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OP FINANCIAL INVESTMENTS LIMITED

東英金融投資有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1140)

**ANNOUNCEMENT PURSUANT TO RULES 13.09
GENERAL OBLIGATION OF DISCLOSURE
AND
ISSUE OF NEW SHARES UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

This announcement is made in accordance with Rules 13.09 of the Listing Rules.

Suremind, a wholly-owned subsidiary of the Company, on 24 June 2008, entered into the S&P Agreement with the Vendor, pursuant to which Suremind has agreed to acquire and the Vendor has agreed to sell the Sale Shares subject to the terms and conditions of the S&P Agreement.

The initial purchase price payable by Suremind to the Vendor for the Sale Shares shall be HK\$6,875,000 which shall be satisfied by way of issue and allotment of the Consideration Shares to the Vendor at the Issue Price of HK\$1.25 per Consideration Share. In addition, as further consideration for the Sale Shares, Suremind further agrees to procure the Company to conditionally grant, at Completion, to the Vendor the Options to subscribe for a maximum of 20,000,000 Option Shares.

Subject to the Completion having taken place, Suremind shall procure the Company to issue and allot:

- (i) 4,050,000 Additional Consideration Shares to the Vendor at the Issue Price of HK\$1.25 per Additional Consideration Share, if the Adjusted NAV of CC as at 31 March 2009 is equal to HK\$1,000,000 or more; and

* for identification purpose only

- (ii) 450,000 Additional Consideration Shares to the Vendor at the Issue Price of HK\$1.25 per Additional Consideration Share, if the Adjusted NAV of CHK as at 31 March 2009 is equal to HK\$2,500,000 or more.

The Total Consideration Shares and the Option Shares will be issued and allotted under the General Mandate.

The Board considers that the terms of the S&P Agreement are fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

Resumption of Trading

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 25 June 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 27 June 2008.

Suremind, a wholly-owned subsidiary of the Company, on 24 June 2008, entered into the S&P Agreement with the Vendor, pursuant to which Suremind has agreed to acquire and the Vendor has agreed to sell the Sale Shares subject to the terms and conditions of the S&P Agreement.

THE S&P AGREEMENT

Date

24 June 2008

Parties

Suremind as purchaser

Mr. Benoit Descourtieux as vendor

To the best of the knowledge, information and belief of the Directors, the Vendor is independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Interests to be acquired

The Sale Shares comprises:

- (i) CHK Sale Shares, representing 30% of the issued ordinary shares of CHK;
- (ii) CC Sale Shares, representing 30% of the issued ordinary shares of CC;
- (iii) CHK Preference Shares, representing 100% of the issued non-voting preference shares of CHK; and
- (iv) CC Preference Shares, representing 100% of the issued non-voting preference shares of CC.

Consideration

The initial purchase price payable by Suremind to the Vendor for the Sale Shares shall be HK\$6,875,000 which shall be satisfied by way of issue and allotment of Consideration Shares to the Vendor at an issue price of HK\$1.25 per Consideration Share.

In addition, as further consideration for the Sale Shares, Suremind agrees to procure the Company to conditionally grant, at Completion, to the Vendor the Options to subscribe for a maximum of 20,000,000 Option Shares. Details of the terms and conditions of the Options are set out in the paragraph headed “Options” below.

Subject to the Completion having taken place, Suremind shall procure the Company to issue and allot, on the seventh Business Day after the issue of the Earn-Out Accounts:

- (i) 4,050,000 Additional Consideration Shares to the Vendor at the Issue Price of HK\$1.25 per Additional Consideration Share, if the Adjusted NAV of CC as at 31 March 2009 is equal to HK\$1,000,000 or more; and
- (ii) 450,000 Additional Consideration Shares to the Vendor at the Issue Price of HK\$1.25 per Additional Consideration Share, if the Adjusted NAV of CHK as at 31 March 2009 is equal to HK\$2,500,000 or more.

The Total Consideration Shares and the Option Shares represent (i) about 4.28% of the existing issued share capital of the Company of 700,500,000 Shares as at the date of this announcement; and (ii) about 4.11% of the Company’s issued share capital of 730,500,000 Shares as enlarged by the issue of the Total Consideration Shares and the Option Shares.

The consideration for the Sale Shares, including the Total Consideration Shares and the Option Shares were under arm’s length negotiation between Suremind and the Vendor. The Directors considered that it is in the interests of the Company and its shareholders as a whole.

The Total Consideration Shares and the Option Shares will be issued under the limit of the General Mandate. The Company is authorized to allot, issue or otherwise deal with up to 140,000,000 new Shares under the General Mandate. As at the date of this announcement, none of the new Shares has been issued under the General Mandate and the Total Consideration Shares and the Option Shares to be allotted and issued will utilize as to approximately 21.43% of the General Mandate.

The Options

Vesting conditions

The Options shall be vested in the holder thereof subject to the following conditions are fulfilled:

- (a) the Options to subscribe for 10,000,000 Option Shares (“**First Tranche Options**”) shall be vested in the holder thereof on the First Tranche Option Vesting Date only if the average quarterly Adjusted AUM in the year commencing on 1 June 2008 (i.e. the average quarterly AUM for the four quarters ending on 30 September 2008, 31 December 2008, 31 March 2009 and 30 June 2009 respectively) of CC shall be no less than US\$20 million; and

- (b) the Options to subscribe for 10,000,000 Option Shares (“**Second Tranche Options**”) shall be vested in the holder thereof on the Second Tranche Option Vesting Date only if the average quarterly Adjusted AUM in the year commencing on 1 June 2009 (i.e. the average quarterly AUM for the four quarters ending on 30 September 2009, 31 December 2009, 31 March 2010 and 30 June 2010 respectively) of CC shall be no less than US\$20 million;

provided that if the average quarterly Adjusted AUM for any two consecutive quarters in the two years commencing on 1 June 2008 of CC shall be equal to US\$100 million or more, the Options referred to paragraphs (a) and (b) above shall be vested in the holder thereof on the seventh Business Days after the relevant statement of AUM for such quarters of CC is issued by the independent administrator of the funds managed by CC.

If the Options are not vested in the holder thereof in accordance with the above provision, the Options shall lapse.

Other terms of the Options

The Options, after they are vested in the holders thereof pursuant to the sub-paragraph headed “Vesting conditions” above, shall:

- (a) be exercisable only after they are vested in the holders thereof and shall be exercisable in whole or in part at the Option Exercise Price of HK\$1.25 per Option Share during the Option Exercise Period;
- (b) lapse after the expiry of the Option Exercise Period;
- (c) be transferable, subject always to the requirements of laws, the Listing Rules and the Stock Exchange.

Issue Price

The Issue Price of HK\$1.25 per Consideration Share (as the case may be, Additional Consideration Share) was arrived at after arm’s length negotiation between Suremind and the Vendor.

The Issue Price represents

- (i) a premium of about 1.62% to the closing price of HK\$1.23 per Share prior to the suspension of trading of the Shares on the Last Trading Day as quoted on the Stock Exchange;
- (ii) a premium of about 1.79% to the average closing price of HK\$1.228 per Share as quoted on the Stock Exchange for the last five trading days up to and include the Last Trading Day;
- (iii) a premium of about 1.30% to the average closing price of HK\$1.234 per Share as quoted on the Stock Exchange for the last ten trading days up to and include the Last Trading Day; and
- (iv) a premium of about 16.82% to the unaudited net asset value per share of HK\$1.07 per Share as at 30 May 2008.

Ranking of the Total Consideration Shares and the Option Shares

The Total Consideration Shares and the Option Shares, when fully paid, allotted and issued, will be free from all claims, charges, liens, encumbrances and equities and whatsoever and will rank pari passu with any existing Shares in issue save for any right or entitlement to dividends or other rights or distributions the record date for which precedes the date on which such Total Consideration Shares and the Option Shares are allotted and issued.

Conditions of the S&P Agreement

Completion of the S&P Agreement is subject to the following conditions being fulfilled and remaining satisfied as at Completion:

- (a) Suremind being satisfied with the results of the due diligence exercise (whether legal, accounting, relating to the business, financial operational or other aspects that Suremind considers important) on CC and CHK and their related business assets, liability, activities, operations, prospects and other status which Suremind, its agents or professional advisers think necessary and appropriate to conduct;
- (b) the SFC having granted or having agreed to grant the approval to Suremind in respect of its becoming a substantial shareholder of CHK (note);
- (c) the Listing Committee of the Stock Exchange having granted or having agreed to grant the listing of, and permission to deal in, the Total Consideration Shares and the Option Shares, and (if required), the approval to the grant of the Options;
- (d) (if required) the approval by the Shareholders (or, if so required by the Listing Rules, the independent Shareholders) at the extraordinary general meeting of the Company of the S&P Agreement and the transactions contemplated thereby (including but not limited to the allotment and issue of the Consideration Shares, the Additional Consideration Shares and the Option Shares) and all other consents and acts required under the Listing Rules being obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules being obtained from the Stock Exchange;
- (e) (if required) all requisite waivers, consents and approvals from any relevant governments or regulatory authorities or other relevant third parties in connection with the transactions contemplated by the S&P Agreement having been obtained;
- (f) all relevant approvals, consents, registration and filing procedures relating to the operations and businesses of CHK and/or CC having been obtained/completed;
- (g) Suremind being satisfied, from the date of the S&P Agreement and at any time before the Completion, that the representations, warranties and undertakings given under the S&P Agreement remains true, accurate and not misleading in any material respect and that no events have occurred that would result in any breach of any warranties or other provisions of the S&P Agreement by the Vendor; and

- (h) Suremind not having discovered or known that, from the date of the S&P Agreement, there is any change (or effect) which has a material and adverse effect on the financial position, business or property, result of operations, prospects of CHK and CC and their respective subsidiaries (if any) as a whole.

Note: CHK is a licenced corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any person who proposes to become a substantial shareholder of a licenced corporation (i.e. person who has an interest in the licenced corporation the nominal value of which shares is equal to more than the nominal value of 10% of the issued share capital of that corporation or which entitles the person, either alone or with any of his associates and either directly or indirectly, to exercise or control the exercise of more than 10% of the voting power at the general meeting of that corporation) is required to obtain prior approval from the SFC.

Suremind may at its absolute discretion at any time waive in writing any of the conditions (a), (e), (g) and (h) above and such waiver may be made subject to such terms and conditions as are determined by Suremind.

If the above conditions are not fulfilled or waived on or before 5:00 p.m. on 29 August 2008 or such later date as the Vendor may agree with Suremind in writing, the S&P Agreement shall lapse and none of the parties to the S&P Agreement shall have any claim against or liability to the other parties, save in respect of any antecedent breaches of the S&P Agreement.

Completion

Completion shall take place on the third Business Day after the fulfillment (or waiver) of the last of the conditions referred to in the paragraph headed “Conditions of the S&P Agreement” above (other than Conditions (g) and (h)) or such other date as the parties hereto shall agree in writing as the date on which Completion shall take place.

REASONS FOR THE ACQUISITION

The Company is an investment company under Chapter 21 of the Listing Rules with the principal investment objective to achieve earnings and capital appreciation for the Group through investment of listed and unlisted enterprises on medium to long term horizon.

CHK is a licenced corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Both CC and CHK are asset management companies which were incorporated in the Cayman Islands and Hong Kong respectively. Currently both CC and CHK are managing and advising the Calypso Asia Long-Short Fund and Calypso Daikoku Fund, the investment objective of which is to provide absolute returns through pursuing a long short strategy, investing primarily in liquid equities and derivative instruments.

For the two years ended 31 December 2007, the AUM of Calypso Asia Long-Short Fund is approximately US\$9.10 million and US\$8.0 million respectively. For the two years ended 31 December 2007, the AUM of Calypso Daikoku Fund is approximately US\$32.2 million and US\$15.1 million respectively.

Set out below is the net profit and net assets of CC and CHK for the two years ended/ as at 31 December 2007:

	CHK <i>HK\$ million</i>	CC <i>HK\$ million</i>
<i>Net Profit/(Loss)</i>		
For the year ended 31 December 2006	(0.2)	(0.2)
For the year ended 31 December 2007	0.3	(0.4)
<i>Net Assets/(Liabilities)</i>		
As at 31 December 2006	1.9	0.1
As at 31 December 2007	2.1	(0.9)

The investment in CC and CHK follows the Company's investment strategies to capture the potential growth in the assets management segment in the Greater China region.

The Board considers that the terms of the S&P Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

SHAREHOLDING STRUCTURES BEFORE AND AFTER THE ACQUISITION

The shareholding structures of the Company as at the date of this announcement and after the issue of the Consideration Shares, the Additional Consideration Shares and the Option Shares are set out as below:

Name of Shareholders	Existing shareholding		Shareholding immediately after the issue of the Consideration Shares		Shareholding immediately after the issue of the Consideration Shares and Additional Consideration Shares		Shareholding immediately after the issue of the Consideration Shares, the Additional Consideration Shares and the Option Shares	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
OPFSGSL (note 1)	29,800,000	4.25	29,800,000	4.22	29,800,000	4.19	29,800,000	4.08
Ottness Investments Limited (note 2)	330,000,000	47.11	330,000,000	46.74	330,000,000	46.45	330,000,000	45.17
Zhang Huaqiao (note 3)	8,000,000	1.14	8,000,000	1.13	8,000,000	1.13	8,000,000	1.10
The Vendor (note 4)	–	–	5,500,000	0.78	10,000,000	1.41	30,000,000	4.11
Public Shareholders	332,700,000	47.79	332,700,000	47.12	332,700,000	46.83	332,700,000	45.54
Total	<u>700,500,000</u>	<u>100</u>	<u>706,000,000</u>	<u>100</u>	<u>710,500,000</u>	<u>100</u>	<u>730,500,000</u>	<u>100</u>

Notes:

1. These Shares are held by OPFSG, the entire issued share capital of which is beneficially owned as to 95% by Oriental Patron Financial Group Limited and 5% by Eldridge International Limited. The entire issued share capital of Oriental Patron Financial Group Limited is beneficially owned as to 51% by Mr. Zhang Zhi Ping (an executive Director) and 49% by Zhang Gaobo (an executive Director).
2. Ottens Investments Limited, an investment holding company incorporated in the British Virgin Islands and its entire issued share capital is beneficially owned by Oriental Patron Financial Group Limited. The entire issued share capital of Oriental Patron Financial Group Limited is beneficially owned as to 51% by Mr. Zhang Zhi Ping (an executive Director) and 49% by Zhang Gaobo (an executive Director).
3. Mr. Zhang Huaqiao is a non-executive Director of the Company.
4. This is on the assumption that the Company will issue all the Consideration Shares, the Additional Consideration Shares and the Option Shares to the Vendor.
5. As at the date of this announcement, there are 119,500,000 unlisted warrants of the Company in issued and 6,800,000 share options were granted. The shareholding structure as shown above is on the basis that none of the unlisted warrants or share options has been exercised.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for granting the approval of the listing of, and permission to deal in, the Total Consideration Shares and the Option Shares.

FUND RAISING ACTIVITIES FOR THE PAST 12 MONTHS

Date of announcement	Date of agreement	Nature of transaction	Subscriber	Approximate amount of net proceeds raised/ to be raised and intended use	Actual use and amount used of the net proceeds raised
14 September 2007	7 September 2007	Placing of 600,000,000 Placing Shares which involves the issue of 120,000,000 unlisted of warrants	Ottens Investments Limited and independent third parties of the Company	(i) HK\$700 million from the Placing of 600,000,000 Subscription Shares and; (ii) HK\$144 million from issue of unlisted warrants (assuming the full exercise of the subscription rights attached to the unlisted warrants). The proceeds will be used as general working capital and to be used to finance investments should suitable opportunities arise in the future.	About HK\$145 million has been utilized as equity investment from the Placing proceeds. As at the date of this announcement, there were 500,000 unlisted warrants were exercised. The net proceeds derive from the exercised of unlisted warrants is approximately HK\$600,000 which has not been utilized. The remaining proceeds of HK\$555 million from the Placing and HK\$600,000 from the exercised of unlisted warrants are placed in a licensed bank in Hong Kong and will be used as general working capital and to be used to finance investments should suitable opportunities arise in the future.

Resumption of Trading

At the request of the Company, trading in the Shares on the Stock Exchange was suspended from 2:30 p.m. on 25 June 2008 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares on the Stock Exchange with effect from 9:30 a.m. on 27 June 2008.

DEFINITIONS

“Acquisition”	the acquisition of the Sale Shares by Suremind from the Vendor pursuant to the terms and conditions of the S&P Agreement
“Additional Consideration Shares”	up to 4,500,000 new Shares to be issued and allotted to the Vendor in accordance with the S&P Agreement
“Adjusted AUM”	the AUM after deducting the assets under management or the funds and the revenue and gain (or as the case may be, loss) generated or arising there from which are procured by Suremind, the Company or their respective associates
“Adjusted NAV”	the NAV after deducting the assets, profit or losses and retained earnings (or accumulated losses) attributable to the funds procured by Suremind, the Company or their respective associates for the period from the date of the S&P Agreement to the date of the statement of the NAV
“AUM”	the assets under management of or the funds managed by CC or as the case may be, CHK as at the Quarter End Date, as shown in the statement of assets under management as at the Quarter End Date issued by the relevant independent administrator of the relevant fund managed by CC or as the case may be CHK, provided that if assets or funds are under management of both CC and CHK, they should not be double counted but should be counted as assets or funds under management of CC
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and any day on which a tropical cyclone warning no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business
“CC”	Calypso Capital (Cayman) Limited, a company incorporated in the Cayman Islands
“CC Sale Shares”	600 ordinary shares of US\$1 each in the capital of shares of CC legally and beneficially owned by the Vendor

“CC Sale Preference Shares”	100 non-voting preference shares of US\$1 each in the capital of CC legally and beneficially owned by the Vendor
“CHK”	Calypso Capital Limited, a company incorporated in Hong Kong
“CHK Sale Preference Shares”	1,000 non-voting preference shares of HK\$1 each in the capital of CHK legally and beneficially owned by the Vendor
“CHK Sale Shares”	1,464,300 ordinary shares of HK\$1 each in the capital of shares of CHK legally and beneficially owned by the Vendor
“Company”	OP Financial Investments Limited (東英金融投資有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Stock Exchange
“Completion”	completion of the Acquisition pursuant to the S&P Agreement
“Consideration Shares”	5,500,000 new Shares to be issued to the Vendor as part consideration for the Sale Shares
“Director(s)”	director(s) of the Company
“Earn-out Accounts”	(i) the unaudited profit and loss accounts for the year ending 31 March 2009 of CC and the unaudited balance sheet as at 31 March 2009 of CC and (ii) the unaudited profit and loss accounts for the year ending 31 March 2009 of CHK and the unaudited balance sheet as at 31 March 2009 of CHK, provided if there is dispute over such unaudited profit and loss accounts and/or unaudited balance sheet or otherwise at the request of Suremind, such profit and loss accounts and balance sheet should be reviewed and certified/audited by the auditors of CC and CHK, in whose absence, by the auditor of Suremind The Earn-Out Accounts will be issued on or before 30 April 2009 or such other date as agreed by Suremind and the Vendor and if audit of the Earn-Out Accounts is required, such audit shall be completed on or before 30 June 2009 or such other date as agreed by Suremind and the Vendor
“First Tranche Option Vesting Date”	the seventh Business Days after the statement of AUM for the quarter ending on 30 June 2009 of CC is issued or such other date as agreed by Suremind and the Vendor
“General Mandate”	the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the extraordinary general meeting of the Company held on 21 January 2008 subject to the limit of up to 20% of the issued share capital of the Company as at the date of passing the resolution

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Price”	HK\$1.25 per Consideration Share or as the case may be, Additional Consideration Share
“Last Trading Day”	24 June 2008, being the last trading day for the Shares prior to the issue of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“NAV”	the net asset value of CC or as the case may be, CHK as shown in the Earn-out Accounts
“OPSFGL”	Oriental Patron Financial Services Group Limited, a Shareholder
“Option Exercise Period”	in respect of the First Tranche Options, the period commencing on the First Tranche Option Vesting Date and ending on the date which is the fifth anniversary of the date of Completion, and in respect of the Second Tranche Option, the period commencing on the Second Tranche Option Vesting Date and ending on the date which is the fifth anniversary of the date of Completion
“Options”	options to subscribe for up to 20,000,000 new Shares in aggregate to be granted by the Company to the Vendor pursuant to the S&P Agreement
“Option Shares”	up to 20,000,000 new Shares to be issued upon the exercise of the Options
“PRC”	the People’s Republic of China, for the purposes of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region and Taiwan
“Quarter End Date”	30 September 2008, 31 December 2009, 31 March 2009, 30 June 2009, 30 September 2009, 31 December 2009, 31 March 2010 and 30 June 2010 respectively
“Sale Shares”	the CHK Sale Shares, the CC Sale Shares, the CHK Sale Preference Shares and the CC Sale Preference Shares
“Second Tranche Option Vesting Date”	the seventh Business Days after the statement of AUM for the quarter ending on 30 June 2010 of CC is issued or such other date as agreed by Suremind and the Vendor

“SFC”	the Securities and Futures Commission
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“S&P Agreement”	the sale and purchase agreement dated 24 June 2008 entered into between Suremind and the Vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Suremind”	Suremind Investments Limited, a company incorporated in the British Virgin Islands and a wholly-owned subsidiary of the Company
“Total Consideration Shares”	the Consideration Shares and the Additional Consideration Shares
“Vendor”	Mr Benoit Descourtieux, a person who is independent of and not connected with the Company and its connected parties
“%”	per cent.
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By order of the Board
OP Financial Investments Limited
Zhang Gaobo
Executive Director

Hong Kong, 26 June 2008

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.

Company’s website: www.opfin.com.hk