

IMPORTANT

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

If you have sold or transferred all your shares in Opes Asia Development Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



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 AND NOTICE OF SGM

A notice convening the SGM to be held at Room 1, United Conference Centre, 10/F United Centre, 95 Queensway, Hong Kong on Wednesday, 30 November 2011 at 9:30 a.m., is set out on pages 22 to 23 of this circular. A form of proxy for use at the SGM is also enclosed with this circular. Whether or not you intend to attend the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for holding the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment of it should you so wish.

* for identification purpose only

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DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context otherwise requires.

“Assets”	all the assets (including but not limited to cash and securities) of the Company from time to time
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday and public holiday) on which banks in Hong Kong are generally open for business throughout their normal business hours
“Bye-Laws”	the bye-laws of the Company
“Capital Reorganisation”	collectively, the Share Premium Reduction and the Share Consolidation
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	Opes Asia Development Limited, an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange
“Connected Person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consolidated Share(s)”	new 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 share(s) of HK\$0.001 each in the share capital of the Company
“GEM”	Growth Enterprise Market of the Stock Exchange
“Greater China”	the PRC, Taiwan, Hong Kong and Macau
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	4 November 2011, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	the listing committee of the Stock Exchange for considering applications for listing and the granting of listing approval
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Asset Value”	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
“PRC”	the People’s Republic of China and, for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan region
“SFO”	the Securities and Futures Ordinance, Cap 571 of the Laws of Hong Kong
“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 Options”	share options 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
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“Valuation Date”	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

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

EXPECTED TIMETABLE

2012

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.

LETTER FROM THE BOARD



OPES ASIA DEVELOPMENT LIMITED
華保亞洲發展有限公司*

(Continued into Bermuda with limited liability)

(Stock Code: 810)

Executive Directors:

Mr. Yang Yongdong
Mr. Chu Wai Lim
Ms. Fong Son Wa

Non-executive Directors:

Mr. Cheung Tung Lan, Tony
Mr. Wang Shiyan

Independent Non-executive Directors:

Mr. Tsang Wai Wa
Professor Chen Yamin
Mr. Chan Yuk Sang

Registered office:

Canon's Court
22 Victoria Street
Hamilton HM12
Bermuda

Head office and principal

Place of business of Hong Kong:
Unit 3102-05, 31st Floor
China Merchants Tower
Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

7 November 2011

To the Shareholders

Dear Sir or Madam,

**PROPOSED CAPITAL REORGANISATION
AND
NOTICE OF SGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 1 November 2011 in relation to the Capital Reorganisation.

The purpose of this circular is to set out information on the Capital Reorganisation and the associated trading arrangements; and the notice of the SGM.

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

* for identification purpose only

LETTER FROM THE BOARD

- (b) that the share premium account of the Company be reduced by an amount of approximately HK\$107.56 million.

1. Share Consolidation

The Board proposes 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.

2. 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.

3. 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 Latest Practicable Date, the authorized share capital of the Company was 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 were 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. Upon 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 Company's accumulated losses in full.

LETTER FROM THE BOARD

4. 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.

Assuming that all the conditions stated above are fulfilled, it is expected that the Capital Reorganisation will become effective on the Business Day following the passing of the special resolution by the Shareholders in respect of the Capital Reorganisation to be proposed at the SGM.

Since the Capital Reorganisation is subject to the fulfilment of the conditions stated above, the Capital Reorganisation may or may not complete. Shareholders and potential investors are advised to exercise caution when dealing in the Existing Shares.

5. 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 price of the Existing Shares, 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 Share Consolidation will also provide flexibility to the Company to raise funds in the future as the Stock Exchange will not grant any approval for the listing of, or permission to deal in any new shares to be issued by the Company should the Company's share price is close to such extremity.

As an investment company under Chapter 21 of the Listing Rules, the Company is actively looking for various investment opportunities and at the same time, suitable fund raising opportunities arise from time to time so as to strengthen its capital base and improve its financial position for the Company's future development and expansion. Should the Company enter into a definitive agreement regarding any fund raising activities, the Company will make appropriate announcement as and when required in accordance with the Listing Rules.

The Directors consider that it would be inappropriate for the Company to pay dividends while the Group has accumulated losses. 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.

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

6. Trading Arrangements

Upon the Capital Reorganisation becoming effective, all existing share certificates for any number of the Existing Shares in issue immediately before the effective date will continue to be good evidence of legal title for one tenth of that number of the Existing Shares. New share certificates will be issued for the Consolidated Shares. Parallel trading arrangements will be established on the Stock Exchange for dealings in the Consolidated Shares in the form of the existing share certificates and in the form of the new share certificates.

The trading proposed for dealings in the Consolidated Shares are set out as follows:

- (i) with effect from 9:00 a.m. on Thursday, 1 December 2011, the original counter for trading in Existing Shares in the existing board lots of 10,000 Existing Shares will close temporarily. A temporary counter for trading in the Consolidated Shares represented by existing share certificates in board lots of 1,000 Consolidated Shares will be established. Every existing certificate for whatever number of the Existing Shares will continue to be effective as a document of title valid for settlement and delivery for trading transacted from 9:00 a.m. on 1 December 2011 to 4:00 p.m. on 10 January 2012 for the Consolidated Shares, in the amount equivalent to one tenth of that number of the Existing Shares. The existing share certificates for the Existing Shares can only be traded at this temporary counter;
- (ii) with effect from 9:00 a.m. on Friday, 16 December 2011, the original counter will re-open for trading in the Consolidated Shares in the new board lots of 10,000 Consolidated Shares. Only new share certificates for the Consolidated Shares can be traded at this counter;
- (iii) with effect from 9:00 a.m. on Friday, 16 December 2011 to 4:00 p.m. on Tuesday, 10 January 2012 (both days inclusive), there will be parallel trading at the counters mentioned in (i) and (ii) above; and
- (iv) the temporary counter for trading in the Consolidated Shares represented by the existing share certificates in the board lots of 1,000 Consolidated Shares will be removed after the close of trading on Tuesday, 10 January 2012. Thereafter, trading will only be in the Consolidated Shares represented by new share certificates in board lots of 10,000 and the existing share certificates for the Existing Shares will cease to be marketable and will not be acceptable for dealing and settlement purposes.

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

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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.

In order to facilitate the trading of odd lots of the Existing Shares or the Consolidated Shares (whichever is applicable) arising from the Capital Reorganisation, 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).

Holders 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 6621) 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.

7. Listing and Dealings

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.

No part of the share capital or debt securities of the Company is listed or dealt in on any other stock exchanges other than the Stock Exchange and no such listing or permission to deal in is being or is currently proposed to be sought from any other stock exchange.

Dealings in the Consolidated Shares on the branch register of members of the Company will be subject to Hong Kong stamp duty.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange, the Consolidated Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of

LETTER FROM THE BOARD

transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

8. Adjustment to Share Options

As at the date of the Latest Practicable Date, the number of the Existing Shares that may be issued under the Share Option Scheme was 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 had 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 Latest Practicable Date.

9. Board Lot Size

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

SGM

A notice of the SGM to be held on Wednesday, 30 November 2011 at 9:30 a.m. is set out on pages 22 to 23 of this circular at which resolutions will be proposed for the Shareholders to consider and, if thought fit, to approve the Capital Reorganisation.

The form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than forty-eight (48) hours before the time appointed for the holding of the SGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the SGM or any adjournment of it, if you so wish.

RECOMMENDATION

The Directors consider that the proposed Capital Reorganisation is in the interests of the Company and the Shareholders as a whole and accordingly recommend all the Shareholders to vote in favour of the special resolutions to be proposed at the SGM to approve the Capital Reorganisation.

LETTER FROM THE BOARD

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 respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

By Order of the Board of
OPES ASIA DEVELOPMENT LIMITED
Chu Wai Lim
Executive Director

This appendix serves as an additional disclosure requirement pursuant to Rule 21.09 of Listing Rules in connection with the listing document of the Company. This appendix includes particulars given in compliance with the Listing Rules for the purpose of giving information to the public with regard to the Company.

DIRECTORS OF THE COMPANY**Name****Address***Executive Directors:*

Mr. Yang Yongdong

Unit 3102-05, 31st Floor
China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Mr. Chu Wai Lim

Unit 3102-05, 31st Floor
China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Ms. Fong Son Wa

Unit 3102-05, 31st Floor
China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Non-executive Directors:

Mr. Cheung Tung Lan, Tony

Unit 3102-05, 31st Floor
China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Mr. Wang Shiyan

Unit 3102-05, 31st Floor
China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Independent non-executive Directors:

Mr. Tsang Wai Wa

Unit 3102-05, 31st Floor
China Merchants Tower, Shun Tak Centre
168-200 Connaught Road Central
Hong Kong

Name	Address
Professor Chen Yamin	Unit 3102-05, 31st Floor China Merchants Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong
Mr. Chan Yuk Sang	Unit 3102-05, 31st Floor China Merchants Tower, Shun Tak Centre 168-200 Connaught Road Central Hong Kong

INVESTMENT MANAGEMENT INFORMATION

Investment Manager	China International Capital Limited Room 1002, 10/F, The Chinese Bank Building 61-65 Des Voeux Road Central Central Hong Kong
Directors of the Investment Manager	Ms. Huang Aiming Room 1002, 10/F, The Chinese Bank Building 61-65 Des Voeux Road Central Central Hong Kong
	Ms. He Qingmei Room 1002, 10/F, The Chinese Bank Building 61-65 Des Voeux Road Central Central Hong Kong
	Ms. Wang Xiumin Room 1002, 10/F, The Chinese Bank Building 61-65 Des Voeux Road Central Central Hong Kong
Custodian	Standard Chartered Bank (Hong Kong) Limited 15/F, Standard Chartered Tower 388 Kwun Tong Road Kowloon Hong Kong

The Directors confirm that none of the directors of the Company, China International Capital, any investment adviser or any distribution company, or any associate of any of those persons, is or will become entitled to receive any part of any brokerage charged to the investment company, or any reallocation of other types on purchases charged to the investment company.

RISKS RELATING TO 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. These investments will be subject to market fluctuations and to the risks inherent in all investments. Investors should also be aware that the Company's income and its net asset value are liable to be adversely affected by external factors beyond the control of the Company. As a result, the income of the fund and its net asset value may therefore go down as well as go up, subject to the prevailing market conditions.

INVESTMENT OBJECTIVES

The Company is an investment company with the primary objective of achieving medium to long-term capital appreciation as well as generating income from interests and dividends by investing in listed and unlisted companies in the Greater China, Australia and any other countries as the Board may direct from time to time.

INVESTMENT POLICIES

The Company has adopted the following investment policies:

- A substantial portion of investment will be made in listed and unlisted companies in Greater China having substantial operations in the PRC. To a lesser extent, the Company may also invest in other countries should the Directors consider that such investments would provide attractive returns.
- Investments will normally be made in the form of equity-related securities and/or debt securities in listed and unlisted companies in Greater China or other countries as the Board may direct that are engaged in different industries including (but not limited to) manufacturing, bio-technology, services, telecommunication, technology, infrastructure, pharmaceuticals and property sectors aiming at maintaining a balance in the Company's exposure to different industry sectors.
- The Company will seek to identify entities with a record of profit growth, strong management, high levels of technical expertise and research and development capabilities as well as management commitment to long-term growth. However, the Company is flexible in considering investments in companies or other entities which are considered by the Board and the Company's investment manager as being special or in recovery situations.

- Where possible, the Board and the investment manager would seek to identify investments where there is a certain degree of synergy with other investee companies and where cooperation between such companies would be of mutual benefit to each other.
- The investments are intended to be held for medium-term to long-term capital appreciation. The actual holding period will be dependent on the return from investment and the potential of listing on the Stock Exchange or other internationally recognised stock exchanges. The Company will, however, realise investments where the Board believes the realisation would be in the best interests of the Company or where the terms on which such realisation can be made are considered by the Board as particularly favourable to the Company.

INVESTMENT RESTRICTIONS

Under the Bye-laws and the Listing Rules relating to the listing of investment companies, certain restrictions on investments are imposed on the Company. The Board has resolved that the Company may not:

1. either itself or through its wholly-owned subsidiaries or in conjunction with any connected person take legal, or effective, management control of underlying investments and in no event will the Company itself or through its wholly-owned subsidiaries own or control more than 30% (or such other percentage as may from time to time be specified in the Takeovers Code as being the level for triggering a mandatory general offer) of the voting rights in such company or other entity, except in relation to such wholly-owned subsidiaries of the Company;
2. invest in any company or entity other than wholly-owned subsidiaries of the Company if such investment will result in more than 20% of the Net Asset Value being invested in such company or entity as at the date the investment is made;
3. buy or sell commodities, commodity contracts or precious metals, except that it may purchase and sell future contracts on stock indices and securities which are secured by commodities or precious metals; and
4. invest more than 30% of the company's assets outside Greater China to the extent of contravening its primary objective of achieving medium- to long-term capital appreciation by investing in listed and unlisted companies in Greater China.

The Company has to comply with investment restrictions 1 and 2 above at all times while it remains listed as an investment company under Chapter 21 of the Listing Rules. Investment restrictions 3 and 4 cannot be changed for at least three years from the date of the prospectus of the Company issued in 2002 without the approval of Shareholders by way of an ordinary resolution.

The Board has no present intention to change any of the above-mentioned investment restrictions.

Save for the unlisted securities, as at the Latest Practicable Date, the Company has no present intention to invest in options, warrants, commodities, futures contracts or precious metals.

BORROWING POWER

Pursuant to the provision of the Bye-laws, the Company may exercise its borrowing power to borrow up to an aggregate principal amount for the time being remaining discharged of all money borrowed by the Company not exceeding 50% of the Net Asset Value. The Company's assets may be charged or pledged as security for borrowing.

DISTRIBUTION POLICY

It is the Board's intention to distribute any excess balance by way of dividend to the extent permitted by law, the memorandum of continuance of the Company and the Bye-laws. Dividends will only be paid to the extent that they are covered by net income received from underlying investments. Distribution will be made annually after the annual accounts of the Company are approved by the Shareholders but interim distribution may be made from time to time to Shareholders as appeared to the Board to be justified by the position of the Company. Distributions will be made in HK\$.

FOREIGN CURRENCY MANAGEMENT AND EXCHANGE CONTROL

The Company has investment in ViaGOLD Capital Limited, a company listed on the Australian Securities Exchange (details of the same are set out in page 18 of this circular), whose net assets are exposed to foreign currency translation risk with respect to Australian dollars. The Company currently does not have a foreign currency hedging policy. However, the management monitors foreign exchange exposure and will consider hedging significant foreign currency exposure should the need arise.

The Company does not have a significant exposure to foreign currency risk as most of its investments are denominated in Hong Kong dollars. The foreign currency exchange rate fluctuations in connection with the Company's foreign currency denominated at financial assets at fair value through profit or loss are not significant.

To the best knowledge, information and belief of the Directors, there are no foreign exchange controls in force in Australia.

TAXATION

The taxation of income and capital gains of the Company are subject to the fiscal law and practice of Hong Kong. Prospective investors should consult their own professional advisers on the tax implications of investing, holding or disposing of Shares under the laws of the jurisdiction in which they are liable to taxation.

FEES AND EXPENSES

The Company will pay the fees of its investment manager and the custodian, as described below. In addition, the Company will pay certain other costs and expenses incurred in its operation, including taxes, expenses for legal, auditing and consulting services, registration fees and other expenses due to supervisory authorities in various jurisdictions, insurance, interest and brokerage cost.

INVESTMENT MANAGEMENT FEES

Pursuant to the investment management agreement dated 4 May 2011, the Company will pay to China International Capital a management fee and a performance fee as described below:

Management Fee

China International Capital will 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.

Performance Fee

China International Capital will 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 the investment management agreement. In any case, no Performance Fee shall be payable to China International Capital 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).

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.

CUSTODIAN FEES

Pursuant to the custodian agreement dated 29 April 2002, the Company will pay the custodian such reasonable fees, costs and expenses in respect of the custodian account as may from time to time be prescribed by the custodian. All fees, costs and expenses of the custodian shall accrue on a daily basis. The Company also agrees to pay all costs, taxes, expenses and fees (including any applicable fees of any clearing house) in connection with or arising out of the operation of the custodian account.

INVESTMENT PORTFOLIO

The following are the details of the investments of the Company as at 30 June 2011, which include all listed investments and all other investments with a value of more than 5% of the Company's gross assets as at 30 June 2011. Save for the investments disclosed herein, there are no other listed investments and all other investments with a value of more than 5% of the Company's gross assets as at 30 June 2011.

Name of investee company	Number of shares held	Proportion of share capital owned %	Costs HK\$	Market value* HK\$	Unrealised gain (loss) arising on revaluation HK\$	Dividend received/receivable during the year HK\$	Percentage to Gross Asset Value %
(i) China Bio Cassava Holdings Limited (#8129, GEM of Stock Exchange)	295,000,000	3.6%	11,416,390	11,800,000	383,610	—	9.05%
(ii) ViaGOLD Capital Limited (#VIA, Australian Securities Exchange)	1,191,000	3.89%	11,727,980	8,762,370	5,411,963	—	6.72%
(iii) DATRONIX Holdings Limited (#889, Main Board of Stock Exchange)	5,732,000	1.79%	16,742,760	17,482,600	739,840	108,908	13.41%
(iv) Beijing HuaBao Times International Equipment Leasing Co. Ltd.** (“Beijing HuaBao”) (unlisted)	<i>Note (iv)</i>	30.00%	12,000,000	7,320,000	(3,180,000)	<i>Note (iv)</i>	5.62%

* Except for the investment in Beijing HuaBao, all investments are stated at fair values.

Notes:

- (i) China Bio Cassava Holdings Limited (“CBCHL”) is principally engaged in the development and sale of computer software. For the year ended 31 December 2010, the audited consolidated loss from ordinary activities attributable to shareholders of CBCHL was approximately HK\$5,425,000 and the basic loss per share was HK\$0.07. At 31 December 2010, the audited consolidated net asset value of the CBCHL was approximately HK\$13,163,000. At 30 June 2011, the unaudited consolidated net asset value of the CBCHL was approximately HK\$16,393,000. No dividend was received during the year.
- (ii) ViaGOLD Capital Limited (“ViaGOLD”) is principally engaged in investment holding, property development and leasing and capital financing. For the year ended 31 March 2011, the audited consolidated loss from ordinary activities attributable to shareholders of ViaGOLD was approximately AUD3,270,000 (2010: profit of AUD2,633,000) and the basic loss per share was AUD0.14 (2010: earnings per share of AUD0.20). At 31 March 2011, the audited consolidated net asset value of the ViaGOLD was approximately AUD3,149,000 (2010: AUD4,703,000). No dividend was received during the year.
- (iii) The principal activity of DATRONIX Holdings Limited (“DATRONIX”) is investment holding. DATRONIX declared an interim dividend of HK\$0.02 per share, totaling HK\$6,400,000 in respect of the six months ended 30 June 2011 to its shareholders. For the year ended 31 December 2010, the audited consolidated profit from ordinary activities attributable to shareholders of DATRONIX was approximately HK\$87,284,000 and the basic earnings per

share was HK\$0.190. At 31 December 2010, the audited consolidated net asset value of DATRONIX was approximately HK\$550,017,000. At 30 June 2011, the unaudited consolidated net asset value of DATRONIX was approximately HK\$562,686,000.

- (iv) Beijing HuaBao is principally engaged in the car leasing business. Beijing HuaBao generated unaudited profit for the year ended 31 December 2010 and no dividend was declared or received from the investment in Beijing HuaBao for the year ended 31 December 2008, 31 December 2009 and 31 December 2010. Capital contributed by the Company was US\$780,000, representing 30% of the total issued capital of Beijing HuaBao. Nevertheless, pursuant to the sale and purchase agreement dated 28 November 2007, the vendor of Beijing HuaBao has provided a guarantee to the Company for an annual return of not less than HK\$2,640,000 for each of the three years ended 31 December 2008, 2009 and 2010 respectively. The Company has recorded and subsequently received the investment return of HK\$2,640,000 from the counterparty for the year ended 31 December 2008, 31 December 2009 and 31 December 2010.

AVAILABLE-FOR-SALE INVESTMENTS

The details of the available-for-sale investments of the Company as at 30 June 2011 and 31 December 2010 are as follows:

	30 June 2011	31 December 2010
	<i>HK\$</i>	<i>HK\$</i>
Non-current position		
At the beginning of the year	20,820,000	20,927,000
Impairment	(6,720,000)	(107,000)
Fair value loss transfer to equity	<u>(1,500,000)</u>	<u>—</u>
At the end of the year	<u>12,600,000</u>	<u>20,820,000</u>

There were no disposals on available-for-sale financial assets in 2011 or 2010.

Available-for-sale financial assets included the following:

	30 June 2011	31 December 2010
	<i>HK\$</i>	<i>HK\$</i>
Unlisted securities		
— Unlisted securities — the Cayman Islands (<i>note a</i>)	—	—
— Unlisted securities — the PRC (<i>note b</i>)	7,320,000	8,820,000
— Unlisted securities — Hong Kong (<i>note c</i>)	<u>5,280,000</u>	<u>12,000,000</u>
	<u>12,600,000</u>	<u>20,820,000</u>

All the available-for-sale financial assets are denominated in Hong Kong dollars.

The investment in Becky Agric Resources Co., Limited (“BARL”) (*note c*) is stated at cost less any impairment.

Notes:

- a. The Company held 5,735 issued ordinary shares in Dyxnet as at 31 December 2010. By reference to the management accounts of the Dyxnet for the year ended 31 December 2009, it represents approximately 0.23% of the total issued ordinary shares of Dyxnet. In 2009, the significant dilution of the equity percentage of the Company had been attributable to the issue of 2,334,567 shares to the directors and employees of Dyxnet under a share option scheme. There were dilutive instruments of 32,324,967 series A-1 convertible preference shares and 179,582 share options outstanding in the books of Dyxnet which may lead to further dilution of the Company's equity interests in Dyxnet as at 31 December 2009. The Directors considered that the interest in Dyxnet has been diluted and therefore an impairment loss of HK\$107,000 was further recognized in the income statement for the year.
- b. Beijing HuaBao is principally engaged in the car leasing business. During the year under review, Beijing HuaBao acquired property in Beijing for leasing purposes.
- c. On 31 December 2007, the Company entered into a co-operation agreement with Harvest Smart Becky Agric-Bio Technology Limited (Formerly known as Becky Agric Bio Energy Co., Limited) ("**Harvest Smart BAB**"), an independent third party which wished to form a wholly foreign owned enterprise (the "**WFOE**"), which will be engaged in the production of organic agricultural products, promotion of organic farming and operation of an organic theme park in the PRC. As at 31 December 2007, the Company paid a deposit of HK\$12 million for the investment to Harvest Smart BAB. Pursuant to the co-operation agreement, Harvest Smart BAB has provided a guarantee to the Company for an annual return of not less than HK\$2,640,000 for each of the five years ended/ending 31 December 2008, 2009, 2010, 2011 and 2012 respectively

In January 2008, Harvest Smart BAB started its organic farming project and signed a sub-contracting contract with Guangdong Conghua City Lu Town Investment Service Centre ("**GCCL**") for the usage of land. In October 2008, Harvest Smart BAB informed the Company that the organic farming project in Conghua City was terminated because GCCL could not fulfill the contract terms. In December 2008, Harvest Smart BAB informed the Company that the organic farming project would be restarted in Guangdong Luoding City. Pursuant to a supplemental agreement, the Company still enjoys 30% of return of this organic farming operation in the future and Harvest Smart BAB continues to provide profit guarantee to the Company according to the original co-operation agreement.

For the new organic farming project in Luoding City, an investee company, BARL was incorporated in Hong Kong in June 2008. BARL allotted 3,000 ordinary shares, representing 30% equity interests of BARL at a consideration of HK\$12,000,000 to the Company and 70% equity was allotted to Harvest Smart BAB on incorporation.

BARL commenced its organic farming business by investing in an organic farm in Guangdong Luoding City since 2009 and extended their organic products to market during the year ended 31 December 2010; the investment return received through the guarantee profit provided by Harvest Smart BAB is HK\$2,640,000 each for the years of 2009 and 2010.

After due consideration of the relevant documents and review of the financial position and management forecast of BARL, the Board confirms that BARL has sufficient net assets value and will be generating positive returns to the Company, no impairment provision for the investment is considered necessary as at 31 December 2010.

PROVISION FOR DIMINUTION IN VALUE OF INVESTMENTS

As at 31 December 2007, the Company paid a deposit of HK\$3 million to an independent third party (the "**vendor**") for the purchase of 20% equity interests in an unlisted company, Guangzhou Sino Aviation Services Company Limited** (廣州星越航空服務有限公司) ("**Sino Aviation**") (the "**Acquisition**"). Sino Aviation was incorporated in the PRC as a limited liability company with a registered capital of RMB3,800,000. The principal activity of Sino Aviation is the provision of consultancy services on navigation. Other than the aforesaid HK\$3 million, the Company did not have to inject any further funds into this project until the vendor completed certain preliminary works as explained below.

To complete the Acquisition, the vendor was required to complete preliminary works including changing Sino Aviation from a domestic private enterprise to a Sino-foreign equity joint venture company (“SFEJV”) and facilitating the SFEJV to obtain a formal business licence which allows the SFEJV to (i) act as an air freight forwarding agent and (ii) provide air freight forwarding enterprise management consultancy service on or before 20 September 2008. On 1 September 2009, the Board extended the period of preparing preliminary works to 20 September 2009 to the vendor after reconsidering the investment potential of the Acquisition.

Since the vendor failed to complete the aforesaid preliminary works by the prescribed time, the Company decided to terminate the Acquisition and requested for the refund of the deposit together with an interest calculated at HSBC’s best lending rate. The management kept on following up the status with the vendor and requested the vendor to confirm the balance due as at 31 December 2009 to the Company after the end of the reporting period. However, the Company received no reply from the vendor and has lost contact with the vendor since then. In March 2010, the Company decided to take legal actions against the vendor for his default in repayment, but the Company still could not reach the vendor. The Board considered that the deposit was unlikely to be recovered and therefore a full impairment provision of HK\$3,000,000 was made for the year ended 31 December 2009. On 31 December 2010 the Board reviewed the impairment made and there is no reversal of the impairment during the year.

** *The English name is for identification purpose only*

NOTICE OF SGM



OPES ASIA DEVELOPMENT LIMITED 華保亞洲發展有限公司*

(Continued into Bermuda with limited liability)

(Stock Code: 810)

NOTICE IS HEREBY GIVEN that the special general meeting (the “**SGM**”) of Opes Asia Development Limited (the “**Company**”) will be held at Room 1, United Conference Centre, 10/F United Centre, 95 Queensway, Hong Kong on Wednesday, 30 November 2011 at 9:30 a.m., for the purpose of considering and, if thought fit, passing the following special resolutions:

SPECIAL RESOLUTIONS

1. “**THAT** subject to the publication of a notice in respect of the Share Premium Reduction (as defined below) in Bermuda in accordance with section 46(2)(a) of the Companies Act 1981 of Bermuda and the directors of the Company confirming on the Effective Date (as defined below) that there are no reasonable grounds for believing that the Company is, or after the Share Premium Reduction (as defined below) would be, unable to pay its liabilities as they fall due:
 - (a) the entire amount standing to the credit of the share premium account of the Company be reduced to nil (the “**Share Premium Reduction**”) with effect from the next business day after the date on which this resolution is passed (the “**Effective Date**”);
 - (b) the credit amount arising from the Share Premium Reduction be transferred to the contributed surplus account of the Company;
 - (c) the necessary amount standing to the credit of the contributed surplus account of the Company be applied to set off in full against the accumulated losses of the Company; and
 - (d) the directors of the Company be and are hereby authorised to utilise any credit balance in the contributed surplus account in accordance with the bye-laws of the Company and all applicable laws (including the application of such credit balance to set off against accumulated losses of the Company),and the directors of the Company be and are authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate to effect and implement the Share Premium Reduction.”
2. “**THAT**, conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting the listing of, and the permission to deal in, the Consolidated Shares (as defined below) with effect from the next business day after the date on which this resolution is passed:
 - (a) every ten (10) issued and unissued shares of par value HK\$0.001 each in the share capital of the Company be consolidated into one (1) share of par value HK\$0.01 (the “**Consolidated Shares**”) (the “**Share Consolidation**”); and

* for identification purpose only

NOTICE OF SGM

- (b) all of the Consolidated Shares resulting from the Share Consolidation shall rank *pari passu* in all respects with each other and have the rights and privileges and be subject to the restrictions contained in the bye-laws of the Company; and
- (c) any fractional entitlements to the issued Consolidated Shares shall be aggregated and sold for the benefit of the Company by an agent appointed by the Company's board of directors for that purpose,

and the directors of the Company be and are hereby authorised generally to do all such acts, deeds and things as they shall, in their absolute discretion, deem appropriate to effect and implement the Share Consolidation.”

Yours faithfully,
For and on behalf of the Board of
OPES ASIA DEVELOPMENT LIMITED
Chu Wai Lam
Executive Director

Hong Kong, 7 November 2011

Notes:

1. Any shareholder of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his/her proxy to attend and vote on his behalf in accordance with the bye-laws of the Company. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
2. A form of proxy for use at the SGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, branch share registrar and transfer office of the Company in Hong Kong, Tricor Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
3. Where there are joint registered holders of any share(s), any one of such joint holders may attend and vote at the SGM, either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the SGM or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
4. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the SGM or any adjournment thereof if he/she so desires. If a shareholder of the Company attends and votes at the SGM after having deposited the form of proxy, his/her form of proxy will be deemed to have been revoked.

As at the date of this notice, 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.