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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)

CONTINUING CONNECTED TRANSACTIONS – RENEWAL OF LICENCE AGREEMENT

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On 3 March 2016, OPISL, a wholly-owned subsidiary of the Company, as licensee entered into the New Licence Agreement with OPMSL, a connected person of the Company, as licensor in respect of the Premises on normal commercial terms which are disclosed in this announcement effective upon the expiry of the Existing Licence Agreement on 31 March 2016 made between the same parties.

IMPLICATIONS UNDER THE LISTING RULES

As OPMSL is a connected person of the Company under the Listing Rules, the transactions contemplated under the New Licence Agreement constitute continuing connected transactions for the Company. As each of the percentage ratios (other than the profits ratio) for the transactions contemplated under the New Licence Agreement, on an annual basis, is expected to be less than 25% and the annual consideration is less than HK\$10,000,000, the Continuing Connected Transactions therefore are only subject to the reporting, announcement and the annual review requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

CONTINUING CONNECTED TRANSACTIONS – RENEWAL OF LICENCE AGREEMENT

Reference is made to the announcement of the Company dated 19 March 2015 in relation to the Existing Licence Agreement entered into between OPISL as licensee and OPMSL as licensor in respect of the Premises.

** For identification purpose only*

The Board of the Company wishes to announce that on 3 March 2016, OPISL as licensee entered into a New Licence Agreement with OPMSL as licensor in respect of the same Premises effective upon expiry of the Existing Licence Agreement on 31 March 2016.

Principal Terms of the New Licence Agreement

The principal terms of the New Licence Agreement, among others, include:

- Licensor : Oriental Patron Management Services Limited, a connected person of the Company.
- Licensee : OP Investment Service Limited, a wholly-owned subsidiary of the Company.
- Premises : A portion of the whole of the 27th Floor, Two Exchange Square, 8 Connaught Place, Central, Hong Kong.
- Use of Premises : Office.
- Saleable Area of Premises : Approximately 3,206 square feet.
- Term : Eight months commencing from 1 April 2016 to 30 November 2016.
- Licence Fee : HK\$458,458 per month (inclusive of government rent, rates, management fees, air-conditioning charges, electronic charges and all other outgoings) payable in arrears on the last day of each and every calendar month.
- Renewal Option : OPMSL and OPISL covenant and agree that OPISL shall have an option to extend the term of the New Licence Agreement for remaining period commencing upon expiry or termination of the Existing Tenancy Agreement to 31 March 2017 (“**Extended Licence Term**”) PROVIDED that OPMSL as tenant and an independent third party as landlord enter into the New Tenancy Agreement upon expiry or termination of the Existing Tenancy Agreement.
- Revised Licence Fee under the Extended Licence Term : The Revised Licence Fee payable under the Extended Licence Term shall approximate the saleable area of the Premises occupied by the Group and the licence fee per square feet chargeable by OPMSL on a monthly basis with reference to the rent and management fee per square feet in respect of the saleable area leased by OPMSL as tenant from an independent third party as landlord under the New Tenancy Agreement.

The terms of the New Licence Agreement are the same as the Existing Licence Agreement in all material respects except that:

- (i) the term of the Existing Licence Agreement is 12 months commenced from 1 April 2015 to 31 March 2016. In order to tally with the expiry date of the Existing Tenancy Agreement on 30 November 2016, the initial term of the New Licence Agreement is set for 8 months commencing from 1 April 2016 to 30 November 2016;
- (ii) subject to the Renewal Option exercisable by OPISL and the Revised Licence Fee, the term of the New Licence Agreement may extend for remaining period commencing upon expiry or termination of the Existing Tenancy Agreement to 31 March 2017; and

Depending on terms of New Tenancy Agreement, if renewed, the Revised Licence Fee payable by OPISL to OPMSL during the Extended Licence Term may be different from the Licence Fee under the New Licence Agreement.

Basis of Determination of the Licence Fee and Reasons for entering into the New Licence Agreement

The New Licence Agreement is a renewal of the Existing Licence Agreement in respect of the same Premises of a larger saleable area. The total amount of Licence Fee payable to OPMSL under the New Licence Agreement for the period from 1 April 2016 to 30 November 2016 are HK\$3,667,664 which is HK\$760,760 more than the total amount of licence fees of HK\$2,906,904 paid by OPISL to OPMSL for the previous corresponding period under the Existing Licence Agreement. The Company considers it to be commercially necessary to occupy additional spaces to cater for the increased business needs of the Group.

The basis of Licence Fee is determined on the saleable area of the Premises (being approximately 3,206 square feet) occupied by the Group and the licence fee per square feet chargeable by OPMSL on a monthly basis with reference to the rent and management fee per square feet in respect of the whole 27th Floor leased by OPMSL as tenant from an independent third party as landlord under the Existing Tenancy Agreement.

The Directors (including the independent non-executive Directors) consider that the New Licence Agreement is entered into on normal commercial terms and its terms are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Annual Cap

Assuming the Renewal Option is exercised by OPISL, based on available prevailing market data on other office premises located in the same building, the expected aggregate annual licence fee under the New Licence Agreement for the 12 months ending 31 March 2017 will not exceed HK\$6,000,000.

Implications under the Listing Rules

OPMSL is an indirect subsidiary of OPFGL which controls 19.54% in the issued share capital of the Company as at the date of this announcement. Each of Messrs. Zhang Zhi Ping and Zhang Gaobo, being the Directors, is also a director and owned as to 51% and 49% of the issued share capital of OPFGL respectively. Therefore, OPMSL is regarded as a connected person of the Company by virtue of Rule 14A.07 of the Listing Rules.

In this regard, the transactions contemplated under the New Licence Agreement constitute Continuing Connected Transactions for the Company. As each of the percentage ratios (other than the profits ratio) for the transactions contemplated under the New Licence Agreement, on an annual basis, is expected to be less than 25% and the annual consideration is less than HK\$10,000,000, the Continuing Connected Transactions therefore are only subject to the reporting, announcement and the annual review requirements, but is exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As Messrs. Zhang Zhi Ping and Zhang Gaobo were materially interested in the New Licence Agreement entered into by OPISL and therefore, they had abstained from voting on the relevant Board resolutions approving, among other matters, the New Licence Agreement passed on 3 March 2016.

Principal activities of the Group

The Company is an investment company under Chapter 21 of the Listing Rules with a mandate allowing the Group to invest globally in various assets, equities, debts, financial instruments, investment funds and partnerships, investment structures, businesses and special situations. The Group aims to produce medium to long term shareholder returns through capital appreciation, trading profits, dividend and fixed income.

Principal business activities of the Counterparty

The principal business activities of OPMSL, the licensor to the New Licence Agreement, are to render supply of general administrative and staff services to its group companies and affiliates.

Definitions

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following respective meanings:

the “Board”	the board of Directors
the “Company”	OP Financial Investments Limited
“connected person(s)”	has the meaning ascribed to it under the Listing Rules

“Continuing Transactions”	Connected	the continuing connected transactions contemplated under the New Licence Agreement
“Director(s)”		the directors of the Company
“Existing Agreement”	Licence	the existing licence agreement entered into between OPISL as licensee and OPMSL as licensor in respect of the Premises on 19 March 2015
“Existing Agreement”	Tenancy	the agreement for lease dated 8 August 2013 and the lease dated 8 August 2013 in respect of the whole 27 th Floor leased by OPMSL as tenant from an independent third party as landlord and the expiry date of which is 30 November 2016
“Extended Licence Term”		the term of the New Licence Agreement to be extended for remaining period commencing upon expiry or termination of the Existing Tenancy Agreement to 31 March 2017 subject to the Renewal Option exercisable by OPISL
the “Group”		the Company and its subsidiaries
“Licence Fee”		the licence fee payable by OPISL to OPMSL under the New Licence Agreement for the period from 1 April 2016 to 30 November 2016
“Listing Rules”		the Rules Governing the Listing of Securities on the Main Board of The Exchange
“New Licence Agreement”		the new licence agreement entered into between OPISL as licensee and OPMSL as licensor in respect of the Premises effective upon expiry of the Existing Licence Agreement on 31 March 2016
“New Tenancy Agreement”		the new tenancy agreement in respect of the saleable area leased by OPMSL as tenant from an independent third party as landlord upon expiry or termination of the Existing Tenancy Agreement
“OPFGL”		Oriental Patron Financial Group Limited

“OPISL”	OP Investment Service Limited, a wholly-owned subsidiary of the Company
“OPMSL”	Oriental Patron Management Services Limited, a connected person of the Company
“Shareholder(s)”	the shareholder(s) of the Company

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

Hong Kong, 3 March 2016

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