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**OPES ASIA DEVELOPMENT LIMITED**

**華保亞洲發展有限公司\***

*(Continued into Bermuda with limited liability)*

**(Stock Code: 810)**

**CONTINUING CONNECTED TRANSACTION —  
CHANGE OF INVESTMENT MANAGER**

The Board announces that the Old Investment Management Agreement expired on 3 May 2011 and will not be renewed. The Company entered into the New Investment Management Agreement with China International Capital Limited on 4 May 2011, pursuant to which China International Capital Limited agreed to provide investment management services to the Company for a period of two years from 4 May 2011.

China International Capital Limited shall be deemed as a connected person of the Company pursuant to Rule 21.13 of the Listing Rules upon the New Investment Management Agreement becoming effective. The maximum aggregate fee to be paid by the Company to China International Capital Limited shall not exceed HK\$4,000,000 per annum, which is less than HK\$10,000,000 and 25% in respect of each of the percentage ratios (other than the profits ratio) prescribed under Rule 14.07 of the Listing Rules. The transaction contemplated under the New Investment Management Agreement is therefore subject to reporting and announcement requirements but exempt from independent shareholders' approval requirements pursuant to Rule 14A.34 of the Listing Rules.

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## **THE NEW INVESTMENT MANAGEMENT AGREEMENT**

### **Parties:**

- (1) The Company; and
- (2) China International Capital Limited

**Date:** 4 May 2011

### **Principal terms of the New Investment Management Agreement**

China International Capital Limited will be appointed as the investment manager of the Company for a term of two years effective from 4 May 2011 and China International Capital Limited shall provide investment management services to the Company during the term of its appointment with the Company.

### **Condition**

The effectiveness of the New Investment Management Agreement is conditional upon all relevant regulatory requirements (including but not limited to those under the Listing Rules and all relevant regulatory requirements in Hong Kong) having been complied with.

### **Investment Manager's Fees**

Pursuant to the New Investment Management Agreement, the Company shall pay to China International Capital Limited a management fee and a performance fee as described below:

#### *Management Fee*

China International Capital Limited shall be entitled to receive from the Company out of the Assets a management fee accruing monthly at the annual rate of 2% of the Net Asset Value on each Valuation Date and payable monthly in arrears. The management fee will be calculated and paid in Hong Kong Dollars.

#### *Performance Fee*

China International Capital Limited shall also be entitled to receive from the Company out of the Assets a performance fee calculated at the rate of 15% of any net appreciation (after the deduction of the management fee for the relevant period, but prior to the deduction of the performance fee) in the Net Asset Value of the Company on the immediately preceding Valuation Date, above the previous Net Asset Value of the Company on any preceding Valuation Date in respect of which a performance fee was last paid (or where no performance fee has been paid, the Net Asset Value of the Company on any Valuation Date on 30 June or 31 December (as the case may be) whichever is immediately before the commencement of this Agreement).

The Performance Fee shall be payable semi-annually in arrears within 10 Business Days after the issue of the interim accounts of the Company and the annual consolidated audited accounts of the Company by the Board (as the case may be). In any cases, there is no Performance Fee shall be payable to the Investment Manager, if the Net Asset Value per Share (being the Net Asset Value as at 30 June or 31 December (as the case may be) of the relevant year divided by the number of Shares in issue at such date) is less than HK\$0.0595 (being the audited Net asset value as at 31 December 2010 divided by the number of shares issued at that date).

For the purpose of calculating the performance fee for each relevance period, the Net Asset Value shall be adjusted in such manner as the Company and the Investment Manager shall agree (or in default of agreement, by the Auditors acting as experts and not as arbitrators who shall be required to certify that such adjustment is fair and reasonable) so as to:

- (i) take account of any repurchase or redemption of Shares; and
- (ii) take no account of (that is, including the calculation of Net Asset Value as if such distributions had never been made or fees paid) issue of new Shares or other kind of securities as a result of which, the issued share capital of the Company will be enlarged or any distributions or dividends made by the Company.

#### *Annual Cap for the Investment Manager's Fees*

In any case, the maximum annual aggregate amount of the management fee and the performance fee shall not exceed HK\$4,000,000. It is expected that the incentive-driven remuneration basis will bring China International Capital Limited and the Company to a state of goal congruence and to strive for the maximum growth in the Net Asset Value of the Company.

The management fee and the performance fee under the New Investment Management Agreement were reached after arm's length negotiations between the Company and China International Capital Limited and were determined with reference to the prevailing market rates charged by investment managers of other investment companies listed on the main board of the Stock Exchange and the responsibility and duty of China International Capital Limited as investment manager of the Company under the New Investment Management Agreement. The management fee and the performance fee payable to China International Capital Limited are comparable to other independent third parties in the market and in this regard, the Board (including the independent non-executive Directors) considers that the management fee and the performance fee payable under the New Investment Management Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole.

## **REASONS FOR ENTERING INTO THE NEW INVESTMENT MANAGEMENT AGREEMENT**

Reference is made to the Company's announcement dated 4 May 2009. Following the expiration of the Old Investment Management Agreement on 3 May 2011, the Company decided to enter into the New Investment Management Agreement whereby China International Capital Limited was appointed as the investment manager of the Company subject to the terms and conditions set out therein. The Directors (including the independent non-executive Directors) consider that the investment experience of China International Capital Limited and its responsible officers is relevant to the investment strategies of the Company and are of the view that its investment experience and expertise will be beneficial to the Company and its shareholders as a whole.

## **INFORMATION ON THE COMPANY**

The Company is an investment company and is principally engaged in investing in listed and unlisted companies in Greater China, Australia and any other countries as the Board may direct from time to time.

## **INFORMATION ON CHINA INTERNATIONAL CAPITAL LIMITED**

China International Capital Limited was incorporated in Hong Kong with limited liability under the Companies Ordinance (Chapter 32, Laws of Hong Kong) on 21 December 1993 and is principally engaged in the business of investment management. China International Capital Limited is a licensed corporation which carries out Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO.

The responsible officers of China International Capital Limited are Ms. Huang Aiming (“**Ms. Huang**”) and Mr. Chan Yiu Pun, Clement (“**Mr. Chan**”) and both of them are registered as responsible officers under the SFO and are involved in investment management activities. Their biographies, which demonstrate that they have extensive experience in professional management of investments on behalf of third party investors, are as follows:

**Ms. Huang Aiming**, aged 41, holds a licence to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. She obtained a Bachelor's degree in Mathematics from Xiamen University in the PRC in 1992, a Postgraduate degree in Economics from the Communist Party School in Guangdong in 1999 and a Master's degree in Economics from Xiamen University in 2008. Since August 2006, she has been an executive director of China International Capital Limited in charge of the investment policy and management of two private equity investment funds registered at the Cayman Islands Monetary Authority. Ms. Huang worked in the banking and financial industry in the PRC since graduation in 1992. She accumulated over thirteen years of operational and management experience with Agricultural Bank of China in Shenzhen. She was accredited: “Nation's best young practitioner in financial system” Award in 2001 in recognition of her outstanding performance in the industry.

**Mr. CHAN Yiu Pun Clement**, aged 53, holds a licence to carry on Type 4 (advising on securities) and Type 9 (asset management) regulated activities under the SFO. He obtained a Master of Science in Corporate Governance and Directorship from the Hong Kong Baptist University in 2008. He is a certified financial planner certified by The Institute of Financial

Planners of Hong Kong since February 2003. He has been a responsible officer of China International Capital Limited since May 2007, and was an executive director until December 2010. He has been an executive director and responsible officer of Wealth Assets Management Limited since November 2005. Wealth Assets Management Limited is a licensed corporation for Types 4 and 9 regulated activities under the SFO and is the investment manager of China Financial Leasing Group Limited, a listed company on the main board of the Stock Exchange (stock code: 2312). Mr. Chan has over 20 years of experience in investment advisory and management in the local financial industry. During his services with various international fund management companies and independent financial advisory firms, Mr. Chan has acquired solid experience in investment advisory, dealings, investment portfolio management and regulatory compliance.

## **LISTING RULES IMPLICATIONS OF THE NEW INVESTMENT MANAGEMENT AGREEMENT**

China International Capital Limited shall be deemed as a connected person of the Company pursuant to Rule 21.13 of the Listing Rules upon the New Investment Management Agreement becoming effective.

Ms. Huang is the spouse of Mr. Yang Yongdong (“**Mr. Yang**”), the Chief Executive Officer and executive director of the Company. Ms. Huang is therefore an associate (as defined under the Listing Rules) of Mr. Yang. Ms. Huang beneficially owns 99.99% of the equity interest of China International Capital Limited and the remaining 0.01% is owned by Mr. Huang Xinseng, brother-in-law of Mr. Yang. China International Capital Limited is therefore a connected person of the Company under Rules 14A of the Listing Rules.

## **CONTINUING CONNECTED TRANSACTION**

The investment management services of the Company are to be rendered by China International Capital Limited under the New Investment Management Agreement on an ongoing basis and constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules.

The maximum annual aggregate amount of the management fee and the performance fee to be paid by the Company to China International Capital Limited shall not exceed HK\$4,000,000 per annum, which is less than HK\$10,000,000 and 25% in respect of each of the percentage ratios (other than the profits ratio) prescribed under Rule 14.07 of the Listing Rules. The transaction contemplated under the New Investment Management Agreement is therefore subject to reporting and announcement requirement but exempt from independent shareholders’ approval requirements pursuant to Rule 14A.34 of the Listing Rules.

Since Ms. Huang is an associate (as defined under the Listing Rules) of Mr. Yang, Mr. Yang abstained from voting on the resolutions for approving the New Investment Management Agreement and the transaction contemplated thereunder.

The Directors (including the independent non-executive Directors) consider the New Investment Management Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Company, and that the terms of the New Investment Management Agreement (including the annual cap amount) are fair and reasonable and in the interests of the Company and its shareholders.

## DEFINITIONS

“Assets”	means all the assets (including but not limited to cash and securities) of the Company from time to time
“Auditors”	means the auditors of the Company from time to time
“Board”	the board of Directors
“Business Day”	means a day on which banks in Hong Kong are open for general business other than a Saturday or Sunday or a day on which a black rainstorm warning or tropical cyclone warning signal number 8 or above is hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon
“China International Capital Limited”	China International Capital Limited, a company incorporated in Hong Kong with limited liability and a licensed corporation registered under the SFO
“Company”	Opes Asia Development Limited, an exempted company continued into Bermuda with limited liability, whose shares are listed on the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Financial Year”	means the financial year of the Company being the twelve (12) months from 1 January to 31 December in the same calendar year
“Greater China”	the PRC, Taiwan, Hong Kong and Macau
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$” and “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Asset Value”	means the net asset value of the Company in total or (as the context requires) per share of the Company calculated in accordance with the provisions of the bye-laws of the Company
“New Investment Management Agreement”	the investment management agreement dated 4 May 2011 entered into between the Company and China International Capital Limited

“Old Investment Management Agreement”	the investment management agreement dated 4 May 2009 entered into between the Company and Up Way Asia Fund Management Limited
“PRC”	the People’s Republic of China, which for the purpose of this announcement only, excludes Taiwan, Hong Kong and Macau
“SFC”	Securities and Futures Commission
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	means ordinary share(s) of HK\$0.001 value each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Valuation Date”	means the last dealing day on the Stock Exchange in each calendar month or such other dealing day as considered appropriate by the Board for the purpose of calculating the Net Asset Value

By Order of the Board  
**Opes Asia Development Limited**  
**Chu Wai Lim**  
*Executive Director*

Hong Kong, 4 May 2011

*As at the date of this announcement, the executive directors of the Company are Mr. Yang Yongdong, Mr. Chu Wai Lim and Ms. Fong Son Wa; the non-executive director of the Company is Mr. Cheung Tung Lan, Tony; and the independent non-executive directors of the Company are Mr. Tsang Wai Wa, Mr. Chan Yuk Sang and Mr. Choi Shek Chau.*

\* *For identification purposes only*