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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)

PROFIT WARNING

This announcement is made by China Finance Investment Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company and potential investors that based on the unaudited financial information currently available to the Board, the Group is expected to record a net loss of approximately HK\$478 million for the year ended 31 December 2016 as compared to a net loss of approximately HK\$42 million for the corresponding period in 2015. Such loss for the year ended 31 December 2016 was mainly as a result of (i) loss on derecognition of other financial asset of approximately HK\$215 million; (ii) impairment of investment in associate of approximately HK\$97 million; (iii) the recognition of share-based payment expenses in relation to the share options granted to directors and other eligible participants of the Group of approximately HK\$73 million; (iv) loss of approximately HK\$36 million as a result of early redemption of the promissory notes; (v) the recognition of impairment losses for property, plant and equipment of approximately HK\$8 million; and (vi) operating losses.

Based on the relevant information currently available to the Board, the adjusted LBITDA' for the year ended 31 December 2016 is expected to decrease from HK\$63 million to HK\$32 million when compared with the corresponding period in 2015. Such improvement for the year ended 31 December 2016 is mainly attributable to: (i) improvement on gross profit of plantation segment and money lending business of approximately HK\$23 million; and (ii) decrease in selling and distribution expenses of approximately HK\$13 million.

Note 1:

The adjusted LBITDA represents loss before net finance income and costs, income tax expense, depreciation and amortisation, impairment losses of investment in associate, property, plant and equipment and inventories, loss on early redemption of promissory notes, loss on derecognition of other financial assets and recognition of share-based payment expenses.

Based on the relevant information currently available to the Board, the Group is expected to record a gross profit of approximately HK\$26 million for the year ended 31 December 2016 as compared to a gross profit of approximately HK\$3.4 million recorded for the year ended 31 December 2015. The improvement of the profitability for the year ended 31 December 2016 is mainly attributable to: (i) increase in the average selling price in the vegetable markets in China; (ii) the restructuring of production scale of plantation segment resulting in reduction of unit production cost of agricultural produce; and (iii) the continuous growth and expansion of the money lending business in Hong Kong and China.

The information contained in this announcement is only based on a preliminary assessment by the Board with reference to the unaudited management accounts of the Group and on the information available for the time being, but not on any data or information reviewed by the auditor of the Company or audit committee and may be subject to adjustments. Details of the Group's annual financial results and performance for the year ended 31 December 2016 will be disclosed in the annual results announcement of the Company for the year ended 31 December 2016 which is expected to be released in late March 2017.

Shareholders of the Company and potential investors are reminded to exercise caution when dealing in the shares or other securities of the Company.

By order of the Board
China Finance Investment Holdings Limited
LIN Yuhao
Chairman

Hong Kong, 24 March 2017

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