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If you have sold or transferred all your shares in CHINA INTERNET INVESTMENT FINANCE HOLDINGS LIMITED, you should at once hand this circular and the accompanying proxy form to the purchaser(s) or transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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
AND
NOTICE OF SPECIAL GENERAL MEETING**

**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**



富強金融資本

FORTUNE FINANCIAL CAPITAL

Fortune Financial Capital Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definition" in this circular.

A notice convening the SGM of China Internet Investment Finance Holdings Limited to be held at Crystal Room 3, Level B3, Holiday Inn Golden Mile, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on 18 November 2016, at 11:30 a.m. is set out on pages 24 to 25 of this circular. Whether or not you intend to attend the SGM in person, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of China Internet Investment Finance Holdings Limited in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not later than 48 hours before the time appointed for holding of the meeting or any adjournment thereof. The completion of a form of proxy will not preclude you from attending and voting at the SGM in person should you so wish. If you attend and vote at the SGM, the authority for your proxy will be revoked.

27 October 2016

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DEFINITIONS

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

“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
“Bye-Laws”	the bye-laws of the Company as amended from time to time
“Company”	China Internet Investment Finance Holdings Limited, a company continued into Bermuda with limited liability and the Shares of which are listed on the Stock Exchange
“controlling shareholder(s)”	as the meaning ascribed to it under the Listing Rules
“Director(s)”	the 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
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of the Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“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” or “Fortune Financial Capital Limited”	Fortune Financial Capital Limited, a corporation licensed to carry out 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
“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

DEFINITIONS

“Latest Practicable Date”	24 October 2016, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the new general mandate proposed to be sought at the SGM to authorise the Directors to allot, issue and deal with Shares not exceeding 20% of of the issued share capital of the Company as at the date of the SGM
“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
“PRC”	the People’s Republic of China, and for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“SGM”	the special general meeting of the Company to be held at Crystal Room 3, Level B3, Holiday Inn Golden Mile, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on 18 November 2016, at 11:30 a.m., for the purpose of considering and, if thought fit, approving the resolution in respect of the proposed refreshment of the Existing General Mandate
“SGM Notice”	the notice convening the SGM as set out on pages 24 to 25 of this circular
“Share(s)”	ordinary share(s) of HK\$0.10 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

LETTER FROM THE BOARD



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)

Chairman and Non-executive Director:

Dr. Lam Man Chan

Executive Director:

Mr. Lee Kwok Leung

Independent Non-executive Directors:

Dr. Ng Chi Yeung, Simon

Mr. Tam Yuk Sang, Sammy

Ms. Florence Ng

Registered Office:

Canon's Court
22 Victoria Street
Hamilton HM 12
Bermuda

*Head office and principal place
of business in Hong Kong:*

Flat 18, 9/F., Block B
Focal Industrial Centre
21 Man Lok Street
Hungghom, Kowloon
Hong Kong

27 October 2016

To the Shareholders,

Dear Sir or Madam,

PROPOSED REFRESHMENT OF THE GENERAL MANDATE TO ISSUE SHARES AND NOTICE OF SPECIAL GENERAL MEETING

INTRODUCTION

Reference is made to the announcement of the Company dated 9 September 2016 in relation to the proposed refreshment of the Existing General Mandate.

The purpose of this circular is to provide you with (i) details of the proposed refreshment of the Existing General Mandate; (ii) the recommendations from the Independent Board Committee and the advice of the Independent Financial Adviser in relation to the proposed refreshment of the Existing General Mandate; and (iii) the SGM Notice.

PROPOSED REFRESHMENT OF THE GENERAL MANDATE TO ISSUE SHARES

Background

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

LETTER FROM THE BOARD

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 of the Latest Practicable date, the proceeds had been mainly utilized as to approximately HK\$25 million for investment in listed bonds and the balance of approximately HK\$1 million will be used as working capital.

As at the Latest Practicable Date, the Existing General Mandate had 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 entire issued share capital of the Company as of the Latest Practicable Date. The Existing General Mandate has not been refreshed since it was granted at the 2016 AGM.

As at 30 September 2016, the Company's cash and bank balances was approximately HK\$18 million. Based on the projection of the Company, barring unforeseen circumstances, it is estimated that the working capital requirement for the Group for the next twelve months will be approximately HK\$13 million. Having considered the above working capital requirement, the Company will still maintain a positive cash position yet reduced to a level about HK\$5 million by the end of the next twelve months. However, based on the projected level of liquidity and the cash position of the Group, there may be additional funding requirement of the Company to cover any unexpected circumstances, such as changes in market conditions or opportunities, which may increase the working capital requirement of the Company. Therefore, the Directors consider that it will be a merit for the Group to have additional working capital for its ongoing investment activities and for coping with any business challenges.

As at the Latest Practicable Date, the Company did not have any plan, arrangement, understanding, intention, negotiation (either concluded or in progress) on any potential transaction which would involve issue of securities of the Company that require disclosure under the Listing Rules. The Company will comply with the applicable disclosure requirements under the Listing Rules in respect of any actual or potential investment(s) and/or fund raising exercise(s) as and when appropriate.

As at the Latest Practicable Date, taking into account its existing cash and bank balances and other available resources, the Board estimates that the Group has sufficient working capital for its present requirements and for at least 12 months from the date of this circular in the absence of any unforeseen circumstances.

LETTER FROM THE BOARD

Reasons for refreshment of the Existing General Mandate

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 allot and issue 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 Latest Practicable Date and assuming that the Company does not issue or repurchase any Shares prior to the SGM, the New General Mandate will allow the Directors to allot and issue up to 90,992,250 new Shares, being 20% of the entire issued share capital of the Company as at the Latest Practicable Date.

The New General Mandate, if granted, will remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; or (iii) the date upon which such authority is revoked or varied by way of ordinary resolution of the Company in general meeting.

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, having regard to the Company's rights issue in September 2014 which took almost three months to complete and involved costs and expenses (including underwriting commission, legal and professional fees and related expenses) of approximately HK\$6.2 million, representing about 3% of the gross proceeds from the rights issue, and the similar level and nature of costs and expenses expected for an open offer in light of the similarities between a rights issue and an 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 the New General Mandate for equity financing purpose is crucial in a competitive and rapidly changing investment environment and in times of volatile market conditions.

In particular, given the principal business activity of the Company is investment in listed and unlisted securities, the performance and business operation of the Company is directly related to the fluctuations of the equity markets and changes in the global economy. The Directors consider that funding requirement or appropriate investment opportunities may arise at any time prior to the next annual general meeting and decision may have to be made within a limited period of time in such event particularly due to the high volatility of the stock markets that the Company primarily invests in. In case the Group has identified suitable investment targets, it may utilise the New General Mandate to raise funding for settling the consideration for such investments. For prudence and flexibility, the Directors consider that it is in the interests of the Company and the Shareholders to refresh the Existing General Mandate so as to provide sufficient resources and financial flexibility to enable the Company to capture investment opportunities in time and to maximize Shareholders' returns. In addition, if any potential investors offer attractive terms for investment in the Shares and subject to the market conditions, the New General Mandate will enable the Directors to conduct an equity fund raising exercise by issuing equity securities within a relatively short period of time, the net proceeds of which will support the Group's business development. The Directors therefore believe that the refreshment of the Existing General Mandate will provide flexibility in the source of funding and allow the Company to grasp any potential opportunities in a timely manner.

LETTER FROM THE BOARD

As compared with the use of a general mandate, the use of a specific mandate for fund raising purpose will be cautiously considered by the Company, given that the Company will have to comply with the notice period requirement for convening a special general meeting in order to seek for such specific mandate from Shareholders and face uncertainties as the specific mandate may not be obtained in a timely manner, which may limit the Company's ability to timely execute and fund its investment activities, such as stock market transactions.

In terms of bank and debt financing, not only that it may be subject to lengthy due diligence and documentation negotiations as compared to equity financing, the Company may also have to bear interest payment obligations coupled with such bank and debt financing. As of 30 June 2016, the Group had total borrowings of about HK\$12 million with an average interest rate of about 3% per annum, which were secured by (i) the Group's office premises with carrying amount of approximately HK\$12 million as at 30 June 2016 and (ii) the Group's title to leased assets with carrying amount of approximately HK\$11 million as at 30 June 2016. Further, in assessing the means of financing, the Company will also take into account the risks profile with reference to the Group's investment objective, which is to achieve medium to long-term capital appreciation. Based on the Company's discussion with banks, while it is possible for the Company to obtain short-term bank financing, there is difficulty for the Company to obtain medium to long term bank financing. The Company considers that short term financing is not aligned with the Company's investment strategy with a focus on long term investment returns and the Company's corresponding funding needs. Bank and debt financing, which usually requires pledge of assets and/or other kind of securities to be provided by the Group, will only be cautiously considered as and when appropriate to reduce possible liquidity issue.

In addition to bank and debt financing, there also exists other means of equity fund raising such as rights issue which may not have an immediate dilution impact. However, not only that it would be difficult to identify any underwriter to underwrite the rights issue as required under the Listing Rules, the costs for the Company to undergo such equity fund raising exercise will be relatively high as compared to equity financing through the use of a general mandate.

Based on the above, the Company considers that equity financing through the use of the New General Mandate is an appropriate way to raise funds for the Company, which is further illustrated by the series of successful placing of new Shares under general mandate by the Company in the past as set out under "Details of refreshment of general mandate and equity fund raising activities in the past 24 months" below, and accordingly the Board takes the view that the refreshment of the Existing General Mandate is in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

DETAILS OF REFRESHMENT OF GENERAL MANDATE AND EQUITY FUND RAISING ACTIVITIES IN THE PAST 24 MONTHS

Date of Shareholders' approval for refreshment of general mandate	Number of Shares issuable under the refreshed general mandate	Subsequent utilisation
30 May 2016 (annual general meeting)	75,836,250 Shares	<p><i>Fund raising:</i> Placing of 75,780,000 Shares at HK\$0.35 per Share as announced on 20 June 2016 and completed on 8 July 2016, with net proceeds of approximately HK\$26 million.</p> <p><i>Intended use of proceeds:</i> For general working capital of the Group and potential investments to be identified.</p> <p><i>Actual use of proceeds:</i> Used as intended, as to approximately HK\$25 million for investment in listed bonds and the remaining balances were used to increase bank balances which will be used as intended.</p>
30 September 2015 (special general meeting)	63,197,850 Shares	<p><i>Fund raising:</i> Placing of 63,192,000 Shares at HK\$0.30 per Share as announced on 14 January 2016 and completed on 1 February 2016, with net proceeds of approximately HK\$18 million.</p> <p><i>Intended use of proceeds:</i> For general working capital of the Group and potential investments to be identified.</p> <p><i>Actual use of proceeds:</i> Used as intended, as to approximately HK\$14 million for investment in listed equity and listed bonds, approximately HK\$3 million for general working capital and the remaining balances were used to increase bank balances which will be used as intended.</p>

LETTER FROM THE BOARD

Date of Shareholders' approval for refreshment of general mandate	Number of Shares issuable under the refreshed general mandate	Subsequent utilisation
11 May 2015 (annual general meeting)	52,665,450 Shares	<p><i>Fund raising:</i> Placing of 52,662,000 Shares at HK\$0.51 per Share as announced on 17 July 2015 and completed on 3 August 2015, with net proceeds of approximately HK\$26.10 million.</p> <p><i>Intended use of proceeds:</i> For general working capital of the Group and potential investments to be identified.</p> <p><i>Actual use of proceeds:</i> Used as intended, for investment in listed equity shares.</p>

Save as disclosed above, the Company has not conducted any other equity fund raising activities in the past 24 months immediately prior to the Latest Practicable Date.

LETTER FROM THE BOARD

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) for illustrative purpose, upon full utilisation of the New General Mandate, assuming no other Shares are issued and/or repurchased by the Company:

Shareholders	As at the Latest Practicable Date		Immediately after the full utilisation of the New General Mandate	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Goodchamp Holdings Limited (Note)	75,775,000	16.65	75,775,000	13.88
Maximum new Shares to be issued under the New General Mandate	–	–	90,992,250	16.67
Public Shareholders	379,186,250	83.35	379,186,250	69.45
Total	454,961,250	100.00	545,953,500	100.00

Note:

Goodchamp Holdings Limited is directly owned by the Sinowin Unit Trust (Sinowin (PTC) Inc. as its trustee) which is 100% owned by the Richmond Trust (a discretionary trust in which HSBC International Trustee Limited is the trustee). Dr. Lam Man Chan, who is the chairman and non-executive Director of the Company, is the settlor and protector of the Richmond Trust.

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 Company does not have any controlling shareholder. As at the Latest Practicable Date, Goodchamp Holdings Limited, a company which is wholly owned by the Richmond Trust (a discretionary trust in which HSBC International Trustee Limited is the trustee), of which Dr. Lam Man Chan, who is the chairman and non-executive Director of the Company, is the settlor and protector, was interested in 75,775,000 Shares representing approximately 16.65% of the entire issued share capital of the Company. Goodchamp Holdings Limited and its associates, to the extent of the number of Shares they hold on the date of the SGM, are required to abstain from voting in favour of the relevant proposed resolution at the SGM. The Board was advised by Goodchamp Holdings Limited and its associates that they have no intention to vote against the relevant proposed resolution.

LETTER FROM THE BOARD

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company and their respective associates, hold any Shares and none of the Shareholders are required to abstain from voting in favour of the proposed resolution approving the New General Mandate at the SGM pursuant to the Listing Rules and/or the Bye-laws.

SPECIAL GENERAL MEETING

The Company will convene the SGM at Crystal Room 3, Level B3, Holiday Inn Golden Mile, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on 18 November 2016 at 11:30 a.m. for the purpose of considering and if thought fit, approving the grant of the New General Mandate pursuant to the proposed ordinary resolution as set out in the SGM Notice on pages 24 to 25 of this circular.

A form of proxy for use in connection with the SGM is enclosed herewith. Whether or not you intend to attend and vote at the SGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjournment thereof. The completion and delivery of a form of proxy will not preclude you from attending and voting at the SGM in person should you so wish. If you attend and vote at the SGM, the authority of your proxy will be revoked. Pursuant to Rule 13.39(4) of the Listing Rules, voting by the Shareholders at the SGM will be by poll.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Independent Board Committee has been established to advise the Independent Shareholders in relation to the proposed refreshment of the Existing General Mandate. Fortune Financial Capital Limited has also been appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the proposed refreshment of the Existing General Mandate.

The text of the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 13 to 23 of this circular and the text of the letter from the Independent Board Committee to the Independent Shareholders is set out on page 12 of this circular.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the opinion that the proposed refreshment of the Existing General Mandate is fair and reasonable and is in the interest of the Company and the Shareholders as a whole and recommends the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the SGM.

The Directors consider that the proposed refreshment of the Existing General Mandate are in the interests of the Company and its Shareholders as a whole and accordingly recommend all the Independent Shareholders to vote in favour of the resolution to be proposed at the forthcoming SGM.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



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)

27 October 2016

To the Independent Shareholders,

Dear Sir or Madam,

PROPOSED REFRESHMENT OF THE GENERAL MANDATE TO ISSUE SHARES

We refer to the circular dated 27 October 2016 issued by the Company (the “Circular”), of which this letter forms part. Terms used in this letter shall bear the same meanings as given to them in the Circular unless the context otherwise requires.

We have been appointed as members of the Independent Board Committee to consider the proposed refreshment of the Existing General Mandate, and to advise the Independent Shareholders as to the fairness and reasonableness of the aforesaid matter, and to recommend how the Independent Shareholders should vote at the SGM in respect of the aforesaid matter. Fortune Financial Capital Limited has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board, as set out on pages 3 to 11 of the Circular, and the letter from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders which contains its advice to us in respect of the proposed refreshment of the Existing General Mandate, as set out on pages 13 to 23 of the Circular.

Having taken into account the advice of the Independent Financial Adviser, in particular the principal factors, reasons and recommendation as set out in their letter, we consider that the proposed refreshment of the Existing General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to approve the proposed refreshment of the Existing General Mandate at the SGM.

Yours faithfully,
the Independent Board Committee

Dr. Ng Chi Yeung, Simon
Independent
non-executive Director

Mr. Tam Yuk Sang, Sammy
Independent
non-executive Director

Ms. Florence Ng
Independent
non-executive Director

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.



Fortune Financial Capital Limited

35th Floor, Office Tower

Convention Plaza

1 Harbour Road, Wanchai

Hong Kong

27 October 2016

*To: The Independent Board Committee and the Independent Shareholders of
China Internet Investment Finance Holdings Limited*

Dear Sirs,

PROPOSED REFRESHMENT OF THE GENERAL MANDATE TO ISSUE SHARES

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed refreshment of the Existing General Mandate by way of grant of the New General Mandate (the “**Refreshment of the Existing General Mandate**”), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated 27 October 2016 (the “**Circular**”), of which this letter forms part. Terms defined in the Circular shall have the same meanings in this letter unless the context otherwise requires.

Pursuant to Rule 13.36(4) of the Listing Rules, the Refreshment of the Existing General Mandate requires the approval of the Independent Shareholders at the SGM at which any controlling shareholders (as defined in the Listing Rules) and their associates or, where there are no controlling shareholders, the Directors (excluding independent non-executive Directors), the chief executive of the Company and their respective associates are required to abstain from voting in favour of the resolution proposed for approving the Refreshment of the Existing General Mandate, and under Rule 13.39(4) of the Listing Rules, the vote of the Independent Shareholders in respect of the Refreshment of the Existing General Mandate at the SGM must be taken by way of poll.

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

As set out in the Letter from the Board, the Company does not have any controlling shareholder. As at the Latest Practicable Date, Goodchamp Holdings Limited, a company which is wholly owned by the Richmond Trust (a discretionary trust in which HSBC International Trustee Limited is the trustee), of which Dr. Lam Man Chan, who is the chairman and non-executive Director of the Company, is the settlor and protector, was interested in 75,775,000 Shares representing approximately 16.65% of the entire issued share capital of the Company. Goodchamp Holdings Limited and its associates, to the extent of the number of Shares they hold on the date of the SGM, are required to abstain from voting in favour of the relevant proposed resolution at the SGM.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company and their respective associates, hold any Shares and none of the Shareholders are required to abstain from voting in favour of the proposed resolution approving the New General Mandate at the SGM pursuant to the Listing Rules and/or the Bye-laws.

The Independent Board Committee comprising Dr. Ng Chi Yeung, Simon, Mr. Tam Yuk Sang, Sammy and Ms. Florence Ng, all being independent non-executive Directors, has been established to (a) advise the Independent Shareholders as to whether the Refreshment of the Existing General Mandate is (i) fair and reasonable so far as the Company and the Independent Shareholders are concerned; and (ii) is in the interests of the Company and the Shareholders as a whole; and (b) make recommendation to the Independent Shareholders on how to vote on the resolution to be proposed at the SGM to approve the Refreshment of the Existing General Mandate. We, Fortune Financial Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

Other than this appointment as the Independent Financial Adviser in connection with the Refreshment of the Existing General Mandate, we have no other relationships with or interests in the Company nor any other parties that could reasonably be regarded as relevant to our independence. We are hence independent from the Company pursuant to Rule 13.84 of the Listing Rules.

BASIS OF OUR OPINION

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors and the management of the Company (collectively, the "Management"). We have assumed that all information and representations provided by the Management, for which they are solely and wholly responsible, are true, accurate and complete in all material respects and not misleading or deceptive at the time when they were provided or made and will continue to be so up to the date of the Circular and should there be any material changes after the despatch of this Circular and up to the date of the SGM, the Shareholders would be notified as soon as possible. We have also assumed that all statements of belief, opinion, expectation and intention made by the Management in the Circular were reasonably made after due enquires and careful considerations by the Management and there are no other facts not contained in the Circular the omission of which would make any such statement contained in the Circular misleading. We have no reason to suspect that any relevant information has been withheld, nor are we aware of any facts or circumstances which would render the information provided and representations and opinions made to us untrue, inaccurate or misleading. We have not, however, carried out any independent verification of the information provided by the Management nor have we conducted any independent investigation into the business, financial conditions and affairs or the prospect of the Group or any of their associates.

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

The Directors have collectively and individually accepted full responsibility, including particulars given in compliance with the Listing Rules, for the purpose of giving information with regard to the Company. The Directors have confirmed, after having made all reasonable enquires, which to the best of their knowledge and belief, the information contained in the Circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statements herein or the Circular misleading.

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection with their consideration in relation to the Refreshment of the Existing General Mandate.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In formulating our opinions and recommendations to the Independent Board Committee and the Independent Shareholders in relation to the Refreshment of the Existing General Mandate, we have taken the following principal factors and reasons into consideration:

1. Background of the Refreshment of the Existing General Mandate

At the 2016 AGM, the Shareholders approved, among other things, an ordinary resolution for granting to the Directors the Existing General Mandate to allot, issue and deal with not exceeding 75,836,250 Shares, being 20% of the entire issued share capital of the Company of 379,181,250 Shares as at the date of passing of the relevant resolution.

As referred to in the announcement of the Company dated 8 July 2016, the Company had allotted and issued 75,780,000 Shares under the Existing General Mandate. The Existing General Mandate has been utilised as to 75,780,000 Shares, representing approximately 99.93% of the aggregate number of Shares which may be allotted and issued under the Existing General Mandate. The Existing General Mandate has not been refreshed since it was granted at the 2016 AGM. Accordingly, only 56,250 Shares may be further allotted and issued under the Existing General Mandate.

As at the Latest Practicable Date, the Company has an aggregate of 454,961,250 Shares in issue subsequent to the Placing. Assuming that there is no change in the issued share capital of the Company from the Latest Practicable Date up to the date of the SGM, the Refreshment of the Existing General Mandate (if granted) would allow the Directors to allot, issue and deal with up to 90,992,250 new Shares, representing 20% of the entire issued share capital of the Company as at the date of the SGM.

The New General Mandate, if granted, will remain effective until the earliest of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws or any applicable laws to be held; or (iii) the date upon which such authority is revoked or varied by way of ordinary resolution of the Company in general meeting.

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

2. Reasons for the Refreshment of the Existing General Mandate

Principal Business of the Group

The Group, as an investment company under Chapter 21 of the Listing Rules, is principally engaged in investment in listed and unlisted securities in order to achieve medium to long term capital appreciation. The Group's performance and business operation is directly related to the fluctuations of the equity markets and changes in the global economy.

As disclosed in the interim report of the Group for the six months ended 30 June 2016 (the "**Interim Report 2016**"), the Group's investment portfolio primarily comprised investment in listed equity securities of approximately HK\$120.4 million as at 30 June 2016 (31 December 2015: HK\$154.3 million) and investment in listed debt securities of approximately HK\$49.7 million as at 30 June 2016 (31 December 2015: HK\$20.5 million). The Group also holds 30% equity interest in a Hong Kong unlisted company, Superb Kingdom Limited, which is primarily engaged in the sales of LED lighting products. The investment, classified as an associate, was stated at the amount of approximately HK\$7.7 million as at 30 June 2016 (31 December 2015: HK\$9.8 million).

Recent business development of the Group

As referred to in the announcement of the Company dated 3 August 2016, Ever Shiner Investment Limited ("**Ever Shiner**"), a wholly-owned subsidiary of the Company, entered into a non-legally binding letter of intent with several parties, pursuant to which it is proposed that Ever Shiner will invest an amount of approximately RMB2.5 million and may increase up to RMB6 million in a company incorporated in Qianhai, the PRC to explore investment activities and opportunities in the PRC and consider to apply for the requisite registration as a private fund manager in the PRC.

As disclosed in the Interim Report 2016, the Group will further invest in unlisted companies because their internal rate of return can be high. This can further diversify their portfolio by major asset classes.

As set out in the Letter from the Board, although no concrete investment opportunity or specific business plan was under contemplation by the Company, the Directors consider that funding requirement or appropriate investment opportunities may arise at any time prior to the next annual general meeting which is expected to be held in May 2017 at the earliest (the "**2017 AGM**") and decision may have to be made within a limited period of time in such event particularly due to the high volatility of the stock markets that the Company primarily invests in. For example, if market sentiment and activity heats up due to certain events which may occur prior to the 2017 AGM such as the implementation of the Shenzhen-Hong Kong Stock Connect, new investment opportunities may arise where the Company may require extra funds to capture such opportunities.

Unlike other businesses such as manufacturing companies where business development can be planned well in advance, investment opportunities for the Company arise from time to time and cannot always be planned ahead of time. Certain investment opportunities require timely response in order to secure such investment before other investors. As and when such kind of investment opportunities arises, the Company will be equipped with an extra tool to raise funds for such investment under the Refreshment of the Existing General Mandate.

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

Financial flexibility

The Group is principally engaged in investment in different types of listed and unlisted equity securities and debt securities. The investment decision requires timely response to changing market conditions which is important to investment companies. As advised by the Management, considering the nature of its principal business, the Group is required to have sufficient financial resources on hand or readily available financing alternatives in order to capture suitable opportunities which may arise from time to time to maximise Shareholder's returns.

The Group conducted three equity fund raising activities in the past 24 months, the proceeds from each of the previous fund raising activities were substantially utilised. As advised by the Management, we noted that cash and bank balances of the Group was approximately HK\$18 million as at 30 September 2016. Based on the projection provided by the Management, we also noted that the working capital requirements of the Group for the next twelve months is estimated to be approximately HK\$13 million. Having considered the above cash position and working capital requirements, should there be no new financing and assuming no change to its investment position, the Group will still maintain a positive cash position yet reduced to the level of approximately HK\$5 million by the end of September 2017. It is noted that, based on our discussion with the Management, should the Company issue new Shares using the New General Mandate, funds raised would primarily be applied for investments rather than to fund general working capital of the Company.

Should suitable business opportunity be identified which, in the view of the Directors, is beneficial to the Group, there is no certainty that the existing cash and financing resources will be adequate to capture such opportunity. If the Group does not have sufficient cash or financing resources on hand, the Group may lose such suitable opportunity in which the Directors consider favourable to the Group. In addition, unexpected circumstances in relation to the Group's sources of funding may arise which may affect the Group's cash position prior to the 2017 AGM. For example, such unexpected circumstances may include, but not limited to, changes in economic conditions which may affect commercial banks' appetite to grant loans to the Company which in turn may affect the cash position of the Group. In such event, the Group may also need additional funds to cover working capital requirements and/or investment needs.

Furthermore, as advised by the Management that as at the Latest Practicable Date, the Company is not considering or in negotiation of any fund raising activities, and it does not have any immediate plans for any new issue of Shares under the New General Mandate. However, if any other potential investment opportunities arise or any change of the Group's current circumstances and existing or revised business plans, the Board will not rule out the possibility that the Company may conduct equity and/or other financing fund raising exercises to support such future developments of the Group, including but not limited to utilisation of the New General Mandate. The Refreshment of the Existing General Mandate provides one more financing alternative for the Company to decide the most appropriate means of fund raising exercises under different circumstances.

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

As advised by the Management, the earliest date of the 2017 AGM is expected to be held in May 2017. Given that approximately 99.93% of the Existing General Mandate has been utilised, if the Existing General Mandate is not refreshed, the Directors would only be allowed to further allot and issue up to 56,250 Shares under the Existing General Mandate until renewal of the Existing General Mandate by the Shareholders at the 2017 AGM. The remaining Existing General Mandate may not provide a meaningful amount of equity fund raising for the purpose of financing any possible future acquisition transactions.

If the Existing General Mandate is not being refreshed prior to the 2017 AGM, which is expected to be held in May 2017 at the earliest, the Company may only conduct equity fund raising exercise by seeking specific mandate from the Shareholders in each occasion. In view of the time and costs involved for convening Shareholders' meeting, the inability of the Company to issue new Shares under the Existing General Mandate will impair the flexibility of the Company to participate in any potential transactions which may require relatively short response time. The New General Mandate, on the other hand, allows the Board to respond to market opportunities more promptly with a means of equity fund raising that is simpler and requires less lead time than other types of fund raising exercises such as obtaining approval for a specific mandate. Some of the investments may be also subject to confidentiality whereby investment terms cannot be disclosed to the public during the negotiation stage. In such case, a specific mandate may not be appropriate.

In view of (i) the estimated level of working capital required for the next twelve months; (ii) the proceeds from each of the previous equity fund raising activities in the past 24 months were substantially utilised; (iii) the Existing General Mandate is almost fully utilised and the 2017 AGM will not be held in May 2017 at the earliest; (iv) the granting of the New General Mandate would empower the Company with the flexibility to allot and issue new Shares within the refreshed limit speedily as and when necessary; and (v) the business nature of the Group requires itself to have sufficient financial resources on hand or readily available financing alternatives in order to capture favourable investment opportunities as and when arise, we consider that the Refreshment of the Existing General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

3. Details of refreshment of general mandate and equity fund raising activities in the past 24 months

Set out below are the details of refreshment of general mandate and equity fund raising activities conducted by the Company in the past 24 months immediately prior to the Latest Practicable Date:

Refreshment of general mandate		Subsequent utilisation			
Date of Shareholders' approval for refreshment of general mandate	Number of Shares issuable under the refreshed general mandate	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
30 May 2016 (2016 AGM)	75,836,250 Shares	Placing of 75,780,000 Shares at HK\$0.35 per Share as announced on 20 June 2016 and completed on 8 July 2016	HK\$26 million	General working capital of the Group and for potential investments to be identified	Approximately HK\$25 million or 96% of net proceeds for investment in listed bonds and the remaining balances were used to increase bank balances (<i>Note</i>)
30 September 2015 (special general meeting)	63,197,850 Shares	Placing of 63,192,000 Shares at HK\$0.30 per Share as announced on 14 January 2016 and completed on 1 February 2016	HK\$18 million	General working capital of the Group and for potential investments to be identified	Approximately HK\$2 million or 11% of net proceeds for investment in listed equity securities, approximately HK\$12 million or 67% of net proceeds for investments in listed bonds, approximately HK\$3 million or 17% of net proceeds for general working capital and the remaining balances were used to increase bank balances (<i>Note</i>)

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

Refreshment of general mandate Subsequent utilisation

Date of Shareholders' approval for refreshment of general mandate	Number of Shares issuable under the refreshed general mandate	Event	Net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
11 May 2015 (annual general meeting)	52,665,450 Shares	Placing of 52,662,000 Shares at HK\$0.51 per Share as announced on 17 July 2015 and completed on 3 August 2015	HK\$26.1 million	General working capital of the Group and for potential investments to be identified	Approximately HK\$26.1 million or 100% of net proceeds for investment in listed equity securities <i>(Note)</i>

Note: Investment in each of the listed bonds and listed equity securities accounted for less than 10% of the overall portfolio as at 30 September 2016.

As disclosed above, the actual use of proceeds raised from each of the previous fund raising activities in the past 24 months were generally related to investments, which is consistent with the Group's principal business objective.

Save as disclosed above, the Company had not conducted any other equity fund raising activities in the past 24 months immediately prior to the Latest Practicable Date.

4. Other financing alternatives

As advised by the Management, apart from issue of Shares under general mandate, the Company will also consider other financing alternatives such as bank and debt financing, rights issue or open offer for any future financial needs. However, bank and debt financing may be subject to lengthy due diligence and documentation negotiations as compared to the equity financing available to the Company if the Refreshment of the Existing General Mandate is granted. Based on the Company's discussion with banks, while it is possible for the Company to obtain short-term bank financing, there is difficulty for the Company to obtain medium to long-term bank financing. However, short-term bank financing is not aligned with the Group's investment strategy with a focus on long term investment returns and the Group's corresponding funding needs. In addition, debt financing may require pledge of assets and/or other kind of securities which may possibly reduce the Group's flexibility in managing its portfolio.

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

As disclosed in the Interim Report 2016, the net assets attributable to owners of the Company decreased from approximately HK\$232.3 million as at 31 December 2015 to approximately HK\$214.3 million as at 30 June 2016. The loss attributable to owners of the Company was approximately HK\$37.3 million for the six months ended 30 June 2016. As advised by the Management, such decline in net assets position and loss of the Group was mainly attributable to the net fair value loss of the equity investment portfolio, which is in line with the performance of the Hong Kong stock market for the same period.

The Directors consider that it may not be easy for the Company to obtain debt financing under terms which suits the Group's investment strategy and negotiation of the borrowing terms may be time consuming given such financial conditions and performance of the Group.

Given the aforesaid financial conditions and performance of the Group, although the allotment and issuance of new Shares without substantial discount may not be attractive to potential investors, equity financing through issuance of new Shares may allow the Group to raise funds in a timely manner and will be subject to less constraints as compared to the aforesaid financing alternatives.

In terms of rights issue or open offer, it has to be carried out on a fully underwritten basis while placing activities could be carried out on a best effort basis. A rights issue or an open offer may involve (i) identifying underwriter(s) under favourable terms; (ii) substantial time for extra administrative work for preparation and issue of related documents such as prospectus and application forms for acceptance of the rights issue or open offer and appointment of reporting accountants to report on unaudited pro forma financial information to be included in the prospectus; and (iii) incurring certain amount of fixed costs such as expenses in relation to engagement of professional advisers, printing charges in connection with documents such as prospectus and application forms, cost associated with registration and despatch of new Shares to a large number of Shareholders, which are otherwise not required in a new shares placement exercise. Since rights issue or open offer involve certain amount of fixed costs, for smaller fund raising exercises, the costs involved may constitute a higher percentage of funds raised which may be less cost effective than a new shares placement under a general mandate. Although rights issue or open offer would be offered to the Shareholders on a pro rata entitlement basis, those qualifying Shareholders who choose not to take up their assured entitlements in full would have dilution to their shareholding interests in the Company. In comparison, equity financing through issuance of new Shares under general mandate provides the Company with simpler and less lead time process.

Nevertheless, the Directors will consider the cost and the terms of the funding to decide the most appropriate means of financing in order to maximise the benefit of the Shareholders and will exercise due and careful consideration when choosing the best method of financing for the Company. The Refreshment of the Existing General Mandate empowers the Company with one more financing alternative to consider under different circumstances.

Having considered that the grant of the New General Mandate (i) could be less time consuming and subject to less constraints as compared with bank financing; (ii) is less costly and time consuming than raising funds by way of rights issue or open offer; and (iii) provides the Company with the flexibility and ability to raise capital to satisfy the financial needs as and when it arises, we concur with the Directors' view that the Refreshment of the Existing General Mandate is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

5. Potential dilution to shareholding of the existing public Shareholders

The following table sets out the shareholding structure of the Company (i) as at the Latest Practicable Date; and (ii) for illustration purpose only, upon full utilisation of the New General Mandate, assuming no new Shares are issued and/or repurchased by the Company following the Latest Practicable Date:

Shareholders	As at the Latest Practicable Date		Immediately after the full utilisation of the New General Mandate	
	No. of Shares	Approx. %	No. of Shares	Approx. %
Goodchamp Holdings Limited (<i>Note</i>)	75,775,000	16.65	75,775,000	13.88
Maximum new Shares to be issued under the New General Mandate	–	–	90,992,250	16.67
Public Shareholders	379,186,250	83.35	379,186,250	69.45
Total	<u>454,961,250</u>	<u>100.00</u>	<u>545,953,500</u>	<u>100.00</u>

Note: Goodchamp Holdings Limited is directly owned by the Sinowin Unit Trust (Sinowin (PTC) Inc. as its trustee) which is 100% owned by the Richmond Trust (a discretionary trust in which HSBC International Trustee Limited is the trustee). Dr. Lam Man Chan, who is the chairman and non-executive Director of the Company, is the settlor and protector of the Richmond Trust.

As illustrated in the table above, assuming no new Shares will be issued and/or repurchased by the Company from the Latest Practicable Date to the date of the SGM, 90,992,250 new Shares can be issued upon full utilisation of the New General Mandate, representing 20% of the issued share capital as at the date of the SGM, and the aggregate shareholding of the existing public Shareholders will decrease from approximately 83.35% as at the Latest Practicable Date to approximately 69.45%, representing a dilution of approximately 13.90%.

Having considered that (i) the Refreshment of the Existing General Mandate allows the Company to raise capital by allotment and issuance of new Shares before the 2017 AGM which is expected to be held in around seven months from the date of this Circular during which potential market events and investment opportunities may arise; (ii) the Refreshment of the Existing General Mandate provides flexibility for financing the Group for future possible funding needs; and (iii) the proceeds raised from each of the previous fund raising activities in the past 24 months were substantially utilised, the above flexibility outweighs the dilution effect of the existing Shareholders as the Company is able to respond in a timely and effective manner to capture suitable investment opportunities for the benefit of the Company and the Shareholders as a whole. Therefore, we consider that the potential dilution to the shareholdings of the existing public Shareholders to be acceptable.

LETTER FROM FORTUNE FINANCIAL CAPITAL LIMITED

RECOMMENDATION

Based on our independent work performed in relation to, among other things, the nature of the Company's investment portfolio, the Group's working capital requirements and potential sources of funding and means of fund raising commonly used by other companies listed on the Stock Exchange, and having taken into consideration the principal factors and reasons regarding the Refreshment of the Existing General Mandate, in particular:

- approximately 99.93% of the Existing General Mandate has been utilised as at the Latest Practicable Date;
- the New General Mandate provides more flexibility and options of financing to the Company to capture future business opportunities as and when it arises and to fulfill potential working capital requirements in the coming twelve months;
- the New General Mandate may serve as a more cost effective means for future equity fund raising exercises as compared to rights issues or open offer, depending on the size of the funds to be raised;
- the potential dilution to the shareholdings of the existing public Shareholders is acceptable; and
- the Refreshment of the Existing General Mandate empowers the Company with one more financing alternative to consider under different circumstances,

we consider that the Refreshment of the Existing General Mandate is fair and reasonable so far as the Company and the Independent Shareholders are concerned and is in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders, and also the Independent Board Committee to advise the Independent Shareholders, to vote in favour of the ordinary resolution to approve the Refreshment of the Existing General Mandate at the SGM.

Yours faithfully,
For and on behalf of
FORTUNE FINANCIAL CAPITAL LIMITED
Kenneth Wong
Executive Director

Mr. Wong is a responsible officer under the SFO to engage in type 6 (advising on corporate finance) regulated activities. He has around 9 years of experience in corporate finance.

NOTICE OF SPECIAL GENERAL MEETING



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)

NOTICE OF SPECIAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the special general meeting (the “**SGM**”) of China Internet Investment Finance Holdings Limited (the “**Company**”) will be held at Crystal Room 3, Level B3, Holiday Inn Golden Mile, 50 Nathan Road, Tsim Sha Tsui, Kowloon, Hong Kong on 18 November 2016 at 11:30 a.m. for the following purposes:

ORDINARY RESOLUTION

To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** to the extent not already exercised, the mandate to allot and issue shares of the Company given to the Directors at the annual general meeting of the Company held on 30 May 2016 be and is hereby refreshed and replaced by the mandate **THAT**:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options (including bonds, warrants and debentures convertible into shares of the Company) which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (c) the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a), otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the share option scheme of the Company approved by The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or other similar arrangement for the time being adopted for the grant or issue of shares or rights of the Company; or (iii) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the bye-laws of the Company (the “**Bye-Laws**”), shall not exceed 20% of the issued share capital of the Company as at the date of passing this resolution, and the said approval shall be limited accordingly; and

NOTICE OF SPECIAL GENERAL MEETING

(d) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-Laws or any applicable laws to be held; and
- (iii) the date upon which the authority set out in this resolution is revoked or varied by way of ordinary resolution of the Company in general meeting; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of ordinary shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory outside Hong Kong).”

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

Hong Kong, 27 October 2016

Notes:

1. The register of members of the Company will not be closed for the purpose of ascertaining the right of shareholders of the Company to attend and vote at the SGM. However, in order to qualify for attending and voting at the SGM, all transfers, accompanied by the relevant share certificates, must be lodged for registration with the Company’s branch share registrar in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 4:30 p.m. on 16 November 2016.
2. Any shareholder of the Company entitled to attend and vote at the SGM is entitled to appoint another person as his/her proxy to attend and vote on his behalf in accordance with the bye-laws of the Company. A shareholder of the Company who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
3. A form of proxy for use at the SGM is enclosed. In order to be valid, the form of proxy together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be deposited at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not less than 48 hours before the time appointed for holding the SGM or any adjournment thereof.
4. Where there are joint registered holders of any share(s), any one of such joint holders may attend and vote at the SGM, either in person or by proxy, in respect of such share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the SGM or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the SGM or any adjournment thereof if he/she so desires. If a shareholder of the Company attends and votes at the SGM after having deposited the form of proxy, his/her form of proxy will be deemed to have been revoked.