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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



智華證券有限公司  
Supreme China Securities Limited

#### PLACING AGREEMENT

On 5 October 2018 (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 fully underwritten basis, up to 720,678,273 Shares at the Placing Price of HK\$0.015 per Placing Share. The maximum number of the Placing Shares represent (i) about 20.00% of the Company's existing issued share capital of 3,603,391,369 Shares; and (ii) about 16.67% 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.

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

#### PLACING AGREEMENT

**Date:**

5 October 2018 (after trading hours)

**Parties:**

The Company and the Placing Agent

**Number of Placing Shares to be placed:**

Up to 720,678,273 Shares, representing (i) about 20.00% of the Company's existing issued share capital of 3,603,391,369 Shares; and (ii) about 16.67% 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 Supreme China Securities Limited. The placing commission of the Placing is 3% 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 and having made all reasonable enquiries, the Placing Agent and its associates are Independent Third Parties.

**Placees:**

The Placing Agent agreed to place the Placing Shares, on a fully underwritten 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\$0.015 per Share, representing a discount of approximately 6.25% to the average closing price of HK\$0.016 per Share as quoted on the Stock Exchange for the last five trading days ended on and including 4 October 2018, and a discount of approximately 6.25% to the closing price of HK\$0.016 per Share as quoted on the Stock Exchange on 5 October 2018, being the last full trading day prior to the publication of this announcement.

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 Hong Kong court granting validation order in respect of the Placing, if required; (ii) the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and (iii) 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>
<b>Substantial shareholders</b>				
CCM Asia Investment Corporation ( <i>Note</i> )	296,338,637	8.22%	296,338,637	6.85%
The Placees under the Placing	–	–	720,678,273	16.67%
Other public shareholders	3,307,052,732	91.78%	3,307,052,732	76.48%
	<u>3,603,391,369</u>	<u>100.00%</u>	<u>4,324,069,642</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 20 June 2018. The Directors were authorised to allot and issue up to 720,678,273 Shares pursuant to the General Mandate. Up to the date of this announcement, the Directors have not issued any Shares under the General Mandate. Accordingly, the issue of the Placing Shares is not subject to any 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 720,678,273 Placing Shares, the gross proceeds raised from the Placing will be approximately HK\$11.00 million. After taking into account the estimated expenses in relation to the Placing, the estimated net proceeds from the Placing will be approximately HK\$10.30 million, representing a net price of HK\$0.0143 per Placing Share. The net proceeds from the Placing are intended to be used for repayment of the outstanding indebtedness, and/or general working capital of the Group.

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.

## 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 (Approximately)	Proposed use of the net proceeds	Actual use of the proceeds
21 November 2017, 28 November 2017 and 2 January 2018	Rights Issue on the basis of two rights shares for every share held on the record date completed on 2 January 2018	HK\$40.28 million	Intended to be used for repayment of the outstanding indebtedness and the general working capital of the Group	approximately HK\$40 million was applied to repay to the principal amount and interests of the Group's loans, and the remaining balance for general working capital
		<hr/> <u>HK\$40.28 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
“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 20 June 2018 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

“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”	Supreme China Securities Limited, a company incorporated in Hong Kong, which is a licensed corporation to carry on type 1 (dealing in securities) 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 5 October 2018 in relation to the Placing
“Placing Price”	HK\$0.015 per Placing Share
“Placing Shares”	a maximum of 720,678,273 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, 5 October 2018

*As at the date of this announcement, the Board comprises an executive Director, namely Mr. Wong Danny F. (Chairman); and two independent non-executive Directors, namely Mr. Char Shik Ngor, Stephen and Mr. Liu Jin.*