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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)

MEMORANDUM OF UNDERSTANDING RELATING TO A POSSIBLE ACQUISITION

This announcement is made pursuant to Rule 13.09 of the Listing Rules and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board is pleased to announce that on 26 October 2015 (after trading hours), the Company entered into the Memorandum of Understanding with the Seller in relation to the Possible Acquisition. After signing of the Memorandum of Understanding, the parties thereto shall enter into good faith negotiations for the Formal SPA and other documentation and matters relating to the Possible Acquisition and the provisions of the Memorandum of Understanding shall form the basis for the preparation of the said documents.

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INTRODUCTION

The Board is pleased to announce that on 26 October 2015 (after trading hours), the Company entered into the Memorandum of Understanding with the Seller in relation to the Possible Acquisition. After signing of the Memorandum of Understanding, the parties thereto shall enter into good faith negotiations for the Formal SPA and other documentation and matters relating to the Possible Acquisition and the provisions of the Memorandum of Understanding shall form the basis for the preparation of the said documents.

THE MEMORANDUM OF UNDERSTANDING

Date:

26 October 2015 (after trading hours)

* *For identification purpose only*

Parties:

- (i) Ace Provision Limited as the Purchaser; and
- (ii) Ms. Yao Aiyun as the Seller.

Asset to be acquired

Pursuant to the Memorandum of Understanding, the Purchaser intends to acquire and the Seller intends to sell the Sale Shares. The Target Company is a company incorporated and existing under the laws of the Republic of Vanuatu and is an investment holding company. The Target Company is the sole shareholder of Yitong, a company incorporated in Hong Kong which is an investment holding company as at the date of this announcement but will engage in the wine trading business in the future.

Consideration

Pursuant to the Memorandum of Understanding, the consideration for the possible Acquisition shall not be more than HK\$3,000,000.

Shareholders' agreement

Pursuant to the Memorandum of Understanding, subject to the completion of the sale and purchase of the Sale Shares taking place, the Seller and the Purchaser will enter into a shareholders' agreement in relation to, among others, the future financing, operation and management matters of the Target Company and its subsidiaries.

Non legally-binding effect

Save for the clauses regarding, among other things, the confidentiality, exclusivity and governing law of the Memorandum of Understanding, the terms of the Memorandum of Understanding do not constitute legally-binding obligation in respect of the Possible Acquisition. The Possible Acquisition will be subject to the execution and completion of the Formal SPA.

Exclusivity

The Seller agrees that during the period commencing on the date of the Memorandum of Understanding and ending on the date of execution of the Formal SPA, she shall not (i) take any actions to invite or solicit proposals relating to, or accept or enter into any agreements or arrangements with any person with respect to the Sale Shares; (ii) participate in any discussion or negotiations regarding any such transaction with any other person or entity other than the Purchaser; or (iii) otherwise cooperate in any way with any offer or attempt by any person or entity to do the foregoing.

INFORMATION OF THE SELLER AND THE PURCHASER

The Seller is a PRC citizen and the sister of Mr. Yao Yuan, a non-executive Director. As at the date of this announcement, she is the holder of 25% of the issued share capital of the Target Company. 75% of the issued share capital of the Target Company is held by an Independent Third Party.

The Purchaser is a company incorporated and existing under the laws of the Republic of Vanuatu and a wholly-owned subsidiary of the Company. Its principal business is investment holding.

LISTING RULES IMPLICATIONS

The Seller is the sister of Mr. Yao Yuan, a non-executive Director. As a result, she is a connected person of the Company by virtue of her being an associate of a Director. Therefore, the entering into of the Memorandum of Understanding constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules.

As the applicable percentage ratios in respect of the Possible Acquisition are less than 5%, and the consideration for the Possible Acquisition shall be less than HK\$3,000,000, the transactions contemplated under the Possible Acquisition are exempt from the reporting and announcement requirements under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFIT OF THE POSSIBLE ACQUISITION

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. In order to enhance the overall rate of return on investment, the Company is proactively considering the expansion of the investment scope including the investment in the unlisted assets. By acquiring the Sale Shares, the Company will, through Yitong, invest in the distribution industry of grape wine and white wine in the PRC, with a view to establishing a leading and innovative wine trading platform. Yitong will focus on Guangzhou to build an operation network in the PRC to provide trading platform service with “professionalism, dedication and beyond expectation” to its business partners in the PRC and around the world. Yitong will strive to further improve the wine trading platform by developing an integrated business model with physical commodities, intelligence and financial supply chain services and consumption capital advantage in the area of wine supply and logistics.

After taking into consideration of the above, the Board considers that the entering into of the Memorandum of Understanding is in the interests of the Company and the Shareholders as a whole.

General

The Board wishes to emphasise that no binding agreement in relation to the Possible Acquisition has been entered into as at the date of this announcement. The Possible Acquisition is subject to the entering into of the definitive agreement and therefore may or may not materialize. The shareholders and potential investors of the Company are advised to exercise caution in the dealing in the shares and other securities of the Company.

Further announcement(s) will be made by the Company as and when appropriate.

DEFINITIONS

The following terms have the following meanings in this announcement unless the context otherwise requires:

“associate”	having the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors

“Company”	China Investment Fund Company Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on Main Board of the Stock Exchange with stock code 612
“connected person”	having the meaning ascribed thereto under the Listing Rules
“Directors”	directors of the Company
“Formal SPA”	The formal legally-binding sale and purchase agreement to be entered into between the Purchaser and the Seller
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	persons who themselves (and in the case of any corporate entities, their ultimate beneficial owners) are, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, third parties independent of, and not connected with, the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum of Understanding”	the non-legally binding (save for certain provisions relating to the exclusivity, confidentiality and governing law of the Memorandum of Understanding) memorandum of understanding dated 26 October 2015 entered into between the Company and the Seller in relation to the Possible Acquisition
“Possible Acquisition”	the possible acquisition of the Sale Shares by the Purchaser
“PRC”	The People’s Republic of China
“Purchaser”	Ace Provision Limited, a company incorporated and existing under the laws of the Republic of Vanuatu and the purchaser of the Sale Shares under the Memorandum of Understanding
“Sale Shares”	25% of the entire issued share capital of the Target Company which are held by the Seller
“Seller”	Ms. Yao Aiyun, the seller of the Sale Shares under the Memorandum of Understanding
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company”	Noah Holdings Limited, a company incorporated and existing under the laws of the Republic of Vanuatu
“Yitong”	Yitong International Liquors Exchange Center Limited, a company incorporated in Hong Kong with limited liability
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent

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

Hong Kong, 26 October 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 directors are Mr. Yao Yuan, Mr. Sui Guangyi, Mr. Shi Minqiang and Mr. Yao Zhixiang and the independent non-executive Directors are Mr. Wong Chung Kin, Quentin, Mr. Leung Po Hon, Mr. Zhang Qi and Ms. Li Jiangtao.