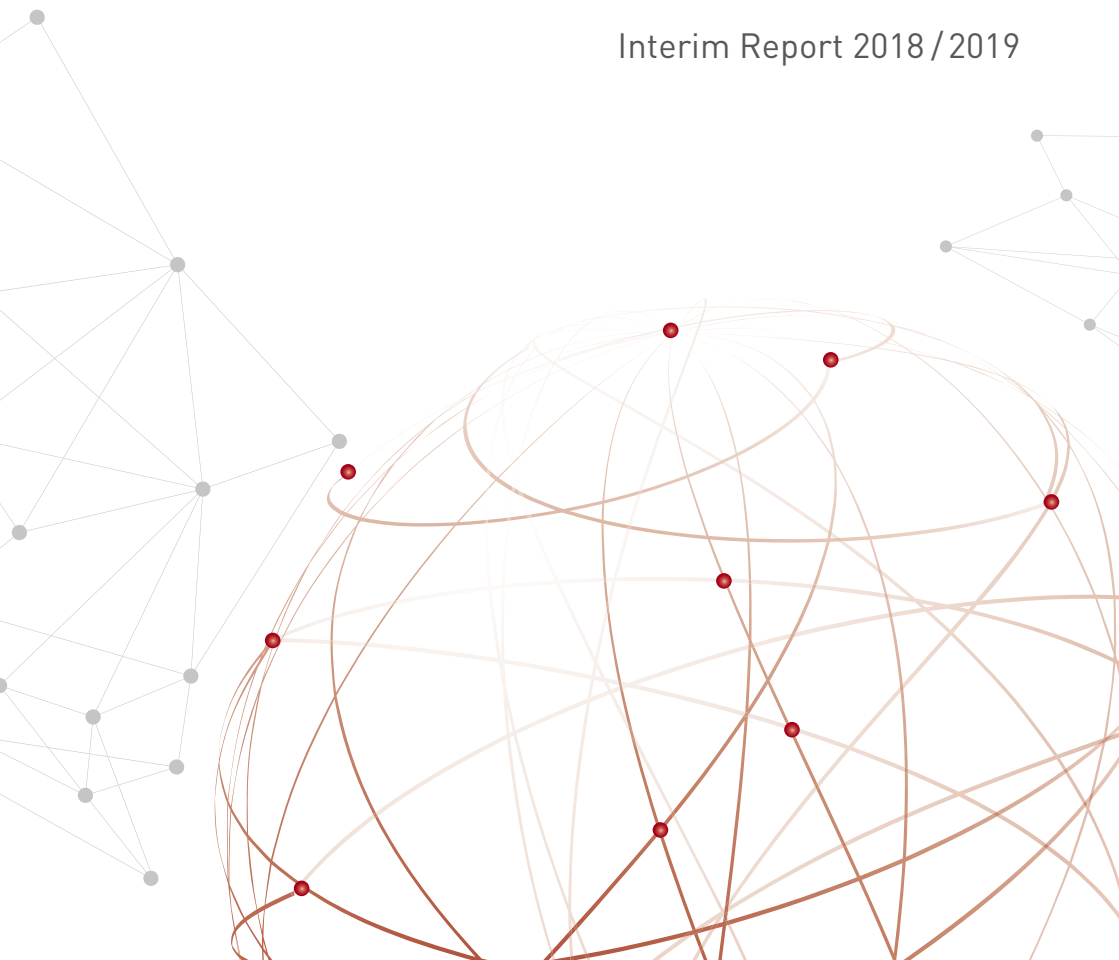




OP Financial Limited  
Stock Code: 1140

# BRIDGING REVOLUTION

Interim Report 2018 / 2019



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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 (*Honorary Chairman*)  
Mr. ZHANG Gaobo (*Chairman and CEO*)  
Mr. ZHANG Weidong

#### **Non-executive Director**

Dr. WU Zhong (*Deputy Chairman*)  
Mr. CHEN Yuming  
Dr. FU Weigang

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

### CORPORATE GOVERNANCE COMMITTEE

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

### AUTHORIZED REPRESENTATIVES

Mr. ZHANG Gaobo  
Mr. ZHOU Tao, David

### COMPANY SECRETARY

Mr. ZHOU Tao, David

### INVESTOR RELATIONS OFFICER

Ms. WANG Jingjing

### INVESTMENT MANAGER

Oriental Patron Asia Limited

### AUDITOR

PricewaterhouseCoopers

## CORPORATE INFORMATION (CONTINUED)

### PRINCIPAL REGISTRARS

SMP Partners (Cayman) Limited  
Royal Bank House, 3rd Floor  
24 Shedden Road, P.O. Box 1586  
Grand Cayman KY1-1110  
Cayman Islands

### STOCK CODE

The Stock Exchange of Hong Kong Limited  
Code: 1140

### WEBSITE

[www.opfin.com.hk](http://www.opfin.com.hk)

### BRANCH REGISTRARS

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

### REGISTERED OFFICE

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

### PRINCIPAL PLACE OF BUSINESS

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

### PRINCIPAL BANKER

Bank of Communications Co., Ltd. Hong Kong Branch  
China CITIC Bank International Limited  
China Construction Bank Corporation Hong Kong Branch  
China Minsheng Banking Corporation Limited  
Hang Seng Bank Limited  
Industrial and Commercial Bank of China (Asia) Limited  
Luso International Banking Limited  
Shanghai Pudong Development Bank Hong Kong Branch  
Xiamen International Bank Co Limited

## CHAIRMAN'S STATEMENT

### ***Towards Cross-border Integration and Collaboration***

Dear Shareholders,

OP Financial has initiated the upgrade of its overall strategic planning since early 2018. Strategically, we have implicit faith in the long-term growth of the Chinese economy and believe new and great world-class enterprises will be born in the process. For better implementation of the overall strategic planning, OP Financial will focus on the industry leaders with high potential for growth and discover investment opportunity along with their industrial chains, which could create a long-term capital appreciation as well as mid-term and short-term returns for our shareholders.

In the first half of 2018, under the influence of US-China trade war, the international and domestic situation was so volatile that many began to doubt the long-term growth trend of the Chinese economy. Aside from the market noise, we maintain the viewpoint that the basis for long-term economic growth in China remains solid to some extent.

Firstly, China's huge manufacturing ecosystem maintains a stable position in the global industrial chain, which cannot be violated by the trade war. On the contrary, it is this unshakable situation that restricts the further escalation of the trade war.

Secondly, new economics show strong growth momentum. It is reasonably expected that China will take the lead in building the world's largest 5G network. With the largest mobile Internet base in the world, plus 5G landing, China will witness a high integration of the Internet and the Internet of Things, a high integration of the Industrial Internet and the Consumer Internet, as well as the wide application of the artificial intelligence in many industries. The process of industrial integration and upgrading will promote the sustained growth of the Chinese economy, and will also cultivate new world-class industrial leaders.

## CHAIRMAN'S STATEMENT (CONTINUED)

**In many emerging industries, we decided to focus on the healthcare industry.**

The healthcare industry is a huge industrial cluster covering various sectors. In vertical timeline, every life stage is related to healthcare. Horizontally, all aspects of people's lives, including nutrition, sports, sleep, and medical care, are inseparable from the healthcare industry. With the improvement of living standard and the approaching of the aging society, there are increasing demands for the healthcare industry. It is an industry less affected by economic cycles and trade wars.

What is the core technology and platform running through the huge healthcare industry? Our answer is digital life. In the past 20 years, the world's most successful companies have been leading the huge industry towards digital transformation and platform, such as Amazon's effort on consumer goods, Apple and Tencent's effort on social networking. With the rapid development and integration of biotechnology and IT, AI technology, human has been able to digitize life to a great extent. **Digital life technology will bring significant change to the ecosystem of the healthcare industry.**

*Thanks to digital life, it is possible for everyone to establish own complete and dynamic health management file, making it possible to share one's health status with friends, families and doctors in a timely manner.*

*With digital life, it is possible for artificial intelligence to find the specific factors affecting one's health based on the individual's situation.*

*With digital life, nutrition is no longer like others, but to formulate one's own nutrition program in line with the individual's situation.*

*With digital life, sports is no longer a standard action, but different from person to person.*

*With digital life, beauty is no longer simple to follow, but make a decision according to own skin condition.*

*With digital life, parenting is no longer compared to other children, but to own children's best condition.*

## CHAIRMAN'S STATEMENT (CONTINUED)

*With digital life, we are no longer confused when it comes to diseases. Historical records can present the complete evolution of the state of health, making it more convenient for doctors to find the cause with the right remedy.*

*With digital life, even in the distant place, caring for the elderly, children, or the sick will make a difference.*

With the digital life, the insurance company no longer conflicts with the interests of the payor but becomes their health manager. The more healthy and longevity the payor, the more benefit the insurance company will achieve.

**With digital life, there is no doubt that the healthcare industry will start a revolution.**

In the first half of the Year, OP Financial invested iCarbonX Group Limited ("iCarbonX"). iCarbonX has the world-leading digital life technology and precision health management system. The core technology systems of iCarbonX include a set of comprehensive life information capture system and unique artificial intelligence system developed for individuals. Among which, the world-leading information capture system for multi-omics data has the advantage of large flow and low cost. Besides, the US subsidiary of iCarbonX has established a system to track and analyze the descriptions that patients uploaded online, which has great value to understand the patients' health condition and improve the treatment.

In addition, OP Financial and iCarbonX jointly established the joint venture to co-invest the relevant industries that can make good use of the digital life technology. As a result, it can not only expand the application of the digital life technology of iCarbonX but create the new investment opportunities for OP Financial in various industries, including nutrition, sports, maternal and children, beauty, insurance and elderly caring etc.. Leveraging the digital life technology of iCarbonX and the capital strength of OP Financial, we hope to empower the relevant industries and achieve mutual benefits. Eventually, we hope to establish partnerships in every industry and provide precision healthcare management service for everyone.

## CHAIRMAN'S STATEMENT (CONTINUED)

OP Financial is under strategic adjustment in the first half of the Year. Amid in the challenging economic environment and volatile stock market, our portfolios experienced certain pressure during the Period, resulting in some asset price fluctuations and exchange difference. During the Period, revenue of the Group amounted to HK\$135.23 million, while total comprehensive income recorded a loss of HK\$35.34 million. As of 30 September 2018, net asset value amounted to approximately HK\$5.41 billion.

Looking forward, OP Financial expects to establish a capital network in the healthcare industry. Each network node is an active healthcare service provider, while the maximum number of people could be reached through these network nodes. We firmly believe that this network could provide a huge cooperative platform for the new healthcare service providers and creating diversified investment return for OP Financial and our shareholders.

### **ZHANG Gaobo**

*Chairman & CEO*

27 November 2018, Hong Kong



## MANAGEMENT DISCUSSION AND ANALYSIS

### THE OP FINANCIAL CHARTER

OP Financial is a cross-border investor with a focus on China's fast growing industries and the best investment opportunities. We believe a long-term investment perspective is a critical enabler of responsible investment. The close integration among industries, technology, and financial capital has become an irresistible trend, leading to the new industrial revolution. Our mission is to identify great companies and enhance their performance by providing patient capital and support to strong management teams.

Being an owner of the portfolio, we invest off our own balance sheet. Our investment covers long-term core holding, mid-term private equity and venture capital, and short-term arbitrage opportunities, with returns generating from interests, dividends, capital gains, and capital appreciation.

### INVESTMENT REVIEW

#### **Investment Activity**

With the commitment to pursue sustainable and long-term development, we have formulated the investment focus to the healthcare industry. Taking into account the challenging market conditions during the Period, we remain prudent on the new equity investments and endeavor to make maximum value of the capital and our financing capability. We added iCarbonX Group Limited ("iCarbonX") as the largest portfolio and one of the core holding companies to capture the great synergy among industries, technology, and financial capital. Our other new investments mainly included some listed securities and debt instruments for short-term opportunity. Divestments mainly included some debt instruments, listed securities and a private equity investment.

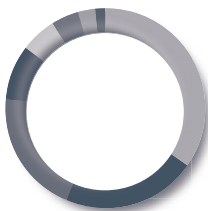
# MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

## Portfolio Breakdown

We divide our strategy into three categories, namely long-term core holding, mid-term private equity and venture capital, and short-term arbitrage and others. The core holding strategy, our first focus, takes advantage of the Group’s ability to be long-term. We uncover companies with high potential of both growth and scalability and support them with a long-term capital. The second strategy focuses on private equity and venture capital that contribute to the consolidation of the industry chain for core holdings. The third strategy focuses on opportunities that emerge from short-term financing needs and other opportunistic deals.

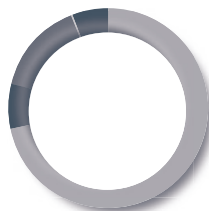
As of 30 September 2018, the top three sectors for our existing investments were medical & health, finance, and TMT. The position of medical & health sector mainly reflected our new investment in iCarbonX. In the finance sector, Beijing International Trust Co., Ltd made the largest contribution. In the TMT sector, major investments included Didi Chuxing and Wacai. The investment on short-term debt and other instruments help to enhance the capital liquidity and generate revenue in fixed income.

**By Sector**



Sector	Percentage
Debt and other instruments	34.75%
Medical & Health	21.77%
Finance	19.98%
TMT	8.95%
Consumer	5.83%
Materials & Industry	4.34%
Energy & Environment	2.72%
Other	1.63%

**By Holding Period**



Holding Period	Percentage
< 1 year	71.94%
1-2 years	7.05%
2-3 years	15.22%
3-4 years	0.02%
> 5 years	5.77%

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### MAJOR INVESTMENT PORTFOLIO

#### Long-term Core Holding

As of 30 September 2018, our core holding companies include iCarbonX, CSOP Asset Management Limited (“CSOP”) and OPIM Holdings Limited (“OPIM”). iCarbonX focuses on digital health management, CSOP is the largest RQFII manager globally, while OPIM is Asia’s leading hedge fund platform. As of 30 September 2018, OP Financial’s holding in this category amounted to HK\$1,300.28 million. OP Financial will hold these core holding companies to pursue long-term investment return.

#### iCarbonX Group Limited

Date of initial investment: 2018

Type of deal: Core Holding

Equity ownership: <5%

Valuation: HK\$1,096.06 million

Location: China

Industry: Medical & Healthcare

iCarbonX is the global pioneer in digital life and precision health management and aims to build an ecosystem of digital life based on a combination of individuals’ life data, the Internet and artificial intelligence. Its main founding team includes the world’s top biotechnology experts with extensive experiences in multi-omics technology, medical service, biological data analysis, artificial intelligence, and data mining.

During the Period, OP Financial invested in iCarbonX as one of its core holding companies and established a joint venture with iCarbonX named OP iCarbonX Investment Limited to capture potential investment opportunities. Leveraging OP Financial’s capabilities in cross-border collaboration and multi-sector integration in the capital market, as well as iCarbonX’s strengths in digital life technology, OP Financial will actively bridge opportunities between iCarbonX and industry leaders to accelerate its development and capital appreciation in the healthcare industry.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **CSOP Asset Management Limited**

Date of initial investment: 2008  
Type of deal: Core Holding  
Equity ownership: 30%  
Valuation: HK\$148.58 million  
Location: Hong Kong  
Industry: Finance

CSOP is a well-known asset management company in Hong Kong, which manages private and public funds, as well as providing investment advisory services to Asian and global investors with a dedicated focus on China investing. CSOP holds a total of RMB46.10 billion Renminbi Qualified Foreign Institutional Investor (RQFII) quota, making it the largest RQFII manager in the market.

OP Financial and China Southern Asset Management Co., Ltd. jointly established CSOP in 2008.

### **OPIM Holdings Limited**

Date of initial investment: 2008  
Type of deal: Core Holding  
Equity ownership: 30%  
Valuation: HK\$55.64 million  
Location: Hong Kong  
Industry: Finance

OPIM is a leading hedge fund platform in Asia serving both global and Asia-based managers to develop funds across diversified strategies for institutional and professional investors. It has built an ecosystem linking up fund managers, service providers and capital allocators, which enable the managers to launch offshore funds in fast and affordable structures. The ecosystem allows the managers to focus on performance and build a professional track record.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Mid-term Private Equity and Venture Capital

During the Period, except for the divestment of one private equity investment in the Finance sector, there is no material change in mid-term private equity and venture capital investment. As of 30 September 2018, OP Financial's holding in this category amounted to HK\$1,804.10 million. The major investments are listed below:

#### Beijing International Trust Co., Ltd

Date of initial investment: 2016

Type of deal: Private Equity

Valuation: HK\$473.70 million

Location: China

Industry: Finance

Beijing International Trust Co., Ltd ("BITIC") is a Chinese large-scale non-banking financial institution, which engages in trusts, investment funds, financial services, brokerage, and advisory businesses. OP Financial acquired 25% equity interest in Treasure Up Ventures Limited, which in turn participates in a minority economic interest in BITIC.

#### Xiaoju Kuaizhi Inc. (Didi Chuxing)

Date of initial investment: 2016

Type of deal: Private Equity

Valuation: HK\$156.47 million

Location: China

Industry: TMT

Didi Chuxing is the world's leading one-stop mobile transportation platform. Didi Chuxing offers a full range of app-based mobility options for over 550 million users. Xiaoju Kuaizhi Inc. ("Xiaoju Kuaizhi") is the Cayman Island SPV of Didi Chuxing. OP Financial subscribed preferred shares issued by Xiaoju Kuaizhi.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### Wacai Holdings Limited

Date of initial investment: 2017  
Type of deal: Private Equity  
Valuation: HK\$156.26 million  
Location: China  
Industry: TMT

Wacai Holdings Limited (“Wacai”) is one of the earliest established Fin-tech companies in China, which 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. OP Financial and China Everbright Securities International Structured Finance Company Limited formed OP EBS Fintech Investment L.P., for subscription of preferred shares of Wacai.

### BE Financial Service (Beijing) Investment Holdings Limited

Date of initial investment: 2017  
Type of deal: Private Equity  
Valuation: HK\$45.25 million  
Location: China  
Industry: Environment

OP Financial partners with Beijing Enterprises Water Group Limited (“BEWG”, stock code: 371.HK) to promote the establishment of BE Financial Service (Beijing) Investment Holdings Limited (北控金服(北京)投資控股有限公司, “BEFS”). 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### **Henan CCOP New Life Service Limited**

Date of initial investment: 2017

Type of deal: Private Equity

Valuation: HK\$12.96 million

Location: China

Industry: Real Estate

OP Financial setup an investment entity with Central China Real Estate Limited (Stock code: 832.HK) (“Central China”), named Henan CCOP New Life Service Limited (河南建業東英新生活服務有限公司, “CCOP New Life”).

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.

### **Short-term Arbitrage and others**

During the Period, OP Financial made new investments in some debt instruments and listed securities to capture the short-term investment opportunities and made some partial settlement to enhance the capital liquidity. As of 30 September 2018, OP Financial’s holding in listed securities amounted to HK\$330.12 million, while its holding in debt and other instruments amounted to about HK\$1.83 billion. OP Financial adopted the debt instruments to enhance the safety and liquidity of its contributions under the joint venture arrangements.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### FINANCIAL REVIEW

#### Financial position

*Net asset value:* The Group's net asset value as at 30 September 2018 was HK\$5.41 billion, or HK\$1.84 per share.

*Gearing:* The gearing ratio, which is calculated on the basis of total liabilities over total equity as at 30 September 2018, was 0.10 (31 March 2018: 0.10).

*Investments accounted for using equity method:* It represents mainly our interest in mid-term private equity companies and share of the core holding company CSOP. Assets decreased by 3.23% to HK\$982.85 million as at 30 September 2018 (31 March 2018: HK\$1.02 billion) was mainly the net result of declines in our positions with CCOP New Life and BITIC.

*Available-for-sale financial assets:* Upon application of HKFRS 9 on 1 April 2018, the available-for-sale financial assets ("AFS") are all reclassified to financial assets at fair value through profit or loss ("FVPL").

*Financial assets at fair value through profit or loss:* The HK\$1.036 billion or 72.17% increase from HK\$1.44 billion to HK\$2.47 billion was mainly attributable to (i) the new investment in iCarbonX, (ii) HK\$346.80 million equity investments were reclassified from AFS to FVPL, and (iii) the new investment and partial disposal of some listed securities.

*Debt investments:* It represents the investments in short-term debt instruments during the Period.

*Bank and cash balances:* To implement our deployment in the healthcare industry and to make good use of sufficient capital, most cash was utilized in the investment in iCarbonX during the Period. Several short-term investments were partially disposed on schedule and we will divest some debt instruments after maturity in the coming months to enhance the cash level. As of 30 September 2018, we maintain a net cash position and our bank and cash balance was HK\$501.13 million (31 March 2018: HK\$1.77 billion).



**MANAGEMENT DISCUSSION AND ANALYSIS** (CONTINUED)**RESULTS**

Amid in the challenging economic environment and volatile stock market, our portfolios experienced certain pressure during the Period. In addition, since AFS are all reclassified to FVPL upon application of HKFRS 9, net fair value losses of HK\$224.41 million relating to these investments were recognized in profit or loss. The realized gains on disposal of some investments and interest income from debt instruments have positive contribution to the bottom line. Our total comprehensive income recorded a loss of HK\$35.34 million compared to a profit of HK\$159.52 million in the same period last year.

**Consolidated statement of profit or loss and other comprehensive Income**

Revenue represents the income received and receivable on investments during the Period as follows:

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited) HK\$'000</b>	2017 (Unaudited) HK\$'000
Dividend income <sup>(1)</sup>	<b>6,483</b>	1,135
Interest and other income <sup>(2)</sup>	<b>128,747</b>	34,300
Performance premium from co-investment partner <sup>(3)</sup>	<b>–</b>	7,809
	<b>135,230</b>	43,244

- (1) Dividends received from listed investments during the Period.
- (2) Interest and other income of HK\$128.75 million generated from the Group's debt instruments as well as term deposit in banks.
- (3) The performance premiums from co-investment partner China Investment Corporation in connection with the investment in Jin Dou Development Fund L.P.. No performance premium has been received during the Period as the project was in clearance stage.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

*Net change in unrealized (loss)/gain on financial assets at fair value through profit or loss:* The net change in unrealized loss of HK\$224.41 million (2017: gain of HK\$114.02 million) mainly represents the net result of (i) net unrealized loss of HK\$142.38 million on listed shares, (ii) unrealized loss of HK\$66.21 million on Thrive World Limited, and (iii) net unrealized loss of HK\$31.17 million on an exchangeable bond.

*Net change in unrealized gain on financial liabilities at fair value through profit or loss:* The net change in unrealized gain of HK\$41.49 million mainly represents the share of unrealized loss by our co-investment partners.

*Realized gain on disposal/distribution of investments:* It mainly represents the realized gain on the partial disposal of listed securities, distributions, as well as the divestment of one private equity investment in the Finance sector.

*Provision for expected credit losses ("ECL"):* The HK\$16.46 million represents the provision for ECL on debt instruments, following the adoption of HKFRS 9 by the Group during the Period.

*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 and 1 February 2018, which are vested over five years from the grant date.

*Operating and administrative expenses:* the total amount of HK\$48.42 million is mainly the result of staff costs, investment management fee, rents, and legal and professional fees.

*Share of results of investments accounted for using equity method:* a net loss of approximately HK\$26.88 million (2017: gain of HK\$42.92 million) mainly accounted for our share of results of CCOP New Life and BITIC.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

*Other comprehensive income:* Changes to the Group's NAV, otherwise not accounted for in "loss for the Period", are found in "other comprehensive income". Upon the application of HKFRS 9 on 1 April 2018, AFS were reclassified to FVPL. The fair value changes of these assets were recognized in profit or loss during the Period. The net loss of HK\$378,000 (2017: gain of HK\$28.17 million) only represents the share of other comprehensive income of investments accounted for using equity method and the exchange differences. Combining with the "loss for the Period", the total comprehensive income for the Period was a loss of HK\$35.34 million.

### 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 2018 (2017: Nil).

### LIQUIDITY AND FINANCIAL RESOURCES

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

During the Period, the Group had cash and bank balances of HK\$501.13 million (31 March 2018: HK\$1.77 billion). The Group had an aggregate of HK\$365.02 million of bank loans from our principal bankers, bank margin financing on listed equity investments and interest-free borrowings from one of the associates for a PRC potential investment at 30 September 2018 (31 March 2018: HK\$127.98 million). The debt-to-equity ratio (interest-bearing external borrowings divided by shareholders' equity) stood at 5.5% (31 March 2018: 0.9%) while the current ratio (current assets divided by current liabilities) was 6 times (31 March 2018: 8 times). For further analysis of the Group's cash position, current assets and gearing, please refer to paragraphs under subsections headed "Financial Position" above. The Board believes that the Group has sufficient financial resources to satisfy its immediate investments and working capital requirements.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### CAPITAL STRUCTURE

As at 30 September 2018, the Group's shareholders' equity and the total number of shares in issue for the Company stood at HK\$5.41 billion (31 March 2018: HK\$5.59 billion) and 2,937,696,000 (31 March 2018: 2,937,396,000) respectively.

### MATERIAL ACQUISITIONS AND DISPOSALS OF INVESTMENTS

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

	<b>New Investment</b> (HK\$ million)	<b>Divestment/ Disposal</b> (HK\$ million)
Long-term Core Holding <sup>(1)</sup>	1,099	–
Mid-term private equity and venture capital	267	433
Short-term arbitrage opportunities		
– Listed security	618	708
– Debt instrument	1,134	721
<b>Total</b>	<b>3,118</b>	<b>1,862</b>

(1) The new investment represents our core holding investment – iCarbonX.

### SEGMENT INFORMATION

Segment information of the Group is set out in note 7 on pages 62 to 63 of this report.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### EMPLOYEES

As of 30 September 2018, the Group had 48 employees (2017: 39), inclusive of all directors of the Group and its subsidiaries. Total staff costs for the Period amounted to HK\$27.41 million (2017: HK\$24.64 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 the individual employee.

### SHARE OPTION SCHEME

During the Period, the Board had not granted any share option under the Company's share option scheme to any Directors or eligible employee of the Group and 300,000 granted share options were exercised (2017: nil). As at 30 September 2018, there were 72,700,000 (31 March 2018: 73,000,000) share options that remained outstanding under the scheme.

The detailed disclosures relating to the Company's share option scheme and valuation of options are set out in the section headed "Share Option Scheme" under Notes to the condensed consolidated financial statements.

### EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES AND RELATED HEDGES

At 30 September 2018, the Group exposure to foreign currency risk from financial instruments that are monetary items including investments recognized as financial assets at fair value through profit or loss, loan and interest receivables, bank balances, other payables (31 March 2018: financial assets at fair value through profit or loss, loan and interest receivables, bank balances, account and other payables). These assets were denominated in RMB and the maximum exposure to foreign currency risk was RMB350,607,000, equivalent to HK\$399,237,000 (31 March 2018: RMB406,108,000, equivalent to HK\$502,944,000).

At 30 September 2018, 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.

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### CHARGES ON THE GROUP'S ASSETS AND CONTINGENT LIABILITIES

As at 30 September 2018, the Group's financial assets at fair value through profit or loss amounting to HK\$107,940,000 was pledged for bank borrowings. The details relating to the Group's bank borrowings are set out in note 20 to the condensed consolidated financial statement.

At 30 September 2018, the Group had given guarantees in respect of the settlement of RMB20,000,000 (equivalent to HK\$22,774,000) (31 March 2018: HK\$24,769,000) loan provided by 博石資產管理股份有限公司 to 上海幸福九號網絡科技有限公司, a potential investee of the Company. 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 contract and at the end of the Period.

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

As at 30 September 2018, 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.

## 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 Weidong, Dr. WU Zhong, Dr. FU Weigang and Mr. KWONG Che Keung Gordon attended both of the extraordinary general meeting which was held on 28 August 2018 (“EGM”) and the annual general meeting which was held on 28 August 2018 (“AGM”). However, due to other business commitment on urgent basis, Mr. ZHANG Gaobo, Mr. CHEN Yuming, Prof. HE Jia and Mr. WANG Xiaojun 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 2018, 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	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 2018 (note 1)
		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	12.25%
Mr. ZHANG Gaobo (note 2)	Interest of controlled corporation	359,800,000	-	359,800,000	12.25%
Mr. ZHANG Weidong (note 3)	Beneficial owner	-	7,000,000	7,000,000	0.24%
Dr. WU Zhong (note 4)	Beneficial owner	-	10,000,000	10,000,000	0.34%

## Notes:

- (1) The percentage of shareholding was calculated on the basis of the Company's issued share capital of 2,937,696,000 shares as at 30 September 2018.
- (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 ("OPFSG"). OIL is a wholly owned subsidiary of Oriental Patron Financial Group Limited ("OPFGL"), while 95% of the issued share capital of OPFSG 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 OPFSG.
- (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.
- (4) These shares are underlying shares comprised in the options granted to Dr. WU Zhong 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 2018, 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 2018, 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	Total interests as to % to the issued share capital of the Company as at 30 September 2018 (note 1)
		Interests in Shares	Interests under equity derivatives			
OPFGL (note 2)	Interest of controlled corporation	359,800,000	-	359,800,000	12.25%	
Mr. LIU Zhiwei	Beneficial owner	314,306,000	-	354,706,000	12.07%	
	Interest of controlled corporation (note 3)	40,400,000				
Magopt Ltd. (note 4)	Beneficial owner	-	202,553,560	202,553,560	6.90%	
Bestone Asset Management Co., Ltd (note 5)	Beneficial owner	169,720,000	-	169,720,000	5.78%	

**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 2018 (note 1)
		Interests in Shares	Interests under equity derivatives	Total Interests	
21st Century Champion Limited (note 5)	Interest of controlled corporation	169,720,000	-	169,720,000	5.78%
Ms. WANG Juan (note 5)	Interest of controlled corporation	169,720,000	-	169,720,000	5.78%
Ms. YANG Fuyi	Beneficial Owner	165,962,500	-	165,962,500	5.65%
Grand Link Finance Limited (note 6)	Beneficial owner	166,188,000	-	166,188,000	5.66%
Mr. WANG Delian (note 6)	Interest in controlled corporation	166,188,000	-	166,188,000	5.66%
Wah Hing Global Investment Limited (note 7)	Beneficial owner	263,000,000	-	263,000,000	8.95%
Mr. HE Zhiping (note 7)	Interest in controlled corporation	263,000,000	-	263,000,000	8.95%
Full House Investment Limited (note 8)	Beneficial owner	263,000,000	-	263,000,000	8.95%
Mr. FU Jianping (note 8)	Interest in controlled corporation	263,000,000	-	263,000,000	8.95%
Caitong Funds SPC (for and on behalf of Bestone Greater China Fund SP) (note 9)	Beneficial owner	169,068,000	-	169,068,000	5.76%
FTlife Insurance Company Limited (note 10)	Beneficial owner	290,000,000	-	290,000,000	9.87%
Mr. WU Gang (note 10)	Interest in controlled	290,000,000	-	290,000,000	9.87%

## 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 2,937,696,000 shares as at 30 September 2018.
- (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 40,400,000 shares held by AI International Capital Management Ltd ("AI International"). Mr. LIU Zhiwei ("Mr. LIU") owns 100% of the issued share capital in AI International. By virtue of the SFO, Mr. LIU is deemed to be interested in the shares held by AI International.
- (4) 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 Shares held by Magopt Ltd.
- (5) This represented 169,720,000 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.
- (6) This represented 166,188,000 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.
- (7) This represented 263,000,000 shares held by Wah Hing Global Investment Limited ("Wah Hing"). Mr. HE Zhiping ("Mr. HE") owns 100% of the issued share capital in Wah Hing. By virtue of the SFO, Mr. HE is deemed to be interested in the shares held by Wah Hing.

## 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)**

- (8) This represented 263,000,000 shares held by Full House Investment Limited ("Full House"). Mr. FU Jianping ("Mr. FU") owns 100% of the issued share capital in Full House. By virtue of the SFO, Mr. FU is deemed to be interested in the shares held by Full House.
- (9) This represented 169,068,000 shares held by Caitong Funds SPC (for and on behalf of Bestone Greater China Fund SP).
- (10) This represented 290,000,000 Shares held by FTLife Insurance Company Limited ("FTLife Insurance"). FTLife Insurance is a wholly subsidiary of Tongchuangjiuding Investment Management Group Co., Ltd ("TIMGCL"). The issued share capital of TIMGCL is owned as to 46.19% by Tongchuang Jiuding Investment Holding Co., Ltd ("TJIHCL"), and Mr. WU Gang ("Mr. WU") owns 35% of the issued share capital in TJIHCL. By virtue of the SFO, Mr. WU is deemed to be interested in the shares held by FTLife Insurance.

Save as disclosed above, as at 30 September 2018, the Company has not been notified by any other persons, not being a Director or chief executive of the Company, who has interests or short positions in the shares and underlying shares of the Company representing 5% or more of the Company's issued share capital.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES AND DEBENTURES

At no time during the 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).

## MANAGEMENT DISCUSSION AND ANALYSIS (CONTINUED)

### 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 Limited**

**ZHANG Gaobo**

*Executive Director, Chairman and CEO*

Hong Kong SAR, 27 November 2018

# INDEPENDENT REVIEW REPORT

## Report On Review of Interim Financial Information

### To the Board of Directors of **OP Financial Limited**

*(incorporated in Cayman Islands with limited liability)*

## INTRODUCTION

We have reviewed the interim financial information set out on pages 32 to 96, which comprises the interim condensed consolidated statement of financial position of OP Financial Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2018 and the interim condensed consolidated statement of profit or loss and other comprehensive income, the interim condensed consolidated statement of changes in equity and the interim condensed consolidated statement of 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 of the Group 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 2018



# CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 September 2018

	Note	Six months ended 30 September	
		2018 (Unaudited) HK\$'000	2017 (Unaudited) HK\$'000
Turnover	6	1,292,204	45,178
Revenue	6	135,230	43,244
Net change in unrealized (loss)/gain on financial assets at fair value through profit or loss	15	(224,407)	114,015
Net realized gain on disposal/distribution of investments		175,550	–
Net change in unrealized gain on financial liabilities at fair value through profit or loss		41,491	10,852
Exchange difference		(54,475)	380
Impairment loss on available-for-sale financial assets		–	(3,353)
Provision for ECL	16	(16,461)	–
Equity-settled share-based payments	22	(6,715)	(2,959)
Operating and administrative expenses		(48,417)	(57,964)
<b>Profit from operations</b>		<b>1,796</b>	<b>104,215</b>
Finance costs		(8,899)	–
Share of results of investments accounted for using equity method		(26,875)	42,923
<b>(Loss)/profit before tax</b>		<b>(33,978)</b>	<b>147,138</b>
Taxation	8	(979)	(15,790)

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

For the six months ended 30 September 2018

		<b>Six months ended 30 September</b>	
	Note	<b>2018 (Unaudited) HK\$'000</b>	2017 (Unaudited) HK\$'000
<b>(Loss)/profit for the Period</b>	9	<b>(34,957)</b>	131,348
<b>Other comprehensive income</b>			
<i>Items that may be reclassified to profit or loss</i>			
Available-for-sale financial assets:			
Fair value changes		–	24,701
Impairment loss		–	3,353
Share of other comprehensive income of investments accounted for using equity method:			
Fair value changes of available-for-sale financial assets		<b>(13)</b>	–
Exchange differences		<b>(365)</b>	115
<b>Other comprehensive income for the Period</b>		<b>(378)</b>	28,169
<b>Total comprehensive income for the Period</b>		<b>(35,335)</b>	159,517
<b>(Loss)/earnings per share</b>			
<b>Basic</b>	11(a)	<b>(1.19) cents</b>	6.92 cents
<b>Diluted</b>	11(b)	<b>(1.19) cents</b>	6.86 cents

The notes on pages 40 to 96 form an integral part of this condensed consolidated interim financial information.

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 September 2018

	Note	30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
<b>Non-current assets</b>			
Fixed assets	12	1,122	594
Deferred tax assets		25,605	3,133
Investments accounted for using equity method	13	982,850	1,015,689
Available-for-sale financial assets	14	–	346,804
Financial assets at fair value through profit or loss	15	1,668,953	352,422
		<b>2,678,530</b>	<b>1,718,642</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	15	802,199	1,082,874
Debt investments	16	1,811,946	1,456,000
Accounts and loans receivable	17	74,171	83,237
Prepaid tax		12,837	12,837
Interest receivables		57,733	14,133
Prepayments and other receivables		33,611	10,446
Bank and cash balances		501,126	1,771,671
		<b>3,293,623</b>	<b>4,431,198</b>
<b>TOTAL ASSETS</b>		<b>5,972,153</b>	<b>6,149,840</b>
<b>Capital and reserves</b>			
Share capital	21	293,770	293,740
Reserves		5,117,890	5,301,118
<b>TOTAL EQUITY</b>		<b>5,411,660</b>	<b>5,594,858</b>

# CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 30 September 2018

	Note	30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
<b>Current liabilities</b>			
Accounts payable	19	–	69,353
Other payables		8,480	14,694
Deposit received		71,802	240,000
Loan payables	20	365,024	127,975
Financial liabilities at fair value through profit or loss	18	35,585	58,310
Tax payable		38,130	14,678
		<b>519,021</b>	<b>525,010</b>
<b>Non-current liabilities</b>			
Financial liabilities at fair value through profit or loss	18	41,472	29,972
<b>TOTAL LIABILITIES</b>		<b>560,493</b>	<b>554,982</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>5,972,153</b>	<b>6,149,840</b>
<b>NET ASSETS</b>		<b>5,411,660</b>	<b>5,594,858</b>
<b>Net asset value per share</b>	23	<b>HK\$1.84</b>	<b>HK\$1.90</b>

The notes on pages 40 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 2018

		Unaudited							
		Reserves							
	Note	Share capital	Share premium	Share-based payment reserve	Investment revaluation reserve	Surplus reserve	Exchange reserve	Retained profits	Total
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 April 2018</b>		293,740	4,748,570	31,924	70,668	9	(92)	450,039	5,594,858
Adjustment on adoption of HKFRS 9		-	-	-	(70,482)	-	-	30,033	(40,449)
<b>At 1 April 2018 (restated)</b>		293,740	4,748,570	31,924	186	9	(92)	480,072	5,554,409
Vesting of share options	22	-	-	6,715	-	-	-	-	6,715
Exercise of share options	22	30	658	(193)	-	-	-	-	495
Dividend paid	10	-	-	-	-	-	-	(117,508)	(117,508)
Exchange difference arising from translation of foreign translation		-	-	-	-	-	2,884	-	2,884
Share of reserve movements of associate		-	-	-	(173)	-	-	173	-
Total comprehensive income for the Period		-	-	-	(13)	-	(365)	(34,957)	(35,335)
<b>At 30 September 2018</b>		293,770	4,749,228	38,446	-	9	2,427	327,780	5,411,660

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (CONTINUED)

For the six months ended 30 September 2018

		Unaudited						
		Reserves						
		Share capital	Share premium	Share- based payment reserve	Investment revaluation reserve	Exchange reserve	Retained profits	Total
Note		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>At 1 April 2017</b>		189,740	2,299,971	26,081	18,387	(603)	380,924	2,914,500
Vesting of share options	22	-	-	2,959	-	-	-	2,959
Dividend paid		-	-	-	-	-	(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
<b>At 30 September 2017</b>		189,740	2,299,971	29,358	46,441	(517)	436,376	3,001,369

The notes on pages 40 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 2018

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited) HK\$'000</b>	<b>2017 (Unaudited) HK\$'000</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net cash used in operating activities	<b>(227,534)</b>	(127,945)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through profit or loss	<b>(1,965,338)</b>	(507,336)
Subscription of debt investments	<b>(1,134,000)</b>	(654,935)
Investments in associates and joint ventures	<b>(18,398)</b>	(219,849)
Proceeds on distribution from/settlement of financial assets at fair value through profit or loss	<b>1,027,060</b>	8,000
Proceeds on settlement of debt investments	<b>721,143</b>	180,000
Net redemption of unlisted investment fund	<b>100,030</b>	1,934
Dividends received	<b>24,973</b>	18,569
Interests received	<b>85,047</b>	30,675
Purchase of fixed assets	<b>(818)</b>	(37)
Proceeds from disposal of fixed assets	<b>38</b>	–
Proceed from financial participation arrangement	<b>–</b>	60,000
Net cash used in investing activities	<b>(1,160,263)</b>	(1,082,979)

# CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

For the six months ended 30 September 2018

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited) HK\$'000</b>	<b>2017 (Unaudited) HK\$'000</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Drawdown of bank loans	702,000	–
Repayment of bank loans and margin financing	(458,836)	–
Drawdown of other loans	100,000	–
Repayment of other loans	(100,000)	–
Dividend paid	(117,508)	(75,896)
Interest paid	(8,899)	–
Receipt from exercise of share options granted	495	–
Net cash generated from/(used in) financing activities	117,252	(75,896)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(1,270,545)</b>	<b>(1,286,820)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>1,771,671</b>	<b>1,786,810</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>501,126</b>	<b>499,990</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>		
Bank and cash balances	501,126	499,990

The notes on pages 40 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 2018

## 1 General information

OP Financial Limited (formerly known as 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 2018 that is included in the condensed consolidated interim financial information for the six months ended 30 September 2018 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 2018 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 2018

### **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 2018 (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 2018, 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 2018, 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 2018, 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.

The Company and its subsidiaries (together, “the Group”) have not early applied HKFRS 16: Leases which will be effective for accounting periods beginning on 1 April 2019. 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.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### **3 Accounting policies (Continued)**

The standard will affect primarily the accounting for the Group's operating leases. As at the reporting date, the Group has non-cancellable operating lease commitments as shown in note 24(b). However, 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 1 April 2019.

In 2018, the Group has adopted the following new standards and interpretation to HKFRSs which are pertinent to the Group's operations and effective for accounting periods beginning on 1 April 2018:

- HKFRS 9 "Financial instruments"
- HKFRS 15 "Revenue from Contracts with Customers"

Details of the changes in accounting policies are discussed below.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 3 Accounting policies (Continued)

#### HKFRS 9 “Financial instruments”

The adoption of HKFRS 9 has resulted in the restatement of the following line items. The restatements are explained in detail below.

	31 March 2018 As originally presented HK\$'000	New classification category under HKFRS 9 HK\$'000	Expected credit losses ("ECL") under HKFRS 9 HK\$'000	1 April 2018 Restated HK\$'000
<b>Consolidated balance sheet (extracted)</b>				
<b>Non-current assets</b>				
Available-for-sale financial assets	346,804	(346,804)	–	–
Financial assets at fair value through profit or loss	352,422	346,804	–	699,226
<b>Current assets</b>				
Financial assets at fair value through profit or loss	1,082,874	–	–	1,082,874
Debt investments	1,456,000	–	(40,449)	1,415,551
<b>Capital and reserves</b>				
Investment revaluation reserve	70,668	(70,482)	–	186
Retained profits	450,039	70,482	(40,449)	480,072

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### **3 Accounting policies (Continued)**

#### **HKFRS 9 “Financial instruments” (Continued)**

HKFRS 9 replaces the provision of HKAS 39 that relate to the recognition, classification and measurement of financial assets and liabilities, derecognition of financial instruments, impairment of financial assets and hedge accounting.

(i) Impact of adoption

The adoption of HKFRS 9 from 1 April 2018 resulted in changes in accounting policies for certain financial instruments held by the Group. In accordance with the transition provisions in HKFRS 9, comparative figures of the interim financial information have not been restated.

On 1 April 2018 (the date of initial application of HKFRS 9), the Group’s management has assessed which business models applied to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories. The major effects resulting from this reclassification are as follows:

*Reclassification from available-for-sale financial assets (“AFS”) to financial assets at fair value through profit or loss (“FVPL”)*

Equity investments of HK\$346,804,000 were reclassified from AFS to FVPL as at 1 April 2018. The Group elected to account for these equity investments at FVPL. Related fair value gains of HK\$70,482,000 were transferred from investment revaluation reserve to retained profits on 1 April 2018. For the six months ended 30 September 2018, net fair value losses of HK\$64,643,000 relating to these investments were recognized in profit or loss.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 3 Accounting policies (Continued)

#### HKFRS 9 “Financial instruments” (Continued)

- (i) Impact of adoption (Continued)

##### *Impairment of financial assets*

The Group assesses ECL on financial assets which are subject to impairment under HKFRS 9 (including debt investments, accounts and loans receivable, interest receivables, other receivables and bank and cash balances). The assessment is updated at each reporting date to reflect changes in credit risk since initial recognition.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of the relevant instrument. In contrast, 12-month ECL (“12m ECL”) represents the portion of lifetime ECL that is expected to result from default events that are possible within 12 months after the reporting date. Assessment are done based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current conditions at the reporting date as well as the forecast of future conditions.

The Group measures the loss allowance equal to 12m ECL, unless when there has been a significant increase in credit risk since initial recognition, the Group recognizes lifetime ECL. The assessment of whether lifetime ECL should be recognized is based on significant increases in the likelihood or risk of a default occurring since initial recognition.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### **3 Accounting policies (Continued)**

#### **HKFRS 9 “Financial instruments” (Continued)**

(i) Impact of adoption (Continued)

*Impairment of financial assets (Continued)*

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

- an actual or expected significant deterioration in the financial instrument’s external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor’s ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor’s ability to meet its debt obligations.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 3 Accounting policies (Continued)

#### HKFRS 9 “Financial instruments” (Continued)

- (i) Impact of adoption (Continued)

##### *Impairment of financial assets (Continued)*

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information.

Generally, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition.

Interest income is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit impaired, in which case interest income is calculated based on amortised cost of the financial asset.

As at 1 April 2018, the directors of the Company reviewed and assessed the Group’s existing financial assets for impairment using reasonable and supportable information that is available without undue cost or effort in accordance with the requirements of HKFRS 9.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### **3 Accounting policies (Continued)**

#### **HKFRS 9 “Financial instruments” (Continued)**

- (ii) Accounting policies applied from 1 April 2018

From 1 April 2018, the Group classifies its financial assets in the following measurement categories: those to be measured subsequently at FVPL and at amortized cost. The classification depends on the Group’s business model for managing the financial assets and the contractual terms of the cash flows.

#### *Equity instruments*

The Group subsequently measures all equity investments at FVPL.

Changes in the fair value of the financial assets at FVPL are recognized in the condensed consolidated statement of profit or loss.

Dividend and interest income from such investments continue to be recognized in profit or loss when the Group’s right to receive payments is established.

#### *Debt investments*

Debt investment is subsequently measured at amortised cost only if it is a debt investment, and the objective of the Group’s business model is to hold the asset to collect the contractual cash flows, and the asset’s contractual cash flows characteristics represent only unleveraged payments of principal and interest.

Interest income from these financial assets is included in revenue using the effective interest rate method.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 3 Accounting policies (Continued)

#### HKFRS 9 “Financial instruments” (Continued)

- (ii) Accounting policies applied from 1 April 2018 (Continued)

##### *Debt investments (Continued)*

From 1 April 2018, the Group assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortized cost. The impairment methodology applied depends on whether there has a significant increase in credit risk.

For accounts and loan receivables, the Group applies the simplified approach permitted by HKFRS 9, which requires expected lifetime losses to be recognized from initial recognition of the receivables. Based on the assessment of the management, the expected credit loss is immaterial.

##### *Derivatives*

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

##### *Other financial assets*

At initial recognition, the Group measures other financial assets at its fair value. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### **3 Accounting policies (Continued)**

#### **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 adoption of HKFRS 15 “Revenue from contracts with customers” has had an insignificant effect on the condensed consolidated financial statements of the Group.

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.

### **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 detail, please refer to note 8 to the condensed consolidated interim financial information.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 4 Critical accounting estimates and judgement (Continued)

#### (b) Fair value estimation of financial instruments not quoted in an active market

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

#### (c) Fair value estimation of share options

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

#### (d) Impairment assessment on debt investments

The Group performs ongoing credit evaluation of debt investments and its current creditworthiness, as determined by the review of their current credit information. The Group continuously monitors collections and payments from its investees and the fair value of respective collaterals obtained by the Group, if any. If the financial conditions of the investees of the Group deteriorate, resulting in an impairment of their ability to make payments, an allowance may be considered. As at 30 September 2018, the carrying amount of debt investments is approximately HK\$1,811,946,000 (31 March 2018: HK\$1,456,000,000).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### **4 Critical accounting estimates and judgement (Continued)**

#### **(e) Assessment of investment entities**

In preparing the condensed consolidated interim 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.

#### **(f) Classification of revenue**

Management applies judgement in determining commercial substance of the revenue received, which determine the classification of revenue in the condensed consolidated statement of profit and loss and other comprehensive income.

### **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 2018.

There has been no change in the risk management policies since year ended 31 March 2018.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 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 equity investments which is permitted under HKFRS 13.

Other unlisted equity investments/exchangeable bond, unlisted investment funds, unlisted limited partnership and unlisted debt investments 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 2018

### 5 Financial instruments (Continued)

#### (b) Fair value estimation (Continued)

#### Disclosures of level in fair value hierarchy at 30 September 2018 (unaudited)

*Fair value measurement using:*

Description	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
<b>Financial assets at fair value through profit or loss</b>				
Listed equity securities	337,454	-	-	337,454
Unlisted equity investments/ exchangeable bond	-	-	2,043,771	2,043,771
Unlisted investment funds/ limited partnership	-	42,653	27,774	70,427
Unlisted debt investments	-	-	19,500	19,500
<b>Total</b>	<b>337,454</b>	<b>42,653</b>	<b>2,091,045</b>	<b>2,471,152</b>
<b>Financial liabilities at fair value through profit or loss</b>				
	-	-	(77,057)	(77,057)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 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 2018 (unaudited)							
	Financial assets at fair value through profit or loss			Available-for-sale financial assets		Financial liabilities at fair value through profit or loss		Total liabilities
	Unlisted equity investments/exchangeable bond	Unlisted investment funds/partnership	Unlisted debt investments	Unlisted equity investments	Total assets	Total value through profit or loss		
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At beginning of the Period	835,299	10,280	19,500	338,679	1,203,758	(88,282)	(88,282)	
Total gains or losses recognized – in profit or loss <sup>(i)</sup>	(158,416)	3,031	-	-	(155,385)	41,523	41,523	
Purchases/Additions	1,346,850	15,690	-	-	1,362,540	(30,298)	(30,298)	
Disposals/Distributions	(318,641)	(1,227)	-	-	(319,868)	-	-	
Reclassification	338,679	-	-	(338,679)	-	-	-	
At end of the Period	2,043,771	27,774	19,500	-	2,091,045	(77,057)	(77,057)	
<sup>(i)</sup> 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	(158,416)	3,031	-	-	(155,385)	41,523	41,523	



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 5 Financial instruments (Continued)

#### (b) Fair value estimation (Continued)

*Disclosures of level in fair value hierarchy at 31 March 2018 (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	460,724	–	–	460,724
Unlisted equity investments/ exchangeable bond	–	–	835,299	835,299
Unlisted investment funds/ limited partnership	–	109,493	10,280	119,773
Unlisted debt investments	–	–	19,500	19,500
Available-for-sale financial assets				
Listed equity securities	8,125	–	–	8,125
Unlisted equity investments	–	–	338,679	338,679
<b>Total</b>	<b>468,849</b>	<b>109,493</b>	<b>1,203,758</b>	<b>1,782,100</b>
Financial liabilities at fair value through profit or loss	–	–	(88,282)	(88,282)

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 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 2018 (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 equity investments/ exchangeable bond	Unlisted investment funds/limited partnership	Unlisted debt investments	Unlisted equity investments	HK\$'000			
At beginning of the year	223,549	6,863	27,500	313,121	571,033	(25,353)	(25,353)	
Total gains or losses recognized								
– in profit or loss <sup>(i)</sup>	83,355	(280)	–	–	83,075	37,861	37,861	
– in other comprehensive income	–	–	–	49,696	49,696	–	–	
Purchases/Additions	528,395	6,235	–	–	534,630	(100,790)	(100,790)	
Disposals/Distributions	–	(2,538)	(8,000)	(24,138)	(34,676)	–	–	
At end of the year	835,299	10,280	19,500	338,679	1,203,758	(68,282)	(68,282)	
<sup>(i)</sup> 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	83,355	(280)	–	–	83,075	37,861	37,861	

# 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 loss/gain 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 2018

### 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. 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 2018 (Unaudited) HK\$'000	Fair value at 31 March 2018 (Audited) HK\$'000	Fair value hierarchy	Valuation techniques	Unobservable Inputs	30 September 2018 Range	31 March 2018 Range	Relationship of unobservable inputs to fair value
<i>Financial assets at fair value through profit or loss</i>								
Unlisted equity investments	1,125,949	53,507	Level 3	Latest transaction price	N/A	N/A	N/A	N/A
Unlisted equity investments	1,679	2,854*	Level 3	Share of net assets	N/A	N/A	N/A	N/A
Unlisted equity investments	22,619	24,769	Level 3	Market comparable companies (31 March 2018: latest transaction price)	Earnings multiples (31 March 2018: N/A)	1.6x-4.8x	N/A	The higher the multiples, the higher the fair value (31 March 2018: N/A)
					Discount rate for lack of marketability (31 March 2018: N/A)	40%	N/A	The higher the discount rate, the lower the fair value (31 March 2018: N/A)

# NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

## 5 Financial instruments (Continued)

### (b) Fair value estimation (Continued)

Description	Fair value at 30 September 2018 (Unaudited) HK\$'000	Fair value at 31 March 2018 (Audited) HK\$'000	Fair value hierarchy	Valuation techniques	Unobservable Inputs	30 September 2018 Range	31 March 2018 Range	Relationship of unobservable inputs to fair value
Unlisted equity investments	24,957	97,232	Level 3	Market comparable companies	Earnings multiples	12.1x-32.3x	12.3x-78.6x	The higher the multiples, the higher the fair value
					Discount rate for lack of marketability	30%	30%	The higher the discount rate, the lower the fair value
Unlisted equity interest	60,788	127,291*	Level 3	Discounted cash flow	Discount rate	19.05%	16.61%	Higher the discount rate, lower the fair value
					Forecast oil price	US\$74.17 to US\$76.87 per barrel from 2018 to 2022	US\$62.00 to US\$65.00 per barrel for 2018 to 2022	Higher the oil price, higher the fair value
Unlisted partnership interests	239,972	235,410	Level 3	Latest transaction price	N/A	N/A	N/A	N/A
Unlisted non-voting preference shares	228,573	257,442	Level 3	Share of net assets	N/A	N/A	N/A	N/A
Unlisted non-voting preference shares	55,239	51,709*	Level 3	Discounted cash flow	Discount rate	13.74%	13.20%	Higher the discount rate, lower the fair value
					Long term growth rate	3%	3%	Higher the growth rate, higher the fair value
Unlisted preference shares	156,465	156,825*	Level 3	Latest transaction price	N/A	N/A	N/A	N/A
Unlisted partnership interests	12,116	10,280	Level 3	Share of net assets	N/A	N/A	N/A	N/A

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 5 Financial instruments (Continued)

#### (b) Fair value estimation (Continued)

Description	Fair value at 30 September 2018 (Unaudited) HK\$'000	Fair value at 31 March 2018 (Audited) HK\$'000	Fair value hierarchy	Valuation techniques	Unobservable Inputs	30 September 2018 Range	31 March 2018 Range	Relationship of unobservable inputs to fair value
Unlisted partnership interests	15,658	-	Level 3	Latest transaction price	N/A	N/A	N/A	N/A
Unlisted promissory notes	19,500	19,500	Level 3	Amortized cost	N/A	N/A	N/A	N/A
Unlisted exchangeable bond	127,530	166,939	Level 3	Market comparable companies (31 March 2018: Amortized cost)	Earnings multiples (31 March 2018: N/A)  Discount rate for lack of marketability (31 March 2018: N/A)	10.4x-22.9x  30%	N/A	The higher the multiples, the higher the fair value (31 March 2018: N/A)  The higher the discount rate, the lower the fair value (31 March 2018: N/A)

\* classified as available-for-sale financial assets as at 31 March 2018

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 5 Financial instruments (Continued)

#### (b) Fair value estimation (Continued)

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.

### 6 Turnover and revenue

Turnover represents the aggregate of dividend income, performance premium from co-investment partner, interest and other income and gross sales proceeds from disposal of equity investments.

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited) HK\$'000</b>	2017 (Unaudited) HK\$'000
Dividend income	6,483	1,135
Performance premium from co-investment partner	–	7,809
Interest and other income	128,747	34,300
<b>Revenue</b>	<b>135,230</b>	43,244
Gross sales proceeds from disposal of equity investments	1,156,974	1,934
<b>Turnover</b>	<b>1,292,204</b>	45,178

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 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 assesses the operating segments using a measure of operating profit. The Group's measurement policies for segment reporting under HKFRS 8 are the same as those used in its HKFRS financial statements.

On adopting of HKFRS 8, based on the internal financial information reported to the 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

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited) HK\$'000</b>	2017 (Unaudited) HK\$'000
<b>Revenue</b>		
Hong Kong	95,445	34,192
Mainland China	1,039	9,052
Other countries	38,746	–
	<b>135,230</b>	43,244

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 7 Segment information (Continued)

#### Geographical information (Continued)

	<b>30 September 2018 (Unaudited) HK\$'000</b>	31 March 2018 (Audited) HK\$'000
<b>Non-current assets other than financial instruments</b>		
Hong Kong	<b>182,571</b>	318,009
Mainland China	<b>827,006</b>	701,407

#### Information about major investments

During the Period, interest income received from three of the Group's debt investments and an investment relating to one of the Group's listed equity securities, which individually accounted for 10% (2017: 10%) or more of the Group's revenue amounted to approximately HK\$26,667,000, HK\$18,630,000, HK\$14,841,000 and HK\$18,277,000 respectively (2017: interest income received from one of the Group's debt investments and performance premiums derived from one of the Group's unlisted investments amounted to approximately HK\$24,603,000 and HK\$7,809,000 respectively).



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 8 Taxation

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited) HK\$'000</b>	2017 (Unaudited) HK\$'000
Hong Kong Profits Tax:		
Current tax	23,452	383
Deferred tax	(22,473)	15,407
Total tax expense	<b>979</b>	15,790

Taxation represents Hong Kong Profits Tax which has been provided at a rate of 16.5% (2017: 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 2018, the Group has unused tax losses of approximately HK\$56,191,000 (31 March 2018: HK\$24,621,000) available to offset against future profits. No deferred tax asset of subsidiaries of the Group has been recognized in the condensed consolidated interim financial information due to the unpredictability of future profit streams of those subsidiaries.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 9 Loss/profit for the Period

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

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited) HK\$'000</b>	<b>2017 (Unaudited) HK\$'000</b>
Auditor's remuneration		
– Audit	1,124	809
– Others	331	320
	<b>1,455</b>	1,129
Depreciation	223	64
Investment management fee (Note 25(a))	6,900	22,298
Operating lease payments in respect of office premises	5,409	4,483
Staff costs (including directors' emoluments)		
Salaries and other benefits	20,383	21,447
Retirement benefits scheme contributions	312	232
Equity-settled share based compensation	6,715	2,959
	<b>27,410</b>	24,638

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 10 Dividend

The Board has resolved not to pay any interim dividend in respect of the Period (2017: Nil).

The Board recommended the payment of a final dividend of HK 4 cents per share for the year ended 31 March 2018 to the shareholders whose names are registered on the register of members of the Company at the close of business on 3 September 2018. It was approved at the Annual General Meeting held on 28 August 2018 and total final dividends of HK\$117,507,840 was paid on 7 September 2018.

### 11 Loss/earnings per share

#### (a) Basic loss/earnings per share

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

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited)</b>	2017 (Unaudited)
(Loss)/profit for the Period (HK\$'000)	<b>(34,957)</b>	131,348
Weighted average number of ordinary shares in issue (in thousand)	<b>2,937,634</b>	1,897,396
Basic (loss)/earnings per share	<b>(1.19) cents</b>	6.92 cents

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 11 Loss/earnings per share (Continued)

#### (b) Diluted loss/earnings per share

Diluted loss/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.

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited)</b>	2017 (Unaudited)
(Loss)/profit for the Period (HK\$'000)	<b>(34,957)</b>	131,348
Weighted average number of ordinary shares in issue (in thousand)	<b>2,937,634</b>	1,897,396
Adjustment for shares options (in thousand)	–	16,893
Weighted average number of ordinary shares for diluted earnings per share (in thousand)	<b>2,937,634</b>	1,914,289
Diluted (loss)/earnings per share	<b>(1.19) cents</b>	6.86 cents

Diluted loss per share for the Period was the same as the basic loss per share. The Company's outstanding share options had anti-dilutive effect as assumed issue of ordinary shares would reduce loss per share.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 12 Fixed assets

	Motor vehicles HK\$'000	Computer equipment HK\$'000	Office equipment HK\$'000	Furniture HK\$'000	Total HK\$'000
<b>Cost</b>					
At 1 April 2017	200	217	11	145	573
Additions	-	37	-	-	37
At 30 September 2017	200	254	11	145	610
<b>Accumulated depreciation</b>					
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
<b>Carrying amount</b>					
<b>At 30 September 2017</b>	106	111	-	50	267
<b>Cost</b>					
At 1 April 2018	200	646	11	154	1,011
Additions	777	41	-	-	818
Disposals	(200)	-	-	-	(200)
At 30 September 2018	777	687	11	154	1,629
<b>Accumulated depreciation</b>					
At 1 April 2018	127	174	11	105	417
Charge for the Period	113	100	-	10	223
Disposals	(133)	-	-	-	(133)
At 30 September 2018	107	274	11	115	507
<b>Carrying amount</b>					
<b>At 30 September 2018</b>	670	413	-	39	1,122

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 13 Investments accounted for using equity method

	30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
Associates	826,595	859,434
Joint ventures	156,255	156,255
	982,850	1,015,689

Details of the investments at 30 September 2018 and 31 March 2018 are as follows:

Name of entity	Percentage of ownership interest	Carrying amount at	
		30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
<b>Associates</b>			
CSOP Asset Management Limited ("CSOP")	30% (31.3.2018: 30%)	148,575	150,320
Guotai Junan Fund Management Limited	29.9% (31.3.2018: 29.9%)	6,866	6,792
OPIM Holdings Limited	30% (31.3.2018: 30%)	403	915
Treasure Up Ventures Limited ("TUVL") (Note a)	25% (31.3.2018: 25%)	473,699	490,736
South South Green Energy Limited	30% (31.3.2018: 30%)	-	-

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 13 Investments accounted for using equity method (Continued)

Name of entity	Percentage of ownership interest	Carrying amount at	
		30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
<b>Associates</b>			
Henan CCOP New Life Service Limited ("CCOP New Life") (Note b)	30% (31.3.2018: 30%)	12,957	11,621
BE Financial Service (Beijing) Investment Holdings Limited ("BEFS")	20% (31.3.2018: 20%)	45,254	49,175
東英騰華融資租賃(深圳)有限公司("東英騰華")	30% (31.3.2018: 30%)	69,223	74,159
上海赫奇企業管理諮詢有限公司("上海赫奇")	23.52% (31.3.2018: 23.52%)	69,618	75,716
<b>Joint ventures</b>			
OP EBS Fintech Investment L.P. ("OP EBS Fintech") (Note c)	40% (31.3.2018: 40%)	156,255	156,255
Shen Jiang L.P.	50% (31.3.2018: 50%)	–	–
Magopt Investment L.P.	50% (31.3.2018: 50%)	–	–
		<b>982,850</b>	<b>1,015,689</b>

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 13 Investments accounted for using equity method (Continued)

- (a) The fair value at 30 September 2018 was determined by the directors by reference to the valuation carried out by an external independent valuer by using the market comparison approach. Determination of fair value is based on the best information available in the circumstances and includes appropriate risk adjustments for lack of marketability. Factors considered in determining the fair value of these investments include multiples of comparable companies listed on stock exchanges and discount rates based on market information.
- (b) During the Period, the Company through a subsidiary, OP New Life Limited (“OP New Life”), further contributed RMB15,000,000 to CCOP New Life, a sino-foreign equity joint venture enterprise in the People’s Republic of China.
- (c) The fair value of the Group’s interest as at 30 September 2018 as determined with reference to most recent market transaction value and no impairment indication was noted.

For the description of the business and financial information of the investments, please refer to the Company’s 2017/18 annual report.

### 14 Available-for-sale financial assets

Upon application of HKFRS 9 on 1 April 2018, the Group has reclassified all available-for-sale financial assets to financial assets at fair value through profit or loss.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 15 Financial assets at fair value through profit or loss

	30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
Listed equity securities	337,454	460,724
Unlisted equity investments/exchangeable bond	2,043,771	835,299
Unlisted investment funds/limited partnership	70,427	119,773
Unlisted debt investments	19,500	19,500
	<b>2,471,152</b>	<b>1,435,296</b>
Analysed as:		
Current assets	802,199	1,082,874
Non-current assets	1,668,953	352,422
	<b>2,471,152</b>	<b>1,435,296</b>

During the Period, net change in unrealized loss of approximately HK\$224,407,000 (2017: gain of HK\$114,015,000) 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 2018

### 16 Debt investments

	<b>Carrying amount at</b>	
	<b>30 September 2018 (Unaudited) HK\$'000</b>	31 March 2018 (Audited) HK\$'000
Unlisted debt investments	1,868,856	1,456,000
Provision for ECL	(56,910)	–
<b>Total unlisted debt investments, net</b>	<b>1,811,946</b>	1,456,000

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

The fair value of the debt investments approximates its carrying value.

Provision for ECL was recognized in the condensed consolidated statement of profit or loss and other comprehensive income as follows:

	<b>Carrying amount HK\$'000</b>
At 31 March 2018 (audited)	–
At 1 April 2018 (restated, charged to retained profits)	40,449
Charged during the Period	16,461
At 30 September 2018 (unaudited)	56,910

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 17 Accounts and loans receivable

	Note	30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
Unsecured loan to a potential investee	(a)	68,322	74,307
Accounts receivable	(b)	4,193	7,878
Amounts due from associates	(c)	1,656	1,052
		<b>74,171</b>	<b>83,237</b>

(a)	30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
Unsecured loan	68,322	74,307

Unsecured loan of RMB60,000,000, approximately HK\$68,322,000 (31 March 2018: HK\$74,307,000), is provided to a potential investee established in the PRC. Upon the approval of capital injection by the local government, the loan will be converted into capital of that investment. The Company is closely monitoring the government's approval status.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 17 Accounts and loans receivable (Continued)

- (b) The aging analysis of accounts receivable based on the invoice date is as follows:

	<b>30 September 2018 (Unaudited) HK\$'000</b>	31 March 2018 (Audited) HK\$'000
Unbilled	278	3,954
< 3 months	–	3,924
3 to 6 months	<b>3,915</b>	–
	<b>4,193</b>	7,878

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

At 30 September 2018 and 31 March 2018, 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 2018

### 18 Financial liabilities at fair value through profit or loss

	30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
Current liabilities		
Payable to investment partner (Note a)	17,704	57,450
Staff participation interest payable (Note b)	17,881	860
	<b>35,585</b>	<b>58,310</b>
Non-current liabilities		
Accrued consultancy fee	16,228	20,042
Payable to investment partner (Note c)	15,267	–
Staff participation interest payable (Note b)	9,977	9,930
	<b>41,472</b>	<b>29,972</b>

- (a) As at 30 September 2018, the investment partners' interests in two of the Group's listed investments were reduced to HK\$17,704,000 (31 March 2018: HK\$57,450,000). An unrealized gain of those investments approximately HK\$39,746,000 (2017: HK\$11,140,000) was recognized in profit or loss.
- (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. At the inception of a qualified investment, the Group will allocate not more than 10% of its own interest in that 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 investments.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

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

- (c) During the Period, the Group entered into financial participation arrangement with investment partners, Pursuant to the arrangement, the investment partners agreed to pay US\$1,950,000 (equivalent to approximately HK\$15,267,000) to the Group and in return, shared a portion of the Group's future realized trading result of one of the equity investments.

### 19 Accounts payable

	30 September 2018 (Unaudited) HK\$'000	31 March 2018 (Audited) HK\$'000
Consideration payable	–	69,353

Consideration payable represents RMB56,000,000, approximately HK\$69,353,000 as at 31 March 2018 conditional considerations of the investment in Sinagri Yingtai AMP Limited ("Sinagri Yingtai"). The timing of actual payment depended on certain conditions including completion of some administrative tasks and successfully obtain drug license approval from Ministry of Agriculture of Mainland China.

The conditions for payments were not fulfilled since the initial investment. Pursuant to the investment agreement, the Board resolved to cease any further investment payments to Sinagri Yingtai.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 20 Loan payables

	<b>30 September 2018 (Unaudited) HK\$'000</b>	31 March 2018 (Audited) HK\$'000
Bank loans (note a)	250,000	–
Bank margin financing (note b)	45,222	52,058
Other borrowing (note c)	69,802	75,917
	<b>365,024</b>	<b>127,975</b>

Notes:

- (a) It represents bank loans borrowed from our principal bankers as at 30 September 2018.

The average effective interest rate of bank loans was 4.09% (31 March 2018: Nil).

- (b) It represents margin financing of one of the listed securities investments held as at 30 September 2018. It was secured by the listed securities held by the Company amounting to HK\$107,940,000 (31 March 2018: HK\$119,700,000). The maximum tenure of the margin financing is 1 year.

The average effective interest rate of bank loans was 6.58% (31 March 2018: 5.81%). The carrying amounts of the borrowings are denominated in HKD.

- (c) Other borrowing represents RMB61,300,000 (equivalent to HK\$69,802,000) (31 March 2018: HK\$75,917,000) loan due to 上海赫奇 for a potential investment opportunity in the PRC. The borrowings are unsecured, non-interest bearing and repayable on demand.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 21 Share capital

	Number of shares (in thousands)	HK\$'000 (unaudited)
Ordinary shares of HK\$0.10 each		
<i>Authorized:</i>		
At 1 April 2017	4,000,000	400,000
At 31 March 2018 and 1 April 2018	4,000,000	400,000
At 30 September 2018	4,000,000	400,000
<i>Issued and fully paid:</i>		
At 1 April 2017	1,897,396	189,740
Placement of shares (Note a)	1,040,000	104,000
At 31 March 2018 and 1 April 2018	2,937,396	293,740
Issue of shares by way of exercise of share options (Note b)	300	30
At 30 September 2018	2,937,696	293,770



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### **21 Share capital (Continued)**

- (a) On 16 November 2017, the Company entered into four subscription agreements with four subscribers pursuant to which the subscribers agreed to subscribe for and the Company agreed to allot and issue an aggregate of 740,000,000 new shares at the subscription price of HK\$2.10 per subscription share. The net proceeds from the subscription, net of professional fees and out-of-pocket expenses, were used for investments such as listed securities, preference shares and debentures, and general working capital of the Group. The allotment and issuance of new shares under the subscription agreements was passed by an ordinary resolution of the shareholders at the extraordinary general meeting of the Company held on 15 December 2017 and the subscription was completed on 21 December 2017. All the new ordinary shares issued during the period rank pari passu with the then existing shares in all aspects.

On 7 March 2018, the Company entered into two subscription agreements with two subscribers pursuant to which the subscribers agreed to subscribe for and the Company agreed to allot and issue an aggregate of 300,000,000 new shares at the subscription price of HK\$3.33 per subscription share. The net proceeds from the subscription, net of professional fees and out-of-pocket expenses, were used for investments in unlisted debentures and general working capital of the Group. The subscription shares under the subscription agreements was allotted and issued under the general mandate granted to the directors at the annual general meeting held on 24 August 2017 and the subscription was completed on 14 March 2018. All the new ordinary shares issued during the period rank pari passu with the then existing shares in all aspects.

- (b) During the Period ended 30 September 2018, 300,000 new shares had been issued by way of exercise of share options at a subscription price of HK\$1.65 per share for a total cash consideration of HK\$495,000.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 22 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.

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 2018 and 2017, vesting conditions includes performance conditions such as complete or successful exit of specified investment projects and market conditions such as the Company's market capitalization. Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 22 Share option scheme (Continued)

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

Grantee	Date of grant	Outstanding at beginning of the Period	Granted/ (exercised) 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	1,750,000	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	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	5,000,000	(300,000)	4,700,000	4,700,000	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 2018

### 22 Share option scheme (Continued)

Grantee	Date of grant	Outstanding at beginning of the Period	Granted/ (exercised) during the Period	Outstanding at the end of the Period	Exercisable at the end of the Period	Exercise price HK\$	Exercise period
Employees	20.5.2016	5,000,000	-	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	1,500,000	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
Director	1.2.2018	2,500,000	-	2,500,000	-	2.60	1.2.2019 to 31.1.2023
Director	1.2.2018	2,500,000	-	2,500,000	-	2.60	1.2.2020 to 31.1.2023

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 22 Share option scheme (Continued)

Grantee	Date of grant	Outstanding at beginning of the Period	Granted/ (exercised) during the Period	Outstanding at the end of the Period	Exercisable at the end of the Period	Exercise price HK\$	Exercise period
Director	1.2.2018	2,500,000	-	2,500,000	-	2.60	1.2.2021 to 31.1.2023
Director	1.2.2018	2,500,000	-	2,500,000	-	2.60	1.2.2022 to 31.1.2023
Employees	1.2.2018	3,000,000	-	3,000,000	-	2.60	1.2.2019 to 31.1.2023
Employees	1.2.2018	3,000,000	-	3,000,000	-	2.60	1.2.2020 to 31.1.2023
Employees	1.2.2018	3,000,000	-	3,000,000	-	2.60	1.2.2021 to 31.1.2023
Employees	1.2.2018	3,000,000	-	3,000,000	-	2.60	1.2.2022 to 31.1.2023
		73,000,000	(300,000)	72,700,000	25,200,000		

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 22 Share option scheme (Continued)

Movement of the Company's share options during the six months ended 30 September 2017:

Grantee	Date of grant	Outstanding at beginning of the period	Granted/ (exercised) 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
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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 22 Share option scheme (Continued)

Grantee	Date of grant	Outstanding at beginning of the period	Granted/ (exercised) during the period	Outstanding at the end of the period	Exercisable at the end of the period	Exercise price HK\$	Exercise period
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 2018

### 22 Share option scheme (Continued)

Notes:

- (a) The closing prices of the ordinary shares of the Company immediately before the date on option grant date were HK\$1.45 and HK\$2.57 on 20 May 2016 and 1 February 2018 respectively.
- (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 continued to recognize equity-settled share-based payments based on the fair value of the share options granted on 22 May 2015.

- (c) On 1 February 2018, the Company granted 22,000,000 new 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 Options shall entitle the Grantees to subscribe for a total of 22,000,000 new ordinary shares of HK\$0.1 each in the share capital of the Company. The exercise price was set at HK\$2.60 per share.



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 22 Share option scheme (Continued)

- (d) The Binomial 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 profit or loss during the Period:	HK\$1,389,000 (2017: HK\$2,959,000)
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%

Details of the share options granted on 1 February 2018 was as follows:

Theoretical aggregate value:	HK\$20,539,000
Fair value recognized in profit or loss during the Period:	HK\$5,326,000 (2017: Nil)
Risk free interest rate:	1.828%
Expected volatility:	43.30%
Expected life of the options:	5 years from the date of grant
Expected dividend yield:	0.93%

The measurement dates of the share options were 20 May 2016 and 1 February 2018, being the dates of grant of the share options. Where the grantees have to meet vesting conditions before becoming unconditionally entitled to the share options, the total estimated fair value of the share options is spread over the vesting period, taking into account the probability that the options will vest or lapse.

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

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

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 23 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 2018 of approximately HK\$5,411,660,000 (31 March 2018: HK\$5,594,858,000) by the number of ordinary shares in issue at that date, being 2,937,696,000 (31 March 2018: 2,937,396,000).

### 24 Commitments

#### (a) Capital commitment

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

	<b>Group</b>	
	<b>30 September 2018 (Unaudited) HK\$'000</b>	<b>31 March 2018 (Audited) HK\$'000</b>
Capital contribution to BEFS <sup>(1)</sup>	<b>182,192</b>	198,152
Capital contribution to 東英騰華 <sup>(2)</sup>	<b>102,483</b>	111,461
Capital contribution to Jin Dou Development Fund L.P. ("Jin Dou") <sup>(3)</sup>	–	105,935
Capital contribution to CCOP New Life <sup>(4)</sup>	<b>34,161</b>	55,730
Capital contribution to Zhong Wei Capital L.P. <sup>(5)</sup>	<b>6,263</b>	6,278
Capital contribution to OP Fine Billion L.P. <sup>(6)</sup>	<b>5,000</b>	5,000

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 24 Commitments (Continued)

#### (a) Capital commitment (Continued)

- (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\$182,192,000) 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 RMB90 million (equivalent to HK\$102,483,000) 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\$105.7 million) to Jin Dou. The calling of the further capital contribution lies upon the future funding needs of Jin Dou.

Upon mutual consent with the limited partner, Jin Dou ceased development and entered clearance stage during the Period and there will be no further capital call.

- (4) According to the “sales and purchases agreement” signed by OP New Life, a wholly-owned subsidiary of the Group, the Group has committed to a capital contribution of RMB60,000,000 (equivalent to approximately HK\$68,322,000). As at 30 September 2018, RMB30,000,000 was called and the remaining capital of RMB30,000,000 (equivalent to approximately HK\$34,161,000) will be drawn down on as-needed basis.

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 24 Commitments (Continued)

#### (a) Capital commitment (Continued)

- <sup>(5)</sup> According to the “Second Amended and Restated Limited Partnership Agreement” signed by Profit Raider Investments Limited, a wholly-owned subsidiary of the Group on 18 September 2015, the Group has committed to a capital contribution of US\$2 million (equivalent to approximately HK\$15.7 million) to Zhong Wei. Contributions will be made when capital call is issued by the general partner of the limited partnership. As at 30 September 2018, US\$1,200,000 was called. The calling of the further capital contribution lies upon the future funding needs of the investment.
- <sup>(6)</sup> According to the “Exempted Limited Partnership Agreement” signed between OPFI GP(2) Limited, as the general partner, and the limited partner on 24 November 2015, 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 2018, the total future minimum lease payments under non-cancellable operating lease for office premises are payable as follows:

	<b>30 September 2018 (Unaudited) HK\$'000</b>	31 March 2018 (Audited) HK\$'000
Within one year	22,050	9,082
In the second to fifth years inclusive	95,625	9,210
	<b>117,675</b>	18,292

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### **25 Related party transactions**

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

#### **(a) Transactions and balances with related parties**

1. During the Period, investment management fee of HK\$6,900,000 (2017: approximately HK\$22,298,000) 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.

Pursuant to an investment management agreement (“New Investment Management Agreement”) dated 18 July 2018 entered into between the Company and OPAL, OPAL agreed to provide the Company with investment and management services for a term from the first calendar day of the month immediately following the month upon the New Investment Management Agreement becoming effective until 31 March 2021. Pursuant to its terms, the investment management fee is HK\$1,150,000 per month.

As at 30 September 2017, 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.

No investment management fee payable was included in other payables as at 30 September 2018 (31 March 2018: approximately HK\$7,115,000).

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 25 Related party transactions (Continued)

#### (a) Transactions and balances with related parties (Continued)

2. During the Period, the Group paid rental expense of approximately HK\$4,539,000 to Oriental Patron Management Service Limited (“OPMSL”) for office premises (2017: HK\$4,479,000). 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 2018, the Group paid Oriental Patron Securities Limited (“OPSL”) securities brokerage fee of HK\$563,000 (2017: HK\$495,000). OPSL is a related company as one of the directors, Mr. ZHANG Gaobo has significant influence in OPSL.

#### (b) Compensation of key management personnel

	<b>Six months ended 30 September</b>	
	<b>2018 (Unaudited) HK\$'000</b>	2017 (Unaudited) HK\$'000
Salaries and other short-term employee benefits	3,184	3,000
Contributions to retirement benefits scheme	15	15
Equity-settled share-based payment	3,125	1,450
	<b>6,324</b>	4,465

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 26 Particulars of major investments held by the Group

Particulars of investments held by the Group as at 30 September 2018 disclosed as follows:

Name of equity securities/debt securities	Nature of business	Proportion of investee's capital owned (%)	Cost HK\$'000	Carrying amount HK\$'000	Net asset	Dividend received HK\$'000	Percentage of the Group's total assets (%)
					attributable to the Group HK\$'000		
<i>Investments accounted for using equity method</i>							
TUVL – ordinary shares	Asset management	25%	351,671	473,699	473,699	14,304	*7.93%
CSOP – ordinary shares	Asset management	30%	60,000	148,575	148,575	–	2.49%
OP EBS Fintech – contribution	Internet finance	40%	156,255	156,255	156,255	–	2.62%
CCOP New Life – contribution	Investment holding	30%	35,352	12,957	12,957	–	0.22%
BEFS – contribution	Investment holding	20%	46,640	45,254	45,254	–	0.76%
<i>Financial assets at fair value through profit or loss</i>							
OPIM/OPIMC – non-voting preference shares	Asset management	100%	52,123	55,239	55,239	–	0.92%
Xiaoju Kuaizhi Inc. – preference shares	Mobile transportation platform	<1%	116,445	156,465	156,465	–	*2.62%

## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### 26 Particulars of major investments held by the Group (Continued)

Name of equity securities/debt securities	Nature of business	Proportion of investee's capital owned (%)	Cost HK\$'000	Carrying amount HK\$'000	Net asset to the Group HK\$'000	Dividend received HK\$'000	Percentage of the Group's total assets (%)
Victorian Investment Limited Partnership – contribution	Pharmaceutical and healthcare	46.15%	234,795	239,972	239,972	–	*4.02%
iCarbonX Group Limited – ordinary shares	Medical and healthcare	<5%	1,098,790	1,096,060	1,096,060	–	*18.35%
Sino Stature Investments Limited – non-voting preference shares	Heavy equipment manufacturing	100%	218,821	228,573	228,573	–	*3.83%
<i>Debt investments</i>							
Debenture A	Investment holding	N/A	284,000	273,570	273,570	–	*4.58%
Debenture B	Investment holding	N/A	500,000	481,383	481,383	–	*8.06%
Debenture C	Investment holding	N/A	370,000	369,363	369,363	–	*6.18%
Debenture D	Investment holding	N/A	312,000	300,542	300,542	–	*5.03%
Debenture E	Investment holding	N/A	289,000	278,239	278,239	–	*4.66%

# Represents ten largest investments as at 30 September 2018



## NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION (CONTINUED)

For the six months ended 30 September 2018

### **27 Contingent liabilities**

At 30 September 2018, the Group had given guarantees in respect of the settlement of RMB20,000,000 (equivalent to HK\$22,774,000) (31 March 2018: HK\$24,769,000) loan provided by 博石資產管理股份有限公司 to 上海幸福九號網絡科技有限公司, a potential investee of the Company. 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 Period.

### **28 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 2018.