION

Segment information of the Group is set out in note 7 on pages 64 to 65 of this report.

EMPLOYEES

During the Period, the Group had 39 (2016: 35) employees, inclusive of all directors of the Group and its subsidiaries. Total staff costs for the Period amounted to HK\$24.64 million (2016: HK\$16.30 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.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

SHARE OPTION SCHEME

The detailed disclosures relating to the Company's share option scheme and valuation of options are set out in note 21 to the condensed consolidated interim financial information.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

At 30 September 2017, the Group had exposure to foreign exchange fluctuation from its net investment in Sinagri Yingtai, CCOP New Life, Telling Holdings and bank balances (2016: bank balances). These assets were denominated in RMB and the maximum exposure to foreign currency risk was RMB203,039,000, equivalent to HK\$237,993,000 (31 March 2017: RMB20,055,000, equivalent to HK\$22,637,000).

At 30 September 2017, the Group held certain financial assets which were denominated in USD. The Board is of the opinion that the Group's exposure to USD foreign currency risk is minimal as HKD was pegged to USD by the Hong Kong's Linked Exchange Rate System.

CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2017, the Group pledged US\$9.5 million (equivalent to HK\$74.211 million) bank deposit as collateral to its bank to secure a RMB60 million entrust loan arrangement released by the bank to a PRC potential investee of the Group.

The Company had given guarantees in respect of the settlement of other borrowings provided by 新興創業投資管理有限公司 to a third party, 上海幸福九號網絡科技有限公司. At 30 September 2017, the Group had given guarantees in respect of such other borrowings of HK\$24,289,000 (2016: Nil).

In the opinion of the directors of the Company, the fair values of the financial guarantee contract of the Group are insignificant at initial recognition and the directors of the Company consider that the possibility of default of the parties involved is remote, accordingly, no value has been recognized at the inception of the guarantee contracts and at the end of the reporting period.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

As at 30 September 2017, 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

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

EVENTS AFTER THE REPORTING PERIOD

On 16 November 2017, the Company entered into four subscription agreements with four subscribers, pursuant to which the four subscribers have conditionally agreed to subscribe for 740,000,000 new shares of the Company at a subscription price of HK\$2.1 per share.

Details of the transaction is disclosed in the Company's announcement dated on 16 November 2017. As at the date of the transaction has not yet been completed.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

CORPORATE GOVERNANCE CODE

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

Code Provision A.6.7 provided that, the independent non-executive Directors and other non-executive Directors, as equal Board members, should give the Board and any committees on which they serve the benefit of their skills, expertise and varied backgrounds and qualifications through regular attendance and active participation. They should also attend general meetings and develop a balanced understanding of the views of shareholders. During the Period, each of Mr. Zhang Zhi Ping, Mr. Zhang Gaobo, Dr. Liu Zhiwei, Mr. Zhang Weidong and Mr. Wang Xiaojun attended both of the extraordinary general meeting which was held on 26 May 2017 (“EGM”) and the annual general meeting which was held on 24 August 2017 (“AGM”). However, due to other business commitment on urgent basis, Prof. He Jia, an independent non-executive director (“INED”), only attended the EGM whereas Dr. Wu Zhong, a non-executive Director and Mr. Kwong Che Keung Gordon, an INED, did not attend both of the general meetings.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS

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

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

As at 30 September 2017, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporation(s) (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) which were notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register required to be kept by the Company under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), to be notified to the Company and the Stock Exchange were as follows:

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

Long positions in shares and underlying shares of the Company:

Name of director	Number of ordinary shares/underlying shares held in the Company				Total interests as to % to the issued share capital of the Company as at 30 September 2017 (note 1)
	Capacity in which interests are held	Corporate interests in shares	Interests under equity derivatives	Total interests	
Mr. ZHANG Zhi Ping (note 2)	Interest of controlled corporation	359,800,000	-	359,800,000	18.96%
Mr. ZHANG Gaobo (note 2)	Interest of controlled corporation	359,800,000	-	359,800,000	18.96%
Dr. LIU Zhiwei	Beneficial owner	194,862,000	-	194,862,000	10.27%
Mr. ZHANG Weidong (note 3)	Beneficial owner	7,000,000	-	7,000,000	0.37%

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 1,897,396,000 shares as at 30 September 2017.
- (2) This represented an aggregate of 330,000,000 shares held by Ottness Investments Limited ("OIL") and 29,800,000 shares held by Oriental Patron Financial Services Group Limited ("OPFSGL"). 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.
- (3) These shares are underlying shares comprised in the options granted to Mr. Zhang Weidong pursuant to the share option scheme of the Company adopted on 17 May 2016.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

Save as disclosed above, as at 30 September 2017, none of the Directors or chief executive had any interest and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations that was required to be recorded pursuant to Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

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

The register of substantial shareholders maintained under Section 336 of the SFO shows that as at 30 September 2017, the Company had been notified of the following substantial shareholders' interests or short positions, being 5% or more of the Company's shares and underlying shares. These interests are in addition to those disclosed above in respect of the Directors and chief executive.

Long positions in shares and underlying shares of the Company:

Name of shareholder	Capacity in which interests are held	Number of ordinary shares/underlying shares held in the Company			Total interests as to % to the issued share capital of the Company as at 30 September 2017 (note 1)
		Corporate interests in shares	Interests under equity derivatives	Total Interests	
Otness Investments Limited	Beneficial owner	330,000,000	-	330,000,000	17.39%
OPFGL (note 2)	Interest of controlled corporation	359,800,000	-	359,800,000	18.96%
Magopt Ltd. (note 3)	Beneficial owner	202,553,560	-	202,553,560	10.68%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

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

Name of shareholder	Capacity in which interests are held	Number of ordinary shares/underlying shares held in the Company			Total interests as to % to the issued share capital of the Company as at 30 September 2017 (note 1)
		Corporate interests in shares	Interests under equity derivatives	Total Interests	
Bestone Asset Management Co., Ltd (note 4)	Interest of controlled corporation	169,068,000	–	169,068,000	8.91%
21st Century Champion Limited (note 4)	Interest of controlled corporation	169,068,000	–	169,068,000	8.91%
Ms. WANG Juan (note 4)	Interest of controlled corporation	169,068,000	–	169,068,000	8.91%
Ms. YANG Fuji	Beneficial Owner	163,574,500	–	163,574,500	8.62%
Grand Link Finance Limited (note 5)	Beneficial Owner	158,244,000	–	158,244,000	8.34%
Mr. WANG Delian (note 5)	Interest in controlled corporation	158,244,000	–	158,244,000	8.34%
Mr. GENG Shuanghua	Beneficial Owner	106,100,000	–	106,100,000	5.59%

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

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

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

Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 1,897,396,000 shares as at 30 September 2017.
- (2) This represented an aggregate of 330,000,000 shares held by OIL and 29,800,000 shares held by OPFSGL. OIL is a wholly owned subsidiary of OPFGL, while 95% of the issued share capital of OPFSGL is owned by OPFGL. The 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.
- (3) This represented 202,553,560 underlying shares comprised in the unlisted warrants granted to Magopt Ltd. pursuant to the consultancy agreement approved at the extraordinary general meeting held on 30 March 2017. Mr. Liu Yu owns 80% of the issued share capital in Magopt Ltd. By virtue of the SFO, Mr. Liu Yu is deemed to be interested in the underlying shares held by Magopt Ltd.
- (4) This represented 169,068,000 shares held by Bestone Asset Management Co., Ltd ("Bestone Asset Management"). Ms. Wang Juan ("Ms. Wang") owns 100% of the issued share capital in 21st Century Champion Limited ("21st Century Champion") while 21st Century Champion owns 100% of the issued share capital in Bestone Asset Management. By virtue of the SFO, each of Ms. Wang and 21st Century Champion is deemed to be interested in the shares held by Bestone Asset Management.
- (5) This represented 158,244,000 shares held by Grand Link Finance Limited ("GLFL"). Mr. Wang Delian ("Mr. Wang") owns 100% of the issued share capital in GLFL. By virtue of the SFO, Mr. Wang is deemed to be interested in the shares held by GLFL.

Save as disclosed above, as at 30 September 2017, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

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

AUDIT COMMITTEE

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

REVIEW OF INTERIM FINANCIAL INFORMATION

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

APPRECIATION

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

By order of the Board

OP Financial Investments Limited

ZHANG Gaobo

Executive Director and CEO

Hong Kong SAR, 27 November 2017

INDEPENDENT REVIEW REPORT

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

TO THE BOARD OF DIRECTORS OF OP FINANCIAL INVESTMENTS LIMITED

(Incorporated in Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 37 to 96, which comprises the interim condensed consolidated statement of financial position of OP Financial Investments Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2017 and the related interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting”. Our responsibility is to express a conclusion on this interim financial information based on our review and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

INDEPENDENT REVIEW REPORT (CONTINUED)

SCOPE OF REVIEW

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

CONCLUSION

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

PricewaterhouseCoopers
Certified Public Accountants

Hong Kong, 27 November 2017

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2017

		Six months ended 30 September	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
	Note		
Revenue	6	43,244	46,662
Net change in unrealized gain/(loss) on financial assets at fair value through profit or loss	15		
– Classified as held for trading		96,547	(55,704)
– Designated as such upon initial recognition		17,468	(329)
		114,015	(56,033)
Net change in unrealized gain on financial liabilities at fair value through profit or loss	18	10,852	–
Realized gain on sale of listed investments		–	125,741
Other income		380	–
Impairment loss on available-for-sale financial assets	14	(3,353)	(46,125)
Equity-settled share-based payments	21	(2,959)	(5,602)
Operating and administrative expenses		(57,964)	(42,993)
Profit from operations		104,215	21,650
Share of results of associates		42,923	14,700
Impairment loss on investment in an associate	13	–	(1,765)
Profit before tax		147,138	34,585
Taxation	8	(15,790)	(12,958)
Profit for the Period	9	131,348	21,627

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

For the six months ended 30 September 2017

		Six months ended 30 September	
		2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
	Note		
Other comprehensive income			
<i>Items that may be reclassified to profit or loss</i>			
Available-for-sale financial assets:			
Fair value changes	14	24,701	(48,924)
Impairment loss	14	3,353	46,125
Share of other comprehensive income of associates:			
Exchange differences		115	(170)
Net other comprehensive income for the Period		28,169	(2,969)
Total comprehensive income for the Period		159,517	18,658
Earnings per share			
Basic	11(a)	6.92 cents	1.17 cents
Diluted	11(b)	6.86 cents	1.17 cents

The notes on pages 44 to 96 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2017

	Note	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Non-current assets			
Fixed assets	12	267	294
Investments accounted for using equity method	13	888,601	644,123
Available-for-sale financial assets	14	346,740	322,039
Financial assets at fair value through profit or loss	15	106,843	239,912
		1,342,451	1,206,368
Current assets			
Financial assets at fair value through profit or loss	15	779,744	35,258
Held-to-maturity investments	16	474,993	–
Accounts and loans receivable	17	82,337	3,970
Interest receivables		6,108	2,543
Prepayments and other receivables		11,334	1,199
Pledged bank deposit	19	74,211	–
Bank and cash balances		499,990	1,786,810
		1,928,717	1,829,780
TOTAL ASSETS		3,271,168	3,036,148
Capital and reserves			
Share capital	20	189,740	189,740
Reserves		2,811,629	2,724,760
TOTAL EQUITY		3,001,369	2,914,500

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 September 2017

	Note	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Current liabilities			
Accounts payable		65,828	63,210
Other payables		5,892	5,197
Loan payable	19	70,530	–
Financial liabilities at fair value through profit or loss	18	49,360	–
Tax payable		28,271	27,888
		219,881	96,295
Non-current liabilities			
Financial liabilities at fair value through profit or loss	18	34,511	25,353
Deferred tax liabilities		15,407	–
		49,918	25,353
TOTAL LIABILITIES		269,799	121,648
TOTAL EQUITY AND LIABILITIES		3,271,168	3,036,148
NET ASSETS		3,001,369	2,914,500
Net asset value per share	22	HK\$1.58	HK\$1.54

The notes on pages 44 to 96 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2017

Unaudited

	Note	Reserves						Total HK\$'000
		Share capital HK\$'000	Share premium HK\$'000	Share- based payment reserve HK\$'000	Investment revaluation reserve HK\$'000	Exchange reserve HK\$'000	Retained profits HK\$'000	
At 1 April 2016		184,140	2,198,560	16,020	1,031	(307)	238,899	2,638,343
Vesting of share options	21	-	-	5,602	-	-	-	5,602
Dividend paid		-	-	-	-	-	(46,035)	(46,035)
Total comprehensive income for the period		-	-	-	(2,799)	(170)	21,627	18,658
At 30 September 2016		184,140	2,198,560	21,622	(1,768)	(477)	214,491	2,616,568
At 1 April 2017		189,740	2,299,971	26,081	18,387	(603)	380,924	2,914,500
Vesting of share options	21	-	-	2,959	-	-	-	2,959
Dividend paid	10	-	-	-	-	-	(75,896)	(75,896)
Share of reserve movements of associate		-	-	318	-	(29)	-	289
Total comprehensive income for the Period		-	-	-	28,054	115	131,348	159,517
At 30 September 2017		189,740	2,299,971	29,358	46,441	(517)	436,376	3,001,369

The notes on pages 44 to 96 form an integral part of this condensed consolidated interim financial information.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2017

	Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES		
Net cash used in operating activities	(127,945)	(317,950)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through profit or loss	(507,336)	–
Subscription of held-to maturity investments	(654,935)	–
Investments in associates and joint ventures	(219,849)	–
Purchase of available-for-sale financial assets	–	(139,717)
Proceeds on settlement of financial assets at fair value through profit or loss	8,000	–
Proceeds on settlement of held-to-maturity investments	180,000	–
Proceed from financial participation arrangement	60,000	–
Net redemption of unlisted investment fund	1,934	–
Distribution from investment in an associate	–	39,634
Dividends received	18,569	698
Interests received	30,675	3,823
Purchase of fixed assets	(37)	(262)
Net cash used in investing activities	(1,082,979)	(95,824)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2017

	Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
CASH FLOWS FROM FINANCING ACTIVITIES		
Dividend paid	(75,896)	(46,035)
Net cash used in financing activities	(75,896)	(46,035)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,286,820)	(459,809)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	1,786,810	1,670,548
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	499,990	1,210,739
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank and cash balances	499,990	1,210,739

The notes on pages 44 to 96 form an integral part of this condensed consolidated interim financial information.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2017

1 General information

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

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

The financial information relating to the year ended 31 March 2017 that is included in the condensed consolidated interim financial information for the six months ended 30 September 2017 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 31 March 2017 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance (Cap. 622).

The Company’s auditor has reported on those financial statements. The auditor’s report was unqualified, did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report, and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance (Cap. 622).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

2 Basis of preparation of the condensed consolidated interim financial information

The unaudited condensed consolidated interim financial information for the six months ended 30 September 2017 (the “Period”) have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 March 2017, which have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA. The accounting policies and methods of computation used in the preparation of these condensed consolidated interim financial information are consistent with those used in the annual financial statements for the year ended 31 March 2017, except as stated in note 3 below.

3 Accounting policies

The accounting policies applied are consistent with those of the annual financial statements for the year ended 31 March 2017, as described in those annual financial statements, except:

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

Financial liabilities at fair value through profit or loss include the Group’s financial liabilities fluctuating based on the financial performance of the underlying investments. Financial liabilities at fair value through profit or loss are carried at fair value and any gains or losses from changes in fair value are recognized under “unrealized gain on financial liabilities at fair value through profit or loss” in the condensed consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

3 Accounting policies (Continued)

The following standards or interpretations are effective for the first time for this interim period and adopted by the Company and its subsidiaries (together, “the Group”).

- The amendment to HKAS 12 “Income Tax” on the recognition of deferred tax assets for unrealized losses clarifies how to account for deferred tax assets related to debt instruments measured at fair value.
- The amendment to HKAS 7 “Statement of cash flows” introduces an additional disclosure that will enable users of financial statements to evaluate changes in liabilities arising from financing activities.
- Other amendments to HKFRS effective for the annual periods beginning on or after 1 April 2017 do not have a material impact to the Group.

The following standards and amendments to standards have been issued but are not effective for the financial period beginning 1 April 2017 and have not been early adopted:

HKFRS 9, ‘Financial instruments’

The new standard addresses the classification, measurement and derecognition of financial assets and financial liabilities, introduces new rules for hedge accounting and a new impairment model for financial assets.

The other financial assets held by the Group include:

- equity instruments currently classified as AFS for which a FVOCI election is available.
- equity investments currently measured at fair value through profit or loss (FVPL) would likely continue to be measured on the same basis under HKFRS 9.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

3 Accounting policies (Continued)

The management is currently assessing the effects of applying this new standard on the Group's financial statements and do not foresee any significant impact if the adoption was made this Period.

There will be no significant impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss. The derecognition rules have been transferred from HKAS 39 Financial Instruments: Recognition and Measurement and have not been changed.

The new hedge accounting rules introduces a more principles-based approach and more hedge relationship might be eligible for hedge accounting. It does not have significant impact on the Group as the Group did not actively participate in hedging activities throughout the Period.

The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under HKAS 39. It applies to financial assets classified at amortized cost, debt instruments measured at FVOCI, contract assets under HKFRS 15 Revenue from Contracts with Customers, lease receivables, loan commitments and certain financial guarantee contracts. While the Group has not yet undertaken a detailed assessment of how its impairment provisions would be affected by the new model, it may result in an earlier recognition of credit losses.

The new standard also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of the adoption of the new standard. The Group plans to adopt HKFRS 9 when it becomes effective in 2018.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

3 Accounting policies (Continued)

HKFRS 9 must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed HKFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety. The Group plans to adopt HKFRS 9 when it becomes effective in 2018.

HKFRS 15, 'Revenue from contracts with customers'

The HKICPA has issued a new standard for the recognition of revenue. This will replace HKAS 18 which covers contracts for goods and services and HKAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The standard permits either a full retrospective or a modified retrospective approach for the adoption.

HKFRS 15 is mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the standard before its effective date. The management is currently assessing the effects of applying this new standard on the Group's financial statements and do not foresee any significant impact if the adoption was made this Period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

3 Accounting policies (Continued)

HKFRS 16, 'Leases'

HKFRS 16 will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases. The accounting for lessors will not significantly change.

The standard will affect primarily the accounting for Group's operating leases. The Group has not yet determined to what extent these commitments will result in the recognition of an asset and a liability for future payments and how this will affect the Group's profit and classification of cash flows.

Some of the commitments may be covered by the exception for short-term and low value leases and some commitments may relate to arrangements that will not qualify as leases under HKFRS 16. The new standard is mandatory for financial years commencing on or after 1 January 2019. At this stage, the Group does not intend to adopt the standard before its effective date.

Amendments to HKFRS 2, 'Classification and Measurement of Share-based Payment Transactions'

The amendments clarify the measurement basis for cash-settled share-based payments and the accounting for modification from cash-settled awards to equity-settled awards. They also introduce an exception to the principles in HKFRS 2 that requires an award to be treated as if it is wholly equity-settled, where an employer is obliged to withhold an amount for the employee's tax obligation associated with a share-based payment and pay that amount to the tax authority. The amendments are mandatory for financial years commencing on or after 1 January 2018. At this stage, the Group does not intend to adopt the amendments before the effective date.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

4 Critical accounting estimates and judgement

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

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

(a) Tax

Significant estimates are required in determining the provision for tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group 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. For details, please refer to note 8 to the condensed consolidated interim financial information.

(b) Fair value estimation of financial instruments

As indicated in notes 5, 14 and 15 to the condensed consolidated interim financial information, 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

4 Critical accounting estimates and judgement (Continued)

(c) Loan 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 maturities greater than 12 months after the end of the reporting period which are classified as non-current assets. The Group's loans and receivables comprise mainly held-to-maturity investments, accounts and loans receivable, interest receivables, other receivables, pledged bank deposit, bank and cash balances.

(d) 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 21. Any change in the subjective input assumptions may materially affect the fair value of an option.

(e) Assessment of investment entities

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

4 Critical accounting estimates and judgement (Continued)

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

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

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

Management estimates and judgments may change from time to time based upon future events that may or may not occur and changes in these estimates and judgments could adversely affect the carrying amounts of available-for-sale financial assets. Impairment charges on available-for-sale financial assets were HK\$3,353,000 and HK\$46,125,000 for the periods ended 30 September 2017 and 2016 respectively. Please refer to note 14 “Available-for-sale financial assets” for more details.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

4 Critical accounting estimates and judgement (Continued)

(g) Impairment allowances on held-to-maturity investments

The Group reviews its held-to-maturity investments to assess impairment regularly. In determining whether an impairment loss should be recorded in the condensed consolidated statement of comprehensive income, the Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from an investment. This evidence may include observable data indicating that there has been an adverse change in the payment status of borrowers in a group, or national or local economic conditions that correlate with defaults on assets in the group. Management uses estimates based on historical loss experience for assets with credit risk characteristics and objective evidence of impairment similar to those investments on hand when scheduling its future cash flows.

5 Financial instruments

(a) Financial risk management

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

The condensed consolidated interim financial information do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the annual financial statements for the year ended 31 March 2017.

There has been no change in the risk management policies since year ended 31 March 2017.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

5 Financial instruments (Continued)

(b) Fair value estimation

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

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

Other unlisted equity investments, unlisted investment funds, unlisted debt instruments and limited partnership 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 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).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

Disclosures of level in fair value hierarchy at 30 September 2017 (unaudited)

Fair value measurement using:

Description	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss				
Listed equity securities	509,307	–	–	509,307
Unlisted investment funds/ limited partnership	–	108,726	8,006	116,732
Unlisted debt investments	–	–	19,500	19,500
Unlisted equity investments	–	–	241,048	241,048
Available-for-sale financial assets				
Listed equity securities	7,630	–	–	7,630
Unlisted equity investments	–	–	339,110	339,110
Total	516,937	108,726	607,664	1,233,327
Financial liabilities at fair value through profit or loss				
Payable to investment partner	–	–	(48,860)	(48,860)
Staff participation interest payable	–	–	(9,370)	(9,370)
Accrued consultancy fee	–	–	(25,641)	(25,641)
Total	–	–	(83,871)	(83,871)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

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

Description	Period ended 30 September 2017 (unaudited)								
	Financial assets at fair value through profit or loss				Available-for-sale financial assets	Financial liabilities at fair value through profit or loss			
	Unlisted investment funds/limited partnership	Unlisted debt investments	Unlisted equity investments	Unlisted equity investments	Total assets	Payable to partner investment	Staff participation interest payable	Accrued consultancy fee	Total liabilities
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
At beginning of the Period	6,863	27,500	223,549	313,121	571,033	-	-	(25,353)	(25,353)
Total gains or losses recognized									
- in profit or loss ^(a)	(31)	-	17,499	-	17,468	11,140	-	(288)	10,852
- in other comprehensive income	-	-	-	25,989	25,989	-	-	-	-
Purchases/Additions	3,108	-	-	-	3,108	(60,000)	(9,370)	-	(69,370)
Repayment/Distributions	(1,934)	(8,000)	-	-	(9,934)	-	-	-	-
At end of the Period	8,006	19,500	241,048	339,110	607,664	(48,860)	(9,370)	(25,641)	(83,871)
^(a) Total gains or losses included in profit or loss that is attributable to the change in unrealized gains or loss relating to those assets and liabilities held at the end of the report period	(31)	-	17,499	-	17,468	11,140	-	(288)	10,852

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

Disclosures of level in fair value hierarchy at 31 March 2017 (Audited)

Fair value measurement using:

Description	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Financial assets at fair value through profit or loss				
Listed equity securities	5,308	–	–	5,308
Unlisted investment funds/ limited partnership	–	11,950	6,863	18,813
Unlisted debt investments	–	–	27,500	27,500
Unlisted equity investments	–	–	223,549	223,549
Available-for-sale financial assets				
Listed equity securities	8,918	–	–	8,918
Unlisted equity investments	–	–	313,121	313,121
Total	14,226	11,950	571,033	597,209
Financial liabilities at fair value through profit or loss				
Accrued consultancy fee	–	–	(25,353)	(25,353)
Total	–	–	(25,353)	(25,353)

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

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

Description	Year ended 31 March 2017 (Audited)						
	Financial assets at fair value through profit or loss			Available-for-sale financial assets	Total assets	Financial liabilities at fair value through profit or loss	Total liabilities
	Unlisted investment funds/limited partnership	Unlisted debt investments	Unlisted equity investments	Unlisted equity investments		Accrued consultancy fee	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At beginning of the Year	8,596	-	-	185,059	193,655	-	-
Total gains or losses recognized							
- in profit or loss ⁽ⁱ⁾	(375)	-	21,796	-	21,421	(25,353)	(25,353)
- in other comprehensive income	-	-	-	(30,655)	(30,655)	-	-
Purchases/Additions	-	27,500	201,753	158,717	387,970	-	-
Disposals/Distributions	(1,358)	-	-	-	(1,358)	-	-
At end of the Year	6,863	27,500	223,549	313,121	571,033	(25,353)	(25,353)

⁽ⁱ⁾ Total gains or losses included in profit or loss that is attributable to the change in unrealized gains or loss relating to those assets and liabilities held at the end of the report period	(375)	-	21,796	-	21,421	(25,353)	(25,353)
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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 Period/year".

Financial liabilities at fair value through profit or loss are presented in the profit or loss in "net change in unrealized gain on financial liabilities at fair value through profit or loss".

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

The condensed consolidated interim financial information includes holdings in unlisted financial instruments which are measured at fair value (note 14 and note 15). Fair values are estimated using generally accepted pricing models, which included some assumptions that are not supportable by observable market rates. In determining the fair value, certain unobservable inputs and a risk adjusted discount factor were used.

(Unaudited)

Description	Fair value at 30 September 2017 HK\$'000	Valuation techniques	Unobservable Inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
<i>Available-for-sale financial assets</i>					
OPIM and OPIMC (non-voting preference shares)	53,609	Discounted cash flow	Discount rate	13.26%	Higher the discount rate, lower the fair value
			Long term growth rate	3%	Higher the growth rate, higher the fair value
Thrive World Limited (equity interest)	102,777	Discounted cash flow	Discount rate	16.66%	Higher the discount rate, lower the fair value
			Forecast oil price	US\$53.75 to 60 per barrel for 2017 to 2020	Higher the oil price, higher the fair value
Jin Dou Development Fund, L.P. (partnership interest)	2,464	Share of net assets	N/A	N/A	N/A
OP Vision L.P. (partnership interest)	704	Share of net assets	N/A	N/A	N/A
Xiaoju Kuaizhi Inc. (preference shares)	156,121	Latest transaction price	N/A	N/A	N/A
Tsingdata Holdings L.P. (partnership interest)	23,435	Latest transaction price	N/A	N/A	N/A

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

Description	Fair value at 30 September 2017 HK\$'000	Valuation techniques	Unobservable Inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
<i>Financial assets at fair value through profit or loss</i>					
Real Estate Opportunity Capital Fund (partnership interest)	1,310	Share of net assets	N/A	N/A	N/A
Zhong Wei Capital L.P. (partnership interest)	6,696	Share of net assets	N/A	N/A	N/A
Guardforce Holdings (HK) Ltd (exchangeable bond)	151,710	Amortized cost	N/A	N/A	N/A
Finance Centre for South- South Cooperation Limited (promissory note)	9,500	Amortized cost	N/A	N/A	N/A
Forthwise Limited (promissory note)	10,000	Amortized cost	N/A	N/A	N/A
Sinagri Yingtai AMP Limited (equity interest)	89,338	Latest transaction price	N/A	N/A	N/A

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

(Audited)

Description	Fair value at 31 March 2017 HK\$'000	Valuation techniques	Unobservable Inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
<i>Available-for-sale financial assets</i>					
OPIM and OPIMC (non-voting preference shares)	42,389	Discounted cash flow	Discount rate	14.09%	Higher the discount rate, lower the fair value
			Long term growth rate	3%	Higher the growth rate, higher the fair value
Thrive World Limited (equity interest)	124,714	Discounted cash flow	Discount rate	15.77%	Higher the discount rate, lower the fair value
			Forecast oil price	US\$57.85 to US\$66.57 per barrel for 2017 to 2020	Higher the oil price, higher the fair value
Jin Dou Development Fund, L.P. (partnership interest)	4,765	Share of net assets	N/A	N/A	N/A
OP Vision L.P. (partnership interest)	1,380	Share of net assets	N/A	N/A	N/A
Xiaoju Kuaizhi Inc. (preferred shares)	116,561	Latest transaction price	N/A	N/A	N/A
Tsingdata Holdings L.P. (partnership interest)	23,312	Latest transaction price	N/A	N/A	N/A
Dance Biopharm Holdings Inc. (equity interest)	-	Latest transaction price with impair adjustment	N/A	N/A	N/A

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

5 Financial instruments (Continued)

(b) Fair value estimation (Continued)

Description	Fair value at 31 March 2017 HK\$'000	Valuation techniques	Unobservable Inputs	Range of unobservable inputs	Relationship of unobservable inputs to fair value
<i>Financial assets at fair value through profit or loss</i>					
Real Estate Opportunity Capital Fund (partnership interest)	3,228	Share of net assets	N/A	N/A	N/A
Zhong Wei Capital L.P. (partnership interest)	3,635	Share of net assets	N/A	N/A	N/A
Guardforce Holdings (HK) Limited (exchangeable bond)	137,764	Amortized cost	N/A	N/A	N/A
Finance Center for South-South Cooperation Limited (promissory note)	9,500	Latest transaction price	N/A	N/A	N/A
Hong Kong Credit Corporation Limited (promissory note)	8,000	Latest transaction price	N/A	N/A	N/A
Forthwise Limited (promissory note)	10,000	Latest transaction price	N/A	N/A	N/A
Sinagri Yingtai AMP Limited (equity interest)	85,785	Latest transaction price	N/A	N/A	N/A

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

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

6 Revenue

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

	Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Dividend income	1,135	698
Performance premium from co-investment partner	7,809	7,758
Interest income	34,300	21,408
Option premium received	–	16,798
	43,244	46,662

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

7 Segment information

The chief operating decision maker has been identified as the executive directors, subject to requirements of the Listing Rules. The executive directors assess 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 executive directors for decisions about resources allocation to the Group's business components and review of these components' performance, the Group has identified only one operating segment, being investment holding. Accordingly, segment disclosures are not presented.

Geographical information

	Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Revenue		
Hong Kong	34,192	30,118
Mainland China	9,052	7,758
Other countries	–	8,786
	43,244	46,662

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

7 Segment information (Continued)

Geographical information (Continued)

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

	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Non-current assets other than financial instruments		
Hong Kong	164,993	139,505
Mainland China	723,875	504,912

Information about major investments

During the Period, interest income received from one of the Group's debt investments and performance premiums derived from one of the Group's unlisted investments, which individually accounted for 10% (2016: 10%) or more of the Group's revenue amounted to approximately HK\$24,603,000 and HK\$7,809,000 respectively (2016: call option premium received, interest income received from two of the Group's debt instruments and performance premiums derived from one of the Group's unlisted investments amounted to approximately HK\$16,798,000, HK\$9,183,000, HK\$8,088,000 and HK\$7,758,000 respectively).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

8 Taxation

	Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Hong Kong Profits Tax:		
Current tax	383	12,958
Deferred tax	15,407	–
	<hr/>	<hr/>
Total tax expense	15,790	12,958

Taxation represents Hong Kong Profits Tax which has been provided at a rate of 16.5% (2016: 16.5%) on the estimated assessable profit for the Period.

Deferred tax is recognized, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the condensed consolidated financial statements.

As at 30 September 2017, the Group has unused tax losses of approximately HK\$69,981,000 (31 March 2017: HK\$46,029,000) available to offset against future profits.

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

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

9 Profit for the Period

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

	Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Auditor's remuneration		
– Audit	809	703
– Others	320	302
	1,129	1,005
Depreciation	64	47
Investment management fee	22,298	20,663
Operating lease payments in respect of office premises	4,483	2,751
Staff costs (including directors' emoluments)		
Salaries and other benefits	21,447	10,523
Retirement benefits scheme contributions	232	175
Equity-settled share based compensation	2,959	5,602
	24,638	16,300

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

10 Dividend

The Board has resolved not to pay any interim dividend in respect of the Period (2016: Nil).

The Board recommended the payment of a final dividend of HK 4 cents per share for the year ended 31 March 2017 to the shareholders whose names are registered on the register of members of the Company at the close of business on 31 August 2017. It was approved at the Annual General Meeting held on 24 August 2017 and total final dividends of HK\$75,895,840 was paid on 7 September 2017.

11 Earnings per share

(a) Basic earnings per share

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

	Six months ended 30 September	
	2017 (Unaudited)	2016 (Unaudited)
Profit for the Period (HK\$'000)	131,348	21,627
Weighted average number of ordinary shares in issue (in thousand)	1,897,396	1,841,396
Basic earnings per share	6.92 cents	1.17 cents

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

11 Earnings per share (Continued)

(b) Diluted earnings per share

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

	Six months ended 30 September	
	2017 (Unaudited)	2016 (Unaudited)
Profit for the Period (HK\$'000)	131,348	21,627
Weighted average number of ordinary shares in issue (in thousand)	1,897,396	1,841,396
Adjustment for shares options (in thousand)	16,893	–
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	1,914,289	1,841,396
Diluted earnings per share	6.86 cents	1.17 cents

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

12 Fixed assets

	Motor vehicles HK\$'000	Computer equipment HK\$'000	Office equipment HK\$'000	Furniture HK\$'000	Total HK\$'000
Cost					
At 1 April 2016	–	156	11	101	268
Additions	200	62	–	–	262
At 30 September 2016	200	218	11	101	530
Accumulated depreciation					
At 1 April 2016	–	87	11	74	172
Charge for the period	28	15	–	4	47
At 30 September 2016	28	102	11	78	219
Carrying amount					
At 30 September 2016	172	116	–	23	311
Cost					
At 1 April 2017	200	217	11	145	573
Additions	–	37	–	–	37
At 30 September 2017	200	254	11	145	610
Accumulated depreciation					
At 1 April 2017	61	121	11	86	279
Charge for the Period	33	22	–	9	64
At 30 September 2017	94	143	11	95	343
Carrying amount					
At 30 September 2017	106	111	–	50	267

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

13 Investments accounted for using equity method

	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Associates	732,366	644,123
Joint venture	156,235	–
	888,601	644,123

Details of the investments at 30 September 2017 and 31 March 2017 are as follows:

Name of entity	Percentage of ownership interest	Carrying amount at	
		30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Associates			
CSOP Asset Management Limited ("CSOP") (Note a)	30% (31.3.2017: 24%)	157,495	132,188
Guotai Junan Fund Management Limited	29.9% (31.3.2017: 29.9%)	6,397	6,255
OPIM Holdings Limited	30% (31.3.2017: 30%)	834	768

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

13 Investments accounted for using equity method (Continued)

Name of entity	Percentage of ownership interest	Carrying amount at	
		30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Associates			
Treasure Up Ventures Limited ("TUVL") (Note b)	25% (31.3.2017: 25%)	504,047	504,912
South South Green Energy Limited	30% (31.3.2017: 30%)	–	–
Henan CCOP New Life Service Limited ("CCOP New Life") (Note c)	30% (31.3.2017: –)	16,953	–
BE Financial Service (Beijing) Investment Holdings Limited ("BEFS") (Note d)	20% (31.3.2017: –)	46,640	–
Joint ventures			
OP EBS Fintech Investment L.P. (“OP EBS Fintech”) (Note e)	40% (31.3.2017: –)	156,235	–
Shen Jiang L.P.	50% (31.3.2017: 50%)	–	–
Magopt Investment L.P.	50% (31.3.2017: –)	–	–
		888,601	644,123

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

13 Investments accounted for using equity method (Continued)

- (a) On 31 August 2017, the shareholders of CSOP entered into a share repurchase agreement with CSOP. CSOP repurchased 800,000 ordinary shares from the Company at HK\$1.58 per each ordinary share. Immediately after the share repurchases arrangement, the Group had 30%'s effective interest in CSOP.
- (b) Bidding invitations were sent through independent business advisors to potential buyers in December 2016 and January 2017. The directors of the Group determined that these non-binding offer prices would be independent sources of indicative fair value of the investment. However, no agreement has been reached afterwards. The fair value of the Group's interest as at 30 September 2017 was determined with reference to the recent market transaction and discounts based on management judgement.
- (c) On 5 October 2016, the Company through a subsidiary, OP New Life Limited, entered into an equity transfer agreement in relation to the acquisition of equity interests in CCOP New Life, a sino-foreign equity joint venture enterprise in the People's Republic of China.
- (d) On 21 August 2017, the Company entered into a shareholders' agreement with Beijing Enterprises Water Group and Shanghai Hengshi Wealth investment Limited to establish BEFS for the purpose of providing fund investment and management services for Beijing Enterprises Water Group.
- (e) On 28 August 2017, the Group, through a subsidiary, OP Fintech Holdings Limited, signed a limited partnership agreement in which the Company acted as general partner and sub-ordinated limited partner of OP EBS Fintech and contributed US\$20,000,000, or approximately HK\$156,255,000 to the limited partnership. OP EBS Fintech is established for the purpose of investing into PRC companies in Fin-tech industry.

For the description of the business and financial information of the other investments, please refer to note 15 of the Company's 2016/17 annual report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

14 Available-for-sale financial assets

	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Listed equity securities, at fair value	7,630	8,918
Unlisted equity investments, at fair value	339,110	313,121
	346,740	322,039

During the Period, net change in unrealized gain of approximately HK\$24,701,000 (2016: loss of approximately HK\$48,924,000) arising from changes in fair value of available-for-sale financial assets was recognized directly in the investment revaluation reserve.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

14 Available-for-sale financial assets (Continued)

Details of the Group's available-for-sale financial assets at 30 September 2017 and 31 March 2017 are as follows:

Name of investee	Proportion of investees' capital owned	Fair value at	
		30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Listed equity securities			
Kaisun Energy Group Limited (Note a)	3.4% (31.3.2017: 3.5%)	7,630	8,918
Unlisted equity investments			
Thrive World Limited (Note b)	10% of ordinary shares (31.3.2017: 10%)	102,777	124,714
OPIM/OPIMC	100% of non- voting preference shares (31.3.2017: 100%)	53,609	42,389
Jin Dou Development Fund, L.P. ("Jin Dou")	1.48% of total contribution (31.3.2017: 1.48%)	2,464	4,765
OP Vision L.P. (Note c)	66.7% of total contribution (31.3.2017: 66.7%)	704	1,380

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

14 Available-for-sale financial assets (Continued)

Name of investee	Proportion of investees' capital owned	Fair value at	
		30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Xiaoju Kuaizhi Inc.	<1% of non-voting preference shares (31.3.2017: <1%)	156,121	116,561
Tsingdata Holdings L.P.	47.3% of total contribution (31.3.2017: 47.3%)	23,435	23,312
		346,740	322,039

- (a) Impairment loss of approximately HK\$826,000 was recognized in profit or loss (2016: HK\$2,378,000).
- (b) Impairment loss of approximately HK\$1,851,000 was recognized in profit or loss (2016: HK\$26,667,000).
- (c) Impairment loss of approximately HK\$676,000 was charged to profit or loss for the Period (2016: nil).

For the description of the business and financial information of the other investments, please refer to note 16 of the Company's 2016/17 annual report.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

15 Financial assets at fair value through profit or loss

	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Listed equity securities	509,307	5,308
Unlisted equity investments	241,048	223,549
Unlisted investment funds/limited partnership	116,732	18,813
Unlisted debt investments	19,500	27,500
	886,587	275,170
Analysed as:		
Current assets	779,744	35,258
Non-current assets	106,843	239,912
	886,587	275,170

During the Period, net change in unrealized gain of approximately HK\$114,015,000 (2016: loss of HK\$56,033,000) arising from changes in fair value of financial assets at fair value through profit or loss was recognized in the condensed consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

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

Details of the Group's financial assets at fair value through profit or loss at 30 September 2017 and 31 March 2017 are as follows:

Name of investee	Fair value at	
	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
<i>Equity securities listed on the Stock Exchange</i>		
Changhong Jiahua Holdings Limited	4,870	5,308
Nine Dragons Paper (Holdings) Limited ("Nine Dragons") (Note a)	307,200	–
Telling Telecommunication Holding Co., Ltd. ("Telling Holdings") (Note a)	197,237	–
<i>Unlisted investment funds/limited partnership</i>		
Greater China Select Fund (Note b)	100,747	3,997
Greater China Special Value Fund	7,979	7,953
Real Estate Opportunity Capital Fund	1,310	3,228
Zhong Wei Capital L.P.	6,696	3,635

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

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

Name of investee	Fair value at	
	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Unlisted debt investments		
Promissory note issued by Finance Center For South-South Cooperation Limited	9,500	9,500
Promissory note issued by Hong Kong Credit Corporation Limited (Note c)	–	8,000
Promissory note issued by Forthwise Limited (“Forthwise”) (Note d)	10,000	10,000
Unlisted equity investments		
Exchangeable bond issued by Guardforce Holdings (HK) Limited (“Guardforce”) (Note e)	151,710	137,764
Sinagri Yingtai AMP Limited	89,338	85,785
	886,587	275,170

- (a) The Group had acquired 20,000,000 shares and 16,450,000 shares of Nine Dragons (#2689.HK) and Telling Holdings (#829.SZ) respectively during the Period.
- (b) The Group subscribed HK\$100 million new fund units on 12 April 2017.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

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

- (c) The note matured and was redeemed in June 2017.
- (d) On 3 March 2017, the Group subscribed for HK\$10,000,000 promissory note issued by Forthwise ("Forthwise Note"). The note carries 7% annual interest with maturity on 2 September 2017.

To hedge the default risk of the Forthwise Note, the Company has purchased a put option from an entity under which the Company has the right to sell the Forthwise Note to such entity at HK\$10,000,000 on or before 1 October 2017.

The Directors reassessed the repayment position and exercised the put option on 29 September 2017. Legal actions will be taken to recover the note money if necessary.

- (e) On 29 April 2016, the Group through a subsidiary, Profit Raider Investments Ltd ("Profit Raider"), subscribed US\$15,000,000, or approximately HK\$116,370,000 exchangeable bond issued by Guardforce, a company controlled by Mr. Tu Guoshen, the controlling shareholder of China S&F. In two years term, the bond is, at the Group's discretion, exchangeable for 75% issued and fully paid up ordinary shares of Guardforce Holdings Ltd, which indirectly holds 97.5% common shares of Guardforce Cash Solutions (Thailand) Ltd, a cash solutions provider engaging in cash management and automated teller machine management. If the Group determine not to exercise the exchange rights on the maturity date, i.e. 29 April 2018, the bond will be redeemed by the issuer at principle plus an internal rate of return of 20%.

The Group assessed the latest audited financial statement of Guardforce Cash Solutions (Thailand) Ltd as at its year ended 30 June 2017 and concluded that the fair value of the exchange option is minimal.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

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

For the description of the business and financial information of the other investments, please refer to note 17 of the Company's 2016/17 annual report.

16 Held-to-maturity investments

	Carrying amount at	
	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Unlisted debt investments	474,993	–
Allowance for impairment	–	–
Total unlisted debt investments, net	474,993	–

The investments carried fixed interest rate and will be matured within 1 year.

The fair value of the held-to-maturity investments approximates its carrying value.

No impairment is considered necessary by the directors.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

17 Accounts and loans receivable

	Note	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Unsecured loan to a potential investee	(a)	70,530	–
Performance premium receivable	(b)	11,718	3,886
Amounts due from associates	(c)	89	84
		82,337	3,970

- (a) Please refer to note 19 Entrust loan arrangement for detail.
- (b) The aging analysis of accounts receivable based on the invoice date is as follows:

	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Unbilled	–	3,886
0-30 days	11,718	–
	11,718	3,886

The Group does not hold any collateral or other credit enhancements over the performance premium receivable.

At 30 September 2017 and 31 March 2017, the accounts receivable were neither past due nor impaired.

- (c) Amounts due from associates are interest-free, unsecured and repayable on demand.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

18 Financial liabilities at fair value through profit or loss

	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Current liabilities		
Payable to investment partner (Note a)	48,860	–
Staff participation interest payable (Note b)	500	–
	49,360	–
Non-current liabilities		
Accrued consultancy fee (Note c)	25,641	25,353
Staff participation interest payable (Note b)	8,870	–
	34,511	25,353

- (a) During the Period, the Group entered into a financial participation arrangement with an investment partner. Pursuant to the arrangement, the investment partner agreed to pay HK\$60,000,000 to the Group and in return, shared a portion of the Group's future realized trading result of one of the listed investments.

As at 30 September 2017, the investment partner's interest was reduced to HK\$48,860,000. An unrealized gain of HK\$11,140,000 was recognized in profit or loss.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

18 Financial liabilities at fair value through profit or loss (Continued)

- (b) As an incentive program to align risk and performance of the Group's investments with interests of the employees, the Group set up staff participation plan during the Period. At the inception of a qualified investment, the Group will allocate its interest of that investments, at most 10% interest in each investment, for staff participation. Pursuant to terms of the staff participation plan, the eligible employees will subscribe for the interest of the investment at the same price as the Group's investment cost and share potential profit or loss in proportion to its participation upon the Group's exit of such investment.

The classification of current liabilities and non-current liabilities was determined based on the classification of the underlying investment.

- (c) Pursuant to the investment agreement in TUVL, the Group agreed to pay consultancy fee to the shareholder of TUVL upon the exit of investment in TUVL. The amount of consultancy fee will be determined based on the net disposal proceeds received.

19 Entrust loan arrangement

During the Period, the Group entered an entrust loan arrangement with its bank to provide funds to a PRC potential investee. RMB60,000,000, equivalent to HK\$70,530,000, was borrowed by a wholly-owned subsidiary of the Group in PRC from the bank and provided to the PRC potential investee. Accordingly, a loan receivable from the potential investee and a loan payable to the bank were recognized in the condensed consolidated statement of financial position.

On the other hand, the Group placed a pledged deposit of US\$9,500,000 (equivalent to HK\$74,211,000) in the bank to secure the arrangement. The pledge will be released upon settlement of the entrust loan.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

20 Share capital

	Number of shares (in thousands)	HK\$'000 (unaudited)
Ordinary shares of HK\$0.10 each		
<i>Authorised:</i>		
At 1 April 2016	4,000,000	400,000
At 31 March 2017 and 1 April 2017	4,000,000	400,000
At 30 September 2017	4,000,000	400,000
<i>Issued and fully paid:</i>		
At 1 April 2016	1,841,396	184,140
Placement of shares (Note)	56,000	5,600
At 31 March 2017 and 1 April 2017	1,897,396	189,740
At 30 September 2017	1,897,396	189,740

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

20 Share capital (Continued)

Note:

On 12 December 2016, the Company entered into a placing agreement with its placing agent pursuant to which the placing agent agreed to place up to 56,000,000 new shares to not less than six placees at a price of HK\$1.95 per share. The net proceeds from the placing, net of professional fees and out-of-pocket expenses, will be used as the general working capital of the Company and for future investment pursuant to the investment objectives of the Company. The placing shares were issued under the general mandate to allot, issue and deal with shares granted to directors by resolution of the shareholders passed at the Annual General Meeting held on 31 August 2016 and was completed on 12 January 2017. All the new ordinary shares issued during the period rank *pari passu* with the then existing shares in all aspects.

21 Share option scheme

Under the Share Option Scheme adopted on 19 March 2003, refreshed on 21 January 2008 and 17 May 2016, the Board may at any time following the date of adoption and before the tenth anniversary thereof, offer to grant to certain selected classes participants (including, among others, 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.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

21 Share option scheme (Continued)

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option. An option may be exercised in accordance with the terms of the share option scheme at any time not later than 10 years from the date on which the offer for grant of the option is made. Subject to the terms of the share options determined by the Board, the participant may have to meet certain vesting conditions before becoming unconditionally entitled to the share options. For the share options that existed during the periods ended 30 September 2017 and 2016, 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.

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

Grantee	Date of grant	Outstanding at beginning of the Period	Granted during the Period	Outstanding at the end of the Period	Exercisable at the end of the Period	Exercise price HK\$	Exercise period
Director	20.5.2016	1,750,000	-	1,750,000	1,750,000	1.65	20.5.2017 to 19.5.2021
Director	20.5.2016	1,750,000	-	1,750,000	-	1.65	20.5.2018 to 19.5.2021
Director	20.5.2016	1,750,000	-	1,750,000	-	1.65	20.5.2019 to 19.5.2021
Director	20.5.2016	1,750,000	-	1,750,000	-	1.65	20.5.2020 to 19.5.2021
Directors of group companies	20.5.2016	4,500,000	-	4,500,000	4,500,000	1.65	20.5.2017 to 19.5.2021
Directors of group companies	20.5.2016	4,500,000	-	4,500,000	-	1.65	20.5.2018 to 19.5.2021

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

21 Share option scheme (Continued)

Grantee	Date of grant	Outstanding at beginning of the Period	Granted during the Period	Outstanding at the end of the Period	Exercisable at the end of the Period	Exercise price HK\$	Exercise period
Directors of group companies	20.5.2016	4,500,000	-	4,500,000	-	1.65	20.5.2019 to 19.5.2021
Directors of group companies	20.5.2016	4,500,000	-	4,500,000	-	1.65	20.5.2020 to 19.5.2021
Employees	20.5.2016	5,000,000	-	5,000,000	5,000,000	1.65	20.5.2017 to 19.5.2021
Employees	20.5.2016	5,000,000	-	5,000,000	-	1.65	20.5.2018 to 19.5.2021
Employees	20.5.2016	5,000,000	-	5,000,000	-	1.65	20.5.2019 to 19.5.2021
Employees	20.5.2016	5,000,000	-	5,000,000	-	1.65	20.5.2020 to 19.5.2021
Consultants	20.5.2016	1,500,000	-	1,500,000	1,500,000	1.65	20.5.2017 to 19.5.2021
Consultants	20.5.2016	1,500,000	-	1,500,000	-	1.65	20.5.2018 to 19.5.2021
Consultants	20.5.2016	1,500,000	-	1,500,000	-	1.65	20.5.2019 to 19.5.2021
Consultants	20.5.2016	1,500,000	-	1,500,000	-	1.65	20.5.2020 to 19.5.2021
		51,000,000	-	51,000,000	12,750,000		

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

21 Share option scheme (Continued)

Movement of the Company's share options during the six months ended 30 September 2016:

Grantee	Date of grant	Outstanding at beginning of the period	Granted during the period	Outstanding at the end of the period	Exercisable at the end of the period	Exercise price HK\$	Exercise period
Directors of group companies	20.5.2016	-	4,500,000	4,500,000	-	1.65	20.5.2017 to 19.5.2021
Directors of group companies	20.5.2016	-	4,500,000	4,500,000	-	1.65	20.5.2018 to 19.5.2021
Directors of group companies	20.5.2016	-	4,500,000	4,500,000	-	1.65	20.5.2019 to 19.5.2021
Directors of group companies	20.5.2016	-	4,500,000	4,500,000	-	1.65	20.5.2020 to 19.5.2021
Employees	20.5.2016	-	4,500,000	4,500,000	-	1.65	20.5.2017 to 19.5.2021
Employees	20.5.2016	-	4,500,000	4,500,000	-	1.65	20.5.2018 to 19.5.2021
Employees	20.5.2016	-	4,500,000	4,500,000	-	1.65	20.5.2019 to 19.5.2021
Employees	20.5.2016	-	4,500,000	4,500,000	-	1.65	20.5.2020 to 19.5.2021
Consultants	20.5.2016	-	3,750,000	3,750,000	-	1.65	20.5.2017 to 19.5.2021

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

21 Share option scheme (Continued)

Grantee	Date of grant	Outstanding at beginning of the period	Granted during the period	Outstanding at the end of the period	Exercisable at the end of the period	Exercise price HK\$	Exercise period
Consultants	20.5.2016	-	3,750,000	3,750,000	-	1.65	20.5.2018 to 19.5.2021
Consultants	20.5.2016	-	3,750,000	3,750,000	-	1.65	20.5.2019 to 19.5.2021
Consultants	20.5.2016	-	3,750,000	3,750,000	-	1.65	20.5.2020 to 19.5.2021
		-	51,000,000	51,000,000	-		

Notes:

- (a) The closing prices of the ordinary shares of the Company immediately before the date on option grant date was HK\$1.45 on 20 May 2016.
- (b) On 29 February 2016, under mutual consents with the option holders, the Board canceled the then-outstanding share options granted on 22 May 2015 with an intent to replace by a new grant of share options with similar terms and conditions upon the adoption of the new share option scheme by the Company. The new option scheme was adopted by the Company on 17 May 2016.

On 20 May 2016, the Company granted 51,000,000 share options ("Options") to certain eligible grantees of the Company and its subsidiaries ("Grantees") under the share option scheme of the Company adopted on 17 May 2016, subject to the acceptance of the offer by the Grantees. The grant acted as the replacement of share options canceled on 29 February 2016 and the Options shall entitle the Grantees to subscribe for a total of 51,000,000 new ordinary shares of HK\$0.1 each in the share capital of the Company. The exercise price was set at HK\$1.65 per share.

The total fair value of the new share options granted on 20 May 2016 was lower than those granted on 22 May 2015. As such, the effect of modifications does not impact the recognition of the equity-settled share-based payments in profit or loss. The Company will continue to recognize equity settled share-based payments based on the fair value of the share options granted on 22 May 2015.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

21 Share option scheme (Continued)

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

Details of the share options granted on 20 May 2016 was as follows:

Theoretical aggregate value:	HK\$32,822,000
Fair value recognized in condensed consolidated statement of profit or loss during the Period:	HK\$2,959,000 (2016: HK\$5,602,000)
Risk free interest rate:	1.079%
Expected volatility:	62.58%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	4.58%

The measurement dates of the share options were 20 May 2016, being the date 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.

22 Net asset value per share

The net asset value per share is calculated by dividing the net asset value of the Group as at 30 September 2017 of approximately HK\$3,001,369,000 (31 March 2017: HK\$2,914,500,000) by the number of ordinary shares in issue at that date, being 1,897,396,000 (31 March 2017: 1,897,396,000).

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

23 Commitments

(a) Capital commitment

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

	Group	
	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Capital contribution to BEFS ⁽¹⁾	188,080	–
Capital contribution to 東英騰華融資租賃(深圳)有限公司 (“東英騰華”) ⁽²⁾	176,325	–
Capital contribution to Jin Dou ⁽³⁾	105,459	104,905
Capital contribution to CCOP New Life ⁽⁴⁾	52,898	–
Capital contribution to Zhong Wei Capital L.P. ⁽⁵⁾	9,374	12,433
Capital contribution to OP Fine Billion L.P. ⁽⁶⁾	5,000	5,000

⁽¹⁾ According to “Shareholders’ Agreement” signed between the Group, Beijing Enterprises Water Group and Shanghai Hengshi Wealth Investment Limited, the Group has committed to a further capital contribution of RMB160 million (equivalent to HK\$188,080,000) to BEFS. The capital will be drawn down on as-needed basis.

⁽²⁾ According to “Investment agreement” of 東英騰華, The Group has committed to a capital contribution of RMB150,000,000 (equivalent to HK\$176,325,000) to 東英騰華. The capital will be drawn down on an as-needed basis.

⁽³⁾ According to the “Supplementary to Limited Partnership Agreement” signed between the Group and the limited partner of Jin Dou, the Group has committed to a further capital contribution of US\$13.5 million (equivalent to HK\$105.5 million) to Jin Dou. The calling of the further capital contribution lies upon the future funding needs of Jin Dou.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

23 Commitments (Continued)

(a) Capital commitment (Continued)

- (4) According to the “sales and purchases agreement” signed by OP New Life Limited, a wholly-owned subsidiary of the Group, the Group has committed to a capital contribution of RMB60,000,000 (equivalent to approximately HK\$70,530,000). During the Period, the Group has injected RMB15,000,000 into CCOP New Life. The capital will be drawn down on an as needed basis.
- (5) According to the “Second Amended and Restated Limited Partnership Agreement” signed by Profit Raider, a wholly-owned subsidiary of the Group, the Group has committed to a capital contribution of US\$2 million (equivalent to approximately HK\$15.5 million). Contributions will be made when capital call is issued by the general partner of the limited partnership. As at 30 September 2017, US\$800,000 was called.
- (6) According to the “Exempted Limited Partnership Agreement” signed between OPFI GP(2) Limited, as the general partner, and the limited partner, the Group has committed to a capital contribution of HK\$5 million. The capital will be drawn down on an as-needed basis.

(b) Operating lease commitments

At 30 September 2017, the total future minimum lease payments under non-cancellable operating lease for office premises and staff quarters are payable as follows:

	30 September 2017 (Unaudited) HK\$'000	31 March 2017 (Audited) HK\$'000
Within one year	9,018	–
In the second to fifth years inclusive	13,749	–
	22,767	–

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

24 Related party transactions

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

(a) Transactions and balances with related parties

1. During the Period, investment management fees of approximately HK\$22,298,000 (2016: approximately HK\$20,663,000) were charged by Oriental Patron Asia Limited (“OPAL”), which is the investment manager of the Company and is a wholly owned subsidiary of Oriental Patron Financial Services Group Limited (“OPFSGL”). OPAL is a related company; as the directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPFSGL. The investment management fee was charged in accordance with the agreement with OPAL for investment management services and was calculated at 1.5% per annum on the net asset value of the Group at each preceding month end as defined in the agreement.

At 30 September 2017, investment management fee payable of approximately HK\$3,681,000 (at 31 March 2017: HK\$3,586,000) was included in other payables.

2. During the Period, the Group paid rental expense of approximately HK\$4,479,000 to Oriental Patron Management Service Limited (“OPMSL”) for office premises (2016: HK\$2,751,000). OPMSL is a wholly owned subsidiary of OPFSGL and it is considered as a related company of the Group as its directors, Mr. ZHANG Zhi Ping and Mr. ZHANG Gaobo have significant influence in OPFSGL.
3. At 30 September 2017, the Group paid Oriental Patron Securities Limited (“OPSL”) securities brokerage fee of HK\$495,000 (2016: HK\$812,000) for placing agency services. OPSL is a related company as one of the directors, Mr. ZHANG Gaobo has significant influence in OPSL.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

24 Related party transactions (Continued)

(b) Compensation of key management personnel

	Six months ended 30 September	
	2017 (Unaudited) HK\$'000	2016 (Unaudited) HK\$'000
Salaries and other short-term employee benefits	3,000	620
Contributions to retirement benefits scheme	15	6
Equity-settled share-based payment	1,450	1,976
	4,465	2,602

25 Contingent liabilities

The Company had given guarantees in respect of the settlement of other borrowings provided by 新興創業投資管理有限公司 to a third party, 上海幸福九號網絡科技有限公司. At 30 September 2017, the Group had given guarantees in respect of such other borrowings of HK\$24,289,000 (2016: Nil).

In the opinion of the directors of the Company, the fair values of the financial guarantee contract of the Group are insignificant at initial recognition and the directors of the Company consider that the possibility of default of the parties involved is remote, accordingly, no value has been recognized at the inception of the guarantee contracts and at the end of the reporting period.

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2017

26 Events after the reporting period

On 16 November 2017, the Company entered into four subscription agreements with four subscribers, pursuant to which the four subscribers have conditionally agreed to subscribe for 740,000,000 new shares of the Company at a subscription price of HK\$2.1 per share.

Details of the transaction is disclosed in the Company's announcement dated 16 November 2017. As at the date of this report, the transaction has not yet been completed.

27 Approval of condensed consolidated interim financial information

The condensed consolidated interim financial information was approved and authorized for issue by the Board on 27 November 2017.