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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



中國睿智

CHINA RICH

China Rich Securities Limited

On 7 May 2015 (after trading hours), 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 153,000,000 Placing Shares on a best effort basis to not less than six Places at a price of HK\$0.465 per Placing Share.

The 153,000,000 Placing Shares that may be allotted and issued will utilize the General Mandate, and represent approximately 20% of the existing issued share capital of the Company as at the date of this announcement and approximately 16.66% of the enlarged issued share capital of the Company immediately following the Placing. Since the Placing Shares will be allotted and issued under the General Mandate, no further Shareholders' approval is required.

* For identification purposes only

The Placing Price of HK\$0.465 represents (i) a discount of approximately 13.9% to the closing price of HK\$0.54 per Share quoted on the Stock Exchange on 7 May 2015, being the date of the Placing Agreement; (ii) a discount of approximately 19.8% to average closing price of HK\$0.58 per Share quoted on the Stock Exchange of the five consecutive trading days up to and including 6 May 2015, the last trading day before the date of the Placing Agreement; and (iii) a premium of approximately 132.5% to the unaudited net asset value per Share of HK\$0.20 as at 31 March 2015 as set out in the announcement of the Company dated 15 April 2015.

Assuming all 153,000,000 Placing Shares are successfully placed by the Placing Agent, the estimated gross proceeds and net proceeds from the Placing will be approximately HK\$71,145,000 and HK\$69,917,000 respectively. As an investment company under Chapter 21 of the Listing Rules, the Company intends to utilize the net proceeds from the Placing for investment in both listed and unlisted securities listed on the Stock Exchange.

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

THE PLACING AGREEMENT

Date

7 May 2015 (after trading hours)

Parties

Issuer: The Company

The Placing Agent: China Rich Securities Limited

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

The Placing and Commission

The Placing Agent has conditionally agreed to place a maximum of 153,000,000 Placing Shares on a best effort basis to not less than six Places. In consideration thereof, it will receive a placing commission of 1.5% of the aggregate consideration received by the Company from the sale of Placing Shares on the Completion. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

The Places

The Placing Agent will place the Placing Shares to not less than six Places, being professional investors, and who and whose ultimate beneficial owners, as far as the Placing Agent and the Directors are aware, are independent third parties and not connected (as defined in the Listing

Rules) with the Company and its Associates. It is expected the aggregate Placing Price payable by each Placee shall be no less than HK\$500,000, and that none of the Placees will become substantial shareholder of the Company immediately after the Placing.

Number of Placing Shares

The Placing Shares represent approximately 20.00% of the Company's existing issued share capital and approximately 16.66% of its issued share capital as enlarged by the Placing. Assuming all 153,000,000 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the Placing Shares will be HK\$7,650,000.

Placing Price

The Placing Price of HK\$0.465 per Placing Share represents:

- (i) a discount of approximately 13.9% to the closing price of HK\$0.54 per Share quoted on the Stock Exchange on 7 May 2015, being the date of the Placing Agreement;
- (ii) a discount of approximately 19.8% to average closing price of HK\$0.58 per Share quoted on the Stock Exchange of the five consecutive trading days up to and including 6 May 2015, the last trading day before the date of the Placing Agreement; and
- (iii) a premium of approximately 132.5% to the unaudited net asset value per Share of HK\$0.20 as at 31 March 2015 as set out in the announcement of the Company dated 15 April 2015.

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

Ranking of the Placing Shares

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

General Mandate

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 26 June 2014 pursuant to which the Directors are allowed to allot and issue up to 153,024,000 Shares, whereas there are 153,000,000 Placing Shares.

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

Conditions of the Placing

The Completion is conditional upon:

- (a) the Listing Committee granting the listing of, and permission to deal in the Placing Shares; and

- (b) the obligations of the Placing Agent under the Placing Agreement not being terminated in accordance with the terms of the Placing Agreement.

In the event such conditions are not fulfilled prior to expiry of the Placing Period (or such later date as may be agreed between the Company and the Placing Agent), the Placing Agreement will lapse and become void and the Company and the Placing Agent shall be released from all obligations hereunder except the liabilities for any antecedent breaches of Placing Agreement.

Completion of the Placing

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

Termination of the Placing and force majeure

The Placing Agreement may be terminated if at any time prior to 9:00 a.m. on the Completion Date:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change in existing laws or regulations or the interpretation thereof which may in the sole opinion of the Placing Agent and in its absolute discretion may materially and adversely affect the business or financial condition or prospects of the Group as a whole;
 - (ii) any local, regional, national or international event or change (whether or not permanent or forming part of a series of events or changes occurring or continuing, on and/or after the date of the Placing Agreement) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not ejusdem generis with the foregoing), which will or may be expected to, in the sole opinion of the Placing Agent, adversely affect the business or financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
 - (iii) any significant change (whether or not permanent) in local, regional, national or international market conditions (including without limitation suspension or material restriction on trading in securities or any conditions affecting a sector of the market) which may or may be expected to adversely affect the success of the Placing or otherwise in the sole opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
- (b) the Company commits any material breach of or any material omission to observe any of the obligations or undertakings expressed or assumed under the Placing Agreement;
- (c) trading of the Shares on the Stock Exchange has been suspended for more than five consecutive trading days save for the purposes of clearing of any announcements or circulars relating to the Placing; or

(d) any breach of any of the representations or warranties contained in the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing, comes to the knowledge of the Placing Agent or there has been a breach by the Company of any other provision of the Placing Agreement which in the sole opinion of the Placing Agent and in its absolute discretion is material in the context of the Placing,

then and in any such case, the Placing Agent may, in its absolute discretion, terminate the Placing Agreement without liability to the Company or any other party by giving notice in writing to the Company, which notice may be given at any time prior to the Completion Date.

In the event that the Placing Agreement is terminated pursuant to the Placing Agreement, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement and the payment obligation of the Company to the Placing Agent under the Placing Agreement in respect of out-of-pocket charges and expenses properly and reasonably incurred by the Placing Agent.

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

APPLICATION FOR LISTING

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

EFFECTS OF PLACING ON SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company as at the date of this announcement and immediately after the completion of the Placing (assuming all 153,000,000 Placing Shares have been successfully placed) is as follows:

Shareholders	As at the date of this announcement		Immediately after the completion of the Placing	
	<i>No. of Shares</i>	<i>Approx % of the issued share capital of the Company</i>	<i>No. of Shares</i>	<i>Approx % of the issued share capital of the Company</i>
HK DYF Int'l Holding Group Limited	78,048,000	10.20	78,048,000	8.50
Mr. Yao Yuan	77,176,000	10.09	77,176,000	8.41
Places	0	0.00	153,000,000	16.66
Public Shareholders	<u>609,896,000</u>	<u>79.71</u>	<u>609,896,000</u>	<u>66.43</u>
Total	<u><u>765,120,000</u></u>	<u><u>100.00</u></u>	<u><u>918,120,000</u></u>	<u><u>100.00</u></u>

REASONS FOR AND BENEFITS OF THE PLACING AND USE OF PROCEEDS

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

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

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

Assuming all 153,000,000 Placing Shares are successfully placed by the Placing Agent, the estimated gross proceeds and net proceeds from the Placing will be approximately HK\$71,145,000 and HK\$69,917,000 respectively. The net proceeds to be raised upon completion of the Placing will be approximately HK\$0.457 per Placing Share.

FUND-RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund-raising activities for the 12 months immediately before the date of this announcement.

GENERAL

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

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

DEFINITIONS

“Associate”	has the meaning ascribed to it in the Listing Rules
“Board”	board of Directors
“Business Day”	means any day (excluding Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business
“Company”	China Investment Fund Company Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of The Stock Exchange
“Completion”	the completion of the Placing
“Completion Date”	the date of Completion
“connected persons”	has the meaning ascribed to it in the Listing Rules

“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the annual general meeting of the Company held on 26 June 2014 pursuant to which the Directors are allowed to allot and issue up to 153,024,000 Shares
“Group”	the Company and the Subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party”	third party (parties) who is independent of and not acting in concert (within the meaning of the Takeovers Code) or connected with the Company, Directors, the chief executive of the Company, substantial Shareholders and its subsidiaries or any of their respective Associates
“Listing Committee”	the listing sub-committee of the board of directors of the Stock Exchange for considering applications for listing and granting of listing on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional investor(s) procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing Agent’s obligations under the Placing Agreement
“Placing”	The private placing of the Placing Shares, on a best effort basis, procured by the Placing Agent to the Placees on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	China Rich Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the SFO
“Placing Agreement”	the placing agreement dated 7 May 2015 entered into between the Company and the Placing Agent, as amended or varied from time to time in writing by the parties thereto
“Placing Period”	the period commencing on the date of the Placing Agreement and ending at 5:00 p.m. on 30 June 2015, unless terminated earlier in writing pursuant to the terms of the Placing Agreement
“Placing Price”	the price of HK\$0.465 per Placing Share
“Placing Shares”	153,000,000 Shares to be placed under the Placing
“PRC”	People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“SFO”	Securities and Future Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)

“Share(s)”	ordinary shares in the issued share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiaries”	the subsidiaries of the Company for the time being and from time to time
“substantial shareholder”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers in Hong Kong;
“%”	per cent

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

Hong Kong, 7 May 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, Mr. Ng Man Fai, Matthew and Mr. Leung Po Hon.