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ASIA INVESTMENT FINANCE GROUP LIMITED

亞投金融集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 33)

PROPOSED CAPITAL REORGANIZATION AND CHANGE IN BOARD LOT SIZE

The Directors proposed to implement the Capital Reorganization involving (i) the reduction of the par value of each issued Share from HK\$0.10 to HK\$0.0001; (ii) the sub-division of each authorized but unissued Share into 1,000 New Shares of HK\$0.0001 each and (iii) the consolidation of the New Shares on the basis that every 10 issued and unissued New Shares of HK\$0.0001 each will be consolidated into one Consolidated Share of HK\$0.001 each.

Conditional upon the Capital Reorganization becoming effective, the Board also proposes to change the board lot size for trading on the Stock Exchange from 2,000 Shares to 6,000 Consolidated Shares.

The Capital Reorganization is conditional upon fulfillment of the conditions contained in the section headed “Conditions for Capital Reorganization” in this announcement. A circular containing further information on the Capital Reorganization, change in board lot size and the notice to convene the EGM will be dispatched to Shareholders on or before 29 April 2019.

CAPITAL REORGANIZATION

The Directors proposed to reorganize the share capital of the Company in the following manner:

1. the par value of each issued Share of HK\$0.10 will be reduced to HK\$0.0001 by canceling the paid-up share capital to the extent of HK\$0.0999 on each issued Share;
2. immediately after the Capital Reduction becomes effective, each authorized but unissued Share will be sub-divided into 1,000 New Shares of HK\$0.0001 each; and
3. immediately after the Capital Reduction and Sub-division become effective, the New Shares will be consolidated on the basis that every 10 issued and unissued New Shares of HK\$0.0001 each will be consolidated into one Consolidated Share of HK\$0.001 each.

Effects of the Capital Reorganization

As at the date of this announcement, the authorised share capital of the Company is HK\$10,000,000,000 divided into 100,000,000,000 Shares of HK\$0.10 each, of which 9,327,172,000 Shares are in issue and are fully paid or credited as fully paid.

Assuming no further Shares will be issued or repurchased after the date of this announcement, after the Capital Reduction and Sub-division becoming effective but prior to the Share Consolidation becoming effective, the authorized share capital of the Company will be HK\$10,000,000,000 divided into 100,000,000,000,000 New Shares of HK\$0.0001 each, of which 9,327,172,000 New Shares will have been issued and fully paid or credited as fully paid. After the Share Consolidation becoming effective, the authorized share capital of the Company will be HK\$10,000,000,000 divided into 10,000,000,000,000 Consolidated Shares of HK\$0.001 each, of which 932,717,200 Consolidated Shares will have been issued and fully paid or credited as fully paid.

Assuming no further Shares will be issued or repurchased after the date of this announcement, a credit of approximately HK\$931.78 million will arise as a result of the Capital Reduction. Such credit will be transferred to a distributable reserve account of the Company. The account will be applied by the Directors for such purposes permitted under the applicable laws.

The Consolidated Shares will rank *pari passu* in all respects with each other in accordance with the Company's memorandum and articles of association. Fractional Consolidated Shares will be disregarded and not issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Consolidated Shares regardless of the number of share certificates held by such holder.

Other than the expenses to be incurred in relation to the Capital Reorganization, the implementation thereof will not alter the underlying assets, business operations, management or financial position of the Company or the interests or rights of the Shareholders.

Conditions for Capital Reorganization

The Capital Reorganization is conditional upon the following:

1. the passing of the necessary resolutions by the Shareholders to approve the Capital Reorganization at the EGM;
2. the Court confirming the Capital Reduction and compliance with any conditions the Court may impose in relation to the Capital Reduction;
3. the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the Consolidated Shares in issue following the Capital Reorganization taking effect; and
4. registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Law with respect to the Capital Reduction.

The Capital Reorganization shall become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Capital Reorganization at the EGM, the legal advisors to the Company (as to Cayman Islands Law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and a further announcement will be made by the Company as soon as practicable after the Court hearing date(s) is confirmed.

Listing Application

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares arising from the Capital Reorganization.

CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded in board lots of 2,000 Shares. Conditional upon the Capital Reorganization becoming effective, the Board also proposes to change the board lot size for trading on the Stock Exchange from 2,000 Shares to 6,000 Consolidated Shares.

Based on the closing price of HK\$0.064 per Share (equivalent to the theoretical closing price of HK\$0.64 per Consolidated Share) as quoted on the Stock Exchange at the date of this announcement, the value of each existing board lot of 2,000 Shares is HK\$128 and the theoretical value for each new board lot of 6,000 Consolidated Shares, assuming the Capital Reorganization has become effective, would be HK\$3,840.

REASONS FOR THE CAPITAL REORGANIZATION AND CHANGE IN BOARD LOT SIZE

According to Rule 13.64 of the Listing Rules, where the market price of the securities of the issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the Stock Exchange reserves the right to require the issuer either to change the trading method or to proceed with a consolidation or splitting of its securities.

In view of the recent trading prices of the Shares, the Board proposed to implement the Capital Reorganization. It is expected that the Capital Reorganization would bring about a corresponding upward adjustment in the trading price of the Consolidated Shares. The change in board lot size would increase the trading amount for each board lot of Consolidated Shares so as to comply with the trading requirement of the Stock Exchange.

In addition, the Company is prohibited from issuing new shares at below their par value under the Company's articles of association and the Companies Law. The Capital Reduction will give the Company greater flexibility in pricing any future issue of shares.

Accordingly, the Board is of the view that the Capital Reorganization and change in board lot size are in the interests of the Company and the Shareholders as a whole.

ARRANGEMENT ON ODD LOT TRADING

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint a securities firm to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular to be dispatched to the Shareholders in relation to the Capital Reorganization.

EXCHANGE OF SHARE CERTIFICATES

The new share certificates will be in the colour of green in order to distinguish them from the existing share certificates which are gold in colour. Subject to the Capital Reorganization becoming effective, Shareholders may during the prescribed period submit share certificates for existing Shares to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, to exchange, at the expense of the Company, for certificates of the Consolidated Shares (on the basis of 5 existing Shares for one Consolidated Share) within the prescribed time. Thereafter, certificates of Shares will remain effective as documents of title but will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) per certificate issued or cancelled, whichever is higher, payable by Shareholders.

CONVERTIBLE SECURITIES AND SHARE OPTIONS

As at the date of this announcement, there are (i) 2018 Convertible Bonds in the outstanding principal amount of HK\$100,000,000; (ii) 2019 Convertible Bonds in the outstanding principal amount of HK\$70,000,000 and (iii) outstanding share options granted under the Share Option Scheme to subscribe for 682,000,000 new Shares. The auditor of the Company or a financial adviser will be engaged by the Company in accordance with the terms of the 2018 Convertible Bonds, 2019 Convertible Bonds and Share Option Scheme respectively to certify in writing as to the adjustments (if any) required to be made in respect of the 2018 Convertible Bonds, 2019 Convertible Bonds and share options as a result of the Capital Reorganization. The Company will make further announcements about the adjustments in due course.

EXPECTED TIMETABLE

Set out below is the expected timetable for the implementation of the Capital Reorganization and change in board lot size:

Despatch of circular with notice of EGM. On or before Monday,
29 April 2019

Latest time for lodging transfers of Shares
in order to qualify for EGM 4:30 p.m. on Friday,
17 May 2019

Register of members closes
(both days inclusive) From Monday, 20 May 2019 to
Thursday, 23 May 2019

Latest time for lodging proxy form 4:30 p.m. on
Tuesday, 21 May 2019

Record date for EGM. Thursday, 23 May 2019

Date of EGM 4:30 p.m. on
Thursday, 23 May 2019

Announcement on results of EGM Thursday, 23 May 2019

The following events are conditional on the results of the EGM and the confirmation of the Court to the Capital Reduction. It may take approximately 2 to 3 months for the Company to obtain hearing dates before the Court which will be subject to the availability of the Court over which the Company has no control. The dates are therefore tentative.

Effective date for the Capital Reorganization. 9:00 a.m. on
Wednesday,
21 August 2019

First day for free exchange of existing share certificates
for new share certificates Wednesday,
21 August 2019

Dealing in Consolidated Shares commences9:00 a.m.
Wednesday,
21 August 2019

Original counter for trading in Shares in board lots of
2,000 Shares (in the form of existing share certificates)
temporarily closes9:00 a.m.
Wednesday,
21 August 2019

Temporary counter for trading in Consolidated Shares
in board lots of 200 Consolidated Shares
(in the form of existing share certificates) opens9:00 a.m.
Wednesday,
21 August 2019

Original counter for trading in Consolidated Shares
in board lots of 6,000 Consolidated Shares
(in the form of new share certificates) re-opens Wednesday,
4 September 2019

Parallel trading in Consolidated Shares
(in the form of new share certificates and
existing share certificates) commences..... Wednesday,
4 September 2019

Designated broker starts to stand in the market to
provide matching services for
odd lots of Consolidated Shares Wednesday,
4 September 2019

Temporary counter for trading in Consolidated Shares
in board lots of 200 Consolidated Shares
(in the form of existing share certificates) closes4:00 p.m.
Tuesday,
24 September 2019

Parallel trading in Consolidated Shares in the form of
new share certificates and existing share certificates closes4:00 p.m.
Tuesday,
24 September 2019

Designated broker ceases to stand in the market to
provide matching services
for odd lots of Consolidated Shares4:00 p.m.
Tuesday,
24 September 2019

Last day for free exchange of existing share certificates for
new share certificates Thursday,
26 September 2019

EGM AND CIRCULAR

The Capital Reorganization is subject to the Shareholders' approval at the EGM. A circular containing further information on the Capital Reorganization, change in board lot size and the notice of the EGM will be dispatched to the Shareholders on or before 29 April 2019.

DEFINITIONS

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

“2018 Convertible Bonds”	the convertible bonds issued by the Company with outstanding principal amount of HK\$100,000,000 due 2019
“2019 Convertible Bonds”	the convertible bonds issued by the Company with outstanding principal amount of HK\$70,000,000 due 2021
“Board”	the board of Directors
“Capital Reduction”	the proposed reduction of the par value of each issued Share from HK\$0.10 to HK\$0.0001 by canceling the paid up share capital to the extent of HK\$0.0999 on each issued Share
“Capital Reorganization”	the proposed capital reorganization of the Company’s share capital involving (i) the Capital Reduction; (ii) the Sub-division and (iii) the Share Consolidation
“Company”	Asia Investment Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Stock Exchange
“Consolidated Shares”	new ordinary share(s) of HK\$0.001 each in the share capital of the Company after the Capital Reorganization becoming effective
“Court”	the Grand Court of the Cayman Islands
“Director(s)”	the director(s) of the Company

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“New Share(s)”	new ordinary share(s) of HK\$0.0001 each in the share capital of the Company after the Capital Reduction and Sub-division becoming effective but prior to the Share Consolidation becoming effective
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Capital Reorganization
“Group”	the Company and its subsidiaries
“HK\$”	the lawful currency for the time being of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Shareholder(s)”	the holder(s) of the Shares and/or Consolidated Shares
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company
“Share Consolidation”	the proposed consolidation of every 10 issued and unissued New Shares into one Consolidated Share in the issued and unissued share capital of the Company
“Sub-division”	the proposed sub-division of each authorized but unissued Share into 1,000 New Shares of HK\$0.0001 each

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“Share Option Scheme”

the share option scheme of the Company adopted on 26 June 2017

By Order of the Board of
Asia Investment Finance Group Limited
Cheung Kwan
Chairperson and Executive Director

Hong Kong, 4 April 2019

As at the date of this announcement, the Board comprises four executive Directors, namely Ms. Cheung Kwan, Mr. Sun Yu, Mr. Liu Hu and Ms. Zhao Hong Mei; two non-executive Director, Mr. Wang Dayong and Mr. Li Xin and three independent non-executive Directors, namely Mr. Anthony Espina, Ms. Jin Xin, and Mr. Wang Jun Sheng.