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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)

**ANNOUNCEMENT OF AUDITED INTERIM RESULTS
FOR THE SIX MONTHS ENDED 30 JUNE 2015**

INTERIM RESULTS

The Board (the “Board”) of Directors (the “Directors”) of China Investment Fund Company Limited (the “Company”) is pleased to present the audited consolidated financial statements of the Company and its subsidiaries (collectively, the “Group”) for the six months ended 30 June 2015. The consolidated financial statements have been audited by the Company’s auditor and reviewed by the audit committee of the Company.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS*For the six months ended 30 June 2015*

		six months ended 30 June	
		2015	2014
	<i>Notes</i>	HK\$	HK\$
			(unaudited)
Revenue	3	27,485	815,872
Net realised gain on disposal of available-for-sale financial assets		3,270,656	6,648,859
Net realised gain on disposal of financial assets at fair value through profit or loss		4,337,324	441,032
Net gain arising on revaluation of financial assets at fair value through profit or loss		23,171,956	264
		30,807,421	7,906,027
Other income	3	24,342	26,026
Loss on disposal of subsidiaries		(318,338)	—
Administrative expenses		(32,989,133)	(13,135,994)
Finance costs		(259,463)	(64)
Loss before tax	5	(2,735,171)	(5,204,005)
Income tax expense	6	(4,174,253)	—
Loss for the period attributable to owners of the Company		<u>(6,909,424)</u>	<u>(5,204,005)</u>
Loss per share	8		
— Basic (<i>HK cents</i>)		<u>(0.87)</u>	<u>(0.68)</u>
— Diluted (<i>HK cents</i>)		<u>(0.87)</u>	<u>(0.68)</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015

	six months ended 30 June	
	2015	2014
	HK\$	HK\$
		(unaudited)
Loss for the period attributable to owners of the Company	<u>(6,909,424)</u>	<u>(5,204,005)</u>
Other comprehensive income (expenses)		
Items that are/may be reclassified subsequently to profit or loss:		
Exchange gain on translation of available-for-sale financial assets	—	4,262
Net fair value gains (losses) arising on revaluation of available-for-sale financial assets	80,647,400	(15,820,443)
Reclassification of available-for-sale financial assets revaluation reserve upon disposal of available-for-sale financial assets	10,268,608	<u>(7,094,521)</u>
Other comprehensive income (expenses) for the period, net of tax	<u>90,916,008</u>	<u>(22,910,702)</u>
Total comprehensive income (expenses) for the period attributable to owners of the Company	<u>84,006,584</u>	<u>(28,114,707)</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015

		At 30 June 2015 HK\$	At 31 December 2014 HK\$
	<i>Notes</i>		
Non-current assets			
Furniture, fixtures and equipment	9	995,725	4,348,713
Available-for-sale financial assets	10	129,742,600	59,932,200
		<u>130,738,325</u>	<u>64,280,913</u>
Current assets			
Prepayments, deposits and other receivables		20,417,485	26,122,506
Financial assets at fair value through profit or loss	11	77,347,840	9,031,600
Cash and cash equivalents	12	113,681,325	38,769,130
		<u>211,446,650</u>	<u>73,923,236</u>
Current liabilities			
Accruals and other payables		4,957,647	796,074
Tax payable	6	350,880	—
		<u>5,308,527</u>	<u>796,074</u>
Net current assets		<u>206,138,123</u>	<u>73,127,162</u>
Total assets less current liabilities		<u>336,876,448</u>	<u>137,408,075</u>
Non-current liabilities			
Interest bearing loan notes		29,701,590	—
Deferred tax liabilities	6	3,823,373	—
		<u>33,524,963</u>	<u>—</u>
Net assets		<u>303,351,485</u>	<u>137,408,075</u>
Capital and reserves			
Share capital	13	45,906,000	38,256,000
Reserves		257,445,485	99,152,075
Equity attributable to owners of the Company		<u>303,351,485</u>	<u>137,408,075</u>
Net asset value per share	8	<u>0.33</u>	<u>0.18</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 June 2015

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. The consolidated financial statements are presented in Hong Kong dollars, which is also the functional currency of the Company.

The accounting policies and methods of computation used in the consolidated financial statements for the six months ended 30 June 2015 are consistent with those adopted in the preparation of the Group’s annual consolidated financial statements for the year ended 31 December 2014, except that the Group has adopted a number of new or revised HKFRSs, which are newly effective for the current interim period.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

In the current interim period, the Group has applied, for the first time, the following new interpretation and amendments to HKFRSs issued by the HKICPA that are relevant for the preparation of the consolidated financial statements:

Amendments to HKFRSs	Annual Improvements to HKFRSs 2010–2012 Cycle
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions

The application of the above new and revised HKFRSs in the current interim period has had no material effect on the amounts reported in these consolidated financial statements and/or disclosures set out in these consolidated financial statements.

New and revised HKFRSs issued but not yet effective

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRSs HKFRS 9	Annual Improvements to HKFRSs 2012–2014 Cycle ² Financial Instruments ⁴
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ²
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception ²
Amendments to HKFRS 11 HKFRS 14	Accounting for Acquisition of Interests in Joint Operations ² Regulatory Deferral Accounts ¹
HKFRS 15	Revenue from Contracts with Customers ³
Amendments to HKAS 1	Disclosure Initiative ²
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation ²
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants ²
Amendments to HKAS 27	Equity Method in Separate Financial Statements ²

- ¹ Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
- ² Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
- ³ Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- ⁴ Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

3. REVENUE AND OTHER INCOME

Revenue represents interest income and dividend income from financial assets for the periods. An analysis of the Group's revenue and other income for the periods are as follows:

	six months ended 30 June	
	2015 <i>HK\$</i>	2014 <i>HK\$</i> (unaudited)
Revenue		
Interest income from:		
Deposits in banks and financial institutions	11,985	11,439
Dividend income from:		
Financial assets at fair value through profit or loss ("FVTPL")	15,500	56,166
Available-for-sale ("AFS") financial assets	—	748,267
	<u>27,485</u>	<u>815,872</u>
Other income		
Exchange gain	—	1,684
Sundry income	24,342	24,342
	<u>24,342</u>	<u>26,026</u>

4. SEGMENT INFORMATION

For the six months ended 30 June 2015 and 2014 respectively, the Group's revenue was mainly interest income and dividend income from investments. The Directors consider that these activities constitute one business segment since these transactions are subject to common risks and returns. Given the nature of the Group's operation is investment holding, it is not considered meaningful to provide a business segment analysis of operating profits. The Group's segment revenue, assets and liabilities for the periods, analysed by geographical markets, are as follows:

	Hong Kong		Others		Consolidated	
	six months ended 30 June		six months ended 30 June		six months ended 30 June	
	2015 <i>HK\$</i>	2014 <i>HK\$</i>	2015 <i>HK\$</i>	2014 <i>HK\$</i>	2015 <i>HK\$</i>	2014 <i>HK\$</i>
	(unaudited)		(unaudited)		(unaudited)	
Segment revenue:						
Interest income from deposits in banks and financial institutions	11,985	11,439	—	—	11,985	11,439
Dividend income from financial assets at FVTPL	15,500	56,166	—	—	15,500	56,166
Dividend income from AFS financial assets	—	—	—	748,267	—	748,267
	<u>27,485</u>	<u>67,605</u>	<u>—</u>	<u>748,267</u>	<u>27,485</u>	<u>815,872</u>

	Hong Kong		Others		Consolidated	
	30 June	31 December	30 June	31 December	30 June	31 December
	2015	2014	2015	2014	2015	2014
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Non-current assets*	995,725	4,348,713	—	—	995,725	4,348,713
Total assets	342,184,975	138,204,149	—	—	342,184,975	138,204,149
Segment liabilities	38,833,490	—	—	—	38,833,490	—
Unallocated corporate liabilities	—	—	—	—	—	796,074
Total liabilities	—	—	—	—	38,833,490	796,074
Other segment information:						
Additions to furniture, fixtures and equipment	—	437,000	—	—	—	437,000

* Non-current assets exclude financial instruments.

5. LOSS BEFORE TAX

six months ended 30 June
2015 2014
HK\$ HK\$
(unaudited)

The Group's loss before tax has been arrived at after charging (crediting):

Directors' remuneration:

Fees	171,678	150,012
Other emoluments	2,355,873	816,318
Mandatory provident fund contributions	18,000	15,500

Staff costs:

Salaries	6,032,766	2,844,467
Mandatory provident fund contributions	89,002	64,249

Total staff costs (including Directors' remuneration)

8,667,319 3,890,546

Auditor's remuneration

Current period	<u>320,000</u>	<u>90,000</u>
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Consultancy fee	175,000	150,000
Depreciation on furniture, fixtures and equipment	630,980	814,916
Investment management fee	596,667	488,333
Loss on disposal of furniture, fixtures and equipment	—	6,658
Net foreign exchange gain	—	(1,684)
Operating lease charges in respect of office premises	<u>1,769,500</u>	<u>2,289,500</u>

6. INCOME TAX EXPENSE

	Six months ended 30 June	
	2015	2014
	HK\$	HK\$
		(unaudited)
Hong Kong Profits Tax:		
— current period	350,880	—
Deferred tax		
— current period	3,823,373	—
	<u>4,174,253</u>	<u>—</u>

Hong Kong Profits tax is calculated at 16.5% of the estimated assessable profits for both periods.

The tax expense for the period can be reconciled to the 'loss before tax' per the consolidated statement of profit or loss as follows:

	six months ended 30 June	
	2015	2014
	HK\$	HK\$
		(unaudited)
Loss before tax	<u>(2,735,171)</u>	<u>(5,204,005)</u>
Tax at the domestic income tax rate of 16.5% (2014: 16.5%)	(451,303)	(858,661)
Tax effect of income not taxable for tax purpose	(4,371,582)	(1,235,742)
Tax effect of expenses not deductible for tax purpose	3,019,370	728,346
Tax effect of temporary differences previously not recognised	3,873,067	59,714
Utilisation of tax losses previously not recognised	(40,645)	(75,463)
Tax effect of tax losses not recognised	<u>2,145,346</u>	<u>1,381,806</u>
Tax expense for the period	<u>4,174,253</u>	<u>—</u>

The domestic tax rate (which is Hong Kong Profits Tax rate) in the jurisdiction where the operation of the Group is substantially based is used.

At the end of the reporting period, the Group has unused tax losses of HK\$92,285,608 (31 December 2014: HK\$79,529,835) available for offset against future profits. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. The tax losses do not expire under the current tax legislation and may be carried forward indefinitely.

7. DIVIDEND

No dividends were paid, declared or proposed during the interim period. The Directors of the Company have determined that no dividends will be paid in respect of the interim period (six months ended 30 June 2014: Nil).

8. NET ASSET VALUE PER SHARE AND LOSS PER SHARE

Net asset value per share

The net asset value per share is calculated by dividing the net assets included in the consolidated statement of financial position of HK\$303,351,485 (31 December 2014: HK\$137,408,075) by the number of shares in issue as at 30 June 2015, being 918,120,000 (31 December 2014: 765,120,000).

Loss per share

The calculation of the basic and diluted loss per share is based on the net loss for the six months ended 30 June 2015 of HK\$6,909,424 (net loss for the six months ended 30 June 2014: HK\$5,204,005 (unaudited)) and on the weighted average ordinary shares of 793,015,028 (six months ended 30 June 2014: 765,120,000 (unaudited)) in issue during the period.

For the period ended 30 June 2015, the computation of diluted loss per share has not assumed the conversion of the Company's outstanding share options since they are antidilutive for the period ended 30 June 2015. Accordingly, diluted loss per share are the same as basic loss per share.

9. FURNITURE, FIXTURES AND EQUIPMENT

	Leasehold improvements <i>HK\$</i>	Office equipment <i>HK\$</i>	Motor vehicles <i>HK\$</i>	Total <i>HK\$</i>
COST				
At 1 January 2014	796,360	551,243	6,803,271	8,150,874
Additions	—	—	437,000	437,000
Disposal	—	(10,324)	—	(10,324)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014 and 1 January 2015	796,360	540,919	7,240,271	8,577,550
Derecognised on disposal of subsidiaries	—	—	(6,803,271)	(6,803,271)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2015	796,360	540,919	437,000	1,774,279
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION AND IMPAIRMENT				
At 1 January 2014	174,637	116,139	2,267,057	2,557,833
Charge for the year	159,272	109,044	1,404,354	1,672,670
Eliminated on disposal	—	(1,666)	—	(1,666)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014 and 1 January 2015	333,909	223,517	3,671,411	4,228,837
Charge for the year	79,637	54,091	497,252	630,980
Eliminated on disposal of subsidiaries	—	—	(4,081,263)	(4,081,263)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 June 2015	413,546	277,608	87,400	778,554
	<hr/>	<hr/>	<hr/>	<hr/>
CARRYING AMOUNT				
At 30 June 2015	<u>382,814</u>	<u>263,311</u>	<u>349,600</u>	<u>995,725</u>
At 31 December 2014	<u>462,451</u>	<u>317,402</u>	<u>3,568,860</u>	<u>4,348,713</u>

The above items of furniture, fixtures and equipment are depreciated on a straight-line basis at the following rates per annum:

Leasehold improvements	20%
Office equipment	20%
Motor vehicles	20%

10. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	At 30 June 2015 HK\$	At 31 December 2014 HK\$
Equity securities listed in Hong Kong, at cost (<i>note 1</i>)	<u>49,496,011</u>	<u>70,601,619</u>
Add:		
Available-for-sale financial assets revaluation reserve		
At the beginning of the period/year	(10,669,419)	3,770,617
— Net fair value gains arising on revaluation of AFS financial assets	80,647,400	(10,578,330)
— Reclassification of available-for-sale financial assets revaluation reserve upon disposal of AFS financial assets	<u>10,268,608</u>	<u>(3,861,706)</u>
At the end of the period/year	<u>80,246,589</u>	<u>(10,669,419)</u>
Total	<u><u>129,742,600</u></u>	<u><u>59,932,200</u></u>

note 1: Equity securities listed in Hong Kong

Name of investee companies	Place of incorporation	Percentage of effective interest held	At cost		Available-for-sale financial assets revaluation value		Market value		Net assets attributable to the investment	
			30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014	30 June 2015	31 December 2014
			HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
REX Global Entertainment Holdings Limited (<i>note a</i>)	Bermuda	3.23%	30,558,200	—	60,261,800	—	90,820,000	—	7,323,645	—
China Nuclear Energy Technology Corporation Limited (Formerly known as China Nuclear Industry 23 International Corporation Limited) (<i>note b</i>)	Bermuda	0.08%	1,542,711	42,956,294	1,079,889	(15,473,594)	2,622,600	27,482,700	389,574	9,682,188
Infinity Financial Group (Holdings) Limited	Bermuda	—	—	7,244,815	—	4,699,185	—	11,944,000	—	2,651,229
China Aircraft Leasing Group Holdings Limited	Cayman Islands	—	—	3,005,410	—	(49,910)	—	2,955,500	—	772,727
Kingbo Strike Limited (<i>note c</i>)	Cayman Islands	2.34%	17,395,100	17,395,100	18,904,900	154,900	36,300,000	17,550,000	2,847,625	2,790,045
			<u>49,496,011</u>	<u>70,601,619</u>	<u>80,246,589</u>	<u>(10,669,419)</u>	<u>129,742,600</u>	<u>59,932,200</u>		

notes:

- (a) As at 30 June 2015, the Group held listed equity securities, being 239,000,000 shares or 3.23% equity interest in REX Global Entertainment (Holdings) Limited (“REX Global”), for a consideration of HK\$30,558,200 and which is principally engaged in entertainment and gaming business, property business, gamma ray irradiation services, resources business and securities trading and investment.

For the year ended 31 March 2015, the audited consolidated loss from ordinary activities attributable to owners of REX Global was approximately HK\$67,899,000 and the basic loss per share was HK1.07 cents. At 31 March 2015, its audited consolidated net assets value attributable to owners of REX Global was approximately HK\$227,039,000. No dividend was received during the period.

- (b) As at 30 June 2015, the Group held listed equity securities, being 940,000 shares or 0.08% equity interest in the China Nuclear Energy Technology Corporation Limited (“China Nuclear”), for a consideration of HK\$1,542,711 and which is principally engaged in restaurant operations, property investments, hotel operations and new energy operations.

For the six months ended 30 June 2015, the unaudited consolidated loss from ordinary activities attributable to owners of China Nuclear was approximately HK\$4,047,000 and the basic loss per share was HK0.37 cents. At 30 June 2015, its unaudited consolidated net assets value attributable to owners of China Nuclear was approximately HK\$463,680,000. No dividend was received during the period.

- (c) As at 30 June 2015, the Group held listed equity securities, being 15,000,000 shares or 2.34% equity interest in the Kingbo Strike Limited (“Kingbo Strike”), for a consideration of HK\$17,395,100 and which is principally engaged in the provision of electrical engineering services.

For the six months ended 31 December 2014, the unaudited consolidated profit from ordinary activities attributable to owners of Kinbo Strike was approximately Singapore dollars (“S\$”) 1,929,895 (equivalent to approximately HK\$11,096,896) and the basic earnings per share was S0.3 cents (equivalent to approximately HK1.73 cents). At 31 December 2014, its unaudited consolidated net assets value attributable to owners of Kingbo Strike was approximately S\$21,130,206 (equivalent to approximately HK\$121,498,685). No dividend was received during the period.

The Directors conducted a review of the Group’s AFS financial assets during the period and determined that the fair value adjustment is based on quoted market closing price of AFS financial assets in an active market.

11. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	At 30 June 2015 HK\$	At 31 December 2014 HK\$
Financial assets at FVTPL		
— Equity securities listed in Hong Kong, at market value	<u>77,347,840</u>	<u>9,031,600</u>

The fair values of listed securities are based on their quoted market closing prices in an active market.

As at 30 June 2015 and 31 December 2014, financial assets at FVTPL included the following investments:

Name of investee companies	Place of incorporation	Number of shares held	Percentage of effective interest held	Carrying amount HK\$	Market value HK\$	Unrealised gain (loss) arising on revaluation HK\$	Dividend received during the period HK\$	Net assets attributable to the investment HK\$
At 30 June 2015								
Tech Pro Technology Development Limited (note a)	Cayman Islands	4,176,000	0.26%	24,835,544	32,739,840	7,904,296	—	3,327,763
Newtree Group Holdings Limited (note b)	Cayman Islands	8,200,000	0.91%	29,340,340	44,608,000	15,267,660	—	5,486,561
				<u>54,175,884</u>	<u>77,347,840</u>	<u>23,171,956</u>	<u>—</u>	
At 31 December 2014								
HSBC Holding PLC	England	10,000	Less than 0.01%	791,500	740,000	(51,500)	38,761	768,750
PetroChina Company Limited	The People’s Republic of China	130,000	Less than 0.01%	1,284,700	1,118,000	(166,700)	—	9,134,052
Tech Pro Technology Development Limited	Cayman Islands	1,176,000	0.08%	6,077,940	7,173,600	1,095,660	—	829,570
				<u>8,154,140</u>	<u>9,031,600</u>	<u>877,460</u>	<u>38,761</u>	

notes:

- (a) As at 30 June 2015, the Group held listed equity securities, being 4,176,000 shares or approximately 0.26% equity interest in Tech Pro Technology Development Limited (“Tech Pro”), for a consideration of HK\$24,835,544 and which is principally engaged in manufacturing and sale of LED lighting products and accessories, energy efficiency projects and provision of property sub-leasing and management services.

For the six months ended 30 June 2015, the unaudited consolidated loss from ordinary activities attributable to equity shareholders of Tech Pro was approximately RMB40,907,000 (equivalent to approximately HK\$52,360,960) and the basic loss per share was RMB0.65 cents (equivalent to approximately HK0.83 cents). At 30 June 2015, its unaudited consolidated net assets value attributable to owners of Tech Pro was approximately RMB1,007,708,000 (equivalent to approximately HK\$1,289,866,240). No dividend was received during the period.

- (b) As at 30 June 2015, the Group held listed equity securities, being 8,200,000 shares or approximately 0.91% equity interest in Newtree Group Holdings Limited (“Newtree Group”), for a consideration of HK\$29,340,340 and which is principally engaged in manufacture and trading of the clinical and household hygienic disposables and trading of related raw materials, trading of Methyl Tertiary Butyl Ether, trading of coal products, wholesale and retail of household consumables, sales and distribution of jewelries and watches, design and development of three-dimensional animations, augmented reality technology application and e-learning web application, provision of educational technology solutions through online education programs and provision of English language proficiency tests.

For the year ended 31 March 2015, the audited consolidated loss from ordinary activities attributable to equity shareholders of Newtree Group was approximately HK\$258,875,000 and the basic loss per share was HK31.78 cents. At 31 March 2015, its audited consolidated net assets value attributable to owners of Newtree Group was approximately HK\$603,956,000. No dividend was received during the period.

12. CASH AND CASH EQUIVALENTS

	At 30 June 2015 HK\$	At 31 December 2014 HK\$
Cash at bank and in hand	<u>113,681,325</u>	<u>38,769,130</u>

At the end of the reporting period, cash and cash equivalents comprised of cash at bank and in hand. Bank balances carry interest at market rates of 0.01% (31 December 2014: range from 0.01% to 1%) per annum.

Included in cash and cash equivalents in the consolidated statement of financial position are the following amounts denominated in currencies other than the functional currency of the Group entities:

	At 30 June 2015	At 31 December 2014
CAD	—	CAD324
USD	USD63,588	USD38,469
RMB	<u>RMB12,656</u>	<u>RMB157</u>

13. SHARE CAPITAL

	Number of ordinary shares of HK\$0.05 each	Nominal value HK\$
Authorised:		
At 1 January 2014, 31 December 2014 and 30 June 2015	4,000,000,000	200,000,000
Issued and fully paid:		
At 1 January 2014, 31 December 2014 and 1 January 2015	765,120,000	38,256,000
Issue of shares (note a)	153,000,000	7,650,000
At 30 June 2015	918,120,000	45,906,000

note a: On 28 May 2015, 153,000,000 shares were issued by the Company as a result of a placing agreement dated 7 May 2015. Shares were issued at a price of HK\$0.465 giving the gross proceeds of approximately HK\$71,145,000.

14. OPERATING LEASE COMMITMENTS

The Group as lessee

At the end of the reporting period, the Group had commitments for future minimum lease payments under non-cancellable operating leases in respect of office premises as follows:

	At 30 June 2015 HK\$	At 31 December 2014 HK\$
Within one year	5,703,984	1,000,000
In the second to fifth year inclusive	5,228,652	—

Operating lease payments represent rental payables by the Group for its office premises. Leases are negotiated and fixed respectively for a term of two years.

15. CONTINGENT LIABILITIES

At 30 June 2015, the Group had no significant contingent liabilities.

16. EVENTS AFTER REPORTING PERIOD

Subsequent to 30 June 2015, the following significant events took place:

- (a) On 23 June 2015, the Company entered into the share placing agreement to place up to an aggregate of 1,000,000,000 new placing shares to not less than six share placees at a price of HK\$0.50 per placing share, and the Company also entered into the convertible bond placing agreement to place the convertible bonds with a principal amount of up to HK\$500,000,000 to not less than six convertible bond placees.

On 5 August 2015, the Company announced that the above share placing agreement and the convertible bonds placing agreement has been terminated. Details of the placings and the termination are set out in the Company's announcement dated 23 June 2015 and 5 August 2015 respectively.

- (b) 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 placees an issue price of HK\$0.4 per placing share. Details of the placing have been set out in the Company's announcement dated 14 August 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

During the six months ended 30 June 2015, the Group reported a loss of approximately HK\$6.9 million (six months ended 30 June 2014: loss of approximately HK\$5.2 million). The increase in loss was mainly attributed to the increase in share based payment.

Liquidity and Financial Resources

As at 30 June 2015, the Group had cash and cash equivalents of approximately HK\$113.7 million (31 December 2014: approximately HK\$38.8 million). The increase in cash and cash equivalents was mainly due to the placing of new shares and issue of interest bearing loan notes during the period. Cash and cash equivalents represented approximately 33.2% of the Group's total assets as at 30 June 2015.

As at 30 June 2015, the Group's gearing ratio was approximately 9.8% (31 December 2014: Nil), which was defined as the ratio of total borrowings to owners' equity.

It is the Group's policy to adopt a prudent financial management strategy to meet risk fluctuation and investment opportunities.

Prospect

The stock market has experienced increasing volatility recently. The economic indicators from China are showing signs of weakness. Chinese currency devaluation further exacerbates the uncertainty in the market. Directors believe that unlisted companies in the sectors with favorable government policies of bright growth potential (e.g. clean energy, e-commerce, etc.) could outperform the market with low volatility. This is the investment strategy that the company will pursue in the foreseeable future.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES AND THE UNDERLYING SHARES OF THE COMPANY AND ANY ASSOCIATED CORPORATIONS

At 30 June 2015, the interests and short positions of each Director and the chief executives of the Company in the shares and the underlying shares of the Company and any associated corporations (as defined in Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register required to be kept under Section 352 of the SFO; or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code") were as follows:

(i) Long positions in shares at 30 June 2015

Name of Director	Capacity	Notes	Number of shares	Approximate percentage of shareholding
Yao Yuan	Beneficial owner	(1)	2,900,000	0.32%

(ii) Long positions in underlying shares at 30 June 2015

Name of Director	Capacity	Notes	Number of underlying shares	Approximate percentage of shareholding
Luk Hong Man, Hammond	Beneficial owner	(2)	765,120	0.08%
Zhang Xi	Beneficial owner	(2)	765,120	0.08%
Ye Yinggang	Beneficial owner	(2)	765,120	0.08%
Wong Chung Kin, Quentin	Beneficial owner	(2)	765,120	0.08%
Tsang Kwok Wa	Beneficial owner	(2)	765,120	0.08%
Leung Po Hon	Beneficial owner	(2)	765,120	0.08%

Notes:

- (1) The personal interests of Mr. Yao Yuan comprise 2,900,000 ordinary shares.
- (2) These share options were granted on 17 June 2015 at an exercise price of HK\$0.74 per share of the Company with exercise period from 17 June 2015 to 16 June 2025.

Save as disclosed above, at 30 June 2015, none of the Directors nor chief executives of the Company had or was deemed to have any interests or short positions in shares, underlying shares or debentures of the Company and its associated corporations as recorded in the register required to be maintained under Section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDER

As at 30 June 2015, the following person's interest in 5% or more in the shares and underlying shares of the Company have been notified to the Company and recorded in the register of substantial shareholders' interest in shares and short positions required to be kept under Section 336 of Part XV of the SFO:

Name	Number of Shares	Type of interest	Approximately percentage of total issued share capital of the Company
HK DYF Int'l Holding Group Limited	159,240,000	Beneficial owner	17.34%
Shenzhen Ding Yi Feng Assets Management Co., Ltd.* (<i>Note</i>)	159,240,000	Interest of controlled corporation	17.34%

Note: Shenzhen Ding Yi Feng Assets Management Co., Ltd. is deemed to be interested in 159,240,000 shares through her controlling interest (100%) in HK DYF Int'l Holding Group Limited.

* For identification purpose only

Save as disclosed above, the Directors are not aware of any person who has an interest or short position in the shares or underlying shares of the Company (which is discloseable under Divisions 2 and 3 of the Part XV of the SFO), or is directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group (which is discloseable under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”)).

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

During the six months ended 30 June 2015, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) set out in Appendix 10 of the Listing Rules. Upon enquiry by the Company, all Directors of the Company have confirmed that they have complied with the required standards set out in the Model Code throughout the six months ended 30 June 2015.

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 June 2015, the Company had complied with all the applicable provisions of the Corporate Governance Code (the “Code Provision”) as set out in Appendix 14 to the Listing Rules, save for the deviation from Code Provision A.2.1 and E.1.2 set out as below:

Code Provision A.2.1

In accordance with Code Provision A.2.1, it stipulates that the roles of the chairman and the chief executive are segregated and assumed by two separate individuals who have no relationship with each other to strike a balance of power and authority so that the job responsibilities are not concentrated on any one individual.

The Board has not appointed individuals to the posts of chairman and chief executive. The Board is in the process of identifying suitable candidates to fill in the vacancies for chairman and chief executive in compliance with the requirement of the Code Provision A.2.1. Further announcement will be made by the Company with regard to the new appointment of chairman and chief executive of the Company in due course.

Code Provision E.1.2

In accordance with Code Provision E.1.2, it stipulates that the chairman of the Board should attend the annual general meeting (“AGM”). No chairman of the Board had attended the AGM of the Company held on 29 June 2015 as the Board is in the process of identifying suitable candidate to fill in the vacancies for chairman. The said AGM was chaired by an executive Director.

AUDIT COMMITTEE

The Audit Committee comprises three independent non-executive Directors, namely Mr. Wong Chung Kin, Quentin (as chairman), Mr. Leung Po Hon and Mr. Tsang Kwok Wa, Edward. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The audited interim results of the Group for the six months ended 30 June 2015 have been reviewed by the Audit Committee.

PUBLICATION OF INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Stock Exchange's website at www.hkexnews.hk and the website of the Company at www.cifund.com.hk. The Company's interim report for the six months ended 30 June 2015 will be published at the same websites and will be despatched to the Company's shareholders in due course.

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

Hong Kong, 31 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.