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中國投資基金有限公司

CHINA INVESTMENT FUND COMPANY LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00612)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Wings Securities (HK) Limited

On 4 April 2023 (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, up to an aggregate of 150,000,000 Placing Shares on a best effort basis to not less than six Places at a price of HK\$1.65 per Placing Share.

The 150,000,000 Placing Shares that may be allotted and issued will utilize the General Mandate, and will represent approximately 10.56% of the existing issued share capital of the Company as at the date of this announcement and approximately 9.55% 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.

The Placing Price of HK\$1.65 represents (i) a discount of approximately 18.72% to the closing price of HK\$2.03 per Share quoted on the Stock Exchange on 4 April 2023, being the date of the Placing Agreement; (ii) a discount of approximately 18.80% to the average closing price of HK\$2.032 per Share quoted on the Stock Exchange of the five consecutive trading days immediately before the date of the Placing Agreement; and (iii) a premium of approximately 103.70% to the unaudited net asset value per Share of HK\$0.81 as at 28 February 2023 as set out in the announcement of the Company dated 15 March 2023.

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

4 April 2023 (after trading hours)

Parties

Issuer: The Company

The Placing Agent: Wings Securities (HK) 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 up to an aggregate of 150,000,000 Placing Shares on a best effort basis to not less than six Placees during the Placing Period. In consideration thereof, it will receive a placing commission of 3.0% of the aggregate consideration received by the Company from the sale of the Placing Shares on Closing. The Directors are of the view that the placing commission accords with the market rate and is fair and reasonable.

The Placees

The Placing Agent will place the Placing Shares to not less than six Placees, 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. 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 10.56% of the Company's existing issued share capital and approximately 9.55% of its issued share capital as enlarged by the Placing. Assuming all 150,000,000 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the Placing Shares will be approximately HK\$7,500,000.

Placing Price

The Placing Price of HK\$1.65 per Placing Share represents:

- (i) a discount of approximately 18.72% to the closing price of HK\$2.03 per Share quoted on the Stock Exchange on 4 April 2023, being the date of the Placing Agreement;

- (ii) a discount of approximately 18.80% to the average closing price of HK\$2.032 per Share quoted on the Stock Exchange of the five consecutive trading days immediately before the date of the Placing Agreement; and
- (iii) a premium of approximately 103.70% to the unaudited net asset value per Share of HK\$0.81 as at 28 February 2023 as set out in the announcement of the Company dated 15 March 2023.

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 28 June 2022 pursuant to which up to 270,593,958 Shares were allowed to be issued and allotted as of that date.

As at the date of this announcement, only 26,808,000 Shares have been issued and allotted pursuant to the General Mandate and as announced by the Company on 14 October 2022. Accordingly, the issue of the Placing Shares is not subject to any further approval by the Shareholders.

Placing Condition

The Closing is conditional upon the fulfillment of the following condition by no later than the Long Stop Date: The Listing Committee of the Stock Exchange granting the approval for the listing of and permission to deal in the Placing Shares.

If the above condition is not fulfilled by the Long Stop Date, the Placing will lapse and all rights, obligations and liabilities of the parties to the Placing Agreement shall cease and terminate and neither of the parties thereto shall have any claim against the other, except in relation to certain costs and expenses.

Closing of the Placing

The Closing shall take place on the Closing Date, which is on or before the fourth Business Day after the fulfilment of the Placing Condition or such other date as the Company and the Placing Agent may agree.

Termination of the Placing

If any of the following events occurs at any time prior to 10:00 a.m. on the Closing Date, the Placing Agent shall be entitled, by giving notice to the Company, to terminate the Placing Agreement without liability to the Company and none of the parties thereto shall have any rights or claims by reason thereof, save for certain costs and expenses and any antecedent breach:

- (a) the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or is materially adverse in the context of the Placing; or
- (b) the occurrence of any local, national or international event or change occurring 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 sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
- (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of this Agreement which in the reasonable opinion of the Placing Agent materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out; or
- (e) the Company commits any material breach of or omits to observe any of its obligations or undertakings under the Placing Agreement; or

- (f) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in the Placing Agreement was, when given, untrue or inaccurate in any respect or would in any respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or the prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing.

The Directors are not aware of the occurrence of any of the above 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 150,000,000 Placing Shares have been successfully placed) is as follows:

	As at the date of this announcement		Immediately upon completion of the Placing	
	No. of Shares	%	No. of Shares	%
HK DYF Int'l Holding Group Limited (Note 1)	198,030,400	13.94%	198,030,400	12.61%
Ma Xiaoqiu ("Ms. Ma") (Note 2)	10,520,000	0.74%	10,520,000	0.67%
Sui Guangyi ("Mr. Sui") (Note 3)	149,582,400	10.53%	149,582,400	9.53%
Wang Mengtao	2,600,000	0.18%	2,600,000	0.17%
Leung Ka Fai	1,500,000	0.11%	1,500,000	0.10%
Liang Wenzhi	14,789,600	1.04%	14,789,600	0.94%
Public shareholders	1,043,267,390	73.46%	1,043,267,390	66.43%
Places	–	–	150,000,000	9.55%
Total	<u>1,420,289,790</u>	<u>100.00%</u>	<u>1,570,289,790</u>	<u>100.00%</u>

Note 1: DingYiFeng International Holding Limited is deemed to be interested in 198,030,400 shares through its controlled corporation, HK DYF Int'l Holding Group Limited.

Note 2: By virtue of the SFO, Ms. Ma is deemed to be interested in the 198,030,400 shares held by HK DYF Int'l Holding Group Limited, which is held as to 100% by DingYiFeng International Holding Limited, which is in turn held as to 50% by Ms. Ma.

Note 3: By virtue of the SFO, Mr. Sui is deemed to be interested in the 198,030,400 shares held by HK DYF Int'l Holding Group Limited, which is held as to 100% by DingYiFeng International Holding Limited, which is in turn held as to 50% by Mr. Sui.

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 (including working capital) 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 150,000,000 Placing Shares are successfully placed by the Placing Agent, the estimated gross proceeds and net proceeds from the Placing will be approximately HK\$247,500,000 and HK\$239,700,000 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 and working capital purposes.

FUND-RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not conducted any equity fund-raising activities during the 12 months immediately before the date of this announcement, except as set out below:

On 2 June 2022, completion of the placing of 37,912,000 placing shares (pursuant to a placing agreement in relation to which the Company issued an announcement on 16 May 2022) occurred, yielding net proceeds of HK\$111,760,000. The net proceeds have been fully utilised as at 31 December 2022 as set out below:

- HK\$29,284,000 (or approximately 26.20% of the net proceeds) has been used to invest in securities of three companies listed in Hong Kong
- HK\$82,476,000 (or approximately 73.80% of the net proceeds) has been used for general working capital purposes

On 14 October 2022, completion of the placing of 26,808,000 placing shares (pursuant to a placing agreement in relation to which the Company issued an announcement on 21 September 2022) occurred, yielding net proceeds of HK\$90,610,000. The net proceeds have been fully utilised as at the date hereof as set out below:

- HK\$40,135,000 (or approximately 44.30% of the net proceeds) has been used to invest in securities of three companies listed in Hong Kong
- HK\$50,475,000 (or approximately 55.70% of the net proceeds) has been used for general working capital purposes

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 condition 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
“Closing”	the completion of the Placing
“Closing Date”	on or before the fourth Business Day after fulfillment of the Placing Condition
“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
“Directors”	the directors 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 28 June 2022 pursuant to which up to 270,593,958 Shares were allowed to be issued and allotted as of that date
“Group”	the Company and the Subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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, the Directors, the chief executive of the Company, substantial Shareholders and its subsidiaries or any of their respective Associates

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Long Stop Date”	2 May 2023 or another date as may be agreed by the Company and the Placing Agent
“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”	Wings Securities (HK) Limited, a corporation licensed to carry on type 1 (dealing in securities) regulated activities under the SFO
“Placing Agreement”	the placing agreement dated 4 April 2023 entered into between the Company and the Placing Agent, as amended or varied from time to time in writing by the parties thereto
“Placing Condition”	the condition referred to under the sub-heading “Placing Condition” in this announcement
“Placing Period”	the period commencing immediately after the Placing Agreement is entered into by the Parties and expiring at 5:00 p.m. on the tenth Business Day from and inclusive of the date of the Placing Agreement (or such later time and date as the parties may agree in writing)
“Placing Price”	HK\$1.65 per Placing Share
“Placing Shares”	150,000,000 Shares to be placed under the Placing
“PRC”	The People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“Professional Investor”	a professional investor as defined in Schedule 1 of the SFO
“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, 4 April 2023

As at the date of this announcement, the executive Directors are Mr. Luk Hong Man, Hammond and Mr. Zhang Xi; the non-executive Directors are Mr. Leung Ka Fai, Mr. Wang Mengtao and Mr. Liang Wenzhi; and the independent non-executive Directors are Ms. Jing Siyuan, Mr. Zhang Aimin and Mr. Zhang Qiang.