

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in OP Financial Investments Limited (the "Company"), you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

This circular appears for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of OP Financial Investments Limited.



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)

**ISSUE AND ALLOTMENT OF NEW SHARES FOR SUBSCRIPTION
UNDER SPECIFIC MANDATE
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 5 to 16 of this circular.

A notice convening the extraordinary general meeting (the "EGM") to be held at 27/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong at 11:00 a.m. on 15 December 2017 is set out on pages 17 to 20 of this circular. Whether or not you intend to attend the EGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the EGM (i.e. at or before 11:00 a.m. on 13 December 2017 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

All times and dates specified herein refer to Hong Kong local times and dates.

* For identification purpose only

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
NOTICE OF EGM	17

DEFINITIONS

In this circular and the appendices to it, unless the context otherwise requires, the following expressions shall have the following meanings:

“Announcement”	the announcement dated 16 November 2017 made by the Company in relation to the issue of new Shares under specific mandate for the Subscription
“Board”	the board of Directors
“Company”	OP Financial Investments Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened and held at 27/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong at 11:00 a.m. on 15 December 2017, the notice of which is set out on pages 17 to 20 of this circular, and any adjournment thereof
“Group”	collectively, the Company and its subsidiaries from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) which is/are independent of the Company and its connected persons
“Last Trading Day”	15 November 2017, being the last day of trading of the Shares on the Stock Exchange immediately prior to the date of the Subscription Agreements
“Latest Practicable Date”	24 November 2017, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained herein

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	4:00 p.m. (Hong Kong time) on 29 December 2017, or such other time and date as the respective parties to the Subscription Agreements may agree in writing
“Notice of EGM”	the notice of EGM set out on pages 17 to 20 of this circular
“PRC”	the People’s Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Specific Mandates”	the specific mandates for the allotment and issue of the Subscription Shares I to Subscriber I, the Subscription Shares II to Subscriber II, the Subscription Shares III to Subscriber III and the Subscription Shares IV to Subscriber IV to be sought from the Shareholders at the EGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber I”	Wah Hing Global Investment Limited, a company incorporated in British Virgin Islands with limited liability and the subscriber of 350,000,000 Subscription Shares under the Subscription Agreement I
“Subscriber II”	The People’s Insurance Company (Group) of China Limited, a joint stock company incorporated in the People’s Republic of China with limited liability whose shares are listed on the Main Board of the Stock Exchange (stock code: 1339) and the subscriber of 25,000,000 Subscription Shares under the Subscription Agreement II

DEFINITIONS

“Subscriber III”	Full House Investment Limited, a company incorporated in the British Virgin Islands with limited liability and the subscriber of 350,000,000 Subscription Shares under the Subscription Agreement III
“Subscriber IV”	CMBI SPC – Special Opportunities Fund Segregated Portfolio, a segregated portfolio of CMBI SPC (a segregated portfolio company in Cayman Islands) and the subscriber of 15,000,000 Subscription Shares under the Subscription Agreement IV
“Subscription”	subscription of Subscription Shares by the Subscribers at the Subscription Price pursuant to the Subscription Agreements
“Subscription Agreement I”	the subscription agreement dated 16 November 2017 entered into between the Company and the Subscriber I in respect of the Subscription
“Subscription Agreement II”	the subscription agreement dated 16 November 2017 entered into between the Company and the Subscriber II in respect of the Subscription
“Subscription Agreement III”	the subscription agreement dated 16 November 2017 entered into between the Company and the Subscriber III in respect of the Subscription
“Subscription Agreement IV”	the subscription agreement dated 16 November 2017 entered into between the Company and the Subscriber IV in respect of the Subscription
“Subscription Agreements”	collectively, the Subscription Agreement I, the Subscription Agreement II, the Subscription Agreement III and the Subscription Agreement IV
“Subscription Price”	the subscription price of HK\$2.10 per Subscription Share
“Subscription Shares”	collectively, the Subscription Shares I, the Subscription Shares II, the Subscription Shares III and the Subscription Shares IV
“Subscription Shares I”	a total of 350,000,000 new Shares to be allotted and issued by the Company to Subscriber I under the Subscription Agreement I

DEFINITIONS

“Subscription Shares II”	a total of 25,000,000 new Shares to be allotted and issued by the Company to Subscriber II under the Subscription Agreement II
“Subscription Shares III”	a total of 350,000,000 new Shares to be allotted and issued by the Company to Subscriber III under the Subscription Agreement III
“Subscription Shares IV”	a total of 15,000,000 new Shares to be allotted and issued by the Company to Subscriber IV under the Subscription Agreement IV
“substantial shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“%”	per cent.



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)

Executive Directors:

Mr. Zhang Zhi Ping (*Chairman*)
Mr. Zhang Gaobo (*Chief Executive Officer*)
Dr. Liu Zhiwei (*President*)
Mr. Zhang Weidong

Non-executive Director:

Dr. Wu Zhong

Independent Non-executive Directors:

Mr. Kwong Che Keung, Gordon
Professor He Jia
Mr. Wang Xiaojun

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

29 November 2017

To the Shareholders

Dear Sir/Madam,

**ISSUE AND ALLOTMENT OF NEW SHARES FOR SUBSCRIPTION
UNDER SPECIFIC MANDATE**

I. INTRODUCTION

Reference is made to the Announcement whereby the Board announced that on 16 November 2017 (after trading hours), the Company entered into four Subscription Agreements with four Subscribers, pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 740,000,000 new Shares at the Subscription Price of HK\$2.10 per Subscription Share to the Subscribers.

The Company will seek the Specific Mandates from the Shareholders at the EGM for the allotment and issue of the Subscription Shares to the respective Subscribers pursuant to the relevant Subscription Agreement. An EGM will be convened by the Company for

* For identification purpose only

LETTER FROM THE BOARD

the Shareholders to consider and, if thought fit, to approve the Specific Mandates, each of the Subscription Agreements and the transactions contemplated thereunder.

The purpose of this circular is to provide you, among other things, (i) further details of the Subscription; and (ii) a notice convening the EGM.

II. THE SUBSCRIPTION AGREEMENTS

On 16 November 2017 (after trading hours), the Company entered into four Subscription Agreements with four Subscribers, for the conditional subscription of new Subscription Shares on and subject to the terms and conditions of each of the Subscription Agreements. The principal terms of each Subscription Agreement are substantially the same. Set out below are the key terms of the Subscription Agreements.

Date

16 November 2017 (after trading hours)

Parties

Subscription Agreement I:	(1) the Company (as issuer) (2) Wah Hing Global Investment Limited (as subscriber)
Subscription Agreement II:	(1) the Company (as issuer) (2) The People's Insurance Company (Group) of China Limited (as subscriber)
Subscription Agreement III:	(1) the Company (as issuer) (2) Full House Investment Limited (as subscriber)
Subscription Agreement IV:	(1) the Company (as issuer) (2) CMBI SPC – Special Opportunities Fund Segregated Portfolio (as subscriber)

The Subscriber I has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 350,000,000 new Shares at the Subscription Price of HK\$2.10 per Subscription Share to the Subscriber I.

The Subscriber II has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 25,000,000 new Shares at the Subscription Price of HK\$2.10 per Subscription Share to the Subscriber II.

LETTER FROM THE BOARD

The Subscriber III has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 350,000,000 new Shares at the Subscription Price of HK\$2.10 per Subscription Share to the Subscriber III.

The Subscriber IV has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue an aggregate of 15,000,000 new Shares at the Subscription Price of HK\$2.10 per Subscription Share to the Subscriber IV.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, (i) each of the Subscribers and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (within the meaning of the Listing Rules); and (ii) each of the Subscribers (including its ultimate beneficial owners) is third party independent of each other.

The Subscription Shares

The Subscription Shares I represent (i) approximately 18.45% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 13.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares). Accordingly, Subscriber I will become a substantial shareholder (within the meaning of the Listing Rules) of the Company immediately upon completion of the Subscription.

The Subscription Shares II represent (i) approximately 1.32% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 0.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares).

The Subscription Shares III represent (i) approximately 18.45% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 13.27% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares). Accordingly, Subscriber III will become a substantial shareholder (within the meaning of the Listing Rules) of the Company immediately upon completion of the Subscription.

The Subscription Shares IV represent (i) approximately 0.79% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) approximately 0.57% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares in aggregate, subject to completion of the Subscription (assuming that there will not be any changes in the issued share capital of the Company save for the allotment and issue of the Subscription Shares).

LETTER FROM THE BOARD

The Subscription Shares have an aggregate nominal value of HK\$74,000,000 and the market value of the Subscription Shares is approximately HK\$1.58 billion based on the closing price of HK\$2.14 per Share as quoted on the Stock Exchange on the date of signing of the Subscription Agreements.

Conditions precedent to and completion of the Subscription

Completion of the Subscription under each of the Subscription Agreements is conditional upon fulfillment of the following conditions:

- (a) the approval for the listing of and permission to deal in all the Subscription Shares I, or (as the case may be) the Subscription Shares II, or (as the case may be) the Subscription Shares III or (as the case may be) the Subscription Shares IV being granted by the Listing Committee of the Stock Exchange (and such permission and listing not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the relevant Subscription Shares);
- (b) the approval for the Subscription and the related transactions contemplated thereunder by the Shareholders at the EGM; and
- (c) all representations and warranties in the relevant Subscription Agreement remain true, accurate and not misleading in all material aspects upon the date of completion of the Subscription.

If the above conditions are not fulfilled on or prior to the Long Stop Date, the Subscription Agreements shall terminate and neither of the parties will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the Subscription Agreements.

Completion of the Subscription under each of the Subscription Agreements is not inter-conditional with each other.

Completion of the Subscription will take place on the fifth business day after all the conditions of the Subscription are fulfilled or waived (or such other date as may be agreed between the Company and the relevant Subscriber in writing).

Completion of the Subscription is subject to fulfillment of the conditions precedent in the Subscription Agreements and the Subscription may or not may proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

LETTER FROM THE BOARD

Restrictions on disposals of Subscription Shares by the Subscribers

Each of the Subscribers is not subject to any restrictions on disposals of the Subscription Shares under the Subscription Agreements.

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank pari passu in all respects among themselves free from all liens, charges, guarantee, adverse interests and adverse claims, and with the Shares in issue on the date of allotment and issue of the Subscription Shares including all dividends declared or payable or distributions made or proposed on or after the date of completion of the Subscription.

Subscription Price

The Subscription Price is fixed at HK\$2.10 per Subscription Share, respectively, which represents:

- (i) a discount of approximately 4.55% to the closing price of HK\$2.20 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 3.93% to the average closing price of approximately HK\$2.186 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day; and
- (iii) a discount of approximately 4.28% to the average closing price of approximately HK\$2.194 per Share as quoted on the Stock Exchange for the last 10 consecutive trading days up to and including the Last Trading Day.

Taking into account the expenses of the Subscription in the amount of approximately HK\$1 million, the net price to the Company of each Subscription Share is approximately HK\$2.099 per Subscription Share. The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the recent market prices of the Shares and current market conditions.

LETTER FROM THE BOARD

III. CHANGES TO THE SHAREHOLDING AS A RESULT OF THE SUBSCRIPTION

As at the Latest Practicable Date, the Company had 1,897,396,000 Shares in issue. Set out below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Subscription and assuming that there being no other change to the share capital and shareholding structure of the Company from the Latest Practicable Date:

Name of Shareholder	As at the Latest Practicable Date		Immediately after completion of the Subscription	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Connected persons or substantial Shareholders				
Oriental Patron Financial Group Limited (“OPFGL”)				
<i>(Note 1)</i>	359,800,000	18.96	359,800,000	13.64
Dr. Liu Zhiwei <i>(Note 2)</i>	195,510,000	10.30	195,510,000	7.41
Subscriber I	–	–	350,000,000	13.27
Subscriber III	–	–	350,000,000	13.27
Sub-total:	555,310,000	29.27	1,255,310,000	47.60
Public				
Subscriber II	–	–	25,000,000	0.95
Subscriber IV	–	–	15,000,000	0.57
Other public Shareholders	1,342,086,000	70.73	1,342,086,000	50.89
Sub-total:	1,342,086,000	70.73	1,382,086,000	52.40
Total	1,897,396,000	100.00	2,637,396,000	100.00

Notes:

1. These 359,800,000 Shares represented an aggregate of 330,000,000 Shares held by Ottness Investments Limited (“OIL”) and 29,800,000 Shares held by Oriental Patron Financial Services Group Limited (“OPFSGL”). OIL was a wholly owned subsidiary of OPFGL, while 95% of the issued share capital of OPFSGL was owned by OPFGL. The issued share capital of OPFGL was 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.
2. Dr. Liu Zhiwei was a connected person of the Company by virtue of him being an executive Director.

LETTER FROM THE BOARD

IV. REASONS FOR THE SUBSCRIPTION

As a Hong Kong-based investment company, the Company has long been focusing on investments in Hong Kong, mainland China and cross-border investments, through which it has accumulated rich experience and established professional network. As such, the Company has brought substantial returns for its Shareholders. In light of, among others, continuous recovery and growth of the global economy (including mainland China), the reform of supply management and state-owned enterprises in the PRC, prosperous development of new economy represented by BAT (i.e. Baidu, Alibaba and Tencent) and progress of the implementation of the Belt and Road Initiatives of the PRC, the Company is exposed to a rising number of potential investment opportunities. Despite the above, the Company's ability to make further investment is restricted for the following reasons:

Firstly, as an investment company listed on the Stock Exchange under Chapter 21 of the Listing Rules, under the prevailing Listing Rules, the Company is required to maintain a reasonable spread of investments and the value of its holding of investments issued by any one company or body shall not exceed twenty per cent. of its net asset value at the time when such investment is made. As set out in the announcement of the Company dated 15 November 2017, the unaudited net asset value per Share was approximately HK\$1.58 as at 31 October 2017. Accordingly, the Company had net assets value of around HK\$3.00 billion as at 31 October 2017, thus limiting the Company's capability to invest in projects with one company or body for investment amount over HK\$600 million, which constitutes considerable constrains on the amount of the Company's investment in a company or entity. It is expected that by increasing the capital of the Company through the Subscription, the Company is at a better position to capture the market opportunities.

Secondly, as disclosed in the interim report of the Company for the six months ended 30 September 2017, the cash balance of the Company as at 30 September 2017 was approximately HK\$500 million (representing a decrease of approximately HK\$1.29 billion from approximately HK\$1.79 billion as at 31 March 2017) and the capital commitment of the Company was approximately HK\$537 million as at 30 September 2017 (representing an increase of approximately HK\$415 million from approximately HK\$122 million as at 31 March 2017). As at the Latest Practicable Date, the Company's cash balance and capital commitment was approximately HK\$620 million and HK\$467 million, respectively. The significant decrease of cash balance and significant increase of capital commitment since 31 March 2017 was mainly attributable to Company's investment in a number of investment projects by phases during the year ending 31 March 2018. Accordingly, the Company's cash balance has dropped to a relatively low level and the Company is in need of extra funding to satisfy its need for future investments. As the majority of the Company's investment projects are equity investments and it is the strategy of the Company to hold such investments for long term gain, the Company can only maximize the return to its Shareholders by enlarging its investment portfolio.

LETTER FROM THE BOARD

Considering (i) the significantly reduced cash balance level of the Company as at the Latest Practicable Date as compared to that of 31 March 2017; (ii) the significant increase of capital commitment of the Company as at the Latest Practicable Date since 31 March 2017; and (iii) the strategy of the Company to hold its investments for long term gain and to enlarge its investment portfolio, the Directors consider that the Subscription, which is expected to raise net proceeds of approximately HK\$1.553 billion, would enable the Company to restore its cash balance to a better level for its future investment in various areas as further discussed in the paragraphs headed “V. Use of proceeds” in this letter from the Board.

The Directors have considered other fund raising alternatives for the Company, including pre-emptive equity fundraising alternatives such as rights issue and open offer, debt financing and realization of assets and the benefit and costs of each alternative. Nevertheless, the Directors consider that these alternatives to the Subscription are not as favourable to the Company and its Shareholders as a whole as the Subscription for the following reasons:

1. pre-emptive equity fundraising alternatives such as rights issue and open offer would usually involve much more professional fees and related expenses as a result of the preparation of all the necessary documentations such as underwriting agreements, prospectus, other prospectus documents and the commission to be paid to brokers and underwriters, whereas the related professional fees and all related expenses expected to be borne by the Company under the Subscription is approximately HK\$1 million only;
2. as compared with rights issue or open offer which would normally take longer time to complete as a result of compliance with the regulatory requirement and other trading arrangements, the Subscription would enable the Company to raise fund in a more timely manner. Subject to the satisfaction of the conditions to completion in the Subscription Agreements (including obtaining Shareholder’s approval at the EGM), it is expected that the Subscription will complete by the end of December 2017. Even though the Company had not identified any investment target as at the Latest Practicable Date, appropriate investment opportunities may arise at any time and such funding or investment decisions may have to be made within a short period of time. Therefore the Subscription, which would enable the Company to raise fund in a timely manner, would put the Company at a better position to capture investment opportunities should they arise;
3. external bank borrowings or issuance of debt securities by the Company would increase the financing costs of the Group by increasing its interest burden and might involve assets to be pledged by the Group. On the contrary, the Subscription is interest-free, commission-free and security-free;
4. Moreover, bank borrowings are liabilities by nature and accordingly would not increase the Company’s capital base. Given the Company’s investment capability is currently limited by its capital base, the Directors do not consider bank borrowing is the appropriate means of financing;

LETTER FROM THE BOARD

5. realization of assets is not consistent with the Company's strategy to have investments for long term gain. Furthermore, as at the Latest Practicable Date, the Company's available-for-sale financial assets amounted to approximately HK\$347 million. Therefore, realization of assets by the Company could not raise fund as much as the Subscription does within a short period of time; and
6. the Subscription can broaden the Company's shareholder base, enlarge the capital of the Company and enhance the marketability of the Shares. Having the four Subscribers as shareholders of the Company after the completion of the Subscription and leveraging their strengths and substantial capital, the Company may be at a better position to capture market opportunities and enjoy even more cooperative resources and create more returns to its Shareholders.

Based on the above, the Directors consider that the Subscription is the best option for fundraising among other alternatives. The Directors (including independent non-executive Directors) consider that the terms of the Subscription Agreements to be fair and reasonable and in the best interest of the Company and Shareholders as a whole.

V. USE OF PROCEEDS

It is expected that the gross proceeds from the Subscription will be approximately HK\$1.554 billion. After deducting related professional fees and all related expenses of approximately HK\$1 million to be borne by the Company under the Subscription, the net proceeds from the Subscription will amount to approximately HK\$1.553 billion. The Company intends to use the net proceeds in the manner set out below:

1. approximately HK\$700 million for pursuing investment in undervalued companies listed on A-Share and H-Share markets;
2. approximately HK\$600 million for pursuing investment in and merger and acquisition of targets in emerging industries, such as artificial intelligence, medical care for the elderly, environmental protection, public hygiene and new energy vehicles;
3. approximately HK\$100 million for pursuing investment in internet platforms and/or tools which strategically sorts out and re-invent the operation of traditional industries;
4. approximately HK\$100 million for increasing the Company's investment in its existing private equity investment projects; and
5. the remaining for the general working capital of the Company.

Reference is made to page 15 of the annual report of the Company for the year ended 31 March 2017 published on 20 July 2017. Accordingly, the principal investment objective of the Company is to achieve earnings for the Company in the form of medium to long term capital appreciation through investing in a diversified portfolio of global investments in listed and unlisted enterprises. On the basis that the above proposed

LETTER FROM THE BOARD

investments using the net proceeds from the Subscription cover a diversified range of industries, the Directors consider that such proposed investments are in line with the Company's investment objective.

As at the Latest Practicable Date, the Company had not identified any investment target.

Should any of the above constitute notifiable and/or connected transaction of the Company, the Company will comply with the applicable requirement(s) under the Listing Rules.

VI. FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The following is the equity fund raising activity conducted by the Group in the past twelve (12) months immediately preceding the Latest Practicable Date:

Date of announcement	Fund raising activity	Net proceeds	Proposed use of the net proceeds	Actual use of the net proceeds as of the Latest Practicable Date
12 December 2016	Placing of 56,000,000 new shares under general mandate	Approximately HK\$107 million	The net proceeds would be used as the general working capital of the Company and for future investment pursuant to the investment objectives of the Company.	Used as intended.
13 January 2017	Issue of unlisted warrants to subscribe for an aggregate of 202,553,560 new shares under specific mandate	Assuming the full exercise of the subscription rights attaching to such warrants at the subscription price of HK\$2.20 (subject to adjustment), it is expected that the net proceeds (after deduction of all related expenses) would be approximately HK\$446 million	The net proceeds would be used as the general working capital of the Company and for future investment pursuant to the investment objectives of the Company.	As of the Latest Practicable Date, none of the subscription rights attaching to such warrants has been exercised and therefore the Company has not received any proceeds yet.

Save as disclosed above, the Company had not raised fund on any issue of equity securities in the past 12 months immediately before the Latest Practicable Date.

LETTER FROM THE BOARD

VII. GENERAL

Information on the Group and the Subscribers

The Group is principally engaged in investment in a diversified portfolio of global investments in listed and unlisted enterprises thereby to achieve earnings in the form of medium to long term capital appreciation.

Subscriber I is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in equity investment and investment management, including equity investments in listed companies, strategic industrial investment and dynamic portfolio management of financial assets.

Subscriber II is a joint stock company whose shares are listed on the Main Board of the Stock Exchange (stock code: 1339). It is an investment holding company and whose subsidiaries are principally engaged in the provision of integrated financial products and services.

Subscriber III is a company incorporated in the British Virgin Islands with limited liability which is principally engaged in investment of equity and financial assets.

Subscriber IV is a segregated portfolio of CMBI SPC which is principally engaged in securities investment.

Shareholders' approval and implications under the Listing Rules

The Subscription is subject to Shareholders' approval. The Subscription Shares will be allotted and issued under the specific mandate to allot, issue and deal with Shares by ordinary resolutions to be proposed for approval by the Shareholders at the EGM.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

EGM

The Company will convene the EGM at 11:00 a.m. on 15 December 2017 at 27/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong to consider and, if thought fit, approve the grant of the Specific Mandates, the Subscription Agreements and the transactions contemplated thereunder. A notice of the EGM is set out on pages 17 to 20 of this circular.

LETTER FROM THE BOARD

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in the transaction contemplated under the Subscription Agreements which would otherwise be required to abstain from voting on the resolutions set out in the Notice of EGM.

A form of proxy for use at the EGM is also enclosed. If you are unable to attend the EGM in person, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and, in any event no later than 48 hours before the time for the EGM (i.e. at or before 11:00 a.m. on 13 December 2017 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Disclosure of Directors' interests

None of the Director has a material interest in the Subscription Agreements and therefore no Director was required to abstain from voting on the Board resolutions approving the Subscription Agreements.

VIII. RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the Subscription Agreements and the respective transaction contemplated thereunder are fair and reasonable and on normal commercial terms, and are in the interests of the Group and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the relevant resolutions in relation to each of the Subscription Agreements and the transactions contemplated thereunder and the grant of each of the Specific Mandates at the EGM.

IX. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material aspects and not misleading or deceptive, there are no other facts the omission of which would make any statement herein misleading.

Yours faithfully,
By order of the Board
OP Financial Investments Limited
Zhang Gaobao
Executive Director and Chief Executive Officer

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of OP Financial Investments Limited (the “Company”) will be held at 27/F, Two Exchange Square, 8 Connaught Place, Central, Hong Kong at 11:00 a.m. on 15 December 2017 at for considering and, if though fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

1. “THAT:
 - (a) the subscription agreement (the “**Subscription Agreement I**”) dated 16 November 2017 (a copy of which has been produced to the meeting marked “A” and signed by the chairman of the meeting for the purpose of identification) and entered into the Company as issuer and Wah Hing Global Investment Limited as subscriber in relation to the subscription of 350,000,000 new shares of the Company (the “**Subscription Shares I**”) at the subscription price of HK\$2.10 per share and the transactions contemplated thereby be and are hereby approved;
 - (b) the directors of the Company be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares I, subject to and in accordance with the terms and conditions set out in the Subscription Agreement I; and
 - (c) any one director of the Company be and are hereby authorised to sign, execute, perfect and deliver all such documents and deeds, and do all acts, matters and things, as the case may be in his/her discretion consider desirable or expedient to give effect to the Subscription Agreement I and all the transactions contemplated thereunder (including the allotment and issue of the Subscription Shares I pursuant thereto) and to agree to such variation, amendment or waiver as are, in the opinion of such director of the Company, in the interest of the Company provided that such variation, amendment or waiver shall not be fundamentally different from the terms as provided in the Subscription Agreement I.”

* for identification purpose only

NOTICE OF EGM

2. “THAT:

- (a) the subscription agreement (the “**Subscription Agreement II**”) dated 16 November 2017 (a copy of which has been produced to the meeting marked “B” and signed by the chairman of the meeting for the purpose of identification) and entered into the Company as issuer and The People’s Insurance Company (Group) of China Limited as subscriber in relation to the subscription of 25,000,000 new shares of the Company (the “**Subscription Shares II**”) at the subscription price of HK\$2.10 per share and the transactions contemplated thereby be and are hereby approved;
- (b) the directors of the Company be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares II, subject to and in accordance with the terms and conditions set out in the Subscription Agreement II; and
- (c) any one director of the Company be and are hereby authorised to sign, execute, perfect and deliver all such documents and deeds, and do all acts, matters and things, as the case may be in his/her discretion consider desirable or expedient to give effect to the Subscription Agreement II and all the transactions contemplated thereunder (including the allotment and issue of the Subscription Shares II pursuant thereto) and to agree to such variation, amendment or waiver as are, in the opinion of such director of the Company, in the interest of the Company provided that such variation, amendment or waiver shall not be fundamentally different from the terms as provided in the Subscription Agreement II.”

3. “THAT:

- (a) the subscription agreement (the “**Subscription Agreement III**”) dated 16 November 2017 (a copy of which has been produced to the meeting marked “C” and signed by the chairman of the meeting for the purpose of identification) and entered into the Company as issuer and Full House Investment Limited as subscriber in relation to the subscription of 350,000,000 new shares of the Company (the “**Subscription Shares III**”) at the subscription price of HK\$2.10 per share and the transactions contemplated thereby be and are hereby approved;
- (b) the directors of the Company be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares III, subject to and in accordance with the terms and conditions set out in the Subscription Agreement III; and

NOTICE OF EGM

- (c) any one director of the Company be and are hereby authorised to sign, execute, perfect and deliver all such documents and deeds, and do all acts, matters and things, as the case may be in his/her discretion consider desirable or expedient to give effect to the Subscription Agreement III and all the transactions contemplated thereunder (including the allotment and issue of the Subscription Shares III pursuant thereto) and to agree to such variation, amendment or waiver as are, in the opinion of such director of the Company, in the interest of the Company provided that such variation, amendment or waiver shall not be fundamentally different from the terms as provided in the Subscription Agreement III.”

4. **“THAT:**

- (a) the subscription agreement (the **“Subscription Agreement IV”**) dated 16 November 2017 (a copy of which has been produced to the meeting marked “D” and signed by the chairman of the meeting for the purpose of identification) and entered into the Company as issuer and CMBI SPC – Special Opportunities Fund Segregated Portfolio as subscriber in relation to the subscription of 15,000,000 new shares of the Company (the **“Subscription Shares IV”**) at the subscription price of HK\$2.10 per share and the transactions contemplated thereby be and are hereby approved;
- (b) the directors of the Company be and are hereby granted a specific mandate to exercise all the powers of the Company to allot and issue the Subscription Shares IV, subject to and in accordance with the terms and conditions set out in the Subscription Agreement IV; and
- (c) any one director of the Company be and are hereby authorised to sign, execute, perfect and deliver all such documents and deeds, and do all acts, matters and things, as the case may be in his/her discretion consider desirable or expedient to give effect to the Subscription Agreement IV and all the transactions contemplated thereunder (including the allotment and issue of the Subscription Shares IV pursuant thereto) and to agree to such variation, amendment or waiver as are, in the opinion of such director of the Company, in the interest of the Company provided that such variation, amendment or waiver shall not be fundamentally different from the terms as provided in the Subscription Agreement IV.”

By order of the Board
OP Financial Investments Limited
Zhang Gaobao
Executive Director and Chief Executive Officer

Hong Kong, 29 November 2017

NOTICE OF EGM

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

Notes:

1. Any shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more Shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such proxy is so appointed.
2. In order to be valid, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for the holding of the EGM (i.e. at or before 11:00 a.m. on 13 December 2017 (Hong Kong time)) or any adjournment thereof. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM and, in such event, the term of proxy shall be deemed to be revoked.
3. In order to determine the shareholders who are entitled to attend and vote at the above meeting, all properly completed transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Abacus Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration no later than 4:30 p.m. on 13 December 2017.
4. All times and dates specified herein refer to Hong Kong local times and dates.

As at the date of this notice, the Board comprises four executive Directors, namely, Mr. Zhang Zhi Ping, Mr. Zhang Gaobo, Dr. Liu Zhiwei and Mr. Zhang Weidong; one non-executive Director, namely, Dr. Wu Zhong and three independent non-executive Directors, namely, Mr. Kwong Che Keung, Gordon, Professor He Jia and Mr. Wang Xiaojun.