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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)

PROPOSED CAPITAL REORGANISATION

The Company proposes to put forward for approval by the Shareholders the Capital Reorganisation which involves the following:

- (a) a consolidation of every (10) ten issued and unissued Existing Shares of HK\$0.001 each into (1) one Consolidated Share of HK\$0.01 each; and
- (b) a reduction of the Company's share premium account by an amount of approximately HK\$107.56 million which will be transferred to the contributed surplus account.

The Capital Reorganisation is subject to the Shareholders' approval at the SGM and the fulfilment of the conditions stated in the section headed "Conditions of the Capital Reorganisation". No Shareholders are required to abstain from voting on the resolution in relation to the Capital Reorganisation. A circular containing further information on the Capital Reorganisation and a notice to convene the SGM will be despatched to the Shareholders on or around 7 November 2011.

PROPOSED CAPITAL REORGANISATION

The Company proposes to effect the Capital Reorganisation in the following manner:

- (a) that every (10) ten issued and unissued Existing Shares of HK\$0.001 each be consolidated into (1) one Consolidated Share of HK\$0.01 each; and
- (b) that the share premium account of the Company be reduced by an amount of approximately HK\$107.56 million.

Share Consolidation

The Directors proposed to implement the Share Consolidation on the basis that every (10) ten issued and unissued Existing Shares of HK\$0.001 each will be consolidated into (1) one Consolidated Share of HK\$0.01 each. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be

aggregated and, if possible, sold for the benefits of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares regardless of the number of share certificates held by such holder.

Share Premium Reduction

The Share Premium Reduction will involve the reduction of the entire amount of approximately HK\$107.56 million standing to the credit of the share premium account of the Company as at the date of the SGM to nil. The total credit arising from the Share Premium Reduction will be transferred to the contributed surplus account of the Company, which will be used, amongst others, in any manner permitted by the laws of Bermuda and the Bye-Laws including but not limited to setting off against the accumulated losses of the Company in full. As at 30 June 2011, the amount standing to the credit of the share premium account of the Company was approximately HK\$107.56 million and the audited accumulated losses of the Company was approximately HK\$44.46 million.

Effects of the Capital Reorganisation

Other than the expenses to be incurred in relation to the Capital Reorganisation, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders, save for any fractional Consolidated Shares which may arise.

As at the date of this announcement, the authorized share capital of the Company is HK\$200,000,000 divided into 200,000,000,000 Existing Shares of HK\$0.001 each, of which 2,494,200,000 Existing Shares are in issue and fully paid. After the Share Consolidation becoming effective, the authorized share capital of the Company will be HK\$200,000,000 divided into 20,000,000,000 Consolidated Shares of HK\$0.01 each, of which 249,420,000 Consolidated Shares will be issued and fully paid. The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's memorandum of association and bye-laws.

Based on the unaudited accounts of the Company for the period ended 30 June 2011, the amount standing to the credit of the share premium account of the Company was approximately HK\$107.56 million and the audited accumulated losses of the Company was approximately HK\$44.46 million. As a result of the Share Premium Reduction, the balance standing to the credit of the share premium account will be transferred to the contributed surplus account and the appropriate amount standing to the credit of the contributed surplus account will be applied to set off against the accumulated losses in full.

Conditions of the Capital Reorganisation

The Capital Reorganisation is conditional on:

- (i) the passing by the Shareholders of a special resolution to approve the Capital Reorganisation at the SGM;
- (ii) compliance with the relevant legal procedures and requirements under Bermuda law to effect the Capital Reorganisation; and

(iii) the Listing Committee granting approval for the listing of, and the permission to deal in, the Consolidated Shares to be in issue.

Listing application

An application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Capital Reorganisation becoming effective.

Exchange of share certificates

Subject to the Capital Reorganisation becoming effective on 1 December 2011, Shareholders may, from 1 December 2011 to 12 January 2012 (both days inclusive), submit share certificates for the Existing Shares to the Company's branch share registrar in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, in exchange, at the expense of the Company, for new share certificates for Consolidated Shares with new nominal value of HK\$0.01. Thereafter, certificates for the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may be allowed by the Stock Exchange from time to time) for each share certificate for the Existing Shares cancelled or each new share certificate issued for Consolidated Shares, whichever number of certificates cancelled/issued is higher. Nevertheless, certificates for the Existing Shares will continue to be good evidence of legal title and may be exchanged for certificates for Consolidated Shares at any time.

It is expected that the new share certificates for the Consolidated Shares will be available for collection within 10 Business Days after the submission of the existing share certificates for the Existing Shares to Tricor Tengis Limited for exchange. New share certificates for the Consolidated Shares will be orange in colour to distinguish them from the existing share certificates for the Existing Shares which are green in colour.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Existing Shares or the Consolidated Shares (whichever is applicable) arising from the Share Consolidation, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to top-up or sell their shareholdings of odd lots of the Existing Shares or the Consolidated Shares (whichever is applicable) on a best effort basis for the period from 16 December 2011 to 10 January 2012 (both days inclusive).

Holder of the Existing Shares or the Consolidated Shares (whichever is applicable) in odd lots who wish to take advantage of this facility either to dispose of their odd lots of the Existing Shares or the Consolidated Shares (whichever is applicable) or to top-up their odd lots to a full new board lot may directly or through their broker contact Mr. Lam Tat Chi/Mr. Paul Lee of China Merchants Securities (HK) Co., Limited, at 48/F One Exchange Square, 8 Connaught Place, Central, Hong Kong (Telephone number: (852) 3189 6221) during the aforesaid period. Holders of the Existing Shares or the Consolidated Shares (whichever is applicable) in odd lots should note that the matching of the sale and purchase of odd lots of the Existing Shares or the Consolidated Shares (whichever is applicable) is on

a best effort basis and successful matching of the sale and purchase of odd lots of the Existing Shares is not guaranteed. Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Capital Reorganisation:

2011

Despatch of circular with notice of SGM Monday, 7 November

Latest time for lodging form of proxy
for the SGM 9:30 a.m. on Monday,
28 November

SGM 9:30 a.m. on Wednesday,
30 November

Effective date for the Capital Reorganisation. Thursday, 1 December

Dealings in the Consolidated Shares commence 9:00 a.m. on Thursday,
1 December

First day for free exchange of existing share
certificates for new share certificates commences Thursday, 1 December

Original counter for trading in the
Existing Shares in board lots of 10,000
Existing Shares temporarily closes 9:00 a.m. on Thursday,
1 December

Temporary counter for trading in the Consolidated Shares
in board lots of 1,000 Consolidated Shares (in the form
of existing share certificates) opens. 9:00 a.m. on Thursday,
1 December

Original counter for trading in the Consolidated Shares
in board lots of 10,000 Consolidated Shares
(in the form of new share certificates) re-opens. 9:00 a.m. on Friday,
16 December

Parallel trading in the Consolidated Shares
(in the form of new and existing share
certificates) commences. 9:00 a.m. on Friday,
16 December

Designated broker starts to stand in the market
to provide matching services for odd lots of
the Consolidated Shares. Friday, 16 December

Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes 4:00 p.m. on Tuesday, 10 January

Parallel trading in the Consolidated Shares (in the form of new and existing share certificates) ends 4:00 p.m. on Tuesday, 10 January

Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares. Tuesday, 10 January

Free exchange of existing share certificates for new share certificates ends. Thursday, 12 January

Should there be any change in the said expected timetable or the procedure for free exchange of share certificates, a separate announcement will be made by the Company.

Board Lot Size

There will be no change in the board lot size as a result of the Capital Reorganisation and the decrease in the number of issued shares.

ADJUSTMENT TO SHARE OPTIONS

As at the date of this announcement, the number of the Existing Shares that may be issued under the Share Option Scheme is 203,817,242. Upon the Share Consolidation becoming effective, the exercise/conversion price of the Share Options will be adjusted respectively. Subject to the Share Consolidation becoming effective, such adjustment shall be made on the basis that the proportion of the issued share capital of the Company to which a grantee of the Share Option(s) are entitled shall remain the same before and after the Share Consolidation. The Company will make a further announcement about the adjustments in due course.

Save for the above, the Company has no other outstanding convertible securities, options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares as at the date of this announcement.

REASONS FOR THE CAPITAL REORGANISATION

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or proceed with a consolidation or splitting of securities. In view of the recent trading prices of the Existing Shares were below HK\$0.05 and for compliance with the Listing Rules, the Company

proposes to implement the Share Consolidation. It is expected that the Share Consolidation would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares.

The Directors consider that the Share Premium Reduction will allow the Company to eliminate the losses of the Company and the Group and bring the Company to a position that might permit the payment of dividends if and when the Company's financial position allows and the Directors consider appropriate in the future, although there is no guarantee that a dividend will be declared or paid upon the Capital Reorganisation becoming effective or at any time in the future as this will depend on many different factors.

Accordingly, the Directors believe that the Capital Reorganisation is in the best interests of the Company and the Shareholders.

SGM AND CIRCULAR

The Capital Reorganisation is subject to the Shareholders' approval at the SGM and no Shareholders are required to abstain from voting on the resolution in relation to the Capital Reorganisation. A circular containing further detail of the Capital Reorganisation and the notice of the SGM will be despatched to the Shareholders on or around 7 November 2011.

DEFINITIONS

Unless the context requires otherwise, the following terms have the following meanings in this announcement:

“Board”	board of the Directors
“Business Day”	any day (excluding a Saturday, Sunday and other public holidays) on which banks in Hong Kong are generally open for business throughout their normal business hours
“Capital Reorganisation”	collectively, the Share Premium Reduction and the Share Consolidation
“Company”	Opes Asia Development Limited, a company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Share(s)”	new ordinary share(s) of HK\$0.01 each in the share capital of the Company after the Share Consolidation has taken effect
“Directors”	directors of the Company
“Existing Share(s)”	existing ordinary share(s) of HK\$0.001 each in the share capital of the Company
“Group”	the Company and its subsidiaries

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of permission for listing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“SGM”	the special general meeting of the Company to be held on Wednesday, 30 November 2011 at 9:30 a.m. for the Shareholders to consider and, if thought fit, approve resolutions in respect of the Capital Reorganisation
“Share Consolidation”	the proposed consolidation of every ten issued and unissued Existing Shares of HK\$0.001 each into one Consolidated Share of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Existing Shares or, as the case may be, the Consolidated Shares
“Share Option(s)”	share option(s) granted under the Share Option Scheme
“Share Option Scheme”	the existing share option scheme adopted by the Company on 8 February 2002
“Share Premium Reduction”	the proposed reduction of the entire amount of approximately HK\$107.56 million standing to the credit of the share premium account of the Company as at 30 June 2011 to nil
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

By Order of the Board of
Chu Wai Lim
Executive Director

Hong Kong, 1 November 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 directors of the Company are Mr. Cheung Tung Lan, Tony and Mr. Wang Shiyan; the independent non-executive directors of the Company are Mr. Tsang Wai Wa, Professor Chen Yamin and Mr. Chan Yuk Sang.

** for identification purposes only*