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ASIA INVESTMENT FINANCE GROUP LIMITED

亞投金融集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 33)

ISSUE OF NEW SHARES UNDER GENERAL MANDATE

On 29th October 2018 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement pursuant to which the Subscriber agreed to subscribe and the Company agreed to issue a total of 500,000,000 new Shares at the price of HK\$0.10 per Share. The Subscription Shares represent approximately 5.36% of the existing number of issued shares of the Company of 9,327,172,000 Shares as at the date of this announcement and approximately 5.09% of the total number of issued shares of the Company as enlarged by the Subscription.

The Subscription Shares will be issued under the General Mandate.

The completion of the Subscription is conditional upon, among others, the Stock Exchange granting the listing of and permission to deal in the Subscription Shares.

The net proceeds from the Subscription of HK\$50.0 million will be used for development of the Group's artificial intelligence and robotics business.

Completion of the transaction under the Subscription Agreement is subject to the satisfaction of the conditions precedent therein. As the transaction under the Subscription Agreement may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

SUBSCRIPTION AGREEMENT

Date

29th October 2018

Parties

Issuer: The Company; and

Subscriber: Jaeger International Co., Limited.

To the best of the Directors' information and belief, the Subscriber and its ultimate beneficial owner are Independent Third Parties. The Subscriber is principally engaged in investment holding.

Number of Subscription Shares

500,000,000 new Shares, representing approximately 5.36% of the existing issued share capital of the Company of 9,327,172,000 Shares as at the date of this announcement and approximately 5.09% of the issued share capital of the Company as enlarged by the Subscription. The nominal value of the Subscription Shares is HK\$50,000,000.

Subscription Price

HK\$0.10 per Share, representing:

- (a) a premium of approximately 51.5% to the closing price of HK\$0.066 per Share as quoted on the Stock Exchange on 29th October 2018, being the date of the Subscription Agreement; and

- (b) a premium of approximately 61.3% to the average closing price of HK\$0.062 per Share as quoted on the Stock Exchange for the last 5 trading days immediately before 29th October 2018, being the date of the Subscription Agreement.

The Subscription Price was determined after arm's length negotiation between the Company and the Subscriber with reference to the historical market prices of the Shares and the prevailing market conditions.

The net proceeds from the Subscription is HK\$50.0 million.

General Mandate

The Subscription Shares will be issued pursuant to the general mandate to allot, issue and deal with Shares granted to the Directors by resolution of the Shareholders passed at the Company's annual general meeting held on 22nd June 2018 up to a maximum of 1,865,434,400 Shares. As at the date of this announcement, no Share has been issued pursuant to the general mandate.

Ranking of the Subscription Shares

The Subscription Shares, when fully paid and allotted and issued, will rank *pari passu* in all respects with the Shares in issue on the completion date of the Subscription, including the right to any dividends or distributions after the date of allotment.

Conditions to the Subscription

Completion of the Subscription is conditional upon:

- (i) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares;
- (ii) all issued shares of the Company remain listed on the Stock Exchange; the Stock Exchange has not objected to such listing or raised any questions, queries or objections to the Company maintaining its listing status; and there being no matters or circumstances which would lead to the Stock Exchange making such objections;

- (iii) all necessary consents and approvals required to be obtained on the part of the Subscriber and the Company in respect of the Subscription Agreement having been obtained; and the Subscriber and the Company having complied with all applicable laws and rules; and there is no prohibition or material delay imposed by the relevant authorities regarding completion of the Subscription Agreement;
- (iv) two persons nominated by the Subscriber being appointed as executive Directors of the Company;
- (v) no facts or circumstances have occurred which would have any material adverse effect on the Company's business, assets, financial condition, performance, operation, properties or other affairs (financial or otherwise);
- (vi) the information and group structure of the Company as set out in the Subscription Agreement remain unchanged and all members of the Group remain validly existing as at completion;
- (vii) there being no material breach of the Company's warranties under the Subscription Agreement; such warranties not being misleading or untrue in any material respects; and the Company has not committed any material breach of the Subscription Agreement; and
- (viii) there being no material breach of the Subscriber's warranties under the Subscription Agreement; such warranties not being misleading or untrue in any material respects; and the Subscriber has not committed any material breach of the Subscription Agreement.

If the aforesaid conditions are not satisfied on or before 16th November 2018 or such other date as the Company and the Subscriber may agree, the Subscription Agreement shall terminate and none of the parties shall have any claim against the other for costs, damages, compensation or otherwise.

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Completion of the Subscription

Completion of the Subscription will take place on the seventh Business Day after all the conditions listed above have been satisfied or such other date as the Company and the Subscriber may agree.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTION

The shareholding structure of the Company as at the date of this announcement and immediately after completion of the Subscription is and will be as follows:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Subscription (assuming that there will not be any change in the issued share capital of the Company from the date of this announcement to the date of completion of the Subscription)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Shareholders				
Internet Finance Investment Co. Ltd. and/or Ms. Cheung Kwan (<i>Note</i>)	2,450,000,000	26.3	2,450,000,000	24.9
Public Shareholders				
The Subscriber	–	–	500,000,000	5.1
Other public Shareholders	<u>6,877,172,000</u>	<u>73.7</u>	<u>6,877,172,000</u>	<u>70.0</u>
	<u>9,327,172,000</u>	<u>100.0</u>	<u>9,827,172,000</u>	<u>100.0</u>

Notes: Internet Finance Investment Co. Ltd. is wholly owned by Ms. Cheung Kwan.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTION AND USE OF PROCEEDS

The Group is principally engaged in securities brokerage and asset management, money lending business, credit guarantee and investment and development on artificial intelligence and robotics business, trading of party products and metal and mineral.

The Directors are of the view that the Subscription will strengthen the Group's business development on artificial intelligence and robotics business.

The Directors consider that the terms of the Subscription to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The net proceeds of HK\$50.0 million from the Subscription will be used for development of the Group's artificial intelligence and robotics business.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund raising activities for the 12 months immediately before the date of this announcement.

DEFINITIONS:

Unless the context otherwise requires, the following terms shall have the meanings set out below:

“Board” board of Directors

“Business Day(s)” a day (excluding Saturday and other general holidays in Hong Kong) on which banks in Hong Kong are generally open for business

“Company”	Asia Investment Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“connected person”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“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)”	a third party independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Jaeger International Co., Limited, a limited company incorporated in Hong Kong
“Subscription”	the subscription of the Subscription Shares by the Subscriber pursuant to the Subscription Agreement

“Subscription Agreement”	the agreement dated 29 th October 2018 made between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	HK\$0.10 per Share
“Subscription Shares”	500,000,000 new Shares
“%”	per cent.

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

Hong Kong, 29th October 2018

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Cheung Kwan, Mr. Ling Zack Xiange, and Mr. Liu Hu; one non-executive Director, Mr. Wang Dayong; and three independent non-executive Directors, namely Mr. Anthony Espina, Mr. Ge Ming and Mr. Wang Jun Sheng.