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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 18 March 2019 (after trading hours), the Company and the Subscribers entered into the Subscription Agreements pursuant to which the Subscribers agreed to subscribe and the Company agreed to issue a total of 300,000,000 new Shares at the price of HK\$0.10 per Share. The Subscription Shares represent approximately 3.2% 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 3.1% of the total number of issued shares of the Company as enlarged by the Subscriptions.

The Subscription Shares will be issued under general mandate.

The completion of the Subscriptions 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 Subscriptions of approximately HK\$29.9 million will be used for working capital of the Group.

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

## **SUBSCRIPTION AGREEMENTS**

### **Subscription Agreement I**

#### **Date**

18 March 2019

#### **Parties**

Issuer: The Company; and

Subscriber: Subscriber I

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

### **Subscription Agreement II**

#### **Date**

18 March 2019

#### **Parties**

Issuer: The Company; and

Subscriber: Subscriber II

To the best of the Directors' information and belief, Subscriber II is an Independent Third Party.

### **Subscription Agreement III**

#### **Date**

18 March 2019

#### **Parties**

Issuer: The Company; and

Subscriber: Subscriber III

To the best of the Directors' information and belief, Subscriber III is an Independent Third Party.

### **Subscription Agreement IV**

#### **Date**

18 March 2019

#### **Parties**

Issuer: The Company; and

Subscriber: Subscriber IV

To the best of the Directors' information and belief, Subscriber IV is an Independent Third Party.

### **Number of Subscription Shares**

300,000,000 new Shares, representing approximately 3.2% of the existing issued share capital of the Company of 9,327,172,000 Shares as at the date of this announcement and approximately 3.1% of the issued share capital of the Company as enlarged by the Subscription. The nominal value of the Subscription Shares is HK\$30,000,000.

## **Subscription Price**

HK\$0.10 per Share, representing:

- (a) a premium of approximately 28.2% to the closing price of HK\$0.078 per Share as quoted on the Stock Exchange on 18 March 2019, being the date of the Subscription Agreements; and
- (b) a premium of approximately 58.7% to the average closing price of HK\$0.063 per Share as quoted on the Stock Exchange for the last 5 trading days immediately before 18 March 2019, being the date of the Subscription Agreements.

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

The Subscribers shall pay a total of HK\$6 million (representing 20% of the total subscription money) being deposit and part payment of the subscription money to the Company within 5 Business Days after signing of the Subscription Agreements. The balance shall be payable upon completion of the Subscriptions.

## **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 22<sup>nd</sup> June 2018 up to a maximum of 1,865,434,400 Shares. As at the date of this announcement, 700,000,000 Shares have been used 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 Subscriptions, including the right to any dividends or distributions after the date of allotment.

## **Conditions to the Subscription**

Completion of the Subscriptions is conditional upon:

- (i) the Stock Exchange granting the listing of and permission to deal in the Subscription Shares;
- (ii) all necessary consents and approvals required to be obtained on the part of the Subscribers and the Company in respect of the Subscription Agreements having been obtained.

If the aforesaid conditions are not satisfied on or before 8 April 2019 or such other date as the Company and the Subscriber may agree, the Subscription Agreements 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 Subscriptions**

Completion of the Subscriptions 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 Subscribers may agree.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY FOLLOWING COMPLETION OF THE SUBSCRIPTIONS

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

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Subscriptions (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 Subscriptions)	
	Number of Shares	Approximate %	Number of Shares	Approximate %
<b>Shareholders</b>				
Internet Finance Investment Co. Ltd. and/or Ms. Cheung Kwan ( <i>Note</i> )	2,450,000,000	26.3	2,450,000,000	25.5
<b>Public Shareholders</b>				
The Subscribers	–	–	300,000,000	3.1
Other public Shareholders	6,877,172,000	73.7	6,877,172,000	71.4
	<u>9,327,172,000</u>	<u>100.0</u>	<u>9,627,172,000</u>	<u>100.0</u>

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

## REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Group is principally engaged in stockbroking, investment, asset management, money lending, credit guarantee, trading, security high-tech product development and production, international security service business.

The Directors are of the view that the Subscriptions will strengthen the financial position of the Group and provide funding to the Group for its business operations and development.

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

The net proceeds of approximately HK\$29.9 million from the Subscriptions will be used for working capital of the Group.

## **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
“Subscribers”	collectively Subscriber I, Subscriber II, Subscriber III and Subscriber IV
Subscriber I	廣州富興華倫置業投資有限公司(Guangzhou Fuxing Hualun Property Investment Co. Ltd.*)
Subscriber II	皮社勝先生 (Mr. Pi Shesheng)
Subscriber III	關國釗先生 (Mr. Guan Guozhao)
Subscriber IV	嚴怡翔先生 (Mr. Yan Yixiang)
“Subscriptions”	the subscription of the Subscription Shares by the Subscribers pursuant to the Subscription Agreements
“Subscription Agreements”	collectively Subscription Agreement I, Subscription Agreement II, Subscription Agreement III and Subscription Agreement IV



Subscription Agreement I	the agreement dated 18 March 2019 made between the Company and Subscriber I in respect of the subscription of 100,000,000 new Shares
Subscription Agreement II	the agreement dated 18 March 2019 made between the Company and Subscriber II in respect of the subscription of 100,000,000 new Shares
Subscription Agreement III	the agreement dated 18 March 2019 made between the Company and Subscriber III in respect of the subscription of 50,000,000 new Shares
Subscription Agreement IV	the agreement dated 18 March 2019 made between the Company and Subscriber IV in respect of the subscription of 50,000,000 new Shares
“Subscription Price”	HK\$0.10 per Share
“Subscription Shares”	300,000,000 new Shares
“%”	per cent.

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

Hong Kong, 18 March 2019

*As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Cheung Kwan (Chairman), Mr. Sun Yu, Mr. Liu Hu and Ms. Zhao Hong Mei; two non-executive Director, namely Mr. Wang Dayong and Mr. Li Xin and three independent non-executive Directors, namely Mr. Anthony Espina, Ms. Jin Xin and Mr. Wang Jun Sheng.*

\* *For identification only*