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## **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)**

### **CONTINUING CONNECTED TRANSACTIONS - FINANCIAL ADVISORY AGREEMENT**

On 3 October 2012, the Company entered into the Financial Advisory Agreement with Baron Capital for the provision of corporate financial advisory services to the Company. Baron Capital will be appointed as the Company's financial adviser for a period of one year commencing from 4 October 2012 and expiring on 3 October 2013.

Baron Capital is indirectly wholly owned by Ms. Wan Ho Yan, Letty who is a niece of Mr. Wan Chuen Hing, Alexander, a former executive Director who resigned as a Director with effect from 1 June 2012. Therefore, Baron Capital and Mr. Wan Ho Yan, Letty are connected persons of the Company pursuant to Rules 14A.11(4)(c)(i) of the Listing Rules. The transactions contemplated under the Financial Advisory Agreement constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules.

Pursuant to Rules 14A.34(2) of the Listing Rules, as the annual considerations to be paid under the Financial Advisory Agreement will be less than 25% for each or all of the relevant percentage ratios (other than the profits ratio) and the total consideration is less than HK\$10,000,000, the Company is only subject to the reporting and announcement requirements and is exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **CONTINUING CONNECTED TRANSACTIONS - FINANCIAL ADVISORY AGREEMENT**

### **Principal terms**

A summary on the principle terms of the Financial Advisory Agreement is set out below:

Date: 3 October 2012

Parties: The Company  
Baron Capital

Baron Capital is indirectly wholly owned by Mr. Wan Ho Yan, Letty who is a niece of Mr. Wan Chuen Hing, Alexander, a former executive Director who resigned as a Director with effect from 1 June 2012. Baron Capital is hence a connected person of the Company pursuant to Rule 14A.11(4)(c)(i) of the Listing Rules.

Advisory period: From 4 October 2012 to 3 October 2013

Baron Capital's services to the Company: Provision of corporate financial advisory services to the Company, including but not limited to, giving advice on compliance with the Listing Rules and the Codes on Takeovers and Mergers and Share Repurchases, capital or group reorganization and corporate restructuring, and assisting in the preparation of announcements and circulars pursuant to the requirements under the Listing Rules and any other services which Baron Capital is licensed to do under the SFO.

Advisory fee: Advisory fee is to be determined by the Board on project basis provided that the aggregate fee payable to Baron Capital shall not exceed HK\$4,000,000 per annum.

Termination: Each party shall be entitled to terminate the Financial Advisory Agreement at any time by giving not less than one calendar week's notice in writing to the other party.

### **Reasons for entering into the Financial Advisory Agreement**

The Board considers it to be in the best interests of the Company to enter into the Financial Advisory Agreement on the following grounds:

- (i) The Board expects that, in order to cope with the business development of the Company, there may be a further rise in the number of corporate finance transactions and fund raising activities as compared to the previous financial year; and
- (ii) Baron Capital has, in its ordinary and usual course of business, provided financial advisory and documentation services to the Company on, among other things, fund raising activities and notifiable transactions in the past years, and has an understanding of the Company's structure, business and financial position, and as a result, retaining Baron Capital as the financial adviser to the Company will ensure an efficient and effective delivery of services to the Company.

The advisory fee is to be determined by the Board on case by case basis provided that the aggregate fee paid to Baron Capital shall not exceed HK\$4,000,000 per annum.

The maximum aggregate value of the aggregate advisory fee payable to Baron Capital under the Financial Advisory Agreement for each of the two years ending 31 December 2012 and 2013 is set out below:

	Financial Year Ending	
	31 December 2012	31 December 2013
	HK\$	HK\$
Advisory fee	2,000,000	2,000,000

The Directors (including the independent non-executive Directors) are satisfied that (i) the terms of the Financial Advisory Agreement have been negotiated on an arm's length basis and are on normal commercial terms (or on terms no less favourable than those available from or to independent third parties under prevailing local market conditions); (ii) such transactions will be conducted in the ordinary and usual course of business of the Company; and (iii) the terms of the Financial Advisory Agreement are fair, reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transactions contemplated under the Financial Advisory Agreement and no Director will be required to abstain from voting on the relevant Board resolution.

### **Information on Baron Capital**

Baron Capital is a limited company incorporated in Hong Kong and a corporation licensed under the SFO to conduct Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO and is indirectly wholly owned by Mr. Wan Ho Yan, Letty. It provides a comprehensive range of corporate financial advisory services for local and international clients.

## **LISTING RULES IMPLICATIONS**

Baron Capital is indirectly wholly owned by Ms. Wan Ho Yan, Letty who is a niece of Mr. Wan Chuen Hing, Alexander, a former executive Director who resigned as a Director with effect from 1 June 2012. Baron Capital is hence a connected person of the Company pursuant to Rule 14A.11(4)(c)(i) of the Listing Rules. As the annual considerations to be paid under the Financial Advisory Agreement will be less than 25% for each or all of the relevant percentage ratios (other than the profits ratio) and the total consideration is less than HK\$10,000,000, the transactions contemplated under the Financial Advisory Agreement constitute continuing connected transactions for the Company under Rule 14A.14 of the Listing Rules and are only subject to the reporting and announcement requirements pursuant to Rule 14A.34(2) of the Listing Rules and are exempt from the Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules .

## **INFORMATION ON THE COMPANY**

The Company is an investment company listed under Chapter 21 of the Listing Rules and is principally engaged in investments in companies and other business entities.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the meanings ascribed to them below:

“Baron Capital”	Baron Capital Limited, a corporation licensed under the SFO to conduct Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities under the SFO and is indirectly wholly owned by Mr. Wan Ho Yan, Letty
“Board”	board of Directors (including independent non-executive Directors)
“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
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules

“Director(s)”	the director(s) of the Company
“Financial Advisory Agreement”	the financial advisory agreement dated 3 October 2012 and entered into between the Company and Baron Capital in relation to the provision of corporate financial advisory services for a period of one year commencing from 4 October 2012 and expiring on 3 October 2013
“Group”	The Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Shareholders”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Share(s)”	share(s) of HK\$0.05 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“%”	per cent.

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

Hong Kong, 3 October 2012

*As at the date of this announcement, the executive Directors are Mr. William Robert Majcher, Mr. Luk Hong Man, Hammond and Mr. Ye Yinggang; 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*