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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) APPLICATION FOR AN INJUNCTION AGAINST THE COMPANY AND ITS OFFICERS;**
- (2) UPDATE ON HIGH COURT ACTION AGAINST THE COMPANY AND ITS OFFICERS;**
- (3) ALLEGATION AGAINST CERTAIN NON-EXECUTIVE DIRECTORS; AND**
- (4) GROUP HAS NO RELATIONSHIP WITH THE YITONG GROUP OF COMPANIES**

APPLICATION FOR AN INJUNCTION AGAINST THE COMPANY AND ITS OFFICERS

The board of directors (“**Board**”) of China Investment Fund Company Limited (“**Company**”) (together with its subsidiaries “**Group**”) announces that a Summons dated 10 June 2016 has been issued in the High Court of Hong Kong (HCMP 1449 of 2016) by Yao Zhixiang (姚志祥) and Shi Minqiang (石敏強) as the Applicants for a hearing of an application for an order against the Company as the Respondent, their directors, officers, servants or agents or howsoever otherwise be restrained and that an injunction be granted restraining them to deny the Applicants getting access to namely:

- (i) the Respondent’s books and accounts for inspection;
- (ii) the office premises of the Respondent; and
- (iii) to attend duly convened Board meeting of the Respondent

until the trial of the action, or until further order.

The hearing of the Summons dated 10 June 2016 is scheduled to take place on 17 June 2016 and the Company will issue an update announcement as and when appropriate.

UPDATE ON HIGH COURT ACTION AGAINST THE COMPANY AND ITS OFFICERS

Reference is made to the announcement dated 6 June 2016 in relation to (a) a Writ of Summons with an Indorsement of Claim dated 2 June 2016 which was issued in the High Court of Hong Kong in High Court Action Number 1453 of 2016 (“**High Court Action**”) by Fan Weiyong (范偉勇) as plaintiff against the Company, Luk Hong Man, Hammond, Zhang Xi and Hong Lai Ping as defendants and (b) a Writ of Summons dated 3 June 2016 with an Indorsement of Claim dated 3 June 2016 which was issued in the High Court of Hong Kong in High Court Action Number 1473 of 2016 (“**Second High Court Action**”) by Fan Weiyong (范偉勇) as plaintiff against the Company, Luk Hong Man, Hammond, Zhang Xi, Hong Lai Ping and Sui Guangyi as defendants.

The Company announces that the solicitors for the plaintiff in the above mentioned High Court Action has indicated its willingness to withdraw the High Court Action and has offered to pay the wasted costs in respect thereof to the Company and the other defendants. The Company and the other defendants are in the process of negotiating the amount of wasted costs to be paid. Subject to the withdrawal of the High Court Action, the Second High Court Action is pending against the Company and its officers, in respect of which a strike out application has been taken out by the Company and its officers.

ALLEGATION AGAINST CERTAIN NON-EXECUTIVE DIRECTORS

Reference is made to the announcement dated 6 June 2016 (“**6 June Announcement**”) in which it was mentioned, among other things, that Mr. Yao Yuan (“**Mr. Yao**”), a non-executive director whose duties as a director have been suspended since 16 December 2015, is classified on the list of wanted economic fugitives (經濟犯罪通緝犯) on mainland China.

The Company has since obtained PRC legal advice according to which:

- (i) Mr. Yao is classified on the list of criminal arrest fugitives/internet wanted persons (刑事拘留在逃／網上追逃人員) on mainland China issued by the Guangzhou Police; and upon the whereabouts of any such classified person becoming known, the PRC authorities may make immediate criminal arrest of the person; and
- (ii) Mr. Yao, who has an alias Yao Aigong (姚愛公), is classified on the list of persons who lack credibility (失信被執行人名單).

In relation to the classification of Mr. Yao referred to in item (ii) above, the Company notes that the classification was issued in March 2015 by the Guangzhou courts and may be found in the following link <http://www.gzcourt.gov.cn/zxzx/mgt/sxmd/2015/04/27111644162.html> of the Guangzhou courts of the Guangzhou Judgment Website (廣州審判網).

In relation to the person known as Yao Aigong (姚愛公), the Company notes that he served a prison sentence in around 2006 in Guangzhou for dealings in internet gambling.

The Company further notes that Mr. Yao has neither informed the Company of his alias or that he has been imprisoned in the PRC.

Investigation into the incident

Reference is made to the announcement of the Company dated 17 May 2016 (“**17 May Announcement**”) in relation to the key findings of the Investigation Report into the Incident among other things. Defined terms used in this section shall bear the same meanings in the 17 May Announcement unless the context requires otherwise.

While the Investigation Report contains no findings which indicate who may be the culprit for forging the Three RMB10 million Bills, as already stated in the 17 May Announcement, Ms. Yao Aiyun (“**Ms. Yao**”) (who is Mr. Yao’s sister), and a son of Mr. Yao Zhixiang were involved in physically handling the original RMB30 million Bill.

In view of the Demonstration (as defined below) and in the course of the further verification of the background of Mr. Yao further to the 6 June Announcement, the Company notes from the Guangzhou Judgment Website (廣州審判網) that Mr. Yao Zhixiang and Ms. Yao are also classified on the list of persons who lack credibility (失信被執行人名單), and such classification of Mr. Yao Zhixiang and Ms. Yao (and Mr. Yao) is a result of disputes to do with companies belonging to the Guangzhou Yitong Group of companies including 廣東一統酒文化創意產業園發展有限公司 and 廣東一統投資集團有限公司. The Board will take into account the above new information and consider the appropriate next steps, if any.

GROUP HAS NO RELATIONSHIP WITH THE YITONG GROUP OF COMPANIES

On 13 June 2016, a group of people with banners (“**Demonstrators**”) indicating that they have disputes with Mr. Yao arrived at the Company’s principal place of business in Hong Kong demanding to see Mr. Yao and Mr. Yao Zhixiang (“**Demonstration**”). Upon making enquiry with the Demonstrators, it appears that the Demonstrators’ disputes with Mr. Yao and Mr. Yao Zhixiang have arisen from the dealings of Mr. Yao and Mr. Yao Zhixiang in a group of PRC based companies belonging to the Yitong group of companies of which Mr. Yao, Mr. Yao Zhixiang and Ms. Yao have been involved in as directors, shareholders or other capacities.

In this regard, reference is made to (a) the announcement of the Company dated 4 June 2015 in which Mr. Yao is stated to have served as a general manager of 廣東一統投資集團有限公司 (Guangdong Yitong Investment Group Limited*), a private company incorporated in the People's Republic of China, from June 2007 to June 2013 and have acted as the legal representative of 廣東一統國際酒類交易市場經營管理有限公司 (Guangdong Yitong International Wine Exchange Management Co., Ltd.*) since January 2014; (b) the announcements of the Company dated 26 October 2015 and 4 November 2015 stating that the Group had entered into an MOU for the purchase of a target company holding Yitong International Liquors Exchange Center Limited from Ms. Yao and others and that the target company was in the wine trading platform business; and (c) the announcement of the Company dated 23 December 2015 stating that the Group has not made any investment or carried out any transaction of any kind in connection with the MOU and that the Board has resolved not to proceed any further with the MOU.

The Company would like to take this opportunity to reiterate that the Group has not made any investment into any member of the Yitong group of companies.

The Company would also like to state that the Group does not have any business relationship with any member of the Yitong group of companies; any dealings by Mr. Yao, Mr. Yao Zhixiang and/or Ms. Yao in relation to the Yitong group of companies do not concern the Group at all; and that any representation Mr. Yao, Mr. Yao Zhixiang and/or Ms. Yao may have made by themselves in respect of the affairs of the Yitong group of companies which concern the Group has not been authorized by the Group.

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

Hong Kong, 13 June 2016

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. Yao Yuan, Mr. Sui Guangyi, Mr. Shi Minqiang, Mr. Yao Zhixiang and Mr. Wang Mengtao; and the independent non-executive Directors are Ms. Li Jiangtao, Mr. Leung Ka Fai, Mr. Guo Miao and Ms. Jing Si Yuan.

* *For identification purpose only*