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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 RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON RECORD DATE**

Underwriter to the Rights Issue



Kingston Securities Limited

Financial adviser to the Company



Kingston Corporate Finance Limited

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.2 per Rights Share, to raise not less than approximately HK\$9,428,212 by issuing not less than 47,141,062 Rights Shares (assuming no exercise of any outstanding Share Options and no change in the share capital of the Company on or before the Record Date) and to raise not more than approximately HK\$9,584,212 by issuing not more than 47,921,062 Rights Shares (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date) to the Qualifying Shareholders.

The Company intends to apply the net proceeds from the Rights Issue as to (a) approximately 50% for possible investments in listed bonds, listed equities and/or various private equity investments to be identified including investment in (i) a medical diagnostic company, details of which were set out in the Company's announcement dated 20 April 2021, and (ii) a live e-commerce marketing platform company, details of which were set out in the Company's announcement dated 30 April 2021; and (b) approximately 50% for general working capital including general administrative expenses of the Group.

THE UNDERWRITING AGREEMENT

On 20 May 2021 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to fully underwrite all Underwritten Shares, subject to the terms and conditions of the Underwriting Agreement.

As at the date of this announcement, Goodchamp is interested in 25,707,100 Shares, representing approximately 27.27% of the issued share capital of the Company. Goodchamp has given the Goodchamp Undertaking in favour of the Company and the Underwriter that, among others, (i) it will subscribe for or procure subscription for 12,853,550 Rights Shares to which Goodchamp is entitled under the Rights Issue; and (ii) it will not dispose of, transfer, or sell any Shares held by it from the date of the Goodchamp Undertaking and up to the date of completion of the Rights Issue.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12 month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-months period immediately preceding the date of this announcement and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates). The Rights Issue is not subject to Shareholders' approval under the Listing Rules.

GENERAL

Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Excluded Shareholders for their information only, but the Company will not send the PAL and EAF to the Excluded Shareholders.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed “Termination of the Underwriting Agreement” under the section headed “The Underwriting Agreement”). Accordingly, the Rights Issue may or may not proceed.

PROPOSED RIGHTS ISSUE

The Company proposes to implement the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date at the Subscription Price of HK\$0.2 per Rights Share, to raise not less than approximately HK\$9,428,212 by issuing not less than 47,141,062 Rights Shares (assuming no exercise of any outstanding Share Options and no change in the share capital of the Company on or before the Record Date) and to raise not more than approximately HK\$9,584,212 by issuing not more than 47,921,062 Rights Shares (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date) to the Qualifying Shareholders.

On 20 May 2021 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter in respect of the Rights Issue, details of which are set out in the section headed “The Underwriting Arrangement” in this announcement.

Further details of the Rights Issue are set out below:

Issue statistics

Basis of the Rights Issue	: one (1) Rights Share for every two (2) existing Shares held on the Record Date
Subscription Price	: HK\$0.2 per Rights Share
Number of Shares in issue at the date of this announcement	: 94,282,125 Shares

Number of Rights Shares	:	not less than 47,141,062 Rights Shares (assuming no exercise of any outstanding Share Options and no change in the share capital of the Company on or before the Record Date) and not more than 47,921,062 Rights Shares (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	not less than HK\$471,410.62 and not more than HK\$479,210.62
Number of Shares as enlarged by the allotment and issue of the Rights Shares	:	not less than 141,423,187 Shares and not more than 143,763,187 Shares
Number of Rights Shares underwritten by the Underwriter	:	all the Rights Shares to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement other than those agreed to be taken up by the Goodchamp pursuant to the Goodchamp Undertaking

As at the date of this announcement, save for 1,560,000 outstanding Share Options, the Company had no other outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

Assuming no exercise of any outstanding Share Options and no change in the share capital of the Company on or before the Record Date, 47,141,062 Rights Shares to be issued pursuant to the terms of the Rights Issue represents (i) approximately 50% of the total number of issued Shares as at the date of this announcement; and (ii) approximately 33.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Subscription Price

The Subscription Price is HK\$0.2 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 51.22% to the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 53.05% to the average of the closing prices of HK\$0.426 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 55.70% to the average of the closing prices of approximately HK\$0.452 per Share as quoted on the Stock Exchange for the ten consecutive trading days up to and including the Last Trading Day; and
- (iv) a discount of approximately 41.18% to the theoretical ex-rights price of HK\$0.34 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.41 per Share as quoted on the Stock Exchange on the Last Trading Day.

The Subscription Price was set at a discount to the recent closing prices of the Shares aiming at lowering the further investment cost of the Shareholders so as to encourage them to take up their entitlements to maintain their shareholdings in the Company, thereby minimising dilution impact. The Subscription Price was determined after arm's length negotiation between the Company and the Underwriter with reference to, among others, (i) the market price of the Shares under the prevailing market conditions; (ii) the latest business performance and financial position of the Group; and (iii) the reasons for and benefits of Rights Issue as discussed in the section headed "Reasons for and benefits of the Rights Issue and intended use of proceeds" in this announcement.

The Directors (including the independent non-executive Directors) consider that, despite any potential dilution impact of the Rights Issue on the shareholding interests of the Shareholders, the terms of the Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account the following factors: (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the Rights Issue are able to sell the nil-paid rights in the market; (ii) the Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company and an opportunity to subscriber for excess Rights Shares subject to the level of acceptance; and (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

Qualifying Shareholders

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Excluded Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL and EAF will be sent to the Excluded Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the

Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. Shareholders and investors of the Company should consult their professional advisers if they are in doubt.

In order to be registered as members of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Tuesday, 8 June 2021.

The last day of dealing in the Shares on cum-rights basis is Friday, 4 June 2021. The Shares will be dealt with on an ex-rights basis from Monday, 7 June 2021.

Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings in the Company will be diluted.

Rights of Overseas Shareholders

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholder(s) may not be eligible to take part in the Rights Issue as explained below.

In compliance with the necessary requirements of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) (if any). If, after making such enquiries, the Directors consider that it is necessary or expedient not to offer the Rights Shares to the Overseas Shareholder(s) on account either of the legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s), the Rights Issue will not be extended to such Overseas Shareholder(s). As at the date of this announcement, there is no Overseas Shareholder.

The basis for excluding the Excluded Shareholder(s), if any, from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus only (without the PAL and the EAF) and a letter explaining the circumstances in which the Excluded Shareholders are not permitted to participate in the Rights Issue to the Excluded Shareholders for their information only.

Arrangements will be made for Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholder(s) to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid pro rata to the relevant Excluded Shareholder(s). The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold entitlement of Excluded Shareholder(s) to the

Rights Shares and any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders will be made available for excess applications by Qualifying Shareholders under the EAF(s).

Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Company pursuant to the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.

Closure of register of members

The register of members of the Company will be closed from Wednesday, 9 June 2021 to Tuesday, 15 June 2021 (both days inclusive) for determining the Shareholders' entitlements to the Rights Issue.

No transfer of Shares will be registered during the above book closure periods.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) existing Shares in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

Fractional entitlements to the Rights Shares

No fractional entitlements to the Rights Shares shall be issued to the Shareholders and no entitlements of the Excluded Shareholders to the Rights Shares shall be issued to the Excluded Shareholders. All fractions of the Rights Shares shall be rounded down to the nearest whole number of Rights Shares and aggregated and, if a premium (net of expenses) can be achieved, sold in the market by the Company. Any unsold entitlements shall be made available for excess application by the Qualifying Shareholders.

Status of the Rights Shares

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

Share certificates and refund cheques for the Rights Issue

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Monday, 12 July 2021. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Monday, 12 July 2021 by ordinary post to the applicants at their own risk, to their registered addresses.

Application for excess Rights Shares

Under the Rights Issue, Qualifying Shareholders may apply, by way of excess application, for (i) any unsold entitlements of the Excluded Shareholder; and (ii) any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Application for excess Rights Shares can be made by the Qualifying Shareholders only and by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar no later than 4:00 p.m. on Wednesday, 30 June 2021.

The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (ii) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders; and
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to the relevant beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are held in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares under their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for

registration by no later than 4:30 p.m. on Tuesday, 8 June 2021. Shareholders and investors of the Company should consult their professional advisers if they are in doubt as to their status.

Application for listing of the Rights Shares

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 6,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Conditions of the Rights Issue

The Rights Issue is conditional upon the Underwriting Agreement having become unconditional and not being terminated in accordance with the terms thereof.

THE UNDERWRITING AGREEMENT

The Underwriting Agreement

On 20 May 2021 (after trading hours), the Company entered into the Underwriting Agreement with the Underwriter, pursuant to which the Underwriter has conditionally agreed to fully underwrite all Underwritten Shares, subject to the terms and conditions of the Underwriting Agreement.

Principal terms of the Underwriting Agreement

Date	:	20 May 2021 (after trading hours)
Underwriter	:	Kingston Securities Limited
Number of Rights Shares to be underwritten	:	All the Rights Shares (other than the 12,853,550 Rights Shares undertaken to be taken up by Goodchamp under the Goodchamp Undertaking), being not less than 34,287,512 Rights Shares (assuming no exercise of any outstanding Share Options and no change in the share capital of the Company on or before the Record Date) and not more than 35,067,512 Rights Shares (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date)
Underwriting Commission	:	2.5% of the aggregate Subscription Price in respect of the maximum number of Underwritten Shares

The Underwriter is a company incorporated in Hong Kong with limited liability and a corporation licensed to carry on Type 1 (dealing in securities) regulated activities under the SFO whose ordinary course of business includes underwriting of securities. To the best of the Directors' knowledge, information and belief, the Underwriter and its ultimate beneficial owner(s) are Independent Third Parties.

The terms of the Underwriting Agreement, including the underwriting commission rate, were determined after arm's length negotiation between the Company and the Underwriter with reference to the existing financial position of the Group, the size of the Rights Issues, and the current and expected market condition. The Directors consider the entering into of the Underwriting Agreement with the Underwriter and the terms of the Underwriting Agreement (including the underwriting commission) to be fair and reasonable and in the interest of the Company and the Shareholders as a whole.

Save for the Underwriting Agreement and the Financial Adviser Appointment Letter, the Company has not entered into any agreement, arrangement, understanding or undertaking in regard of the Rights Issue with the Underwriter or any of its connected persons and their respective associate.

Conditions of the Underwriting Agreement

The Underwriting Agreement is conditional upon the following conditions being fulfilled or waived (as appropriate):

- (a) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the approval for the listing of, and permission to deal in, the Rights Shares (in their nil-paid and fully-paid forms) prior to the Latest Time for Termination;
- (b) the filing and registration of all the Prospectus Documents (together with any other documents required by applicable law or regulation to be annexed thereto) with the Registrar of Companies in Hong Kong by no later than the Prospectus Posting Date;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus for information only to the Excluded Shareholders, if any, by no later than the Prospectus Posting Date;
- (d) Goodchamp complying with its obligations under the Goodchamp Undertaking;
- (e) the Underwriting Agreement not being terminated by the Underwriter pursuant to the terms hereof on or before the Latest Time for Termination;
- (f) there being no breach of the undertakings and obligations of the Company under the terms of the Underwriting Agreement at the Latest Time for Termination; and
- (g) there being no specified event occurring on or before the Latest Time for Termination.

Save for the conditions (f) and (g) which can be waived by the Underwriter, none of the above conditions can be waived. If any of the conditions referred to above is not fulfilled, or waived (where applicable) by the Latest Time for Termination, the Rights Issue will not proceed.

Irrevocable undertaking

As at the date of this announcement, Goodchamp is interested in 25,707,100 Shares, representing approximately 27.27% of the issued share capital of the Company. Goodchamp has given the Goodchamp Undertaking in favour of the Company and the Underwriter that, among others, (i) it will subscribe for or procure subscription for 12,853,550 Rights Shares to which Goodchamp is entitled under the Rights Issue; and (ii) it will not dispose of, transfer, or sell any Shares held by it from the date of the Goodchamp Undertaking and up to the date of completion of the Rights Issue.

As at the date of this announcement, the Company has not received any information from Goodchamp of its intention to subscribe for excess Rights Shares by way of excess application.

As at the date of this announcement, Goodchamp is directly owned by The Sinowin Unit Trust (Sinowin (PTC) Inc. as its trustee), which in turn is 100% owned by the Richmond Trust (a discretionary trust in which HSBC International Trustee Limited is the trustee). Dr. Lam, who is the Chairman and a non-executive Director of the Company, is the settlor and protector of Richmond Trust.

As at the date of this announcement, save for the Goodchamp Undertaking, the Company has not received any information from any Shareholders of their intention to take up the Rights Shares to be provisionally allotted to them under the Rights Issue.

Termination of the Underwriting Agreement

If, prior to the Latest Time for Termination, one or more of the following events or matters shall occur, arise, exist, or come into effect:

- (1) the introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) after the signing of the Underwriting Agreement;
- (2) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring after the signing of the Underwriting Agreement or continuing after the signing of the Underwriting Agreement) of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets;
- (3) any material adverse change after the signing of the Underwriting Agreement in the business or in the financial or trading position of any member of the Group;
- (4) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out occurring after the signing of the Underwriting Agreement;
- (5) after signing of the Underwriting Agreement, there occurs or comes into effect the imposition of any moratorium, suspension or material restriction on trading in the Shares generally on the Stock Exchange whether due to exceptional financial circumstances or otherwise;
- (6) there is, after signing of the Underwriting Agreement, any change or any development involving a prospective change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, imposition of economic sanctions, in/on Hong Kong, the People's Republic of China or other jurisdiction relevant to any member of the Group and a change in currency

conditions for the purpose of this clause includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs; or

- (7) the Prospectus when published contain information (either as to business prospects or the condition of the Group or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company,

which event or events is or are in the absolute opinion of the Underwriter:

- (a) likely to have a material adverse effect on the business or financial or trading position or prospects of the Group as a whole; or
- (b) likely to have a material adverse effect on the success of the Rights Issue or the level of the Rights Shares taken up; or
- (c) make it inappropriate, inadvisable or inexpedient to proceed further with the Rights Issue,

the Underwriter shall be entitled by notice in writing to the Company, served prior to the Latest Time for Termination, to terminate the Underwriting Agreement.

Upon giving of notice pursuant to the Underwriting Agreement, the obligations of the Underwriter and the Company under the Underwriting Agreement shall terminate forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Expected Timetable	2021
Announcement of the Rights Issue	Thursday, 20 May
Last day of dealings in Shares on a cum-rights basis	Friday, 4 June
First day of dealings in the Shares on an ex-rights basis	Monday, 7 June
Latest time for lodging transfer of Shares in order to qualify for the Rights Issue.	4:30 p.m. on Tuesday, 8 June

Expected Timetable**2021**

Register of members of the Company closes (both days inclusive)	Wednesday, 9 June to Tuesday, 15 June
Record Date for determining entitlements to the Rights Issue	Tuesday, 15 June
Register of members of the Company re-opens	Wednesday, 16 June
Despatch of Prospectus Documents (in the case of Non-Qualifying Shareholders, the Prospectus only)	Wednesday, 16 June
First day of dealing in nil-paid Rights Shares	Friday, 18 June
Latest time for splitting of the PAL	4:30 p.m. on Tuesday, 22 June
Last day of dealing in nil-paid Rights Shares.	Friday, 25 June
Latest Time for Acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Wednesday, 30 June
Latest Time for Termination of the Underwriting Agreement and for the Rights Issue to become unconditional (if applicable)	4:00 p.m. on Monday, 5 July
Announcement of allotment results.	Friday, 9 July
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any, in respect of wholly or partially unsuccessful application for excess Rights Shares	Monday, 12 July
Expected first day of dealings in fully-paid Rights Shares	9:00 a.m. on Tuesday, 13 July
Designated broker starts to stand in the market to provide matching services for odd lots of Shares.	9:00 a.m. on Tuesday, 13 July
Designated broker ceases to stand in the market to provide matching services for odd lots of Shares.	4:00 p.m. on Tuesday, 3 August

Dates or deadlines specified in expected timetable above or in other parts of this announcement are indicative only and may be varied by agreement between the Company and the Underwriter. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 30 June 2021. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 30 June 2021. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Wednesday, 30 June 2021, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND INTENDED USE OF PROCEEDS

The Company is principally engaged in investment in equity and debt securities of listed and unlisted companies in Hong Kong.

The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be not less than approximately HK\$8.02 million and not more than approximately HK\$8.15 million. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.17. The Company intends to apply the net proceeds from the Rights Issue as to (a) approximately 50% for possible investments in listed bonds, listed equities and/or various private equity investments to be identified including investment in (i) a medical diagnostic company, details of which were set out in the Company’s announcement dated 20 April 2021, and (ii) a live e-commerce marketing platform company, details of which were set out in the Company’s announcement dated 30 April 2021; and (b) approximately 50% for general working capital including general administrative expenses of the Group which mainly comprise of employee benefit expenses.

The Board considers that the Rights Issue will increase the capital base of the Company and give the Qualifying Shareholders equal opportunity to maintain their respective pro-rata shareholding interests in the Company. Hence, the Board considers that fund raising through the Rights Issue is in the interests of the Company and the Shareholders as a whole.

However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings will be diluted.

The Board has considered other fund raising alternatives before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. As for placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market.

The Board considers that the Rights Issue would allow all Qualifying Shareholders to participate in the future development of the Company and at the same time offer more flexibility to the Qualifying Shareholders to choose whether to maintain, increase or decrease their respective pro rata shareholdings in the Company by taking up only their respective rights entitlement, acquiring additional rights entitlement or disposing of their rights entitlements in the open market (subject to availability).

In view of the above, the Board considered that raising funds by way of the Rights Issue is beneficial to the Company and its Shareholders as a whole.

CHANGE IN THE SHAREHOLDING STRUCTURE OF THE COMPANY ARISING FROM THE RIGHTS ISSUE

For illustration purposes only, set out below is the shareholding structure of the Company as at the date of the announcement, and the effect on the shareholding structure of the Company upon completion of the Rights Issue in the manner contemplated under the Underwriting Agreement, is as follow:

- (i) Assuming there is no new Share being issued and no Share being repurchased by the Company on or before the Record Date:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue			
			Assuming all Qualifying Shareholders take up their respective entitlements under the Rights Issue		Assuming no Qualifying Shareholders take up their respective entitlements under the Rights Issue (save for Goodchamp under the Goodchamp undertaking)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Goodchamp (<i>Note 1</i>)	25,707,100	27.27	38,560,650	27.27	38,560,650	27.27
The Underwriter (<i>Note 2</i>)	—	—	—	—	34,287,512	24.24
Other public Shareholders	<u>68,575,025</u>	<u>72.73</u>	<u>102,862,537</u>	<u>72.73</u>	<u>68,575,025</u>	<u>48.49</u>
Total	<u>94,282,125</u>	<u>100.00</u>	<u>141,423,187</u>	<u>100.00</u>	<u>141,423,187</u>	<u>100.00</u>

- (ii) Assuming no new Shares being issued other than those falling to be issued upon full exercise of the Share Options and no Shares being repurchased by the Company before the Record Date:

Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue			
			Assuming all Qualifying Shareholders take up their respective entitlements under the Rights Issue		Assuming no Qualifying Shareholders take up their respective entitlements under the Rights Issue (save for Goodchamp under the Goodchamp undertaking)	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Goodchamp (<i>Note 1</i>)	25,707,100	26.82	38,560,650	26.82	38,560,650	26.82
The Underwriter (<i>Note 2</i>)	—	—	—	—	35,067,512	24.39
Other public Shareholders	<u>70,135,025</u>	<u>73.18</u>	<u>105,202,537</u>	<u>73.18</u>	<u>70,135,025</u>	<u>48.79</u>
Total	<u>95,842,125</u>	<u>100.00</u>	<u>143,763,187</u>	<u>100.00</u>	<u>143,763,187</u>	<u>100.00</u>

Notes:

1. The interests are held by Goodchamp, which is directly owned by The Sinowin Unit Trust (Sinowin (PTC) Inc. as its trustee), which in turn is 100% owned by the Richmond Trust (a discretionary trust in which HSBC International Trustee Limited is the trustee). Dr. Lam, who is the Chairman and a non-executive Director of the Company, is the settlor and protector of Richmond Trust.
2. Pursuant to the Underwriting Agreement, (a) the Underwriter shall not subscribe, for its own account, for such number of Untaken Shares which will result in the shareholding of it and parties acting in concert (within the meaning of the Takeovers Code) with it in the Company to 20% or more of the voting rights of the Company upon the completion of the Rights Issue; and (b) the Underwriter shall also use all reasonable endeavours to ensure that each of the subscribers or purchasers of the Untaken Shares procured by it (i) shall be third party independent of, not acting in concert (within the meaning of the Takeovers Code) with it and not connected with the Company, any of the Directors, chief executive of the Company or substantial shareholder(s) of the Company or their respective associates (as defined in the Listing Rules); and (ii) save for the Underwriter itself and its associates, shall not, together with any party acting in concert (within the meaning of the Takeovers Code) with it, hold 10% or more of the voting rights of the Company upon completion of the Rights Issue.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY

The Company has not conducted any other equity fund raising activities in the 12 months immediately preceding the date of this announcement.

As at the date of this announcement, save for the Rights Issue, there is no agreement, arrangement, understanding, intention, negotiation (concluded or otherwise) for any fund raising activity for the Group in the coming 12 months; and the Company has no intention to carry out any other corporate actions or arrangements that may affect the trading in the Shares (including share consolidation, share subdivision and change in board lot size) in the coming 12 months.

ADJUSTMENTS IN RELATION TO OTHER SECURITIES OF THE COMPANY

As at the date of this announcement, there are outstanding options granted under the Share Option Scheme to subscribe for 1,560,000 Shares. The Rights Issue may lead to adjustments to the exercise price and/or the number of Shares to be issued upon exercise of the Share Options under the share option scheme of the Company. The Company will make further announcement(s) about the adjustments as and when appropriate.

LISTING RULES IMPLICATIONS

As the Company has not conducted any rights issue or open offer within the 12 month period prior to the date of this announcement and the Rights Issue will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the 12-months period immediately preceding the date of this announcement and the Rights Issue is not underwritten by a Director, chief executive or substantial shareholder of the Company (or any of their respective close associates). The Rights Issue is not subject to Shareholders' approval under the Listing Rules.

GENERAL

Subject to the fulfillment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders. The Company will despatch the Prospectus to the Excluded Shareholders for their information only, but the Company will not send the PAL and EAF to the Excluded Shareholders.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed "Termination of the Underwriting Agreement" under the section headed "The Underwriting Agreement" above). Accordingly, the Rights Issue may or may not proceed.

The Shares are expected to be dealt in on an ex-rights basis from Monday, 7 June 2021. Dealings in the Rights Shares in nil-paid form are expected to take place from Friday, 18 June 2021 to Friday, 25 June 2021 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day (other than a Saturday or Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or “black” rainstorm warning signal is hoisted or remains hoisted in Hong Kong at any time between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Company”	China Internet Investment Finance Holdings Limited, a company continued into Bermuda with limited liability, the issued Shares of which are listed on Main Board of the Stock Exchange (stock code: 810)
“connected person”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Lam”	Dr. Lam Man Chan, the Chairman and the non-executive Director, who is also the settlor and protector of Richmond Trust
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares, being in such form as may be agreed between the Company and the Underwriter
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place

“Financial Adviser Appointment Letter”	the letter dated 20 May 2021 entered into between the Company and Kingston Corporate Finance in relation to the appointment of Kingston Corporate Finance as the financial adviser of the Company in relation to the Rights Issue
“Goodchamp”	Goodchamp Holdings Limited, a company incorporated in the British Virgin Islands with limited liabilities and is directly owned by The Sinowin Unit Trust, which in turn is 100% owned by the Richmond Trust
“Goodchamp Undertaking”	the irrevocable undertaking given by Goodchamp in favour of the Company and the Underwriter, further details of which are set out in the paragraph headed “Irrevocable undertaking” in the section headed “The Underwriting Agreement” in this announcement
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	the Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates
“Kingston Corporate Finance”	Kingston Corporate Finance Limited, a corporation licensed to carry on Type 6 (advising on corporate finance) regulated activity under the SFO, which is a connected subsidiary (as defined in the Listing Rules) to the Underwriter
“Last Trading Day”	20 May 2021, being the last full trading day of the Shares on the Stock Exchange prior to the release of this announcement
“Latest Lodging Time”	4:30 p.m. on Tuesday, 8 June 2021 or such other date as the Underwriter and the Company may agree, being the latest time for the Shareholders to lodge transfer of Shares in order to qualify for the Rights Issue

“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 30 June 2021 or such later time or date as may be agreed between the Underwriter and the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on the second Business Day after the Latest Time for Acceptance or such later time or date as may be agreed between the Underwriter and the Company, being the latest time to terminate the Underwriting Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) in respect of the Rights Issue to be issued to the Qualifying Shareholders
“Prospectus”	the prospectus to be despatched to the Shareholders by the Company containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Prospectus Posting Date”	Wednesday, 16 June 2021 or such other day as may be agreed between the Company and the Underwriter for the dispatch of the Prospectus Documents
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders
“Record Date”	Tuesday, 15 June 2021 or such other date as may be agreed between the Company and the Underwriter in writing for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, Tricor Tengis Limited at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong

“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Rights Share(s)”	Share(s) to be issued and allotted under the Rights Issue on the basis of one (1) Rights Share for every two (2) existing Shares in issue on the Record Date, being not less than 47,141,062 Rights Shares (assuming no exercise of any outstanding Share Options and no change in the share capital of the Company on or before the Record Date) and not more than 47,921,062 Rights Shares (assuming all outstanding Share Options are being exercised and no other change in the share capital of the Company on or before the Record Date)
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Options”	the outstanding 780,000 share options to subscribe for 780,000 Shares at HK\$2.410 per Share and the outstanding 780,000 share options to subscribe for 780,000 Shares at HK\$1.370 per Share under the share options scheme of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.2 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers and Share Buy-backs (as amended and supplemented from time to time)
“Underwriter”	Kingston Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities) regulated activities under the SFO whose ordinary course of business includes underwriting of securities

“Underwriting Agreement”	the underwriting agreement dated 20 May 2021 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Rights Issue
“Underwritten Share(s)”	all the Rights Shares to be underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement other than those agreed to be taken up by the Goodchamp pursuant to the Goodchamp Undertaking
“Untaken Shares”	all those Underwritten Shares not taken up by the Qualifying Shareholders on or before the Latest Time for Acceptance
“%”	per cent.

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

Hong Kong, 20 May 2021

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