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ASIA INVESTMENT FINANCE GROUP LIMITED

亞投金融集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 33)

VOLUNTARY ANNOUNCEMENT

COOPERATIVE FRAMEWORK AGREEMENT IN RELATION TO THE FORMATION OF THE INDUSTRY DEVELOPMENT FUND

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that, on 10 January 2017, the Company entered into the Cooperative Framework Agreement with Huaining Government in relation to the proposed formation of the Industry Development Fund. Pursuant to the Cooperative Framework Agreement, the Company is committed to contribute not less than RMB7,000,000 (equivalent to HK\$7,841,556) and not more than RMB10,000,000 (equivalent to approximately HK\$11,202,223) as the controlling shareholder of the general partner of the Industry Development Fund.

LISTING RULE IMPLICATIONS

As each of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Cooperative Framework Agreement is below 5%, the entering into of the Cooperative Framework Agreement does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules and this announcement is made by the Company on a voluntary basis for the information of the shareholders and potential investors of the Company.

GENERAL

Pursuant to the terms of the Cooperative Framework Agreement, the Company and Huaining Government will enter into further discussion in accordance with the principles set out in the Cooperative Framework Agreement and enter into the definitive agreements governing their respective rights and obligations in relation to the Industry Development Fund.

In the event any definitive agreement is entered into, the Company will comply with the requirements of the Listing Rules in respect thereof and make further announcement(s) as and when appropriate. Shareholders and potential investors of the Company should thus exercise caution when dealing in the shares and potential investors of the Company are thus reminded to exercise caution when dealing in the securities of the Company.

This announcement is made by the Company on a voluntary basis.

The Board is pleased to announce that, on 10 January 2017 (after trading hours), the Company entered into the Cooperative Framework Agreement with Huaining Government in relation to the formation of the Industry Development Fund.

SCOPE OF COOPERATION PURSUANT TO THE COOPERATIVE FRAMEWORK AGREEMENT

Leveraging on the advantages of the Group in terms of human resources, global information, network resources and financial profession, the Group intends to (i) carry out in-depth study of the status and resource advantages of Huaining County, (ii) assist it to formulate regional economic development plans in respect of finance, taxation, industries; and hence (iii) form the Industry Development Fund with Huaining Government to invest in development of innovative industries, transformation and upgrade of traditional industries, merger and acquisition of overseas corporations, and development of modern agriculture.

INDUSTRY DEVELOPMENT FUND

The Company and Huaining Government intended to establish jointly the Industry Development Fund by way of limited partnership, in which Huaining Government will be responsible for fund sourcing of limited partners. The Company and Huaining Government will jointly establish the general partner, in which the Company will be the controlling shareholder of the general partner holding not less than 70%. The Industry Development Fund and its affiliates will be incorporated in Huaining County.

The scale of Industry Development Fund will be RMB1 billion, in which 99% will be contributed by limited partners and 1% will be contributed by general partner. Pursuant to the Cooperative Framework Agreement, the Company is committed to contribute not less than RMB7,000,000 (equivalent to approximately HK\$7,841,556) and not more than RMB10,000,000 (equivalent to approximately HK\$11,202,223) as the controlling shareholder of the general partner of the Industry Development Fund.

The Industry Development Fund is to be established with a duration of seven (7) years and an investment period of five (5) years.

Pursuant to the Cooperative Framework Agreement, the finance leasing company to be established by the Industry Development Fund will provide indirect finance service for the projects invested by the Industry Development Fund or its affiliates settled in the Huaining County.

VALIDITY

The Cooperative Framework Agreement will remain valid within one (1) year from the entering into of such agreement by Huaining Government and the Company.

INFORMATION ABOUT HUAINING GOVERNMENT

Huaining Government is the people's government of Huaining County (懷寧縣) in Anhui Province (安徽省) of the PRC

As at the date of this announcement and to the best knowledge, information and belief of the Directors, and having made all reasonable enquiries, Huaining Government and its ultimate beneficial owner(s) are Independent Third Parties.

REASON FOR THE TRANSACTIONS

The Group is currently principally engaged in stockbroking, investment and asset management, money lender, credit guarantee and trading related businesses.

As mentioned in the interim report of the Company for the six months period ended 30 June 2016, despite the uncertainties in the global economy, the Group is still confident in the future of the global financial markets, particularly in those countries and regions within the scope of the "One-Belt-One-Road" policy. As detailed in the announcement of the Company dated 14 September 2016, the Company entered into a memorandum of understanding with Kazyna Capital Management Joint Stock Company ("KCM") in relation to the proposed joint establishment of the Hong Kong Kazakhstan Logistics & Growth Fund with target capitalization of not less than USD1 billion in response to development opportunities arising from the national strategy of "One-Belt-One-Road" initiative. KCM was established by the government of the Republic of Kazakhstan in accordance with legislation of the Republic of Kazakhstan as a joint stock company in 2007. As detailed in the announcement of the Company dated 23 December 2016, the Company has entered into framework agreements with CITIC Merchant Co., Limited ("CITIC Merchant") for the subscription of convertible bonds by CITIC Merchant and the jointly formation of fund by the Company and CITIC Merchant to explore investment opportunities in state-owned enterprises restructuring and overseas mergers and acquisitions.

In light of the above recent business development of the Group in the field of asset management, the Directors are also optimistic of the strategic cooperation with Huaining Government. The Directors consider the formation of, and participation by the Group in, the Industry Development Fund to be consistent with the Group's long-term development strategy. The entering into of the Cooperative Framework Agreement will enhance the development of the Group's financial platform in the field of asset management and broaden its income source and improve its financial performance. Accordingly, the Directors consider that the terms of the Cooperative Framework Agreement are fair and reasonable and are in the interests of the Company and Shareholders as a whole.

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DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

“Board”	the board of Directors
“Company”	Asia Investment Finance Group Limited (亞投金融集團有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange (Stock code: 33)
“Cooperative Framework Agreement”	the cooperative framework agreement dated 10 January 2017 entered into between the Company and Huaining Government in relation to the formation of the Industry Development Fund
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Huaining County”	Huaining County (懷寧縣) in Anhui Province (安徽省) of the PRC
“Huaining Government”	the people’s government of Huaining County (懷寧縣) in Anhui Province (安徽省) of the PRC

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	individual, professional or institutional investors and are independent of and not acting in concert (as defined in the Takeovers Code) with or connected with each other, the directors, chief executive or substantial shareholders of the Company or any of its subsidiaries or an associate of any of them or any other shareholders of the Company
“Industry Development Fund”	the fund to be set up pursuant to the Cooperative Framework Agreement, details of which are set out in the section headed “Industry Development Fund” of this announcement
“Listing Committee”	Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of HK\$0.10 each of the Company
“Shareholder(s)”	holder(s) of the Shares(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
Asia Investment Finance Group Limited
Cheung Kwan
Chairperson and Executive Director

Hong Kong, 10 January 2017

As at the date of this announcement, the Board comprises five executive Directors, namely Ms. Cheung Kwan, Mr. Wei Jiafu, Mr. Huang Shenglan, Mr. Cheng Wen and Mr. Wong Kwong Sum; and three independent non-executive Directors, namely Mr. Anthony Espina, Mr. Wong Tin Yau, Kelvin and Mr. Ho Chun Chung, Patrick.

For the purposes of illustration only, any amount denominated in RMB in this announcement was translated into HK\$ at the rate of HK\$1 = RMB0.89268 (being the RMB central parity rate by the People's Bank of China as at 10 January 2017). Such translations should not be construed as a representation that the amounts in question have been, could have been or could be, converted at any particular rate at all.