



CONCEPTA INVESTMENTS LIMITED

正奇投資有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 1140)

ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2007

HIGHLIGHTS

- In the first half of financial year 2007-08, net profit rose 117 times, reaching HK\$15 million
- Raised approximately HK\$700 million in November by way of share placement for future investment
- Signed an agreement with Guotai Junan, a leading PRC securities company to establish a joint venture fund management company in Hong Kong
- Positioned as a facilitator of outbound Chinese investments as well as inbound foreign investments into China

* *for identification purposes only*

RESULTS

The Board of Directors (the “Board”) of Concepta Investments Limited (the “Company”) is pleased to announce the unaudited condensed results of the Company for the six months ended 30 September 2007 (the “Period”) with comparative figures for the corresponding period in 2006 and selected explanatory notes as under. These results have been reviewed by the Audit Committee of the Company.

CONDENSED INCOME STATEMENT

For the six months ended 30 September 2007

		Six months ended 30 September 2007 (Unaudited) HK\$	2006 (Unaudited) HK\$
	<i>Note</i>		
Turnover	3	37,973,386	17,848,243
Cost of financial assets at fair value through profit or loss		(32,491,758)	(17,420,491)
Gross profit		5,481,628	427,752
Other income – interest income		322,714	589,207
Net unrealised gain on financial assets at fair value through profit or loss		13,784,061	393,564
Administrative expenses		(1,496,650)	(1,282,680)
Profit before tax		18,091,753	127,843
Income tax	5	(3,045,589)	–
Profit for the Period	6	<u>15,046,164</u>	<u>127,843</u>
Basic earnings per share	7	<u>15.05 cents</u>	<u>0.13 cents</u>

CONDENSED BALANCE SHEET*At 30 September 2007*

	30 September 2007 (Unaudited) HK\$	31 March 2007 (Audited) HK\$
Non-current assets		
Available-for-sale financial assets	778,000	778,000
Current assets		
Financial assets at fair value through profit or loss	56,405,490	31,524,670
Prepayments and other receivables	50,182	138,498
Bank balances	17,596,531	30,577,667
	74,052,203	62,240,835
Current liabilities		
Accrued charges	388,590	1,345,353
Tax payable	3,155,036	433,069
	3,543,626	1,778,422
Net current assets	70,508,577	60,462,413
NET ASSETS	71,286,577	61,240,413
Capital and reserves		
Share capital	10,000,000	10,000,000
Reserves		
Final dividend proposed	–	5,000,000
Others	61,286,577	46,240,413
TOTAL EQUITY	71,286,577	61,240,413
Net asset value per share	0.71	0.61

NOTES TO THE CONDENSED FINANCIAL STATEMENTS

For the six months ended 30 September 2007

1 Basis of preparation of financial statements

The condensed unaudited interim financial statements (“Interim Report”) have been prepared in accordance with applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”) and compliance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

2 Summary of significant accounting policies

The Interim Report is prepared under the historical cost convention, as modified by the revaluation of certain investments which are carried at their fair values.

The principal accounting policies used in the preparation of this Interim Report are consistent with those used in the preparation of the annual financial statements for the year ended 31 March 2007.

In the current period, the Company has applied, for the first time, a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) issued by HKICPA that are effective for accounting periods beginning on or after 1 January 2007. The adoption of the new HKFRSs did not result in substantial changes to the Company’s accounting policies and amounts reported for the current or prior periods.

The Company has not applied the new HKFRSs that have been issued but are not yet effective. The application of these new HKFRSs will not have material impact on the financial statements of the Company.

3 Turnover

The Company is principally engaged in medium to long-term investments in listed and unlisted securities in the Greater China. An analysis of the Company’s turnover is as follows:

	Six months ended	
	30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Proceeds from sale of financial assets at fair value		
through profit or loss	37,607,715	17,621,156
Dividend income from listed investments	365,671	227,087
	<u>37,973,386</u>	<u>17,848,243</u>

4 Segment information

No segment information is presented as all of the turnover, contribution to operating results, assets and liabilities of the Company are attributable to investment activities which are carried out or originated principally in Hong Kong.

5 Income tax

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Current – Hong Kong Profits Tax Provision for the Period	<u>3,045,589</u>	<u>–</u>

Hong Kong Profits Tax has been provided at a rate of 17.5% (2006: 17.5%) on the estimated assessable profit for the Period.

The income tax for the six months ended 30 September 2007 and 30 September 2006 can be reconciled to profit per the income statement as follows:

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Profit before tax	<u>18,091,753</u>	<u>127,843</u>
Tax at Hong Kong Profits Tax rate of 17.5% (2006: 17.5%)	3,166,057	22,372
Tax effect of income that is not taxable	(120,468)	(142,851)
Tax effect of deferred tax asset not recognised	<u>–</u>	<u>120,479</u>
Income tax	<u>3,045,589</u>	<u>–</u>

6 Profit for the Period

The Company's profit for the Period is stated after charging the following:

	Six months ended 30 September	
	2007	2006
	(Unaudited)	(Unaudited)
	HK\$	HK\$
Contributions to retirement benefits scheme (already included in staff costs)	12,000	12,000
Depreciation	–	3,539
Operating lease payments in respect of office premises	54,000	54,000
Staff costs (including directors' emoluments)	<u>457,998</u>	<u>457,998</u>

7 Basic earnings per share

The calculation of basic earnings per share is based on the Company's profit for the Period of HK\$15,046,164 (2006: profit of HK\$127,843) divided by the weighted average number of ordinary share outstanding during the Period, being 100,000,000 (2006: 100,000,000).

There were no dilutive potential shares during the periods ended 30 September 2007 and 30 September 2006. Accordingly, no diluted earnings per share has been presented.

8 Subsequent events

The following events took place after the balance sheet date:

- (A) Pursuant to an ordinary resolution duly passed in an extraordinary general meeting held on 7 November 2007 (the "First EGM"), the authorised share capital of the Company was increased from HK\$20,000,000 divided into 200,000,000 ordinary shares of par value of HK\$0.10 each (each a "Share" and together the "Shares") to HK\$200,000,000 divided into 2,000,000,000 Shares by the creation of an additional 1,800,000,000 Shares.
- (B) As fully detailed in the Company's circular dated 22 October 2007 and a placing agreement dated 7 September 2007 made between the Company as issuer and Oriental Patron Asia Ltd. ("OPAL") as placing agent respectively in respect of the placing (the "Placing") of an aggregate of 600,000,000 Shares (the "Placing Shares") at the issue price of HK\$1.20 per Placing Shares and the issue of unlisted warrants (the "Warrants") on the basis of one Warrant for every five Placing Shares at an initial subscription price of HK\$1.20 per Share were approved by the independent shareholders at the First EGM. The Placing was completed on 15 November 2007. More details of the results of the Placing can be referred to the announcement of the Company dated on 15 November 2007.
- (C) Pursuant to a special resolution duly passed at the extraordinary general meeting held on 15 November 2007, the name of the Company will be changed to "OP Financial Investments Limited" and the Chinese name "東英金融投資有限公司" will be adopted for identification purpose only upon the new name of the Company is registered by the Registrars of Companies in the Cayman Islands. Further announcement will be made by the Company when the new name has become effective.

INTERIM DIVIDEND

The Board does not recommend the payment of interim dividend in respect of the Period (2006: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review and Prospects

The Company reports a profit for the Period of HK\$15,046,164 representing approximately 117 times of the corresponding period. The reported profit for the Period was mainly attributed to realized and unrealized gain of approximately HK\$19.3 million on listed securities investment, interest income of approximately HK\$0.3 million less the administrative expenses of approximately HK\$1.5 million.

The investment strategy implemented over the Period was to rebalance the portfolio away from very large concentration in a few positions and redeploy the portfolio toward sectors and situations that offer visible and attractive investment opportunities. As a result, positions in China Bluechemical Ltd., Guangdong Investment Limited and China Southern Airlines Company Limited were progressively reduced to about 8% to 10% of net asset value.

In the Period, new positions were entered mostly in banking, insurance, real estate, energy, telecommunication and infrastructure, while cash balances were reduced to HK\$17,596,531 (31 March 2007: HK\$30,577,667).

Banks in China enjoy the benefit of a combined rise in loan balances, steady net interest margins, stable credit quality, contribution from fee incomes and profit from securities investments. The negatives of some exposure to mortgage-backed securities in general and sub-prime related vehicles in particular have had some impact on sentiment, though real impact on balance sheet remains contained and the Directors believe exposures are under control.

Unlike visible current catalysts for banks, a new position in the insurance sector is rather a view on medium term opportunities for the sector, considering short term expectations are already quite stretched while fundamentals do not seem to offer new catalysts. The Company would be happy to accumulate more positions on share price pull back in the future.

Abundant liquidity in the region and attractive funding cost support, besides the long term fundamentals, will continue to support real estate volumes, prices and related share prices. The Company took some positions in the segment though some were exited with profit to rotate to new opportunities.

Energy has been a broad investment case for global investors and China offer quality opportunities. However, the perception that the case is getting crowded and seasonal observation regarding oil prices led the Company to reduce exposure temporarily.

Growing penetration of mobile services in China is well documented. Though valuations have risen substantially, long term growth potential is intact and visibility gives the Company confidence in taking a position at the current stage of the industry developments. The Board does not excessively worry about developments regarding the competitive landscape, though recognize that current valuations suggest that the market is taking the same view.

Investment Prospects

After a strong rise from the lows of mid-August, stock prices started to exhibit a higher volatility. A lot of positive developments have been recognized by investors though the investment case appears particularly solid and will continue to attract more interest from those that are not yet much positioned in China and Hong Kong. The Board is currently more comfortable with financials and related (e.g. real estate) than with energy and materials. The Company prefers to stay away from the pure consumption related stocks, where expectations are stretched and risk on profit margin is a core concern. The Company will continue to seek opportunities in areas with visibility on growth and profitability though the Board believes a valuation discipline could prove to be more rewarding in the coming six months than in the recent past.

Due to the continuous rapid development of the PRC economy in recent years, the income level of PRC nationals increases significantly and accordingly resulting in increasing demand for different choice of investment by the PRC nationals. The significant level of foreign exchange reserve of PRC also provided a background for making investments outside PRC for its nationals.

According to the Trial Scheme promulgated by the SAFE on 20 August 2007, PRC nationals are allowed to make direct investment in Hong Kong listed securities with their self-owned foreign currencies or RMB at a designated city on a trial basis. The Trial Scheme would facilitate PRC nationals to invest outside PRC in an orderly fashion and gain experience in risk prevention and management. The relaxation of foreign exchange control over direct investment by PRC national outside PRC also facilitates PRC nationals to make use of the international financial market to diversify their investment risk, enhance its portfolio mix and its risk-adjusted return.

In view of the above, the Board envisages the Trial Scheme will gradually be implemented on a nation wide basis and a variety of institutions and companies will directly or indirectly benefit from the Trial Scheme accordingly. With the recent highly liquid and buoyant markets, on 7 September 2007 the Company had entered into a Placing Agreement with OPAL under which OPAL has placed 600,000,000 new shares (attached with one warrant for every five shares issued thereof) at an issue price of HK\$1.20 per share. The share placement of 600,000,000 was completed on 15 November 2007 and raised net proceeds of approximately HK\$700 million to capture such investment opportunities.

The Board envisages that many of such investment opportunities will arise from unlisted equities or equities linked investments and the depending on the market and economic conditions prevailing from time to time, the Company's investment distribution will gradually shift to include higher position in unlisted investments.

The Company signed an agreement with Guotai Junan Financial Holdings Limited, a wholly owned subsidiary of Guotai Junan Securities Company Limited, to establish a joint venture fund management company in Hong Kong. Guotai Junan Securities Company Limited is a leading PRC securities company.

The main mission of the Company is to act as a facilitator of outbound Chinese investments as well as inbound foreign investments into China.

Financial Review

Liquidity and financial resources

As at 30 September 2007, the Company had bank balances of HK\$17,596,531 (31 March 2007: HK\$30,577,667). The Board believes that the Company has sufficient financial resources to satisfy its immediate investments and working capital requirements.

The Company had net current assets of HK\$70,508,577 (31 March 2007: HK\$60,462,413) and no borrowings as at 30 September 2007, which positions the Company advantageously to pursue its investment strategies and new investment opportunities.

The gearing ratio, which was calculated on the basis of total liabilities over total equity as at 30 September 2007, was 0.05 (31 March 2007: 0.03).

Capital Structure

During the Period there has been no change in the Company's capital structure. For information in relation to issue of new shares subsequent to 30 September 2007, please refer to note 8 of this announcement headed "Subsequent events".

Charges on The Company's Assets and Contingent Liabilities

As at 30 September 2007, there were no charges on the Company's assets and the Company did not have any significant contingent liabilities.

Significant Investments Held

As at 30 September 2007, the Company held investments in listed securities of HK\$56,405,490 (31 March 2007: HK\$31,524,670) and unlisted securities of HK\$778,000 (31 March 2007: HK\$778,000).

Employees and Remuneration Policies

During the Period, the Company had 3 (2006: 3) employees, including executive directors. Total staff costs for the Period amounted to HK\$457,998 (2006: 457,998). The Company's remuneration policies are in line with the market practice and are determined on the basis of the performance and experience of individual employee.

Exposure to Fluctuations in Exchange Rates and Related Hedges

The Company's assets and liabilities are denominated in Hong Kong Dollars and, therefore, the Company had no significant exposure to foreign exchange fluctuation.

Purchase, Sale or Redemption of Securities

During the Period, the Company has not purchased, sold or redeemed any of its listed shares.

CODE ON CORPORATE GOVERNANCE PRACTICES

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 Code on Corporate Governance Practices as set out in Appendix 14 to the Listing Rules.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors by Listed Issuers (the "Model Code") set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the Period.

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 Company and discussed auditing, internal controls and financial reporting matters including a review of the unaudited condensed financial statements for the Period before recommending them to the Board for approval.

PUBLICATION OF FINANCIAL INFORMATION

This results announcement is published on the websites of the Stock Exchange (www.hkex.com.hk) and the Company (www.concepta.com.hk). The Company's Interim Report for 2007 will be dispatched to the shareholders of the Company and available on the above websites in due course.

BOARD OF DIRECTORS

As at the date of this announcement, the Board comprises two executive directors, namely, Mr. Zhang Zhi Ping and Mr. Zhang Gaobo; two non-executive directors, namely, Mr. Liu Hongru and Mr. Zhang Huaqiao; and three independent non-executive directors, namely, Mr. Kwong Che Keung, Gordon, Professor He Jia and Mr. Wang Xiaojun.

On behalf of the Board
ZHANG Gaobo
Executive Director

Hong Kong SAR, 11 December 2007