

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement. This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities of the Company.



中 國 投 資

CHINA INVESTMENT FUND COMPANY LIMITED

中國投資基金有限公司*

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 00612)

**PLACING OF NEW SHARES UNDER GENERAL MANDATE
AND
RESUMPTION OF TRADING**

Placing Agent

Cheong Lee
昌利證券

Cheong Lee Securities Limited

This announcement is made pursuant to Rule 13.09(2) of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. Reference is made to the announcement of the Company dated 14 August 2015 in relation to trading halt in the shares of the Company pending the release of this announcement.

On 14 August 2015, the Company entered into the Placing Agreement with the Placing Agent whereby the Company has conditionally agreed to place, through the Placing Agent, a maximum of 183,000,000 Placing Shares on a best effort basis to not less than six Places at a price of HK\$0.40 per Placing Share.

The 183,000,000 Placing Shares that may be allotted and issued will utilize the General Mandate, and represent approximately 19.80% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.53% of the enlarged issued share capital of the Company immediately following the Placing. Since the Placing Shares will be allotted and issued under the General Mandate, no further Shareholders' approval is required.

* For identification purpose only

The Placing Price of HK\$0.40 represents (i) a discount of approximately 19.2% to the closing price of HK\$0.495 per Share quoted on the Stock Exchange on 13 August 2015, being last trading day before the date of the Placing Agreement; (ii) a discount of approximately 18.5% to the average closing price of HK\$0.491 per Share quoted on the Stock Exchange of the five consecutive trading days up to and including 13 August 2015, the last trading day before the date of the Placing Agreement; and (iii) a premium of approximately 117.6% to the unaudited net asset value per Share of HK\$0.34 as at 30 June 2015 as set out in the announcement of the Company dated 15 July 2015.

Assuming all 183,000,000 Placing Shares are successfully placed by the Placing Agent, the estimated gross proceeds and net proceeds from the Placing will be approximately HK\$73,200,000 and HK\$70,600,000 respectively. As an investment company under Chapter 21 of the Listing Rules, the Company intends to utilize the net proceeds from the Placing for investment in both listed and unlisted securities.

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted from 9:00 a.m. on 14 August 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company from 9:00 a.m. on 17 August 2015.

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

THE PLACING AGREEMENT

Date

14 August 2015

Parties

Issuer: The Company

The Placing Agent: Cheong Lee Securities Limited

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

The Placing and Commission

The Placing Agent has conditionally agreed to place a maximum of 183,000,000 Placing Shares on a best effort basis to not less than six Places. In consideration thereof, it will receive a placing commission of 3.0% of the aggregate consideration received by the Company from the sale of Placing Shares on Completion. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

The Placees

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

Number of Placing Shares

The Placing Shares represent approximately 19.80% of the Company's existing issued share capital and approximately 16.53% of its issued share capital as enlarged by the Placing. Assuming all 183,000,000 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the Placing Shares will be HK\$9,150,000.

Placing Price

The Placing Price of HK\$0.40 per Placing Share represents:

- (i) a discount of approximately 19.2% to the closing price of HK\$0.495 per Share quoted on the Stock Exchange on 13 August 2015, being the last trading day before the date of the Placing Agreement;
- (ii) a discount of approximately 18.5% to the average closing price of HK\$0.491 per Share quoted on the Stock Exchange of the five consecutive trading days up to and including 13 August 2015, the last trading day before the date of the Placing Agreement; and
- (iii) a premium of approximately 117.6% to the unaudited net asset value per Share of HK\$0.34 as at 30 June 2015 as set out in the announcement of the Company dated 15 July 2015.

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

Ranking of the Placing Shares

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

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 29 June 2015 pursuant to which the Directors are allowed to allot and issue up to 183,624,000 Shares, whereas there are 183,000,000 Placing Shares.

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

Conditions of the Placing

The Completion is conditional upon:

- (a) the Listing Committee granting the listing of, and permission to deal in, the Placing Shares; and
- (b) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement.

In the event such conditions are not fulfilled on or before 4:00 p.m. on the day three weeks from the date of the Agreement, and if such day is not a Business Day, the next Business Day (or such later date as may be agreed between the Company and the Placing Agent), all rights, obligations and liabilities of the parties in relation to the Placing shall cease and determine and neither of the parties shall have any claim against the other for any costs and losses in respect of the Placing save for any antecedent breach.

Completion of the Placing

The Placing shall complete no later than the second Business Day following the day after the satisfaction of all the conditions as set out in the section headed “Conditions of the Placing” of this announcement or such later date as may be agreed by and between the Company and the Placing Agent.

Termination of the Placing and force majeure

The Placing Agreement may be terminated by the Placing Agent by giving notice in writing to the Company if at any time prior to 12:00 noon on the Completion Date:

- (i) if any of the undertakings, warranties or representations of the Company contained therein becomes untrue or incorrect in any material respect or misleading; or
- (ii) if in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by:
 - (a) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) applicable to the Company which in the reasonable opinion of the Placing Agent shall materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (b) any change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the reasonable opinion of the Placing Agent shall materially and adversely affect the business or the financial or trading position or prospects of the Group; or
 - (c) there is any material adverse change in the business or in the financial or trading position of the Group as a whole; or
 - (d) any suspension in the trading of the Shares on the Stock Exchange for more than seven (7) consecutive trading days other than in relation to the Placing; or
- (iii) any change in market conditions (including without limitation suspension or material restriction of trading in securities) occurs which in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable to proceed with the Placing.

In the event that the Placing Agreement is terminated pursuant to the Placing Agreement, no party shall be under any liability to the other in respect of the Placing Agreement, except that the Company shall remain liable for the payment of all costs and expenses already incurred or incurred in consequence of the termination.

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

APPLICATION FOR LISTING

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

EFFECTS OF PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Placing (assuming all 183,000,000 Placing Shares have been successfully placed) is as follows:

	As at the date of this announcement		Immediately upon completion of the Placing	
	No. of Shares	%	No. of Shares	%
HK DYF Int'l Holding Group Limited (<i>Note</i>)	157,384,000	17.03%	157,384,000	14.22%
Public shareholders	766,636,000	82.97%	766,636,000	69.25%
Places	—	—	<u>183,000,000</u>	<u>16.53%</u>
Total	<u>924,020,000</u>	<u>100.00%</u>	<u>1,107,020,000</u>	<u>100.00%</u>

Note: Information is based on disclosure of interest notice filed with the Company, according to which HK DYF Int'l Holding Group Limited is wholly owned by 深圳市鼎益豐資產管理股份有限公司 or for identification purpose only, Shenzhen Ding Yi Feng Assets Management Co., Ltd.

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

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

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

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

Assuming all 183,000,000 Placing Shares are successfully placed by the Placing Agent, the estimated gross proceeds and net proceeds from the Placing will be approximately HK\$73,200,000 and HK\$70,600,000 respectively. The net proceeds to be raised upon completion of the Placing will be approximately HK\$0.386 per Placing Share.

FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

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

Date of announcement	Equity fund raising exercise	Net proceeds raised <i>HK\$'000</i>	Intended use of proceeds	Actual use of proceeds
7 and 8 May 2015	Placing of new shares under general mandate	69,917	Investment in securities and for general working capital purposes	Partially utilized as working capital

GENERAL

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

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted from 9:00 a.m. on 14 August 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading in the shares of the Company from 9:00 a.m. on 17 August 2015.

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

DEFINITIONS

“Associate”	has the meaning ascribed to it in the Listing Rules
“Board”	board of Directors
“Business Day”	means any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business
“Company”	China Investment Fund Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of The Stock Exchange
“Completion”	the completion of the Placing
“Completion Date”	the date of Completion
“connected persons”	has the meaning ascribed to it in the Listing Rules
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 29 June 2015 pursuant to which the Directors are allowed to allot and issue up to 183,624,000 Shares

“Group”	the Company and the Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	third party (parties) who is independent of and not acting in concert (within the meaning of the Takeovers Code) or connected with the Company, Directors, the chief executive of the Company, substantial Shareholders and its subsidiaries or any of their respective Associates
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange for considering applications for listing and granting of listing on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any Professional Investor(s) procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	the private placing of the Placing Shares, on a best effort basis, procured by the Placing Agent to the Placees on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Cheong Lee Securities Limited, a corporation licensed to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), and Type 5 (advising on futures contracts) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 14 August 2015 entered into between the Company and the Placing Agent, as amended or varied from time to time in writing by the parties thereto
“Placing Price”	the price of HK\$0.40 per Placing Share
“Placing Shares”	183,000,000 Shares to be placed under the Placing
“PRC”	People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“Professional Investor”	a professional investor as defined in Schedule 1 of the SFO
“SFO”	Securities and Future Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Subsidiaries”	the subsidiaries of the Company for the time being and from time to time
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong;
“%”	per cent

By Order of the Board
China Investment Fund Company Limited
Luk Hong Man, Hammond

Hong Kong, 14 August 2015

As at the date of this announcement, the executive Directors are Mr. Luk Hong Man, Hammond, Mr. Ye Yinggang and Mr. Zhang Xi; the non-executive director is Mr. Yao Yuan; and the independent non-executive Directors are Mr. Wong Chung Kin, Quentin, Mr. Tsang Kwok Wa, Edward and Mr. Leung Po Hon.