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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)

PROFIT WARNING

This announcement is made by Asia Investment Finance Group Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors of the Company (the “Board”) would like to inform the shareholders of the Company (the “Shareholders”) and potential investors that, based on the information currently available to the Group, the Group expects to record an increase in loss in the financial results for the six months ended 30 June 2018 compared with that of same period last year.

The Board considered that the increase in loss for the period is mainly attributable to the combined effect of (1) the significant decline in revenue due to the competitive environment and no sales transaction from trading of metals and minerals business during the period; (2) the decrease of approximately HKD17.9M in human resources, legal and professional and general office expenses resulted from the cost saving following the effective implementation of cost control policy during the period; (3) the increase of HK18.0M in unrealized loss on fair value change of trading securities; (4) the increase in the recognition of share-based payment expense, which was non-cash in nature, of approximately HKD5.1M recorded for the grant of share options; (5) share of loss from associated company due to the expansion

of insurance brokerage business; (6) the increase of HKD5.2M in impairment on receivable due to the adoption of an expected credit loss model under Hong Kong Financial Reporting Standard 9 Financial Instruments (“HKFRS 9”) issued by the Hong Kong Institute of Certified Public Accountants; and (7) reversal of approximately HKD12M of bad debt written off from previous years.

The information contained in this announcement is based on the preliminary review and assessment by the management of the Company according to the unaudited management accounts of the Group for the six months ended 30 June 2018, which is unaudited and the figures contained therein shall be subject to further review and adjustments.

As the result of the Group for the period ended 30 June 2018 have not been finalised, the Board is not in a position to quantify the exact financial effects as at the date of this announcement. The Group’s interim results for the six months ended 30 June 2018 will be published by the end of August 2018 in accordance with the Listing Rules.

The Board would also like to inform the Shareholders and potential investors that despite the significant loss for the financial period ended 30 June 2018, the Directors consider the overall operation as a whole remain sound and intact, and the financial position of the Group remains solid

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By Order of the Board
Asia Investment Finance Group Limited
Ling Zack Xiange
Executive Director

Hong Kong, 17 August 2018

As at the date of this announcement, the Board comprises three executive Directors, namely Ms. Cheung Kwan, Mr. Ling Zack Xiange and Mr. Liu Hu; and three independent non-executive Directors, namely Mr. Anthony Espina, Mr. Ho Chun Chung, Patrick and Mr. Ge Ming.