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NationalInvestments

National Investments Fund Limited

國盛投資基金有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1227)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

Beijing Securities

Beijing Securities Limited

北京證券有限公司

PLACING AGREEMENT

On 28 February 2017 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement pursuant to which the Placing Agent has agreed to place, on a best effort basis, up to 110,000,000 Shares at the Placing Price of HK\$0.142 per Placing Share. The maximum number of the Placing Shares represent (i) about 4.80% of the Company's existing issued share capital of 2,292,260,913 Shares; and (ii) about 4.58% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Completion of the Placing is subject to the fulfillment of the conditions precedent in the Placing Agreement as summarized in the sub-paragraph headed "Conditions of the Placing" below.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Wong, the Chairman and an executive Director of the Company, indirectly holds approximately 84.85% of the shareholdings of the holding company of the Placing Agent. Mr. Wong is also a director of the Placing Agent and the holding company of the Placing Agent. The Placing Agent is an associate of Mr. Wong and is therefore a connected person of the Company within the meaning of the Listing Rules. Currently, the Company has subscribed for a convertible note in the principal amount of HK\$18,600,000 at an interest rate of 2% per annum issued by the holding company of the Placing Agent. The transaction between the Company and the Placing Agent under the Placing Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules. In view of the fact that Mr. Wong has material interest in the transaction, he has abstained from voting on this transaction.

The Company has also engaged the Placing Agent as broker in acquisitions and disposals of shares traded in the Stock Exchange from time to time. Within the last 12-month period, the Company paid brokerage fees, commission and other expenses of approximately HK\$2,157,274 to the Placing Agent.

Assuming that the Placing Shares are fully placed, the Placing Agent will receive a placing commission of approximately HK\$468,600 in cash to be deducted from the placing proceeds. As the relevant percentage ratios (other than the profits ratio) in respect of the placing commission and the brokerage fees under Rule 14.07 of the Listing Rules is less than 5% and the total consideration is less than HK\$3,000,000, the transaction constitutes a connected transaction which is fully exempt from independent Shareholders' approval, annual review and all disclosure requirements under Rule 14A.76(1) of the Listing Rules.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

PLACING AGREEMENT

Date:

28 February 2017 (after trading hours)

Parties:

The Company and the Placing Agent

Number of Placing Shares to be placed:

Up to 110,000,000 Shares, representing (i) about 4.80% of the Company's existing issued share capital of 2,292,260,913 Shares; and (ii) about 4.58% of the issued share capital of the Company as enlarged by the issue of the Placing Shares.

Placing agent and placing commission:

The Placing Agent of the Placing is Beijing Securities Limited. The placing commission of the Placing is 3.00% on the gross proceeds of the Placing. The Board considered that the placing commission is on normal commercial terms or better.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date of this announcement, the Placing Agent is an associate of Mr. Wong and is a connected person of the Company.

For further information in relation to the Placing Agent, please see the section headed "Implications under the Listing Rules".

Placees:

The Placing Agent agreed to place the Placing Shares, on a best effort basis, to not less than six Placees, being individuals, institutional or professional investors, and who and whose ultimate beneficial owners, as far as the Placing Agent and the Directors are aware, are independent of and not connected with the Company, the Directors, chief executive and substantial shareholders (as such term is defined in the Listing Rules) of the Company, its subsidiaries and their respective associates (as defined in the Listing Rules).

Placing Price:

HK\$0.142 per Share, representing a premium of approximately 24.56% to the average closing price of HK\$0.114 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 27 February 2017, and a discount of approximately 19.77% to the closing price of HK\$0.177 per Share as quoted on the Stock Exchange on 28 February 2017, being the date of the Placing Agreement.

The Placing Price was determined after arm's length negotiations between the Company and the Placing Agent on the date of the Placing Agreement with reference to the prevailing market price of the Shares.

Ranking of the Placing Shares:

The Placing Shares will rank, upon issue, pari passu in all respects with the Shares in issue on the date of allotment and issue of the Placing Shares.

Conditions of the Placing:

Completion of the Placing is conditional upon: (i) the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and (ii) the Placing Agreement not having been terminated in accordance with its terms.

If any of the above conditions cannot be fulfilled on or prior to the 18th day after the date of the Placing Agreement, the Placing Agreement shall automatically terminate and all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against any other in respect of the Placing save for any antecedent breaches of the Placing Agreement.

Termination:

The Placing Agent shall have the right to terminate the Placing Agreement by notice in writing given to the Company at any time prior to 12:00 noon (Hong Kong time) on the completion date of the Placing if any of the following develops, occurs or comes into force:

- (a) there shall have come to the notice of the Placing Agent any breach of, or any event rendering untrue or incorrect in any material respect, any of the representations and warranties of the Company contained in the Placing Agreement or any failure to perform any of the Company's undertakings in the Placing Agreement;
- (b) any new law, rule or regulation or any change in existing laws (including common law), rules or regulations (or the juridical interpretation thereof) or other occurrence of any nature whatsoever which, in the reasonable opinion of the Placing Agent, are or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
- (c) any event or circumstance (whether or not forming part of a series of events or circumstances occurring or continuing before, on and/or after the date of the Placing Agreement) or material change or deterioration in local, national, international, political, military, financial, economic, market or trading conditions or any other conditions (whether or not ejusdem generis with any of the foregoing) in any part of the world in which the Company or any other member of the Group carries on business which, in the opinion of the Placing Agent, is or may be materially adverse to the business or financial position of the Company or any other member of the Group taken as a whole or otherwise makes it inexpedient or inadvisable to proceed with the Placing;
or
- (d) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange.

Without prejudice to any other provisions of the Placing Agreement, the Placing Agent shall have the right exercisable at any time by notice in writing to the Company to terminate the Placing Agreement if any of the Placing Shares are not delivered by or on behalf of the Company in accordance with the terms of the Placing Agreement.

In the event that the Placing Agent terminates the Placing Agreement in accordance with the terms of the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement.

The Directors are not aware of the occurrence of any of such events as at the date of this announcement.

Completion of the Placing:

Completion of the Placing will take place within four business days after the fulfillment of the conditions set out in the Placing Agreement.

The Placing may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Shareholding structure of the Company before and after the Placing:

The following table illustrates (i) the shareholding structure of the Company as at the date of this announcement; and (ii) the shareholding structure of the Company immediately following the Placing (assuming there will not be any change in the issued share capital of the Company from the date of this announcement to the completion of the Placing save for the allotment and issue of the Placing Shares):

	Existing shareholding		Shareholding immediately after the issue of the Placing Shares only	
	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>	<i>Number of Shares</i>	<i>Approximate percentage of shareholding</i>
Substantial shareholders				
CCM Asia Investment Corporation (<i>Note</i>)	296,338,637	12.93%	296,338,637	12.34%
The Placees under the Placing	–	–	110,000,000	4.58%
Other public shareholders	1,995,922,276	87.07%	1,995,922,276	83.08%
Total	<u>2,292,260,913</u>	<u>100.00%</u>	<u>2,402,260,913</u>	<u>100.00%</u>

Note: These represent beneficial interests in Shares owned by CCM Asia Investment Corporation, a company incorporated in the British Virgin Islands with limited liability and the entire issued share capital of which is indirectly held by Mr. Wong Danny F., the chairman and an executive Director of the Company. These Shares have been charged in favour of a secured lender.

Mandate to issue the Placing Shares:

The Placing Shares will be issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 31 May 2016. The Directors were authorised to allot and issue up to 400,452,182 Shares pursuant to the General Mandate. Up to the date of this announcement, the Company has issued 290,000,000 Shares under the General Mandate since the date of the annual general meeting of the Company held on 31 May 2016, leaving the balance of the General Mandate of 110,452,182 Shares. Accordingly, the issue of the Placing Shares is still within the limit of the General Mandate and is not subject to any further approval by the shareholders of the Company.

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

REASONS OF THE PLACING

The Company is an investment company under Chapter 21 of the Listing Rules and is principally engaged in investment in listed and unlisted companies.

Upon the full placement of the 110,000,000 Placing Shares, the gross proceeds raised from the Placing will be approximately HK\$15.62 million. After taking into account the estimated expenses in relation to the Placing, the estimated net proceeds from the Placing will be approximately HK\$15.15 million, representing a net price of approximately HK\$0.138 per Placing Share. The net proceeds from the Placing are intended to be used for general working capital of the Group and/or for future investments pursuant to the investment objectives of the Company.

The Directors consider that the Placing represents a good opportunity to raise additional funds for the Company as well as to widen the Company's shareholder base, and the terms of the Placing Agreement are arrived at on normal commercial terms. Accordingly, the Directors consider that the terms of the Placing are fair and reasonable and are in the interest of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

Mr. Wong, the Chairman and an executive Director of the Company, indirectly holds approximately 84.85% of the shareholdings of the holding company of the Placing Agent. Mr. Wong is also a director of the Placing Agent and the holding company of the Placing Agent. The Placing Agent is an associate of Mr. Wong and is therefore a connected person of the Company within the meaning of the Listing Rules. Currently, the Company has subscribed for a convertible note in the principal amount of HK\$18,600,000 at an interest rate of 2% per annum issued by the holding company of the Placing Agent. The transaction between the Company and the Placing Agent under the Placing Agreement constitutes a connected transaction under Chapter 14A of the Listing Rules. In view of the fact that Mr. Wong has material interest in the transaction, he has abstained from voting on this transaction.

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FUND RAISING ACTIVITIES OF THE COMPANY IN THE 12 MONTHS IMMEDIATELY PRECEDING THE DATE OF THIS ANNOUNCEMENT

Save as disclosed below, the Company has not conducted any fund raising activities in the past twelve months immediately before the date of this announcement.

Date of announcements	Fund raising activities	Net proceeds raised <i>(Approximately %)</i>	Proposed use of the net proceeds	Actual use of the proceeds
6 January 2017 and 10 January 2017	Placing of 160,000,000 new Shares under the general mandate at a price of HK\$0.1 per placing Share	HK\$15.52 million	Intended to be used for general working capital of the Group and/or for future investments pursuant to the investment objectives of the Company	Used as intended
20 December 2016 and 22 December 2016	Placing of 48,000,000 new Shares under the general mandate at a price of HK\$0.113 per placing Share	HK\$5.26 million	Intended to be used as the general working capital of the Group and/or for future investments pursuant to the investment objectives of the Company	Used as intended
13 July 2016 and 18 July 2016	Placing of 82,000,000 new Shares under the general mandate at a price of HK\$0.28 per placing Share	HK\$22.27 million	Intended to be used as the general working capital of the Group and/or for future investments pursuant to the investment objectives of the Company	Used as intended
		<hr/> <u>HK\$43.05 million</u>		

DEFINITIONS

Unless the context requires otherwise, the following words and phrases used in this announcement have the following meanings:

“Board”	the board of Directors
“Company”	National Investments Fund Limited, a company incorporated in the Cayman Islands with limited liability, and the issued Shares of which are listed on the main board of the Stock Exchange
“connected person”	has the meaning set out in the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors at the annual general meeting of the Company held on 31 May 2016 to allot or otherwise deal with the unissued Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Wong”	Mr. Wong Danny F., the chairman of the Board and an executive Director

“Placee(s)”	the placee(s) to be procured by the Placing Agent under the Placing
“Placing”	the placing of the Placing Shares pursuant to the Placing Agreement
“Placing Agent”	Beijing Securities Limited, a company incorporated in Hong Kong, which is a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	a placing agreement between the Company and the Placing Agent dated 28 February 2017 in relation to the Placing
“Placing Price”	HK\$0.142 per Placing Share
“Placing Shares”	a maximum of 110,000,000 new Shares
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
National Investments Fund Limited
Wong Danny F.
Chairman and executive Director

Hong Kong, 28 February 2017

As at the date of this announcement, the Board comprises three executive Directors, namely Mr. Wong Danny F. (Chairman), Mr. Wu Tse Wai, Frederick and Mr. Fong Chi Wah; two non-executive Directors, namely Mr. Gao Chengming and Mr. Lau Chi Lung, Johnny; and three independent non-executive Directors, namely Mr. Char Shik Ngor, Stephen, Mr. Liu Jin and Mr. Law Tze Lun.