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**CHINA FINANCE INVESTMENT HOLDINGS LIMITED**

**中國金控投資集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 875)**

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS,  
PLACING OF NEW SHARES UNDER GENERAL MANDATE  
AND  
RESUMPTION OF TRADING**

Placing Agent

**KAM FAI SECURITIES COMPANY LIMITED**

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS**

The following statement is made at the request of Stock Exchange.

The Board has noted the recent unusual price and trading volume movements of the shares of the Company. Having made such enquiry with respect to the Company as is reasonable in the circumstances and save as disclosed in this announcement, the Directors confirm that they are not aware of any reason that is or may be relevant to these price and trading volume movements or of any information which must be announced to avoid a false market in the Company's securities or of any inside information that needs to be disclosed under Part XIVA of the SFO.

## **PLACING**

On 29 July 2015 after trading hours, the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent has agreed to place, on a best effort basis, to independent Placees for up to 173,552,043 new Shares at a price of HK\$0.378 per Placing Share, for and on behalf of the Company.

The Placing is conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of and permission to deal in the Placing Shares. If such condition is not fulfilled, the Placing will not proceed.

The maximum number of 173,552,043 Placing Shares represents approximately 3.14% of the entire issued share capital of the Company of 5,530,348,611 Shares as at the date of this announcement and approximately 3.04% of the Company's entire issued share capital as enlarged by the Placing. The net proceeds from the Placing of approximately HK\$64.87 million (assuming the Placing Shares are fully placed and after all relevant expenses) will be used for general working capital and future business development of the Group.

## **RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 2:54 p.m. on Wednesday, 29 July 2015 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on Thursday, 30 July 2015.

## **THE PLACING AGREEMENT**

Date: 29 July 2015.

Placing Agent: Kam Fai Securities Company Limited. To the best of the Company's knowledge, information and belief, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

**Placees:** The Placing Shares will be placed to one or more Placees (who will be independent individual, corporate and/or other investors) and their ultimate beneficial owners will be Independent Third Parties. It is expected that no Placee will become a substantial Shareholder (as such term is defined in the Listing Rules) immediately following completion of the Placing. The Company will make further announcement in accordance with the Listing Rules if the number of Placees shall be less than six.

**Number of Placing Shares:** Up to 173,552,043 new Shares, to be placed by the Placing Agent on a best effort basis. Assuming the Placing Shares are fully placed, the Placing Shares represents approximately 3.14% of the entire issued share capital of the Company of 5,530,348,611 Shares as at the date of this announcement and approximately 3.04% of the Company's entire issued share capital as enlarged by the Placing. The nominal value of the Placing Shares is HK\$1,735,520.43.

**Placing Price:** HK\$0.378 per Placing Share. The Placing Price was agreed after arm's length negotiations between the Company and the Placing Agent, with reference to, among other things, the recent trading price of the Shares on the Stock Exchange. The Placing Price represents:

- (a) a discount of approximately 19.57% to the closing price of HK\$0.47 per Share as quoted on the Stock Exchange on 29 July 2015, being the date of the Placing Agreement;
- (b) a discount of approximately 11.89% to the average closing price of approximately HK\$0.429 per Share as quoted on the stock Exchange for the last 5 full trading days of the Shares immediately before 29 July 2015 being the date of the Placing Agreement.

The Company will bear the costs and expenses in connection with the Placing and the net proceeds from the Placing is estimated to be approximately HK\$64.87 million (assuming the Placing Shares are fully placed). As a result, the net price per Placing Share will be approximately HK\$0.374.

**Placing Commission:** The Placing Agent will receive a placing commission of 1% on the gross proceeds of the Placing.

General Mandate:	The Placing 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 12 June 2015 up to 1,035,621,008 Shares. As at the date of this announcement, 862,068,965 Shares has been agreed to be issued pursuant to the general mandate. Hence the remaining mandate available is up to 173,552,043 Shares.
Ranking of Placing Shares:	The Placing Shares, when issued and fully paid, will rank pari passu among themselves and with Shares in issue at the time of issue an allotment of the Placing Shares.
Conditions to the Placing:	The Placing is conditional upon the listing of and permission to deal in all the Placing Shares being granted by the Listing Committee of the Stock Exchange.
	If the above condition is not fulfilled on or prior to 12 August 2015 or such later date as may be agreed between the Company and the Placing Agent, the Placing Agreement shall terminate and none of the Parties shall have any claim against the others for costs, damages, compensation or otherwise (save in respect of any antecedent breach).
	Application will be made to the Stock Exchange for approval for the listing of and permission to deal in the Placing Shares.
	No Shareholders approval is required for the Placing.
Completion of the Placing:	Subject to the satisfaction of all the conditions set out above, the Placing is expected to be completed on or before 12 August 2015 or such later time and/or such other date as the Placing Agent and the Company may agree.
Termination:	The Placing Agent may terminate the Placing Agreement prior to completion of the Placing Agreement if in the opinion of the Placing Agent the success of the Placing or the business or financial prospects of the Group would or is likely to be materially and adversely affected by:
	(a) any material breach of any of the representations and warranties set out in the Placing Agreement; or

- (b) any suspension in dealings in or the listing of the Shares on the Stock Exchange for a period of more than 5 trading days (other than in connection with the Placing); or
- (c) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
- (d) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
- (e) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
- (f) a change or development involving a prospective change in taxation in Hong Kong, Bermuda, or the People's Republic of China or the implementation of exchange controls which shall or might materially and adversely affect the Group or its present or prospective shareholders in their capacity as such; or
- (g) any change or deterioration in the conditions of local, national or international securities markets.

The Company may terminate the Placing Agreement at any time prior to completion if the number of Placing Shares successfully placed by the Placing Agent shall be less than 133,000,000 Shares.

## EFFECT OF THE PLACING ON SHAREHOLDING

The shareholdings in the Company as at the date of this announcement and immediately after completion of the Placing is and will be as follows:

Shareholders	As at the date of this announcement		Immediately after completion of the placing	
	No. of shares	%	No. of shares	%
Sino Richest Investment Holdings Limited	863,017,507.00	15.61%	863,017,507.00	15.13%
Yau Yik Ming Leao (note 1 & 2)	193,000,000.00	3.49%	193,000,000.00	3.38%
Tsang King Sun (note 1)	20,000,000.00	0.36%	20,000,000.00	0.35%
Placees	–	0.00%	173,552,043.00	3.04%
Public Shareholders	4,454,331,104.00	80.54%	4,454,331,104.00	78.10%
Total	<u>5,530,348,611.00</u>	<u>100.00%</u>	<u>5,703,900,654.00</u>	<u>100.00%</u>

Note:

1. Mr. Yau Yik Ming Leao and Mr. Tsang King Sun are Executive Directors.
2. The Shares are held by Mr. Yau Yik Ming Leao as to 43,000,000 Shares personally and 150,000,000 Shares through Asiacorp International Holdings Ltd which is wholly owned by Mr Yau.

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

The Group is principally engaged in cultivating, processing and trading of agricultural produce.

In view of the current market conditions, the Directors consider that the Placing represents a good opportunity to broaden the shareholders base and capital base of the Company and to raise capital for the Company for its future business developments. The Directors consider the terms of the Placing Agreement to be fair and reasonable and in the interest of the Group and the Shareholders as a whole.

The Company will bear all costs and expenses of approximately HK\$0.73 million in connection with the Placing. The net proceeds of approximately HK\$64.87 million from the Placing will be used for general working capital and future business development of the Group.

## EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activities for the 12 months immediately before the date of this announcement:

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
30 June 2015	Issue of Convertible Bonds	Net yet completed	General working capital and future business development of the Group, including but not limited to financial and agricultural business	Net yet completed

<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
13 April 2015	Subscription of new shares	Approximately HK\$71.8 million	For general working capital and future business development of the Group	HK\$21.59 million for repayment of bank loans; HK\$8 million for loan to the independent third party; HK\$2 million for repayment of other loan, HK\$31.5 million for deposit for acquisition of a subsidiary; approximately HK\$2.00 million for professional fee including auditors' remuneration and legal advisory fee; HK\$1.00 million for deposit for purchase of fixed assets and approximately HK\$5.71 million for administrative expenses including but not limited to rental expenses, building management fee, directors' fee and staff salaries.



<b>Date of announcement</b>	<b>Event</b>	<b>Net proceeds</b>	<b>Intended use of proceeds</b>	<b>Actual use of proceeds as at the date of this announcement</b>
19 January 2015	Placing of new shares	Approximately HK\$34.65 million	For general working capital and future business development of the Group	HK\$25 million for the acquisition of the internet finance company, approximately HK\$1.11 million for rental deposit of Hong Kong head office, approximately HK\$3.13 million for repayment of bank loans; approximately HK\$2.00 million for office decoration expenses, approximately HK\$1.62 million for directors fee and staff salaries. The balance of approximately HK\$1.79 million for administrative expenses including but not limited to rental expenses, building management fee.

## **RESUMPTION OF TRADING**

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## DEFINITIONS

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

“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	board of Directors
“Business Day”	a day (excluding Saturday and other general holidays in Hong Kong) on which banks in Hong Kong are generally open for business
“Company”	China Finance Investment Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an independent third party, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is not connected with the Company and its connected persons (as defined under the Listing Rules)
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placee”	any individual, corporate or other investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares by the Company, through the Placing Agent, pursuant to the Placing Agreement
“Placing Agent”	Kam Fai Securities Company Limited

“Placing Agreement”	the placing agreement entered into between the Company and the Placing Agent dated 29 July 2015 in relation to the Placing
“Placing Price”	HK\$0.378 per Placing Share
“Placing Shares”	a maximum of 173,552,043 new Shares to be placed pursuant to the Placing Agreement
“Share(s)”	ordinary share(s) of HK\$0.01 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
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By Order of the Board of  
**China Finance Investment Holdings Limited**  
**Yau Yik Ming Leao**  
*Executive Director*

Hong Kong, 29 July 2015

*As at the date of this announcement, the board of directors of the Company comprises six directors, including three executive directors, namely Mr. Yau Yik Ming Leao, Mr. Tsang King Sun and Mr. Xu Bin; and three independent non-executive directors, namely Ms. Tang Shui Man, Mr. Li Shaohua and Ms. Diao Hong.*