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中投國際

CHINA INVESTMENT FUND INTERNATIONAL HOLDINGS LIMITED

中國投資基金國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00612)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



凱基證券
KGI SECURITIES

中華開發金控
CHINA DEVELOPMENT FINANCIAL

On 7 September 2018 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent whereby the Company has conditionally agreed to place, through the Placing Agent, a maximum of 19,000,000 Placing Shares on a best effort basis to not less than six Places at a price of HK\$10.525 per Placing Share.

The 19,000,000 Placing Shares that may be allotted and issued will utilize the General Mandate, and represent approximately 1.56% of the existing issued share capital of the Company as at the date of this announcement and approximately 1.54% of the enlarged issued share capital of the Company immediately following the Placing. Since the Placing Shares will be allotted and issued under the General Mandate, no further Shareholders' approval is required.

The Placing Price of HK\$10.525 represents (i) a discount of approximately 18.41% to the closing price of HK\$12.9 per Share quoted on the Stock Exchange on 7 September 2018, being the date of the Placing Agreement; (ii) a discount of approximately 18.71% to the average closing price of HK\$12.948 per Share quoted on the Stock Exchange of the five consecutive trading days up to and including 6 September 2018, the last trading day before the date of the Placing Agreement; and (iii) a premium of approximately 26,212% to the unaudited net asset value per Share of HK\$0.04 as at 31 July 2018 as set out in the announcement of the Company dated 15 August 2018.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

Date

7 September 2018 (after trading hours)

Parties

Issuer: The Company

The Placing Agent: KGI Asia Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Placing and Commission

The Placing Agent has conditionally agreed to place a maximum of 19,000,000 Placing Shares on a best effort basis to not less than six Placees. In consideration thereof, it will receive a placing commission of 2.9% of the aggregate consideration received by the Company from the sale of Placing Shares on Completion. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

The Placees

The Placing Agent will place the Placing Shares to not less than six Placees, being Professional Investors, and who and whose ultimate beneficial owners, as far as the Placing Agent and the Directors are aware, are Independent Third Parties. It is expected the aggregate Placing Price payable by each Placee shall be no less than HK\$500,000, and that none of the Placees will become substantial shareholder of the Company immediately after the Placing.

Number of Placing Shares

The Placing Shares represent approximately 1.56% of the Company's existing issued share capital and approximately 1.54% of its issued share capital as enlarged by the Placing. Assuming all 19,000,000 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the Placing Shares will be HK\$950,000.

Placing Price

The Placing Price of HK\$10.525 per Placing Share represents:

- (i) a discount of approximately 18.41% to the closing price of HK\$12.9 per Share quoted on the Stock Exchange on 7 September 2018, being the date of the Placing Agreement;
- (ii) a discount of approximately 18.71% to the average closing price of HK\$12.948 per Share quoted on the Stock Exchange of the five consecutive trading days up to and including 6 September 2018, the last trading day before the date of the Placing Agreement; and
- (iii) a premium of approximately 26,212% to the unaudited net asset value per Share of HK\$0.04 as at 31 July 2018 as set out in the announcement of the Company dated 15 August 2018.

The Directors consider that the Placing Price, which was agreed after arm's length negotiations between the Company and the Placing Agent with reference to current market price of the Shares and the current market condition, is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank pari passu in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Placing Shares.

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 30 April 2018 pursuant to which the Directors are allowed to allot and issue up to 243,544,400 Shares, whereas there are 19,000,000 Placing Shares.

As at the date of this announcement, no Shares have been issued and allotted pursuant to the General Mandate and accordingly the issue of the Placing Shares is not subject to any further approval by the Shareholders.

Placing Conditions

The Completion is conditional upon the satisfaction and fulfilment of the following conditions by no later than the Long Stop Date:

- (a) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in all of the Placing Shares (and such listing and permission not subsequently being revoked);
- (b) any other approval as may be required by applicable laws or regulations for the Placing; and
- (c) there shall not have occurred any material breach or any event which renders any of the representations, warranties or undertakings given by the Company under the Placing Agreement untrue, inaccurate or misleading in any material respect.

If any of the Placing above conditions is not fulfilled by the Long Stop Date, the Placing will lapse and all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other, except in relation to certain costs and expenses, antecedent breach and other matters.

Completion of the Placing

The Placing shall complete on a date falling within five Business Days following the satisfaction of the Placing Conditions (exclusive of the date of satisfaction of all the Placing Conditions) or such other date as the Company and the Placing Agent may agree.

Rescission of the Placing

If any of the following events occurs at any time prior to 4:00 p.m. on the Completion Date, the Placing Agent shall be entitled, by giving a written notice to the Company, to forthwith rescind the Placing Agreement without liability to the Company and none of the parties thereto shall have any rights or claims by reason thereof, save for certain costs and expenses and any antecedent breach:

- (a) in the sole and absolute opinion of the Placing Agent there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole and/or prejudice materially the consummation of the Placing; or

- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) in Hong Kong, the Cayman Islands or any other relevant jurisdictions or other occurrence of any matter whatsoever which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole and/or prejudice materially the consummation of the Placing; or
- (c) any material breach of any of the representations, warranties or undertakings comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion time which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties or undertakings untrue or incorrect or misleading in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) there is any adverse change in the financial position of the Company which in the sole and absolute opinion of the Placing Agent is material in the context of the Placing; 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 and which, in the sole and absolute opinion of the Placing Agent, would have a material adverse impact on the consummation of the Placing; or
- (f) any litigation or claim of material importance of any third party being instigated against any member of the Group, which, in the sole and absolute opinion of the Placing Agent, has or may have a material adverse effect on the business or financial prospects of the Group taken as a whole and/or would materially prejudice the consummation of the Placing; or
- (g) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing or pending publication of any announcement in relation to the Placing).

The Directors are not aware of the occurrence of any of the above events as at the date of this announcement.

APPLICATION FOR LISTING

Applications will be made by the Company to the Listing Committee of the Stock Exchange for the granting of the approval for the listing of, and permission to deal in, the Placing Shares.

EFFECTS OF PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Placing (assuming all 19,000,000 Placing Shares have been successfully placed) is as follows:

| | As at the date of this announcement | | Immediately upon completion of the Placing | |
|---|--|----------------|---|----------------|
| | No. of Shares | % | No. of Shares | % |
| Sui Guangyi (“Mr. Sui”) (<i>Note</i>) | 149,582,400 | 12.28% | 149,582,400 | 12.09% |
| HK DYF Int’l Holding Group Limited (<i>Note</i>) | 198,030,400 | 16.26% | 198,030,400 | 16.01% |
| Public shareholders | 870,109,200 | 71.46% | 870,109,200 | 70.36% |
| Placees | — | — | 19,000,000 | 1.54% |
| Total | <u>1,217,722,000</u> | <u>100.00%</u> | <u>1,236,722,000</u> | <u>100.00%</u> |

Note: Shareholding information in relation to Mr. Sui and HK DYF Int’l Holding Group Limited in the above table are based on disclosure of interest notices filed with the Company, according to which (a) 149,582,400 Shares are owned by Mr. Sui in his personal capacity and (b) 198,030,400 Shares are held by HK DYF Int’l Holding Group Limited (香港鼎益豐國際控股集團有限公司), which is held as to 74.55% by Shenzhen Ding Yi Feng Assets Management Co., Ltd. (深圳市鼎益豐資產管理股份有限公司), which is in turn held as to 29.39% by its controlling shareholder, Mr. Sui. Mr. Sui is therefore deemed to be interested in 198,030,400 Shares by virtue of the SFO.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

The Company is an investment company under Chapter 21 of the Listing Rules and the Group is principally engaged in investment in listed and unlisted securities. The Directors consider that the proposed Placing provides a good opportunity for the Company to raise funds to strengthen its capital base and improve its financial position for the Company’s investment in both listed and unlisted securities.

The Directors also take the view that the net proceeds from the Placing will enable the Group to scale its investment portfolio promptly and efficiently in order to capture and benefit from fast-changing investment sentiments.

The Directors are of the view that the terms of the Placing Agreement are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Assuming all 19,000,000 Placing Shares are successfully placed by the Placing Agent, the estimated gross proceeds and net proceeds from the Placing will be approximately HK\$199,975,000 and HK\$193,880,000 respectively. As an investment company under Chapter 21 of the Listing Rules, the Company intends to utilize the net proceeds from the Placing for investment in both listed and unlisted securities.

FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund-raising activities during the 12 months immediately before the date of this announcement.

GENERAL

The Placing is not subject to Shareholders' approval as the Placing Shares will be issued under the General Mandate.

Shareholders and potential investors should note that completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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| “Associate” | has the meaning ascribed to it in the Listing Rules |
| “Board” | board of Directors |
| “Business Day” | means any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business |
| “Company” | China Investment Fund International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange |
| “Completion” | the completion of the Placing |
| “Completion Date” | the date of Completion |
| “General Mandate” | the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 30 April 2018 pursuant to which the Directors are allowed to allot and issue up to 243,544,400 Shares |

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| “Group” | the Company and the Subsidiaries |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Independent Third Party” | third party (parties) who is independent of and not acting in concert (within the meaning of the Takeovers Code) or connected with the Company, Directors, the chief executive of the Company, substantial Shareholders and its subsidiaries or any of their respective Associates |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Long Stop Date” | 21 September 2018 or another date as may be agreed by the Company and the Placing Agent |
| “Placee(s)” | any Professional Investor(s) procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement |
| “Placing” | the private placing of the Placing Shares, on a best effort basis, procured by the Placing Agent to the Placees on the terms and subject to the condition set out in the Placing Agreement |
| “Placing Agent” | KGI Asia Limited, a corporation licensed to carry on type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO |
| “Placing Agreement” | the placing agreement dated 7 September 2018 entered into between the Company and the Placing Agent, as amended or varied from time to time in writing by the parties thereto |
| “Placing Price” | HK\$10.525 per Placing Share |
| “Placing Shares” | 19,000,000 Shares to be placed under the Placing |
| “PRC” | The People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan) |
| “Professional Investor” | a professional investor as defined in Schedule 1 of the SFO |

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| “SFO” | Securities and Future Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong) |
| “Share(s)” | ordinary shares in the issued share capital of the Company |
| “Shareholder(s)” | the holder(s) of the Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiaries” | the subsidiaries of the Company for the time being and from time to time |
| “substantial shareholder” | has the meaning ascribed thereto under the Listing Rules |
| “Takeovers Code” | the Code on Takeovers and Mergers in Hong Kong |
| “%” | per cent |

By Order of the Board
China Investment Fund International Holdings Limited
Luk Hong Man, Hammond
Executive Director

Hong Kong, 7 September 2018

As at the date of this announcement, the executive Directors are Mr. Luk Hong Man, Hammond and Mr. Zhang Xi; the non-executive Directors are Mr. Sui Guangyi, Mr. Leung Ka Fai, Mr. Wang Mengtao and Ms. Ma Xiaoqiu; and the independent non-executive Directors are Ms. Jing Siyuan, Mr. Zhang Aimin and Mr. Zhang Qiang.