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CHINA INTERNET INVESTMENT FINANCE HOLDINGS LIMITED
中國互聯網投資金融集團有限公司

(Continued into Bermuda with limited liability)
(Stock Code: 810)

PROPOSED REFRESHMENT OF THE GENERAL MANDATE TO ISSUE SHARES

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As the Existing General Mandate has been utilized almost in full, in order to allow for flexibility to raise further capital to finance future investments and/or for future business development, the Board proposes to refresh the Existing General Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of an ordinary resolution for approving such refreshment. Subject to the passing of such resolution at the SGM and based on the total number of 454,961,250 issued Shares as at the date of this announcement and assuming that the Company does not issue or repurchase any Shares prior to the SGM, the refreshment of the Existing General Mandate will allow the Directors to issue and allot up to 90,992,250 new Shares, being 20% of the entire issued share capital of the Company as at the date of this announcement.

GENERAL

As the proposed refreshment of the Existing General Mandate is made before the next annual general meeting of the Company, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the SGM at which any controlling shareholders of the Company and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate.

A circular containing, among other things, (i) details of the proposed refreshment of the Existing General Mandate; (ii) the recommendations from the Independent Board Committee and the Independent Financial Adviser in relation to the proposed refreshment of the Existing General Mandate; and (iii) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 28 September 2016.

PROPOSED REFRESHMENT OF THE GENERAL MANDATE TO ISSUE SHARES

At the 2016 AGM, the Existing General Mandate was granted to the Directors which enables the Directors to allot, issue and deal with Shares not exceeding 20% of the issued share capital of the Company as at the date of the 2016 AGM (i.e. a maximum of 75,836,250 Shares).

On 20 June 2016, the Company announced the Placing of a maximum of 75,780,000 Shares through a placing agent on a best effort basis. The Placing was completed on 8 July 2016 whereby 75,780,000 Shares were issued under the Existing General Mandate. It was intended that the net proceeds from the Placing of about HK\$26 million would be used for the general working capital of the Group and for potential investments to be identified. As at the date of this announcement, the proceeds have been mainly used to increase the bank balances and is expected to be further utilized for the above purposes.

The Existing General Mandate has almost been fully utilized after the completion of the Placing. If the Existing General Mandate is not refreshed, the Directors would only be allowed to allot and issue up to 56,250 Shares, representing approximately 0.012% of the existing issued share capital of the Company as at the date of this announcement. The Existing General Mandate has not been refreshed since it was granted at the 2016 AGM.

In order to allow for flexibility to raise further capital to finance future investments and/or for future business development, the Board proposes to refresh the Existing General Mandate for the Directors to issue and allot new Shares not exceeding 20% of the issued share capital of the Company as at the date of passing of an ordinary resolution for approving such refreshment. Subject to the passing of such resolution at the SGM and based on the total number of 454,961,250 issued Shares as at the date of this announcement and assuming that the Company does not issue or repurchase any Shares prior to the SGM, the refreshment of the Existing General Mandate will allow the Directors to issue and allot up to 90,992,250 new Shares, being 20% of the entire issued share capital of the Company as at the date of this announcement.

The Board considers that equity financing through the use of a general mandate is an important fund-raising channel to the Group, as it (i) does not create any payment of interest obligations on the Group and does not require the provision of collaterals as compared with debt financing; (ii) is less costly than raising funds by way of rights issue or open offer; and (iii) provides the Company with the capability and flexibility to capture any fund raising or prospective investment opportunity as and when it arises. Although the Company does not have any immediate plan for any issue of new Shares, the Board considers that the ability to issue new Shares under general mandate for equity financing purpose is crucial in a competitive and rapidly changing investment environment and in times of volatile market conditions.

The Directors (excluding the independent non-executive Directors whose views will be set out in a circular to be dispatched to the Shareholders) are of the view that the terms of the proposed refreshment of the Existing General Mandate are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GENERAL

As the proposed refreshment of the Existing General Mandate is being made before the next annual general meeting of the Company, pursuant to Rule 13.36(4) of the Listing Rules, the refreshment of the Existing General Mandate will be subject to the approval of the Independent Shareholders by way of an ordinary resolution at the SGM at which any controlling shareholders of the Company and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the resolution approving the refreshment of the Existing General Mandate.

The Board has established the Independent Board Committee comprising all the independent non-executive Directors, namely Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng, to consider and, if appropriate, make a recommendation to the Independent Shareholders (i) as to whether the proposed refreshment of the Existing General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (ii) to advise the Independent Shareholders on how to vote, taking into account the recommendations of the Independent Financial Adviser. The Company has appointed Fortune Financial Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of the Existing General Mandate.

A circular containing, among other things, details of (i) details of the proposed refreshment of the Existing General Mandate; (ii) details of the recommendations from the Independent Board Committee and the Independent Financial Adviser in relation to the proposed refreshment of the Existing General Mandate; and (iii) a notice convening the SGM, is expected to be despatched to the Shareholders on or before 28 September 2016.

DEFINITIONS

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

“2016 AGM”	the annual general meeting of the Company held on 30 May 2016
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company

“Company”	China Internet Investment Finance Holdings Limited, an exempted company continued into Bermuda with limited liability, whose shares are listed on the Stock Exchange
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Existing General Mandate”	the general mandate granted at the 2016 AGM to the Directors by the Shareholders to allot, issue and deal with a maximum of 75,836,250 Shares
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee consisting of all the independent non-executive Directors established by the Board to advise the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate
“Independent Financial Adviser”	Fortune Financial Capital Limited, a corporation licensed to carry on type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate to issue Shares
“Independent Shareholders”	any Shareholders other than the controlling shareholders of the Company and their associates or, where there are no controlling shareholders, any Shareholders other than the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange
“Placing”	the placing of a maximum of 75,780,000 Shares pursuant to the terms of the placing agreement dated 20 June 2016 entered into between the Company and a placing agent, details of which are set out in the Company’s announcements dated 20 June 2016 and 8 July 2016

“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the resolution in respect of the proposed refreshment of the Existing General Mandate
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

By Order of the Board
**China Internet Investment
Finance Holdings Limited**
Lam Man Chan
Chairman

Hong Kong, 9 September 2016

As at the date of this announcement, the executive Director is Mr. Lee Kwok Leung; the non-executive Director is Dr. Lam Man Chan; and the independent non-executive Directors are Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng.