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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)

**(1) PLACING OF NEW SHARES UNDER SPECIFIC MANDATE;
(2) PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE;
AND
(3) RESUMPTION OF TRADING**

Placing Agent



China Everbright Securities (HK) 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 22 June 2015 in relation to trading halt in the shares of the Company pending the release of this announcement.

PLACING OF NEW SHARES UNDER SPECIFIC MANDATE FOR SHARE PLACING

On 23 June 2015, the Company entered into the Share Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, up to an aggregate of 1,000,000,000 new Placing Shares to not less than six Share Places at a price of HK\$0.50 per Placing Share. Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the completion of the Share Placing (save for and except the Share Placing), the maximum number of 1,000,000,000 Placing Shares represents: (a) approximately 108.9% of the existing issued share capital of the Company; and (b) approximately 52.1% of the issued share capital of the Company as enlarged by the Share Placing. The Placing Price of HK\$0.50 per Placing Share represents (i) a discount of approximately 27.5% to the closing price of HK\$0.69 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 30.2% to the average closing price of HK\$0.716 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

* For identification purpose only

The Placing Shares will be issued under the Specific Mandate for Share Placing. Assuming all the Placing Shares are successfully placed by the Placing Agent and based on the estimated expenses of the Share Placing in the amount of approximately HK\$8 million, the gross and net proceeds from the Share Placing are estimated to be approximately HK\$500 million and HK\$492 million respectively. As an investment company under Chapter 21 of the Listing Rules, the Company intends to utilize the net proceeds from the Share Placing for investment in both listed and unlisted securities and for general working capital purposes.

PLACING OF CONVERTIBLE BONDS UNDER SPECIFIC MANDATE FOR CB PLACING

On 23 June 2015, the Company entered into the CB Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed to place, on a best effort basis, the Convertible Bonds with a principal amount of up to HK\$500,000,000 to not less than six CB Places. Assuming the Convertible Bonds are fully placed, based on the initial Conversion Price of HK\$0.50 per Conversion Share, 1,000,000,000 Conversion Shares will be allotted and issued by the Company upon exercise in full of the conversion rights attaching to the Convertible Bonds, representing: (a) approximately 108.9% of the existing issued share capital of the Company; and (b) approximately 52.1% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds). The Conversion Price of HK\$0.50 represents (i) a discount of approximately 27.5% to the closing price of HK\$0.69 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 30.2% to the average closing price of HK\$0.716 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The Convertible Bonds will be issued under the Specific Mandate for CB Placing. Assuming the Convertible Bonds are fully placed by the Placing Agent and based on the estimated expenses of the CB Placing in the amount of approximately HK\$8 million, the gross and net proceeds from the CB Placing are estimated to be HK\$500 million and approximately HK\$492 million respectively. As an investment company under Chapter 21 of the Listing Rules, the Company intends to utilize the net proceeds from the CB Placing for investment in both listed and unlisted securities and for general working capital purposes.

GENERAL

The EGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolutions in respect of each of the Share Placing Agreement and the CB Placing Agreement and the transaction contemplated thereunder, the allotment and issue of the Placing Shares under the Specific Mandate for Share Placing and the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares under the Specific Mandate for CB Placing. As no Shareholder has an interest in each of the Share Placing Agreement and the CB Placing Agreement that is materially different from the other Shareholders, no Shareholder is required to abstain from voting at the EGM in respect of the Share Placing Agreement and the CB Placing Agreement. A circular containing, among other things, (i) details of the Share Placing Agreement and the Specific Mandate for Share Placing; (ii) details of the CB Placing Agreement, the Convertible Bonds and the Specific Mandate for CB Placing; (iii) a notice of the EGM; and (iv) other information as required under the Listing Rules, is expected to be dispatched to the Shareholders on or before 14 July 2015.

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 22 June 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 1:00 p.m. on 23 June 2015.

Shareholders and potential investors should note that the Share Placing and the CB Placing are subject to the fulfillment or waiver of the conditions precedent set out respectively in the Share Placing Agreement and the CB Placing Agreement, and may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.

THE SHARE PLACING AGREEMENT

Date

23 June 2015

Parties

- (1) The Company (as the issuer); and
- (2) The Placing Agent (as the placing agent)

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties. As at the date of this announcement, the Placing Agent is not interested in any Shares.

Share Placing

The Placing Agent has conditionally agreed to place, on a best effort basis, 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. The Placing Agent shall use all reasonable endeavours to ensure that the Share Placees (being professional investors) and their ultimate beneficial owners are Independent Third Parties and that none of the Share Placees will become a substantial shareholder of the Company as a result of the Share Placing (taking into account other securities held by such Share Placee at the time of his subscription of the Placing Shares). It is expected the aggregate Placing Price payable by each Share Placee shall be no less than HK\$500,000. The Placing Agent will receive a placing commission of 1.5% on the gross proceeds attributable to the actual number of the Placing Shares placed.

Number of Placing Shares

Assuming that there is no change in the issued share capital of the Company between the date of this announcement and the completion of the Share Placing (save for and except the Share Placing), the maximum number of 1,000,000,000 Placing Shares represents: (a) approximately 108.9% of the existing issued share capital of the Company; and (b) approximately 52.1% of the issued share capital of the Company as enlarged by the Share Placing. The aggregate nominal value of the maximum number of Placing Shares is HK\$50,000,000.

Placing Price

The Placing Price of HK\$0.50 per Placing Share represents (i) a discount of approximately 27.5% to the closing price of HK\$0.69 per Share as quoted on the Stock Exchange on the Last Trading Day; (ii) a discount of approximately 30.2% to the average closing price of HK\$0.716 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day; and (iii) a premium of approximately 78.6% to the unaudited net asset value per Share of HK\$0.28 as at 31 May 2015 as set out in the announcement of the Company dated 15 June 2015.

Ranking of the Placing Shares

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

Conditions precedent to the Share Placing

Completion of the Share Placing is conditional upon the fulfillment of the following conditions:

- (a) the passing of a resolution at the EGM by Shareholders to approve the Share Placing Agreement and the transaction contemplated thereunder, the grant of the Specific Mandate for Share Placing to issue the Placing Shares;
- (b) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Placing Shares (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent); and
- (c) no representation, warranty or undertaking under the Share Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the date of completion of the Share Placing.

If the conditions precedent in respect of the Share Placing are not fulfilled (or waived in respect of conditions (c) above) on or before the Long Stop Date, the Share Placing Agreement shall thereupon lapse and become null and void and all rights, obligations and liabilities of the parties in respect of the Share Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Share Placing, save for any liability arising out of any antecedent breaches of the Share Placing Agreement.

Completion of the Share Placing

Completion of the Share Placing shall take place not later than 4:00 p.m. on the fifth business day after the date on which all the conditions precedent to the Share Placing have been fulfilled or waived (or such other time and date as may be agreed between the Placing Agent and the Company).

Termination of the Share Placing Agreement

If at any time on or prior to 12:00 noon on the date of completion of the Share Placing:

- (i) there shall have been, since the date of the Share Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would, in the opinion of the Placing Agent, be likely to prejudice materially the consummation of the Share Placing; or
- (ii) any breach of any of the representations and warranties set out in the Share Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Share Placing Agreement and prior to the date of completion of the Share Placing which if it had occurred or arisen before the date of the Share Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the Share Placing Agreement; or
- (iii) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances;

then and in any such case, the Placing Agent may terminate the Share Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 12:00 noon on the date of completion of the Share Placing.

In the event the Placing Agent terminate the Share Placing Agreement, all obligations of each of the parties under the Share Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the Share Placing Agreement except for any antecedent breach of any obligation under the Share Placing Agreement.

Specific Mandate for Share Placing

The Placing Shares will be issued under the Specific Mandate for Share Placing which is subject to Shareholders' approval at the EGM.

Application for listing

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

THE CB PLACING AGREEMENT

Date

23 June 2015

Parties

- (1) The Company (as the issuer); and
- (2) The Placing Agent (as the placing agent)

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties. As at the date of this announcement, the Placing Agent is not interested in any Shares.

CB Placing

The Placing Agent has conditionally agreed to place, on a best effort basis, the Convertible Bonds with a principal amount of up to HK\$500,000,000 to not less than six CB Placees. The Placing Agent shall use all reasonable endeavours to ensure that the CB Placees (being professional) and their ultimate beneficial owners are Independent Third Parties and that none of the CB Placees will become a substantial shareholder of the Company as a result of the placing of the Convertible Bonds subscribed by him on fully converted basis as at the date of completion of the CB Placing (taking into account other securities held by such CB Placee at the time of his subscription of the Convertible Bonds). It is expected the aggregate Conversion Price payable by each CB Placee shall be no less than HK\$500,000. The Placing Agent will receive a placing commission of 1.5% of the aggregate principal amount of the Convertible Bonds successfully placed by the Placing Agent to the CB Placees.

Principal terms of the Convertible Bonds

Issuer	:	The Company
Total principal amount	:	Up to HK\$500,000,000
Interest	:	5% per annum on the outstanding principal amount thereof, which will be payable by the Company yearly in arrears. The first payment will be made on the first anniversary date of the date of issue of the Convertible Bonds.

Where the holder of the Convertible Bond has converted part or whole of the principal amount of the Convertible Bond, such holder of the Convertible Bond will be entitled to interest in respect of such part or whole (as the case may be) of the principal amount being converted for the period from the last interest payment date up to the date of conversion.

Maturity Date	:	3 years from the date of issue of Convertible Bonds or if such date is not a business day, the next business day. The Convertible Bonds may not be repaid or redeemed by the holders of the Convertible Bonds or the Company before the Maturity Date.
Conversion Period	:	The period commencing on the date of issue of the Convertible Bonds and ending on the Maturity Date.

Conversion rights : Holders of the Convertible Bonds will have the right to convert the whole or part of the principal amount of the Convertible Bonds into Conversion Shares at the Conversion Price of HK\$0.50 per Conversion Share at any time during the Conversion Period provided that the conversion of the Convertible Bonds (i) does not trigger any mandatory offer obligation under Rule 26 of the Takeovers Code on the part of the holders of the Convertible Bonds which exercised the conversion rights, represents more than 30% (or such other percentage as stated in Rule 26 of the Takeovers Code in effect from time to time) of the then issued ordinary share capital of the Company or otherwise pursuant to other provisions of the Takeovers Code; or (ii) does not reduce the public float of the Shares to less than 25% (or any given percentage as required by the Listing Rules) of the issued Shares.

Conversion Shares : Assuming the Convertible Bonds are fully placed, based on the initial Conversion Price of HK\$0.50 per Conversion Share, 1,000,000,000 Conversion Shares will be allotted and issued by the Company upon exercise in full of the conversion rights attaching to the Convertible Bonds, representing: (a) approximately 108.9% of the existing issued share capital of the Company; and (b) approximately 52.1% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares (assuming there is no other change in the issued share capital of the Company between the date of this announcement and the full conversion of the Convertible Bonds).

The maximum aggregate nominal value of the Conversion Shares is HK\$50,000,000.

Conversion Price : The Conversion Price of HK\$0.50 represents (i) a discount of approximately 27.5% to the closing price of HK\$0.69 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 30.2% to the average closing price of HK\$0.716 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day.

The Conversion Price is subject to adjustments upon occurrence of certain “Adjustment Events” as described below.

- Adjustments Events : The Conversion Price will be subject to adjustments upon the occurrence of the following events:
- (i) an alteration of the nominal amount of the Shares by reason of consolidation, subdivision, reclassification or otherwise;
 - (ii) an issue of Shares credited as fully paid to Shareholders by way of capitalization of profits or reserves (including any share premium account or capital redemption reserve), other than Shares paid up out of profits or reserves and issued in lieu (in whole or in part) of a cash dividend, being a dividend which the Shareholders concerned would or could otherwise have received and which does not constitute a capital distribution (as such term is defined in the conditions of the Convertible Bonds);
 - (iii) a capital distribution (as such term is defined in the conditions of the Convertible Bonds) to Shareholders being made by the Company;
 - (iv) an issue of Shares to all or substantially all Shareholders as a class by way of rights, or issue or grant to all or substantially all Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase any Shares, in each case at less than 80% of the market price of the Shares;
 - (v) an issue of Shares being made wholly for cash at a price less than 80% of the market price of the Shares;
 - (vi) an issue wholly for cash being made by the Company or any other company of securities convertible into or exchangeable for or carrying rights of subscription for Shares, at a consideration per Share which is less than 80% of the market price of the Shares, or the conversion, exchange or subscription rights of any such securities (other than in accordance with the terms applicable thereto) are altered or modified so that the consideration per Share is less than 80% of the market price of the Shares;
 - (vii) when the Company offers any securities in connection with which offer the Shareholders generally (meaning for these purposes the holders of at least 80% of the Shares outstanding at the time such offer is made) are entitled to participate in arrangements whereby such securities may be acquired by them;
 - (viii) an issue of Shares for the acquisition of asset at a total effective consideration per Share which is less than 80% of the market price of the Shares;

- (ix) an issue of any securities which by their terms are convertible into or exchangeable for or carry rights of subscription for new Shares for the acquisition of asset at a total effective consideration initially receivable for such securities which is less than 80% of the market price of the Shares; and
- (x) if either: (a) the rights of conversion, exchange, purchase or subscription attaching to any options, rights or warrants to subscribe for or purchase Shares or any securities convertible into or exchangeable for Shares or the rights carried by such securities to subscribe for or purchase Shares are modified (other than pursuant to, and as provided in, the existing terms and conditions of such options, rights, warrants or securities); or (b) the Company determines that an adjustment should be made to the Conversion Price as a result of events or circumstances not referred to above and at its own expense an acting reasonably, request the an approved financial adviser to determine what adjustment (if any) to the Conversion Price is fair and reasonable.

Events of Default : For so long as any Convertible Bond remains outstanding, if any of the following events (“**Events of Default**”) occurs, unless prior written consent is obtained from the Majority Bondholders, the Majority Bondholders will be entitled to give a notice in writing to the Company that the Convertible Bonds held by all holders are immediately due and payable at its principal amount then outstanding together with any accrued and unpaid interest under the terms and conditions of the Convertible Bonds calculated up to and excluding the date of payment:

- (i) there is a failure by the Company to pay the principal of or any interest on the Convertible Bonds when due and such failure continues for a period of seven days; or
- (ii) there is any failure by the Company to deliver any Shares following conversion of Convertible Bonds as and when the Shares are required to be delivered pursuant to the conditions of the Convertible Bonds; or
- (iii) there have been material changes to the senior management of the Company or any Major Subsidiary; or
- (iv) any of the shares of the Major Subsidiary is mortgaged, charged, sold or assigned by the Company to any person(s); or
- (v) there has been any material breach of and noncompliance which any applicable law, regulation or Listing Rules by any member of the Group which will result in a Material Adverse Effect; or

- (vi) the Shares cease to be listed on the Stock Exchange or are suspended from trading on the Stock Exchange for a continuous period of thirty trading days due to the default of or the noncompliance with the law or regulations (including without limitation the Listing Rules) on part of the Company or any of its subsidiaries; or
- (vii) it is or will become unlawful for the Company to perform or comply with any one or more of its covenants, conditions, provisions or obligations under any of the Convertible Bonds; or
- (viii) the Company does not perform or comply with any one or more of its other obligations under the Convertible Bonds which default is incapable of remedy, or is not remedied within 30 days after notice requiring the same to be remedied is served by the Majority Bondholders on the Company; or
- (ix) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against the whole or a material part of the property, assets or revenues of the Company or any Major Subsidiary and is not discharged or stayed within 45 days (or such longer period as the Majority Bondholders may consider appropriate); or
- (x) an encumbrancer takes possession or a receiver, manager or other similar officer is appointed of the whole or a material part of the assets or undertaking of the Company or any Major Subsidiary and is not discharged within 45 days of taking such possession or, as the case may be, appointment; or
- (xi) the Company or any Major Subsidiary is insolvent or bankrupt or unable to pay its debts as and when they fall due or proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any such debts or a moratorium is agreed or declared in respect of or affecting all or any part of (or of a particular type of) the debts of the Company or any Major Subsidiary; or
- (xii) an order is made or an effective resolution passed for winding-up or dissolution of the Company or any Major Subsidiary, or the Company or any Major Subsidiary ceases or threatens to cease to carry on all or a material part of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganization, merger or consolidation; or
- (xiii) proceedings are initiated against the Company or any Major Subsidiary under any applicable bankruptcy or insolvency law and such proceedings are not discharged or stayed within a period of 45 days; or

(xiv) any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (ix) to (xiii) above.

Provided that the Company is not regarded as having triggered any event of default in the event of the occurrence of any events or incidents which take place beyond the control of the Company without negligence, default or omission of the Company or which flows from natural or reasonably anticipated development of events which have been fully and fairly disclosed by the Company by way of public announcement or circular or financial reports published by the Company.

Transferability : The Convertible Bonds are freely transferable by the CB Placees in multiples of units of principal amount of the Convertible Bonds of HK\$1,000,000, provided that no Convertible Bonds may be transferred to any connected persons of the Company without the prior written consent of the Company.

Voting : Holders of the Convertible Bonds shall not be entitled to attend or vote at any meetings of the Company by reason only of its being a holder of the Convertible Bonds.

Listing : No application will be made for the listing of the Convertible Bonds on the Stock Exchange or any other stock exchange.

Application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares that may be allotted and issued upon the exercise of the conversion rights attached to the Convertible Bonds.

Ranking of the Conversion Shares : The Conversion Shares will, when issued and allotted, rank pari passu in all respects among themselves and with all other fully paid Shares in issue on the conversion date of the Convertible Bonds.

Conditions precedent to the CB Placing

Completion of the CB Placing is conditional upon the fulfillment of the following conditions:

- (a) the passing of a resolution at the EGM by Shareholders to approve the CB Placing Agreement and the transaction contemplated thereunder, the grant of the Specific Mandate for CB Placing to issue the Convertible Bonds and to issue and allot the Conversion Shares upon the exercise of the conversion rights attached to the Convertible Bonds;
- (b) the Listing Committee of the Stock Exchange agreeing to grant a listing of and permission to deal in the Conversion Shares which fall to be issued upon conversion of the Convertible Bonds (either unconditionally or subject to conditions which are acceptable to the Company and the Placing Agent); and

- (c) no representation, warranty or undertaking under the CB Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect, in each case on or prior to the date of completion of the CB Placing.

If the conditions precedent in respect of the CB Placing are not fulfilled (or waived in respect of conditions (c) above) on or before the Long Stop Date, the CB Placing Agreement shall thereupon lapse and become null and void and all rights, obligations and liabilities of the parties in respect of the CB Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the CB Placing, save for any liability arising out of any antecedent breaches of the CB Placing Agreement.

Completion of the CB Placing

Completion of the CB Placing shall take place not later than 4:00 p.m. on the fifth business days after the date on which all the conditions precedent to the CB Placing have been fulfilled or waived (or such other time and date as may be agreed between the Placing Agent and the Company).

Termination of the CB Placing Agreement

If at any time on or prior to 12:00 noon on the date of completion of the CB Placing:

- (i) there shall have been, since the date of the CB Placing Agreement, such a change in national or international financial, political or economic conditions or taxation or exchange controls as would, in the opinion of the Placing Agent, be likely to prejudice materially the consummation of the CB Placing; or
- (ii) any breach of any of the representations and warranties set out in the CB Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the CB Placing Agreement and prior to the date of completion of the CB Placing which if it had occurred or arisen before the date of the CB Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provisions of the CB Placing Agreement; or
- (iii) any moratorium, suspension or restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances;

then and in any such case, the Placing Agent may terminate the CB Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received prior to 12:00 noon on the date of completion of the CB Placing.

In the event the Placing Agent terminates the CB Placing Agreement, all obligations of each of the parties under the CB Placing Agreement shall cease and determine and no party shall have any claim against the other party in respect of any matter arising out of or in connection with the CB Placing Agreement except for any antecedent breach of any obligation under the CB Placing Agreement.

Specific Mandate for CB Placing

The Convertible Bonds will be issued under the Specific Mandate for CB Placing which is subject to Shareholders' approval at the EGM.

REASONS FOR THE SHARE PLACING AND THE CB 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 Share Placing and CB Placing provide 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 Share Placing and CB Placing will enable the Group to scale its investment portfolio promptly and efficiently in order to capture and benefit from fast-changing investment sentiments.

Assuming all the Placing Shares are successfully placed by the Placing Agent and based on the estimated expenses of the Share Placing in the amount of approximately HK\$8 million, the gross and net proceeds from the Share Placing are estimated to be approximately HK\$500 million and HK\$492 million respectively. Therefore, the net price for the Share Placing is approximately HK\$0.492 per Placing Share. The Company intends to utilize the net proceeds from the Share Placing for investment in both listed and unlisted securities and for general working capital purposes.

Assuming the Convertible Bonds are fully placed by the Placing Agent and based on the estimated expenses of the CB Placing in the amount of approximately HK\$8 million, the gross and net proceeds from the CB Placing are estimated to be HK\$500 million and approximately HK\$492 million respectively. Therefore, assuming the Convertible Bonds are fully placed and the conversion rights of all the Convertible Bonds are exercised, the net price for the CB Placing is approximately HK\$0.492 per Conversion Share. The Company intends to utilize the net proceeds from the CB Placing for investment in both listed and unlisted securities and for general working capital purposes.

The Placing Price under the Share Placing and the terms of the Convertible Bonds under the CB Placing (including the Conversion Price) were determined after arm's length negotiations between the Company and the Placing Agent with reference to the historical trading prices of the Shares, the prevailing market sentiment and conditions, liquidity flow in the capital market and the Group's existing financial position. The placing commission was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to prevailing market rates. The Directors consider that the terms of the Share Placing Agreement (including the Placing Price and the placing commission) and the CB Placing Agreement (including the interest rate, the Conversion Price and the placing commission) are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The table below illustrates the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after the completion of the Share Placing (assuming the Placing Shares were placed in full); (iii) upon exercise in full of the conversion rights attaching to the Convertible Bonds (assuming the Convertible Bonds were placed in full); and (iv) immediately after the completion of the Share Placing and exercise in full of the conversion rights attaching to the Convertible Bonds (assuming the Placing Shares and the Convertible

Bonds were placed in full and there is no other change in the issued share capital of the Company from the date of this announcement up to the date of full conversion of the Convertible Bonds):

	As at the date of this announcement		Immediately upon completion of the Share Placing		Immediately upon exercise in full of the conversion rights attaching to the Convertible Bonds		Immediately upon completion of the Share Placing and exercise in full of the conversion rights attaching to the Convertible Bonds	
	No. of Shares	%	No. of Shares	%	No. of Shares	%	No. of Shares	%
HK DYF Int'l Holding Group Limited (<i>Note</i>)	150,544,000	16.40%	150,544,000	7.85%	150,544,000	7.85%	150,544,000	5.16%
Public shareholders	767,576,000	83.60%	767,576,000	40.02%	767,576,000	40.02%	767,576,000	26.30%
Share Places	—	—	1,000,000,000	52.13%	—	—%	1,000,000,000	34.27%
CB Places	—	—	—	—	1,000,000,000	52.13%	1,000,000,000	34.27%
Total	918,120,000	100.00%	1,918,120,000	100.00%	1,918,120,000	100.00%	2,918,120,000	100.00%

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.

FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising exercises in the past twelve months immediately preceding the date of this announcement.

Date of announcement	Equity fund raising exercise	Net proceeds raised HK\$'000	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	Utilized as intended

IMPLICATIONS UNDER THE LISTING RULES

The EGM will be held for the Shareholders to consider and, if thought fit, approve the ordinary resolutions in respect of each of the Share Placing Agreement and the CB Placing Agreement and the transaction contemplated respectively thereunder, the allotment and issue of the Placing Shares under the Specific Mandate for Share Placing and the issue of the Convertible Bonds and the allotment and issue of the Conversion Shares under the Specific Mandate for CB Placing. As no Shareholder has an interest in each of the Share Placing Agreement and the CB Placing Agreement that is materially different from the other Shareholders, no Shareholder is required to abstain from voting at the EGM in respect of the Share Placing Agreement or the CB Placing Agreement. A circular containing, among other things, (i) details of the Share Placing Agreement and the Specific Mandate for Share Placing; (ii) details of the CB Placing Agreement, the Convertible Bonds and the Specific Mandate for CB Placing; (iii) a notice of the EGM; and (iv) other information as required under the Listing Rules, is expected to be dispatched to the Shareholders on or before 14 July 2015.

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 22 June 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 1:00 p.m. on 23 June 2015.

Shareholders and potential investors should note that the Share Placing and the CB Placing are subject to the fulfillment or waiver of the conditions precedent set out respectively in the Share Placing Agreement and the CB Placing Agreement, and may or may not proceed. Shareholders and investors should exercise caution when dealing in the Shares.

DEFINITIONS

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

“Board”	the board of Directors
“CB Placees”	any professional whom the Placing Agent and/or any of their sub-placing agent(s) have procured to subscribe for any of the Convertible Bonds under the CB Placing
“CB Placing”	the placing of the Convertible Bonds in accordance with the terms and conditions of the CB Placing Agreement
“CB Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 23 June 2015 in relation to the CB Placing
“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(s)”	having the meaning ascribed thereto under the Listing Rules
“Conversion Period”	the period commencing on the date of issue of the Convertible Bonds and up to the Maturity Date
“Conversion Price”	HK\$0.50 per Conversion Share, subject to adjustments and the terms and conditions of the Convertible Bonds
“Conversion Share(s)”	the new Share(s) to be allotted and issued upon conversion of the Convertible Bonds
“Convertible Bonds”	the 5% coupon convertible bonds proposed to be issued by the Company in the aggregate principal amount of up to HK\$500,000,000 due in 2018, to be placed under the CB Placing
“Directors”	directors of the Company

“EGM”	the extraordinary general meeting of the Company to be held for the purpose of considering and, if thought fit, approving the ordinary resolutions in respect of each of the Share Placing Agreement and the CB Placing Agreement and the transaction contemplated respectively thereunder, the allotment and issue of Placing Shares under the Specific Mandate for Share Placing, the issue of the Convertible Bonds, and the allotment and issue of the Conversion Shares under the Specific Mandate for CB Placing
“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
“Last Trading Day”	19 June 2015, being the last trading day preceding the signing of the Share Placing Agreement and the CB Placing Agreement
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and the granting of listing of securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	on or before 4 p.m. (Hong Kong time) on the date which is one month from the date of the EGM (or such other time and date as may be agreed between the Placing Agent and the Company)
“Maturity Date”	3 years from the date of issue of Convertible Bonds or if such date is not a business day, the next business day
“Major Subsidiary”	any subsidiary of the Company falling within the meaning of Rule 13.25(2) of the Listing Rules
“Majority Bondholder(s)”	a holder or a group of holders of Convertible Bonds in aggregate holding not less than 50% of the outstanding principal amount of the Convertible Bonds for the time being
“Material Adverse Effect”	means material adverse effect on the business, operation, assets, liabilities (including contingent liabilities), business or financial condition, results or, prospects of the Group as a whole, or the ability of the Company to perform its obligations in the CB Placing Agreement, save and except (a) any change that generally affects the industries or markets in which the Group operates, (b) any change in the financial markets or general economic or political conditions, (c) any change in law or any accounting principle applicable to the Group

“Placing Agent”	China Everbright Securities (HK) Limited, a licensed corporation to carry on type 1 (dealing in securities), type 4 (advising on securities), type 6 (advising on corporate finance) and type 9 (asset management) regulated activities for the purposes of the SFO
“Placing Price”	HK\$0.50 per Placing Share
“Placing Shares”	up to a maximum of 1,000,000,000 new Shares to be placed by the Placing Agent to the Share Placees in accordance with the terms and conditions of the Share Placing Agreement
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Placees”	any professional investors whom the Placing Agent and/or any of their sub-placing agent(s) have procured to subscribe for any of the Placing Shares under the Share Placing
“Share Placing”	the placing of the Placing Shares in accordance with the terms and conditions of the Share Placing Agreement
“Share Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 23 June 2015 in relation to the Share Placing
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Specific Mandate for CB Placing”	the specific mandate to be sought from Shareholders at the EGM to authorise the Directors to issue the Convertible Bonds and to allot and issue the Conversion Shares
“Specific Mandate for Share Placing”	the specific mandate to be sought from Shareholders at the EGM to authorise the Directors to allot and issue the Placing Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	having the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

“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, 23 June 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.