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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)**

**ANNUAL RESULTS ANNOUNCEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2014**

The Board (the “Board”) of Directors (the “Directors”) of China Investment Fund Company Limited (the “Company”) is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively, the “Group”) for the year ended 31 December 2014, with the comparative figures for the year ended 31 December 2013 as follows:

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS***For the year ended 31 December 2014*

	<i>Notes</i>	<b>2014</b> <b>HK\$</b>	2013 <i>HK\$</i>
Revenue	3	<b>899,371</b>	1,718,126
Net realised (loss) gain on disposal of available-for-sale financial assets		<b>(3,241,210)</b>	1,336,598
Net realised gain on disposal of financial assets at fair value through profit or loss		<b>856,396</b>	993,920
Net gain (loss) arising on revaluation of financial assets at fair value through profit or loss		<b>877,460</b>	(8,448)
		<b>(607,983)</b>	4,040,196
Other income	3	<b>63,172</b>	247,983
Gain on disposal of subsidiaries	10	<b>780</b>	321,892
Administrative expenses		<b>(35,054,678)</b>	(24,500,899)
Finance costs	5	<b>(727)</b>	(107,240)
Loss before tax	6	<b>(35,599,436)</b>	(19,998,068)
Income tax expense	7	<b>—</b>	—
Loss for the year attributable to owners of the Company		<b><u>(35,599,436)</u></b>	<b><u>(19,998,068)</u></b>
Loss per share	9		
— Basic ( <i>HK cents per share</i> )		<b><u>(4.65)</u></b>	<b><u>(2.61)</u></b>
— Diluted ( <i>HK cents per share</i> )		<b><u>(4.65)</u></b>	<b><u>(2.61)</u></b>

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2014

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
Loss for the year attributable to owners of the Company	<u>(35,599,436)</u>	<u>(19,998,068)</u>
<b>Other comprehensive (expenses) income</b>		
Items that may be reclassified subsequently to profit or loss:		
Exchange (loss) gain on translation of available-for-sale financial assets	(3,146)	3,011
Exchange differences arising on translation of a foreign operation	—	(586)
Reclassification of exchange differences upon disposal of available-for-sale financial assets	7,160	—
Reclassification of exchange differences upon disposal of subsidiaries	—	(14,814)
Net (loss) gain arising on revaluation of available-for-sale financial assets	(10,578,330)	18,010,793
Reclassification of investment revaluation reserve upon disposal of available-for-sale financial assets	<u>(3,861,706)</u>	<u>1,623,597</u>
Other comprehensive (expenses) income for the year, net of tax	<u>(14,436,022)</u>	<u>19,622,001</u>
Total comprehensive expenses attributable to owners of the Company	<u><u>(50,035,458)</u></u>	<u><u>(376,067)</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION***At 31 December 2014*

	<i>Notes</i>	<b>2014</b> <i>HK\$</i>	2013 <i>HK\$</i>
<b>Non-current assets</b>			
Property, plant and equipment		<b>4,348,713</b>	5,593,041
Available-for-sale financial assets	11	<b>59,932,200</b>	162,692,895
		<b>64,280,913</b>	168,285,936
<b>Current assets</b>			
Prepayments, deposits and other receivables		<b>26,122,506</b>	2,340,780
Financial assets at fair value through profit or loss	12	<b>9,031,600</b>	234,696
Cash and cash equivalents		<b>38,769,130</b>	18,422,121
		<b>73,923,236</b>	20,997,597
<b>Current liability</b>			
Accruals		<b>796,074</b>	1,840,000
<b>Net current assets</b>			
		<b>73,127,162</b>	19,157,597
<b>Total assets less current liability</b>			
		<b>137,408,075</b>	187,443,533
<b>Capital and reserves</b>			
Share capital		<b>38,256,000</b>	38,256,000
Reserves		<b>99,152,075</b>	149,187,533
<b>Equity attributable to owners of the Company</b>			
		<b>137,408,075</b>	187,443,533
<b>Net asset value per share</b>			
	9	<b>0.18</b>	0.24

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2014

## 1. BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretation) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements also include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance (Cap. 32).

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.

## 2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied for the first time in the current year the following amendments to HKFRSs and a new interpretation issued by the HKICPA.

Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment Entities
Amendments to HKAS 32	Offsetting Financial Assets and Financial Liabilities
Amendments to HKAS 36	Recoverable Amount Disclosures for Non-Financial Assets
Amendments to HKAS 39	Novation of Derivatives and Continuation of Hedge Accounting
HK(IFRIC)—Int 21	Levies

The application of the above amendments to HKFRSs and new interpretation in the current year has had no material impact on the Group’s financial performance and positions for the current and prior years and/or on the 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	Annual Improvements to HKFRSs 2010–2012 Cycle <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2011–2013 Cycle <sup>1</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle <sup>4</sup>
HKFRS 9	Financial Instruments <sup>6</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>4</sup>
Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011)	Investment Entities: Applying the Consolidation Exception <sup>4</sup>
Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations <sup>4</sup>
HKFRS 14	Regulatory Deferral Accounts <sup>3</sup>
HKFRS 15	Revenue from Contracts with Customers <sup>5</sup>
Amendments to HKAS 1	Disclosure Initiative <sup>4</sup>
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation <sup>4</sup>
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants <sup>4</sup>
Amendments to HKAS 19	Defined Benefit Plans: Employee Contributions <sup>1</sup>
Amendments to HKAS 27	Equity Method in Separate Financial Statements <sup>4</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 July 2014, with earlier application permitted.

<sup>2</sup> Effective for annual periods beginning on or after 1 July 2014, with limited exceptions. Earlier application is permitted.

- <sup>3</sup> Effective for first annual HKFRS financial statements beginning on or after 1 January 2016, with earlier application permitted.
- <sup>4</sup> Effective for annual periods beginning on or after 1 January 2016, with earlier application permitted.
- <sup>5</sup> Effective for annual periods beginning on or after 1 January 2017, with earlier application permitted.
- <sup>6</sup> Effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

### *HKFRS 9 Financial Instruments*

HKFRS 9 issued in 2009 introduced new requirements for the classification and measurement of financial assets. HKFRS 9 was subsequently amended in 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and further amended in 2013 to include the new requirements for general hedge accounting. Another revised version of HKFRS 9 was issued in 2014 mainly to include (a) impairment requirements for financial assets and (b) limited amendments to the classification and measurement requirements by introducing a ‘fair value through other comprehensive income’ (“FVTOCI”) measurement category for certain simple debt instruments.

Key requirements of HKFRS 9 are described below:

- All recognised financial assets that are within the scope of HKAS 39 *Financial Instruments: Recognition and Measurement* are subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under HKFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.
- With regard to the measurement of financial liabilities designated as at fair value through profit or loss, HKFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability’s credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value of financial liabilities attributable to changes in the financial liabilities’ credit risk are not subsequently reclassified to profit or loss. Under HKAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss was presented in profit or loss.
- In relation to the impairment of financial assets, HKFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under HKAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.
- The new general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an ‘economic relationship’. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity’s risk management activities have also been introduced.

The Directors of the Company do not anticipate that the application of HKFRS 9 will have a material impact of the Group's consolidated financial statements.

The Directors of the Company anticipate that the application of these other new and revised standards and amendments will have no material impact on the consolidated financial statements.

### **New Companies Ordinance**

In addition, the requirements of Part 9, "Accounts and Audit" of the new Hong Kong Companies Ordinance (Cap. 622) come into operation from the Group's first financial year commencing after 3 March 2014 (that is, the Group's financial year which began on 1 January 2015) in accordance with section 358 of the Hong Kong Companies Ordinance (Cap. 622). The Group is in the process of making an assessment of the expected impact of the changes in the Companies Ordinance on the consolidated financial statements in the period of initial application of Part 9. So far, it has concluded that the impact is unlikely to be significant and will primarily only affect the presentation and disclosure of information in the consolidated financial statements.

### **3. REVENUE AND OTHER INCOME**

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

	<b>2014</b>	2013
	<b>HK\$</b>	<b>HK\$</b>
<b>Revenue</b>		
Interest income from:		
Deposits in banks and financial institutions	<b>16,456</b>	11,105
Available-for-sale financial assets	—	1,167,123
Dividend income from:		
Financial assets at fair value through profit or loss	<b>134,648</b>	539,898
Available-for-sale financial assets	<b>748,267</b>	—
	<b>899,371</b>	<b>1,718,126</b>
<b>Other income</b>		
Net foreign exchange gain	—	7,020
Written back on over-provision of rental expenses	—	200,000
Sundry income	<b>63,172</b>	40,963
	<b>63,172</b>	<b>247,983</b>

#### 4. SEGMENT INFORMATION

For the years ended 31 December 2014 and 2013 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 year, analysed by geographical markets, are as follows:

	Hong Kong		Others		Consolidated	
	2014	2013	2014	2013	2014	2013
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
Segment revenue:						
Interest income from deposits in banks and financial institutions	16,456	11,105	—	—	16,456	11,105
Interest income from available-for-sale financial assets	—	—	—	1,167,123	—	1,167,123
Dividend income from financial assets at fair value through profit or loss	134,648	539,898	—	—	134,648	539,898
Dividend income from available-for-sale financial assets	—	—	748,267	—	748,267	—
	<u>151,104</u>	<u>551,003</u>	<u>748,267</u>	<u>1,167,123</u>	<u>899,371</u>	<u>1,718,126</u>
Total assets	<u>138,204,149</u>	<u>186,200,946</u>	<u>—</u>	<u>3,082,587</u>	<u>138,204,149</u>	<u>189,283,533</u>
Total liabilities (unallocated)					<u>796,074</u>	<u>1,840,000</u>
Other segment information:						
Additions to property, plant and equipment	<u>437,000</u>	<u>652,993</u>	<u>—</u>	<u>—</u>	<u>437,000</u>	<u>652,993</u>

#### 5. FINANCE COSTS

	2014	2013
	HK\$	HK\$
Interest expenses on bank and broker overdrafts wholly repayable within five years	<u>727</u>	<u>107,240</u>



## 6. LOSS BEFORE TAX

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
The Group's loss before tax has been arrived at after charging (crediting):		
Directors' remuneration:		
Fees	300,000	300,000
Other emoluments	7,520,305	1,470,914
Mandatory provident fund contributions	33,500	29,000
Staff costs:		
Salaries	8,822,004	5,235,722
Mandatory provident fund contributions	158,804	120,695
Total staff costs (including Directors' remuneration)	<u>16,834,613</u>	<u>7,156,331</u>
Auditor's remuneration	<u>330,000</u>	<u>300,000</u>
Investment management fee	1,151,666	971,667
Depreciation on property, plant and equipment	1,672,670	1,565,013
Write off of property, plant and equipment	—	4,791
Loss on disposal of property, plant and equipment	6,658	—
Net foreign exchange losses (gain)	38,420	(7,020)
Operating lease charges in respect of office premises	<u>4,059,000</u>	<u>4,115,852</u>

## 7. INCOME TAX EXPENSE

No Hong Kong Profits Tax has been provided as the Group had no assessable profits in Hong Kong for the year (2013: Nil).

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

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
Loss before tax	<u>(35,599,436)</u>	<u>(19,998,068)</u>
Tax at the domestic income tax rate of 16.5% (2013: 16.5%)	(5,873,907)	(3,299,681)
Tax effect of income not taxable for tax purpose	(304,000)	(564,325)
Tax effect of expenses not deductible for tax purpose	2,758,343	1,506,245
Tax effect of temporary differences previously not recognised	193,681	120,726
Effect of different tax rates of subsidiaries operating in other jurisdictions	—	—
Utilisation of tax losses previously not recognised	—	(447,185)
Tax effect of tax losses not recognised	<u>3,225,883</u>	<u>2,684,220</u>
Tax expense for the year	<u>—</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.

## 8. DIVIDEND

No dividend was paid or proposed during 2014, nor has any dividend been proposed since the end of the reporting period (2013: Nil).

## 9. 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\$137,408,075 (2013: HK\$187,443,533) by the number of shares in issue as at 31 December 2014, being 765,120,000 (2013: 765,120,000).

### Loss per share

The calculation of the basic and diluted loss per share is based on the loss for the year attributable to owners of the Company of HK\$35,599,436 (2013: HK\$19,998,068) and the weighted average number of 765,120,000 (2013: 765,120,000) ordinary shares in issue during the year.

As there were no diluted potential ordinary shares, the diluted loss per share was the same as basic loss per share in 2014 and 2013.

## 10. GAIN ON DISPOSAL OF SUBSIDIARIES

During the year 2014, the Group disposed of its 100% equity interest in Rambo Treasure Limited and its subsidiaries to an independent third party with an aggregate net assets value of HK\$Nil and a cash consideration of HK\$780, resulting in a gain on disposal of subsidiaries of HK\$780.

During the year 2013, the Group disposed of its 100% equity interest in Conqueringly Victory Investments Limited, which holds directly 100% equity interest in Prospect King Investment Development Limited and indirectly 100% equity interest in 中投基（深圳）投資諮詢有限公司 to an independent third party with an aggregate net assets value of HK\$78,108 and a cash consideration of HK\$400,000, resulting in a gain on disposal of subsidiaries of HK\$321,892.

## 11. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
Equity securities listed overseas, at cost	—	19,080,813
Fair value adjustments	—	(15,998,226)
	<u>—</u>	<u>3,082,587</u>
Equity securities listed in Hong Kong, at cost	<b>70,601,619</b>	139,845,479
Fair value adjustments	<b>(10,669,419)</b>	19,764,829
	<u><b>59,932,200</b></u>	<u>159,610,308</u>
Total	<u><b>59,932,200</b></u>	<u>162,692,895</u>

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

## 12. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014 <i>HK\$</i>	2013 <i>HK\$</i>
Financial assets designated as held for trading		
— Equity securities listed in Hong Kong, at market value	<u><b>9,031,600</b></u>	<u>234,696</u>

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

Escalating tension in Eurasia, the continuing liquidity injection into the financial sector, together with the significant impact on energy price due to the conflicts in Ukraine and the Middle East, they have caused a volatility in the global market. Under the uncertain investment environment, the Directors have taken the cautiously defensive measure and prudent investment strategy to manage the portfolio of investments of the Group.

For the year ended 31 December 2014, the Group recorded a net loss of approximately HK\$35,599,000 (2013: approximately HK\$19,998,000), representing an increase in net loss of approximately HK\$15,601,000 or 78% as compared to last year. The loss was mainly due to the realised loss on disposal of available-for-sale financial assets and the increase in administrative expenses.

### **SECURITIES INVESTMENTS**

The Board exercised caution when managing the investment process during the year. For the year ended 31 December 2014, the Group recorded an audited revenue of approximately HK\$899,000 (2013: approximately HK\$1,718,000), decreased by approximately 48% over the previous year. The Group made a net realised loss on disposal of available-for-sale financial assets of approximately HK\$3,241,000 (2013: net realised gain of approximately HK\$1,337,000).

Given the fluctuation in the worldwide financial markets, the Board will continue to identify any investment opportunities and manage the investment portfolio in accordance with the Company's investment objective and policy with a view of gaining good investment yields for our shareholders. We will monitor market development closely with a view of identifying attractive and long-term investment opportunities.

### **LIQUIDITY AND FINANCIAL RESOURCES**

The Group had cash and cash equivalents of approximately HK\$38,769,000 as at 31 December 2014 (2013: approximately HK\$18,422,000).

The Group's gearing ratio, representing the total debt divided by equity attributable to equity holders of the Company, was not applicable as the Group did not have any bank loans or borrowings as at 31 December 2014 and 2013.

There were no capital commitments as at 31 December 2014 which would require a substantial use of the Group's present cash resources or external funding (2013: Nil). The Group did not have any material contingent liability as at 31 December 2014 (2013: Nil).

Exchange risk of the Group is minimal as the assets of the Group comprised substantially of bank deposits denominated in Hong Kong dollars. It is the Group's policy to adopt a prudent financial management strategy to meet risk fluctuation and investment opportunities.

### **ESTABLISHMENT OF SUBSIDIARIES AND DISPOSAL OF SUBSIDIARIES**

Total 9 subsidiaries were established and 7 subsidiaries were disposed of during the year ended 31 December 2014.

## **CAPITAL STRUCTURE**

The shares of the Company were listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). During the year, there is no movement in the Company’s share capital.

## **PROSPECTS**

Despite a weakening housing market and the ongoing anti-corruption campaign’s impact on the overall economy, China achieved a 7.4% annual GDP growth rate in 2014. The economy is expected to slow down gradually this year, in line with the government’s strategy to promote more balanced economic growth. However, supportive government policies should limit the downside risks as Premier Li Keqiang set the economic growth target for China at around 7% this year. Directors believe that the long term importance of Shanghai-Hong Kong Stock Connect Scheme is underestimated and become optimistic about several sectors with solid fundamentals and favorable government policies.

## **EMPLOYEE INFORMATION**

As at 31 December 2014, the Company had 21 employees (2013: 17), including executive Directors and independent non-executive Directors. The Group’s remuneration policies are in line with the prevailing market practice and are determined on the basis of the performance and experience of individual employees.

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

During the year ended 31 December 2014, 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 by Listed Issuers (the “Model Code”) set out in Appendix 10 of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (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 year ended 31 December 2014.

## **CORPORATE GOVERNANCE PRACTICES**

Following the issue of the Code on Corporate Governance Practices (the “CG Code”), as set out in Appendix 14 of the Listing Rules, the Company has carefully reviewed and considered its provisions, and carried out a detailed analysis on the corporate governance practices of the Company against the requirements of the CG Code. We have, throughout the year ended 31 December 2014, complied with the code provisions of the CG Code as and when they were/are applicable and in force, except for the deviations from code provisions 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 26 June 2014 as the Board is in the process of identifying suitable candidate to fill in the vacancy for chairman. The said AGM was chaired by an executive Director.

### **AUDIT COMMITTEE**

Audit Committee currently comprised solely of independent non-executive Directors, namely, Mr. Wong Chung Kin, Quentin (chairman), Mr. Ng Man Fai, Matthew and Mr. Tsang Kwok Wa, Edward. The composition and members of the Audit Committee comply with the requirements under Rule 3.21 of the Listing Rules.

The Audit Committee is mainly responsible for overseeing the Company’s financial reporting system and internal control procedures; making recommendations to the Board on the appointment, reappointment and removal of the external auditors, and to approve the remuneration and terms of engagement of the external auditors, and any questions of the resignation or dismissal of such auditors; and reviewing the interim and annual reports and accounts of the Company.

The Audit Committee meets regularly to review the financial reporting process and internal controls of the Group. The Audit Committee has reviewed the accounting policies and practices adopted by the Group and discussed internal controls and financial reporting matters with management including a review of the consolidated financial statements for the year ended 31 December 2014.

The Group’s 2014 audited financial statements had been duly reviewed by the Audit Committee with the auditor. The members of the Audit Committee unanimously recommended for approval by the Board. The Audit Committee has concluded that it is satisfied with the professional performance of the auditor and therefore recommends the Board that HLM CPA Limited (“HLM”) be re-appointed as our auditor in the AGM.

With the consent of the Audit Committee, the Board hereby confirms that, in the preparation of the 2014 consolidated financial statements of the Company, the Directors, both collectively and individually applied such degree of skill, care and diligence as may reasonably be expected of under the Rule 3.08 of the Listing Rules.

HLM was appointed as auditor of the Company until conclusion of the AGM.

### **REMUNERATION COMMITTEE**

Remuneration Committee currently comprised solely of independent non-executive Directors, namely, Mr. Ng Man Fai, Matthew (chairman), Mr. Wong Chung Kin, Quentin and Mr. Tsang Kwok Wa, Edward.

The Remuneration Committee is mainly responsible for making recommendations to the Board on the Company's policy and structure for all Directors' and senior management's remuneration and making recommendations to the Board on the remuneration packages of individual executive Director and senior management.

## **NOMINATION COMMITTEE**

The Nomination Committee comprised of executive Director, namely, Mr. Luk Hong Man, Hammond, independent non-executive Directors, Mr. Ng Man Fai, Matthew and Mr. Tsang Kwok Wa, Edward. Mr. Tsang Kwok Wa, Edward is the chairman of the Nomination Committee.

The Nomination Committee is mainly responsible for reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy; identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships; assessing the independence of the independent non-executive Directors; and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors.

The Nomination Committee formulated the Board diversity policy and the Company has adopted the Board diversity policy in August 2013. The Company recognises and embraces the benefits of diversity in Board members. Selection of Board members will be based on a range of diversified perspectives, including but not limited to gender, age, ethnicity, cultural and educational background, or professional experience. All Board appointments will be based on merit and the needs of the Company's business while taking into account diversity. The Nomination Committee also monitors the implementation of this policy and reports to the Board on the achievement of the measurable objectives for achieving diversity under this policy.

## **CLOSURE OF REGISTER OF MEMBERS**

The register of member of the Company will be closed from Thursday, 25 June 2015 to Monday, 29 June 2015, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the AGM to be held on Monday, 29 June 2015, all completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 24 June 2015.

## **PUBLICATION OF FINAL RESULTS ANNOUNCEMENT AND ANNUAL REPORT**

This final results announcement is published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the website of the Company at [www.cifund.com.hk](http://www.cifund.com.hk). The Company's annual report for the year ended 31 December 2014 will be published at the same websites and will be despatched to the Company's shareholders in due course.

## SCOPE OF WORK OF HLM CPA LIMITED

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2014 as set out in this announcement have been agreed by the Group's auditor, HLM, to the amounts set out in the Group's audited consolidated financial statements for the year. The work performed by HLM in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLM on this announcement.

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

Hong Kong, 16 March 2015

*As at the date of this announcement, the executive Directors are Mr. Luk Hong Man, Hammond, Mr. Ye Yinggang and Mr. Zhang Xi; and the independent non-executive Directors are Mr. Wong Chung Kin, Quentin, Mr. Tsang Kwok Wa, Edward and Mr. Ng Man Fai, Matthew.*

\* *For identification purpose only*