

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

This announcement is for information purposes only and does not constitute an invitation or offer to acquire, purchase or subscribe for securities of the Company.



HONG KONG FINANCE INVESTMENT HOLDING GROUP LIMITED
香港金融投資控股集團有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 7)

**MAJOR AND CONNECTED TRANSACTION
IN RELATION TO ACQUISITION OF
THE ENTIRE ISSUED SHARE CAPITAL OF
THE TARGET COMPANY AND ASSIGNMENT OF
THE SHAREHOLDER'S LOAN INVOLVING THE
ISSUE OF CONVERTIBLE BOND UNDER SPECIFIC MANDATE**

THE ACQUISITION

The Board is pleased to announce that on 6 April 2020 (after trading hours), the Purchaser, the Company and the Vendor entered into the Agreement, pursuant to which, the Vendor has conditionally agreed to sell the Sale Shares and to assign the Shareholder's Loan to the Purchaser, and the Purchaser has conditionally agreed to acquire the Sale Shares and take up the assignment of the Shareholder's Loan at the total Consideration of RMB1.18 billion (equivalent to approximately HK\$1.29 billion), which will be satisfied as to (i) RMB80

million (equivalent to approximately HK\$87.20 million) by cash as a refundable deposit payable within 10 Business Days upon signing of the Agreement; and (ii) RMB1.10 billion (equivalent to approximately HK\$1.20 billion) by the issue of the Convertible Bond by the Company to the Vendor upon Completion.

Upon Completion, the Group will be interested in the entire issued share capital of the Target Company and the Target Company will become an indirect wholly-owned subsidiary of the Company and accordingly, the financial information of the Target Group will be consolidated into the accounts of the Company.

LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 25% but all applicable percentage ratios are less than 100% under the Listing Rules, the Acquisition constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Vendor is a company beneficially wholly-owned by Dr. Hui. Dr. Hui is an executive Director and a controlling Shareholder who is interested in approximately 67.0% of the total issued share capital of the Company as at the date of this announcement. As such, the Vendor is an associate of Dr. Hui and a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Acquisition constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The Independent Board Committee, comprising all the independent non-executive Directors, will be formed to give recommendations to the Independent Shareholders in respect of the Acquisition. The Independent Financial Adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information on the Acquisition; (ii) details of the Specific Mandate; (iii) a letter from the Independent Board Committee; (iv) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) a notice of the SGM; and (vi) other information as required under the Listing Rules, will be despatched to the Shareholders on or before 8 June 2020, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion of the Acquisition is subject to fulfillment of the conditions precedent as set out in the section headed “Conditions Precedent” below in this announcement, which may or may not be fulfilled. As such, the Acquisition may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional advisers.

The Board is pleased to announce that on 6 April 2020 (after trading hours), the Purchaser, the Company and the Vendor entered into the Agreement, pursuant to which, the Vendor has conditionally agreed to sell the Sale Shares and to assign the Shareholder’s Loan to the Purchaser, and the Purchaser has conditionally agreed to acquire the Sale Shares and to take up the assignment of the Shareholder’s Loan at the total Consideration of RMB1.18 billion (equivalent to approximately HK\$1.29 billion), which will be satisfied as to (i) RMB80 million (equivalent to approximately HK\$87.20 million) by cash as a refundable deposit payable within 10 Business Days upon signing of the Agreement; and (ii) RMB1.10 billion (equivalent to approximately HK\$1.20 billion) by the issue of the Convertible Bond by the Company to the Vendor upon Completion.

THE AGREEMENT

The principal terms of the Agreement are set out below:

Date

6 April 2020

Parties

- (i) the Vendor;
- (ii) the Purchaser; and
- (iii) the Company

As at the date of this announcement, the Vendor is a company beneficially wholly-owned by Dr. Hui. Dr. Hui is an executive Director and a controlling Shareholder who is interested in approximately 67.0% of the total issued share capital of the Company as at the date of this announcement. Accordingly, the Vendor is an associate of Dr. Hui and a connected person of the Company under Chapter 14A of the Listing Rules.

Assets to be acquired

The Sale Shares, representing the entire issued share capital of the Target Company. The Shareholder's Loan, representing all sums for which the Target Group is indebted to the Vendor as at the Completion Date, the outstanding amount of which is approximately HK\$373 million as at 31 March 2020.

Consideration

The total Consideration for the sale and purchase of the Sale Shares and the assignment of the Shareholder's Loan shall be an aggregate sum of RMB1.18 billion (equivalent to approximately HK\$1.29 billion) (subject to adjustment), which shall be apportioned as follows:

- (a) the consideration for the sale and purchase of the Sale Shares shall be an amount calculated by deducting the Loan Consideration (as defined below) from the Consideration; and
- (b) the consideration for the assignment of the Shareholder's Loan shall be equal to the face value of the Shareholder's Loan (the "**Loan Consideration**").

The total Consideration RMB1.18 billion (equivalent to approximately HK\$1.29 billion) (subject to adjustment) will be satisfied in the following manner:

- (i) RMB80 million (equivalent to approximately HK\$87.20 million) by cash as a refundable deposit (the “**Deposit**”) payable within 10 Business Days upon signing of the Agreement. The Deposit will be refundable in full to the Purchaser within 10 Business Days if Completion does not occur for whatever reason; and
- (ii) RMB1.10 billion (equivalent to approximately HK\$1.20 billion) by the issue of the Convertible Bond by the Company to the Vendor upon Completion.

The Group will finance payment of the Deposit by a combination of internal resources, debt financing and/or equity financing.

Further details of the Convertible Bond are set out in the section headed “Convertible Bond” below.

The Consideration was arrived at based on normal commercial terms after arm’s length negotiations among the Purchaser, the Company and the Vendor and was determined with reference to among others,

- (i) the aggregate preliminary valuation of the two core assets of the Target Group (the “**Core Assets**”) as at 31 March 2020 of approximately RMB1.3 billion (the “**Preliminary Valuation**”), prepared by an independent valuer. The Core Assets comprised of the Lands (as defined below) and the Gaming Licence (as defined below); and
- (ii) the reasons for and benefits of the Acquisition as stated under the section headed “Reasons for and benefits of the Acquisition” below.

The Consideration represents a discount of approximately 9.2% to the Preliminary Valuation.

The final amount of the Consideration will be subject to adjustment to the final valuation of the Target Group as shown in the valuation report prepared by an independent valuer appointed by the Purchaser and the Company (the “**Final Valuation**”). The final amount of the Consideration will be lower of (i) RMB1.18 billion; or (ii) the Final Valuation.

The original investment cost of the Vendor for its investment in the Target Group amounted to approximately RMB338,888,000 (equivalent to approximately HK\$369,387,920).

In view of the above, the Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice from the Independent Financial Adviser) consider that the Consideration is fair and reasonable.

Conditions precedent

Completion shall be conditional upon:

- (i) the board of directors of the Purchaser having approved the Agreement and transactions contemplated thereunder;
- (ii) the Purchaser and the Company being satisfied with the results of the financial and legal due diligence on the Target Group to be carried out by independent auditors and legal adviser appointed by the Purchaser and the Company;
- (iii) the Listing Committee of the Stock Exchange having granted approval for the listing of, and permission to deal in, the Conversion Shares;
- (iv) the Agreement and the transactions contemplated thereunder having been approved by the Independent Shareholders at the SGM;

- (v) the Purchaser and the Company having been satisfied with the result of the valuation on the Target Group to be carried out by an independent valuer appointed by the Purchaser and the Company;
- (vi) all necessary consents, authorisations, approval, licence, permission, order (or, as the case may be, relevant waiver or exemption) in connection with the Agreement and the transactions contemplated thereby having been obtained by the respective parties to the Agreement (including but not limited to, the necessary consent from the Stock Exchange); and
- (vii) the representations, warranties and undertakings provided by the Vendor set out in the Agreement remaining true, accurate and not misleading in any respect at Completion as if repeated at Completion and at all times between the date of the Agreement and Completion.

None of the above conditions precedent is waivable. In the event any of the above conditions are not being fulfilled on or before the Long Stop Date, the Agreement shall become void and of no further effect and, save in respect of any antecedent breaches, all liabilities and obligations of the Parties shall cease and determine provided that such termination shall be without prejudice to any rights or remedies of the Parties which shall have accrued prior to such termination.

Completion

Completion shall take place on the Completion Date after all the conditions of the Agreement have been fulfilled or such date as the Parties may agree in writing. Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and accordingly, the financial results of the Target Group will be consolidated into the accounts of the Company.

THE CONVERTIBLE BOND

The principal terms of the Convertible Bond have been negotiated on an arm's length basis and the principal terms of which are summarised below:

Issuer	:	The Company
Principal amount	:	RMB1,100,000,000 (equivalent to HK\$1,199,000,000)
Issue price	:	100% of the principal amount of the Convertible Bond
Maturity Date	:	The third anniversary of the date of issue of the Convertible Bond
Interest rate	:	Nil
Conversion Price	:	The initial conversion price is HK\$1.0 per Conversion Share, subject to adjustments in accordance with the terms and conditions of the Convertible Bond. Events triggering adjustments include share consolidation, share subdivision, capitalization of profits or reserves, capital distribution, rights issue, open offer and equity or equity derivatives issues.

The initial conversion price of HK\$1.0 per Conversion Share represents:

- (i) a premium of approximately 31.6% over the closing price of HK\$0.760 per Share as quoted on the Stock Exchange on the date of signing of the Agreement;
- (ii) a premium of approximately 30.2% over the average closing price of HK\$0.768 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of signing of the Agreement; and

(iii) a premium of approximately 28.7% over the average closing price of approximately HK\$0.777 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the date of signing of the Agreement.

The initial conversion price of HK\$1.0 per Conversion Share was determined after arm's length negotiations among the Purchaser, the Company and the Vendor, with reference to the recent performance of the Shares, the Group's existing financial position and current market conditions.

- Conversion rights : The Convertible Bond carries the rights to convert the whole or part of its principal amount into Conversion Shares at the initial conversion price of HK\$1.0 per Conversion Share during the conversion period at the discretion of the holder(s) of the Convertible Bond provided that the allotment and issue of the Conversion Shares upon exercise of the conversion right will not cause the Company to be in breach of the minimum public float requirement stipulated under Rule 8.08 of the Listing Rules.
- Conversion Period : The period commencing on the date immediately after the date of issue of the Convertible Bond and expiring on the date falling on the seventh day immediately before the maturity date of the Convertible Bond.
- Conversion Shares : The Conversion Shares shall rank pari passu in all respects with the fully paid Shares in issue on the relevant conversion date and shall entitle the holder(s) to participate in full in all dividend or other distribution paid or made on the Shares after the relevant conversion date other than any dividend or other distribution previously declared, or recommended or resolved to be paid or made if the record date therefor falls on or before the relevant conversion date.

Assuming that the Convertible Bond is fully converted into Conversion Shares at the initial conversion price of HK\$1.0, a total of 1,199,000,000 Conversion Shares will be issued, representing approximately 30.0% of the existing share capital of the Company and approximately 23.1% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares.

The Conversion Shares will be issued under the Specific Mandate. An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.

- Listing : No application will be made by the Company for the listing of or permission to deal in the Convertible Bond on the Stock Exchange or any other stock exchange.
- Early redemption : The Company has the right to redeem any outstanding Convertible Bond at any time before the maturity date at 100% of the outstanding principal amount of the Convertible Bond.
- Transferability : The Convertible Bond shall be freely transferable to any person, provided that any transfer to a connected person of the Company are subject to compliance with the relevant requirements and provisions under the Listing Rules and applicable laws and regulations.
- Voting : The holder(s) of the Convertible Bond shall not be entitled to attend or vote at any meeting of the Company by reason only of it/him/her/them being the holder(s) of the Convertible Bond.

EFFECT ON THE SHAREHOLDING STRUCTURE

The following table sets out the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion and after full exercise of the conversion rights attaching to the Convertible Bond (assuming that there is no change in the issued share capital of the Company from the date of this announcement and up to the Completion Date other than the issue of the Conversion Shares):

Shareholders	As at the date of this announcement		Immediately upon Completion and after full exercise of the conversion rights attaching to the Convertible Bond	
	Number of Shares	Approximately % (Note 2)	Number of Shares	Approximately % (Note 2)
Dr. Hui (Note 1)	2,679,778,542	67.0	2,679,778,542	51.5
The Vendor	–	–	1,199,000,000	23.1
<i>Sub-total</i>	<i>2,679,778,542</i>	<i>67.0</i>	<i>3,878,778,542</i>	<i>74.6</i>
Public Shareholders	1,320,221,458	33.0	1,320,221,458	25.4
Total	<u>4,000,000,000</u>	<u>100.0</u>	<u>5,199,000,000</u>	<u>100.0</u>

Notes:

- These Shares included 300,000 Shares held by Wisdom On Holdings Ltd, 269,216,000 Shares held by Hong Kong Finance Investment Limited, 974,917,143 Shares held by Hong Kong Finance Equity Management Limited, 926,434,284 Shares held by Hong Kong Finance Equity Investment Limited, and 508,911,115 Shares held by Hong Kong Finance Equity Holding Limited respectively.

The issued share capital of Wisdom On Holdings Ltd and Hong Kong Finance Investment Limited are directly wholly owned by Dr. Hui. The issued share capital of Hong Kong Finance Equity Management Limited, Hong Kong Finance Equity Investment Limited and Hong Kong Finance Equity Holding Limited are indirectly wholly owned by Dr. Hui.

- Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

INFORMATION OF THE VENDOR AND THE TARGET GROUP

The Vendor is an investment holding company incorporated in the BVI with limited liability. As at the date of this announcement, the Vendor is beneficially wholly-owned by Dr. Hui.

The Target Company is an investment holding company incorporated in the BVI with limited liability. The principal assets of the Target Group are the Lands (as defined below) and the Gaming Licence (as defined below) which are held by MPGL and MGL respectively. As at the date of this announcement, the Target Company, through its wholly-owned subsidiaries, indirectly wholly-owned MPGL and MGL.

MPGL is a company incorporated in Madagascar with limited liability. MPGL owns 5 parcels of land (the “**Lands**”) located in Toliara, Madagascar with total site area of approximately 583,000 sq.m. MPGL has also been granted the right to build and operate a composite project on the Lands (the “**Project**”), which is a large-scale integrated project of real-estate and commerce and gaming business to be known as “智慧太陽城” (Smart Sun City*) on the seashore of Toliara. The Project is located in Toliara which is a tourist destination in Madagascar. The Project will cover a total planned gross floor area of approximately 1,000,000 sq.m. which will consist of integrated resort hotel, casino, large shopping mall and residential development.

MGL is a company incorporated in Madagascar with limited liability. MGL holds a licence to operate casino business in Madagascar (the “**Gaming Licence**”).

In January 2020, a project agreement (the “**Project Agreement**”) was entered into among MPGL, MGL and the Government of Toliara of the Republic of Madagascar (the “**Toliara Government**”) in relation to the Project. Pursuant to the Project Agreement, (i) MPGL has been granted the right to build and operate the Project for 99 years; and (ii) MGL is permitted by the Toliara Government to develop and operate the casino(s) to be built under the Project. On the other hand, the Toliara Government will handle the work related to, among others, obtaining the approval of the relevant real estate ownership certificate for the Project.

The planning, construction and operation of the Project will make reference to the functional layout of The Palace Of The Lost City* (迷城皇宮) in South Africa. The Project, located on the seashore of Toliara, possesses peculiar environmental and natural conditions with local forest, beach, clear water and blue sky, sufficient sunlight and suitable weather for swimming for all seasons. Hence, the Project will have a glamorous scenery for attracting travelers.

FINANCIAL INFORMATION OF THE TARGET GROUP

The Target Group does not have any business operations other than holding the Core Assets.

Set out below are the unaudited consolidated financial information of the Target Group for the period from 27 June 2019 (being date of incorporation of the Target Company) to 31 March 2020:

	For the period from 27 June 2019 (being date of incorporation of the Target Company) to 31 March 2020 <i>Approximately HK\$'000 (unaudited)</i>
Revenue	–
Net loss before taxation	16
Net loss after taxation	16

According to the unaudited financial information of the Target Group, the Target Group recorded an unaudited consolidated net liabilities of approximately HK\$15,000 as at 31 March 2020.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Group is principally engaged in property development and investment, trading of electronic products, oil and gas exploration and production, mineral mining, and provision of financial services.

The Group has expanded its property business to property development in the PRC since the first quarter of 2018. Currently, the Group has a property development project in Zhanjiang City, the PRC, the lands under which will be developed into a complex for residential, commercial, office and accommodation usage. Moreover, recently, the Group is in the process of acquiring the property interest of the land use rights of three parcels of land which are planned for the development of high-end sea-view villa and serviced apartments project in Maoming City, the PRC. The Board believes that the Acquisition provides an opportunity for the Group to widen its property portfolio and expand the geographical coverage for the property development business into overseas market.

The Project is located in Toliara which is a coastal town in Madagascar. Toliara is a favorable beach destination for travelers with its excellent mix of pristine beaches and warm weather all year round. The Group intends to develop the Project into an attractive travelers' destination in Madagascar.

According to the African Economic Outlook 2020 published by African Development Bank Group on 30 January 2020, the Real GDP growth of Madagascar in 2020 and 2021 is estimated at 5.3% and 5.1% respectively. Besides, according to the statistic data from World Tourism Organization updated in November 2019, the visitors' expenditure in Madagascar has shown a general upward trend for the past four years from US\$696 million in 2015 to US\$879 million in 2018, representing an increase of approximately 26.3%. In view of the ever-growing economy and the tourism growth of Madagascar, the Directors are optimistic about the long-term prospect of the property market of Madagascar and the Project.

Taking into consideration that (i) the Project is supported by the Toliara Government; (ii) the continuous growth of the economy and tourism market in Madagascar; and (iii) the Project has an advantageous geographical location, the Directors consider that the Acquisition represents a valuable opportunity for diversifying the Group's property development business geographically. The Directors are of the view that the Acquisition is in line with the strategic development of the Group and believe that it will bring long-term and strategic benefits to the Group.

Based on the foregoing, the Directors (excluding the independent non-executive Directors who will express their opinion after considering the advice from the Independent Financial Adviser) consider that the terms of the Acquisition are fair and reasonable, on normal commercial terms and the Acquisition is in the interests of the Company and the Shareholders as a whole.

THE LISTING RULES IMPLICATIONS

As some of the applicable percentage ratios (as defined in the Listing Rules) in respect of the Acquisition are more than 25% but all applicable percentage ratios are less than 100% under the Listing Rules, the Acquisition constitutes a major transaction of the Company and is therefore subject to reporting, announcement and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Vendor is a company beneficially wholly-owned by Dr. Hui. Dr. Hui is an executive Director and a controlling Shareholder who is interested in approximately 67.0% of the total issued share capital of the Company as at the date of this announcement. As such, the Vendor is an associate of Dr. Hui and a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the Acquisition constitutes a connected transaction of the Company and is subject to the reporting, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

The SGM will be held for the Independent Shareholders to consider and, if thought fit, approve, by way of poll, among other things, the relevant resolution in relation to (i) the Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate. As at the date of this announcement, the Vendor is a company beneficially wholly-owned by Dr. Hui. Dr. Hui is an executive Director and a controlling Shareholder. Accordingly, Dr. Hui is considered to have a material interest in the Acquisition. Dr. Hui and his associates are required to abstain from voting at the SGM on the resolution to approve, among other things, (i) the Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate. As at the date of this announcement, Dr. Hui is beneficially interested in 2,679,778,542 Shares, representing approximately 67.0% of the total issued share capital of the Company.

Save for the aforesaid and to the best of the information, knowledge and belief of the Directors having made all such reasonable enquiries, no other Shareholder is required to abstain from voting at the SGM.

As Dr. Hui is considered to have a material interest in the Acquisition, he had abstained from voting on the relevant board resolutions to approve the Acquisition. Save for Dr. Hui, none of the Directors was required to abstain from voting on the board resolutions of the Company to approve the Acquisition.

The Independent Board Committee, comprising all the independent non-executive Directors, will be formed to give recommendations to the Independent Shareholders in respect of the Acquisition. The Independent Financial Adviser will also be appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information on the Acquisition; (ii) details of the Specific Mandate; (iii) a letter from the Independent Board Committee; (iv) a letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; (v) a notice of the SGM; and (vi) other information as required under the Listing Rules, will be despatched to the Shareholders on or before 8 June 2020, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Acquisition”	the proposed acquisition of the Sale Shares and the assignment of the Shareholder’s Loan pursuant to the terms and conditions of the Agreement
“Agreement”	the sale and purchase agreement dated 6 April 2020 entered into among the Purchaser, the Company and the Vendor in relation to the Acquisition
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks are generally open for business in Hong Kong, except a public holiday, Sunday and a Saturday or a day on which a tropical cyclone warning signal no.8 or above or a “black” rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.
“BVI”	the British Virgin Islands
“Company”	Hong Kong Finance Investment Holding Group Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	the tenth (10th) Business Days after the date of fulfillment of all the conditions set out in the Agreement

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration for the Acquisition, being RMB1.18 billion (equivalent to approximately HK\$1.29 billion)
“Convertible Bond”	the convertible bond of principal amount of HK\$1,199,000,000 with an initial conversion price of HK\$1.0 per Conversion Share to be issued by the Company, as part of the consideration for the Acquisition, to the Vendor in accordance with the terms and conditions of the Agreement
“Conversion Price”	initially HK\$1.0 per Conversion Share, subject to adjustment in accordance with the terms and conditions of the Convertible Bond
“Conversion Shares”	new Share(s) to be issued by the Company upon conversion of the Convertible Bond
“Director(s)”	director(s) of the Company
“Dr. Hui”	Dr. Hui Chi Ming, <i>G.B.S., J.P.</i> , an executive Director and a controlling Shareholder
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent committee of the Board comprising all the independent non-executive Directors will be formed for the purpose of giving recommendations to the Independent Shareholders in respect of the Acquisition

“Independent Financial Adviser”	the independent financial adviser to be appointed for the purpose of advising the Independent Board Committee and the Independent Shareholders in relation to the Agreement and transactions contemplated thereunder
“Independent Shareholders”	Shareholder(s) who are entitled to vote and not required to abstain from voting on the resolution in the SGM for approving (i) the Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	30 June 2020 (or any other date as the Parties may agree in writing)
“MGL”	Madagascar Gaming Limited, a limited liability company incorporated in Madagascar and an indirect wholly-owned subsidiary of the Target Company
“MPGL”	Madagascar Property Group Limited, a limited liability company incorporated in Madagascar and an indirect wholly-owned subsidiary of the Target Company
“Parties”	the parties of the Agreement and “Party” means any of them
“PRC”	the People’s Republic of China, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan for the purpose of this announcement
“Purchaser”	Hong Kong Finance International Investment Group Limited (香港金控國際投資集團有限公司), a limited liability company incorporated in the BVI and is indirectly wholly-owned by the Company

“RMB”	Renminbi, the lawful currency of the PRC
“Sale Shares”	100% of the issued share capital of the Target Company
“SGM”	the special general meeting of the Company to be convened for the purpose of considering, and if though fit, approving, among others, (i) the Agreement and the transactions contemplated thereunder; and (ii) the grant of the Specific Mandate
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Shareholder’s Loan”	all sums for which the Target Group is indebted to the Vendor as at the Completion Date, the outstanding amount of which is approximately HK\$373 million as at 31 March 2020
“Specific Mandate”	a specific mandate to issue, allot or otherwise deal in additional Shares to be sought at the SGM to the issue and allotment of Conversion Shares upon conversion of the Convertible Bond
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Madagascar Investment Holding Limited (馬達加斯加投資控股有限公司), a limited liability company incorporated in the BVI
“Target Group”	the Target Company and its subsidiary(ies)
“US\$”	United States of America dollars, the lawful currency of the United States of America

“Vendor” Foison Shine Group Limited, a limited liability company incorporated in the BVI. It is beneficially wholly-owned by Dr. Hui as at the date of the Agreement

“%” per cent.

By order of the Board
Hong Kong Finance Investment Holding Group Limited
Dr. Hui Chi Ming, G.B.S., J.P.
Chairman

Hong Kong, 6 April 2020

For the purposes of this announcement, unless otherwise indicated, conversion of RMB into HK\$ is calculated at the exchange rate of RMB1 to HK\$1.09. The exchange rate is for illustrative purpose only and does not constitute a representation that any amount has been, could have been, or may be exchanged at this or any other rate at all.

As at the date of this announcement, the Honorary Chairman and Senior Consultant of the Company is Dr. Yukio Hatoyama; the senior consultants of the Company comprise Dr. Wang Tao, Mr. Fu Chenyu and Mr. Lalaharisaina Joelivalerien; the Board comprises eight executive Directors, namely, Dr. Hui Chi Ming, G.B.S., J.P., Mr. Neil Bush, Dr. Chui Say Hoe, Mr. Xu Jun Jia, Mr. Cao Yu, Mr. Ren Qian, Mr. Lam Kwok Hing, M.H., J.P. and Mr. Nam Kwok Lun; and four independent non-executive Directors, namely, Mr. Chan Tsang Mo, Mr. Ngan Kam Bui, Stanford, Mr. Tam Chak Chi and Mr. Ma Kin Ling.

* For identification purpose only