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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: 0033)**

### **FRAMEWORK AGREEMENT IN RESPECT OF A PROPOSED ACQUISITION**

This announcement is made by the Company pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board would like to announce that on 1 November 2017 (after trading hours), ASIA INVFIN Fund Limited Partnership, whose general partner is a wholly-owned subsidiary of the Company, on one part of the Purchaser entered into the Framework Agreement with Golden Profit Plus Oil S.a.r.l on the other part of the Vendor, pursuant to which the Purchaser intends to purchase, and the Vendor intends to sell, 100% of the total issued shares of the Target Company, which is incorporated in the Netherlands and holds certain equity interest in Dostyk Gas and Dostyk Refinery, which are principally engaged in provision of liquified petroleum gas logistic services and crude oil refinery in the Republic of Kazakhstan, respectively.

The Framework Agreement is not intended to be legally binding. If the Purchaser proceeds with the Proposed Acquisition, it will enter into legally binding agreement(s) with the Vendor in respect of the Proposed Acquisition.

**The Board wishes to emphasise that the Proposed Acquisition may or may not proceed and that the Company has not entered into any binding agreement in relation to the Proposed Acquisition as at the date of this announcement. If the Proposed Acquisition materialises, it will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. The Company will make further announcement in respect of the Proposed Acquisition as and when appropriate in accordance with the Listing Rules.**

This announcement is made by the Company pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## **FRAMEWORK AGREEMENT**

The Board would like to announce that on 1 November 2017 (after trading hours), the Purchaser entered into the Framework Agreement with the Vendor. The principal terms of the Framework Agreement are set out as follows:

**Date:** 1 November 2017 (after trading hours)

**Parties:** (a) Purchaser: ASIA INVFIN Fund Limited Partnership, whose general partner is a wholly-owned subsidiary of the Company; and

(b) Vendor: Golden Profit Plus Oil S.a.r.l, a company incorporated in Luxembourg with limited liability

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, the Vendor and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

### **Assets to be acquired**

The Purchaser intends to purchase, and the Vendor intends to sell, 100% of the total issued shares of the Target Company.

The Vendor is a company incorporated in Luxembourg with limited liability. As at the date of this announcement, the Target Company, being a wholly-owned subsidiary of the Vendor, holds (i) 30% equity interest in Dostyk Gas; and (ii) 50% equity interest in Dostyk Refinery. The Vendor will procure other shareholders of Dostyk Gas to complete the voting right entrustment of the 30% equity interest in Dostyk Gas to the Purchaser before 31 December 2020. As such, the Purchaser will be entitled to exercise the voting rights of an aggregate of the 60% equity interest in Dostyk Gas, whose financial results will be consolidated into the financial statements of the Purchaser.

Dostyk Gas is principally engaged in the provision of trading and logistics of liquefied petroleum gas in Dostyk town, Almaty State, the Republic of Kazakhstan. With its gas terminal which is about 7 km to the border entry of Xinjiang, the PRC, the target clients of Dostyk Gas are mainly the petrochemical enterprises in the PRC. The Kazakhstan upstream suppliers transport liquefied petroleum gas by rail to the gas terminal of Dostyk Gas and undergo the tanker refill process for the transshipment to the PRC. The gas terminal of Dostyk Gas is on the border between the Republic of Kazakhstan and Xinjiang, the PRC, which is an important port of entry from the Central Asia to the PRC. The rail portion owned by the gas terminal of Dostyk Gas serves as an important link for liquefied petroleum gas shipment between the Central Asia and the PRC. The terminal covers an area of over 35 hectares. Dostyk Gas is licensed to engage in business of trading and wholesale business of liquefied petroleum gas.

Dostyk Refinery is located at Dostyk town, Almaty State, the Republic of Kazakhstan, which is about 7 km to the border entry of Xinjiang, the PRC. It is mainly engaged in the refining and processing of the petroleum-related raw materials in the Republic of Kazakhstan, export of its oil products and provision of transshipment services of refined oil. Dostyk Refinery covers an area of over 45 hectares. The core production buildings include vertical storage tanks, transshipment platform of crude oil and heavy oil with private railways, transshipment platform of petroleum with private railways and oil pump. The rail portion owned by Dostyk Refinery serves as an important link for oil-related products shipment between the Central Asia and the PRC.

### **Consideration**

The Purchaser and the Vendor will take into account the final valuation from the valuer for agreeing on the total consideration for the Proposed Acquisition, which will be finalised in the Formal Agreement.

### **Earnest Deposit**

An Earnest Deposit in the amount of HK\$5,000,000 will be paid by the Purchaser to the Vendor within one (1) month after signing the Framework Agreement. The Vendor and the Purchaser agree that should the Formal Agreement be entered into, the Earnest Deposit shall form part of the consideration for the Proposed Acquisition payable by the Purchaser to the Vendor according to the Formal Agreement. In case of termination of the Framework Agreement, the Vendor should return the Earnest Deposit in full to the Purchaser within 10 business days from the date of such termination.

### **Due Diligence**

The Vendor and the Purchaser agree that the Purchaser will be entitled to conduct due diligence review prior to the Proposed Acquisition on the Target Group, Dostyk Gas and/or Dostyk Refinery and their respective subsidiaries. The Vendor agrees to, after signing of the Framework Agreement, provide the Purchaser and its professional advisers with relevant documents and information in relation to the account books, records, properties and assets of the Target Group, Dostyk Gas and/or Dostyk Refinery and their respective subsidiaries for conducting such due diligence review prior to the Proposed Acquisition, and to assist the Purchaser and its professional advisers to conduct such due diligence review with the third parties (including suppliers, distributors, agents, clients, auditors and regulatory authorities).

### **Exclusivity**

The Vendor undertakes that the Purchaser shall have the exclusive right to acquire the Target Shares as well as the equity interests of Dostyk Gas and Dostyk Refinery within 6 months from the date of the Framework Agreement (or such later date as may be agreed by the Vendor and the Purchaser). Therefore, except with prior written consent by the Purchaser, the Vendor shall not transfer (and shall procure others not to transfer) to any third parties other than the Purchaser all or any of its interest in any members of the Target Group, Dostyk Gas and/or Dostyk Refinery and their respective subsidiaries. The Vendor further undertakes that it will not, during the aforesaid period, negotiate with any third

parties in relation to the sale and purchase of the Target Shares or any equity interest in Dostyk Gas and Dostyk Refinery (whether in its entirety or any part thereof) or any transactions or agreements with similar effects.

### **Validity**

Save for certain provisions relating to, among others, the Earnest Deposit, exclusivity, confidentiality as well as governing law and jurisdiction which are legally binding, other terms of the Framework Agreement are for discussion purposes only and do not constitute any legally binding obligations upon any parties unless the Formal Agreement is entered into between the Purchaser and the Vendor.

The Framework Agreement shall take effect from the date of signing the Framework Agreement and shall terminate and be of no legal force and effect (whichever is earlier) (i) on the date of the Formal Agreement; or (ii) after expiry of 6 months from the date of the Framework Agreement or such later date as may be agreed by the Purchaser and the Vendor.

### **REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION**

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

As mentioned in the interim report of the Company for the six months ended 30 June 2017, the Group is confident about the financial markets and business development in the future, particularly in those countries and regions within the scope of the “Belt and Road” policy, which are full of emerging opportunities. While its securities brokerage and asset management businesses have commenced full operation, the Group has been looking for investment projects with potential and new business opportunities in countries and regions within the scope of the “Belt and Road” policy by utilising its financial platform.

In light of the recent business development as mentioned above, the Group is optimistic about investments in the energy business in the Republic of Kazakhstan and considers energy business as a crucial segment for its investment under the “Belt and Road” policy. Accordingly, the Directors consider that the terms of the Framework Agreement are fair and reasonable and that the entering into of the Framework Agreement is in the interest of the Company and the Shareholders as a whole.

### **GENERAL**

**The Board wishes to emphasise that the Proposed Acquisition may or may not proceed and that the Company has not entered into any binding agreement in relation to the Proposed Acquisition as at the date of this announcement. If the Proposed Acquisition materialises, it will constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules.**

**Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares. The Company will make further announcement in respect of the Proposed Acquisition as and when appropriate in accordance with the Listing Rules.**

## DEFINITIONS

In this announcement, unless the context requires otherwise, the following terms shall have the following meanings:

“Board”	board of the 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)
“Directors”	directors of the Company
“Dostyk Gas”	Dostyk Gas Terminal LLP, being incorporated in the Republic of Kazakhstan, which is primarily engaged in the transshipment and logistics services and trading of liquefied petroleum gas in the Republic of Kazakhstan, with target clients for its products and services being mainly the petrochemical enterprises in the PRC
“Dostyk Refinery”	Dostyk Refinery LLP, being incorporated in the Republic of Kazakhstan, which is primarily engaged in the refining and processing of the petroleum-related raw materials in the Republic of Kazakhstan, export of its oil products to petrochemical enterprises in the PRC and provision of transshipment service of refined oil produced in the Central Asia and Russian regions for export to the PRC
“Earnest Deposit”	an earnest money of HK\$5,000,000 paid by the Purchaser to the Vendor within one (1) month of the date of the Framework Agreement
“Formal Agreement”	a formal sale and purchase agreement to be entered into between the Purchaser and the Vendor in respect of the Proposed Acquisition incorporating the terms of the Framework Agreement
“Framework Agreement”	the framework agreement dated 1 November 2017 entered into between the Purchaser and the Vendor in relation to the Proposed Acquisition
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, and for the purpose of this announcement, shall not include Hong Kong, Taiwan and the Special Administrative Region of Macau
“Proposed Acquisition”	the proposed acquisition by the Purchaser of 100% of the total issued shares of the Target Company
“Purchaser”	ASIA INVFIN Fund Limited Partnership, an exempted limited partnership established in the Cayman Islands, whose general partner is a wholly-owned subsidiary of the Company
“Share(s)”	share(s) of HK\$0.10 each of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Ropiton Holding B.V., a company incorporated in the Netherlands with limited liability which holds 30% equity interest in Dostyk Gas and 50% equity interest in Dostyk Refinery as at the date of this announcement
“Target Group”	the Target Company and its subsidiaries
“Target Shares”	100% of the total issued shares of the Target Company
“United States”	the United States of America
“Vendor”	Golden Profit Plus Oil S.a.r.l, a company incorporated in the Luxembourg with limited liability

By Order of the Board  
**Asia Investment Finance Group Limited**  
**Ms. Cheung Kwan**  
*Chairperson*

Hong Kong, 1 November 2017

*As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Cheung Kwan, Mr. Wei Jiafu, and Mr. Wong Kwong Sum; one non-executive Director, Ms. Wang Angel Yunxiao; and four independent non-executive Directors, namely Mr. Anthony Espina, Mr. Wong Tin Yau, Kelvin, Mr. Ho Chun Chung, Patrick and Mr. Ge Ming.*