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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)**

**SUPPLEMENTAL ANNOUNCEMENT  
CONTINUING CONNECTED TRANSACTION –  
RENEWAL OF ENGAGEMENT OF INVESTMENT MANAGER**

**CONTINUING CONNECTED TRANSACTION – RENEWAL OF ENGAGEMENT OF INVESTMENT MANAGER**

This announcement is to supplement the announcement of the Company dated 4 July 2023 in relation to the renewal as announced therein (“**IM Agreement July 2023 Renewal**”) of the engagement by the Company of an investment manager known as Tianhe Quant Asset Management Limited (“**Tianhe Quant**”) under the investment management agreement which was (a) first entered into on 4 July 2017 and commenced on 5 July 2017 (when Tianhe Quant was then known by its former name “Fundamental Dynamics (HK) Limited”); (b) renewed on 4 July 2019 as announced on the same date; and (c) further renewed as announced on 2 July 2021 (“**Investment Management Agreement**”).

Tianhe Quant is deemed as a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules upon the commencement of the Investment Management Agreement on 5 July 2017. As the total amount of management fee and related expenses payable by the Company under the IM Agreement July 2023 Renewal at maximum is expected to be HK\$2,960,000 per annum, which is less than HK\$3,000,000 and 5% in respect of each of the percentage ratios (other than the profits ratio) prescribed under Rule 14.07 of the Listing Rules, the transaction contemplated under the IM Agreement July 2023 Renewal falls within Rule 14A.76(1) of the Listing Rules and is exempt from the announcement, circular and independent shareholders’ approval requirements.

## IM AGREEMENT JULY 2023 RENEWAL

Except for (a) management period and (b) management fee, all other terms and provisions (including those in relation to termination, scope of services, addressing potential conflicts of interests and out-of-pocket expenses) of the IM Agreement July 2023 Renewal remain unchanged from the Investment Management Agreement.

The principal terms of the IM Agreement July 2023 Renewal include the followings:

Date: 4 July 2023

Parties: (1) the Company; and  
(2) Tianhe Quant

Management Period and termination: From 5 July 2023 until 4 July 2024, whilst the Company and Tianhe Quant shall each be entitled to terminate the IM Agreement July 2023 Renewal by giving not less than three months' notice in writing to the other party.

Scope of services: Tianhe Quant shall provide investment management services to the Company including, inter alia:

- (a) identifying, reviewing and evaluating investment and divestment opportunities for the Company and assisting to negotiate the best possible terms of such investment and divestment for the Company;
- (b) assisting the Board to evaluate and consider potential investments and to render investment advice to the Board based on the reasonable available information;
- (c) providing the Board with such information as may be reasonably be available to Tianhe Quant on opportunities to acquire or to divest investments of which Tianhe Quant becomes aware and which in the opinion of Tianhe Quant are or may be suitable for the Company;
- (d) assisting the Board to monitor and keep under review the performance and status of the assets of the Company from time to time; and
- (e) acting in accordance with the reasonable instructions given and authorities delegated to Tianhe Quant from time to time by the Board.

Notwithstanding the foregoing, from time to time the Board may give Tianhe Quant directions relating to the conduct of the business of the Company to be carried out by it on behalf of the Company and Tianhe Quant shall exercise its powers and duties thereunder subject to and in accordance with such directions.

The Board shall retain overall control over the investment policies of the Company and shall have discretion over the assets including acquisition and disposal of assets. The Board shall have the full power on all custodian and investment and divestment decisions and all execution of documents thereof shall be made at the instruction of the Board.

Management fee, related expenses and annual cap amounts: The management fee payable by the Company under the IM Agreement July 2023 Renewal is HK\$230,000 per month (that is, an increment of HK\$10,000 per month from the previous HK\$220,000 per month under the Investment Management Agreement). Pursuant to the IM Agreement July 2023 Renewal, the Company shall also reimburse Tianhe Quant for all its expenses incurred in relation to the performance of its duties up to a maximum amount of HK\$200,000 per annum. The total amount of management fee and related expenses to be paid by the Company for each of the financial year ending (i) 31 December 2023 (for the period from 5 July 2023 to 31 December 2023) and (ii) 31 December 2024 (for the period from 1 January 2024 to 4 July 2024) at maximum are expected to be HK\$1,450,000 and HK\$1,510,000 respectively (the “**Annual Cap Amounts**”).

The management fee and related expenses under the IM Agreement July 2023 Renewal were reached after arm’s length negotiations between the Company and Tianhe Quant and were determined with reference to market conditions and the responsibility and duty of Tianhe Quant under the IM Agreement July 2023 Renewal, as well as the track record of Tianhe Quant and the experience and qualifications of its directors. In this regard, the Board (including all independent non-executive Directors) considers that the terms of the IM Agreement July 2023 Renewal (including the management fee and related expenses payable thereunder and the Annual Cap Amounts) are fair and reasonable and in the interests of the Company and its shareholders as a whole.

Potential conflict of interests The IM Agreement July 2023 Renewal contains provisions addressing potential conflict of interest concerns including an undertaking by Tianhe Quant to the Company that Tianhe Quant:

- (a) will ensure sufficient and suitably qualified staff to serve the Company and sufficient and suitably qualified compliance personnel to perform daily review of order allocation to ensure that all orders are allocated fairly under its internal control measures;

- (b) disclose to the Company any potential investment opportunities and ensure that the Company is given the opportunity to decide whether to participate in those investments before entering into those investments on behalf of its other clients (if any) or on its own account; if the Company and the Investment Manager's other clients (if any) are interested to participate in the same investment and the available investment is insufficient to satisfy these demands, the Investment Manager should allocate the investment on a pro-rata basis depending on the respective subscription requests; and
- (c) when deciding the subscription size of any investment for the Company and its other clients (if any), the Investment Manager must consider factors such as current weighting of assets, risk parameters, market outlook, constraints of investment exposure and the financial resources available to the investment and the other clients.

## **REASONS FOR THE IM AGREEMENT JULY 2023 RENEWAL**

The Directors, having considered the track record of Tianhe Quant and its directors, both before and since the commencement of the Investment Management Agreement, are of the view that, Tianhe Quant has provided investment services to the Company in a professional manner to the Company's satisfaction and will continue to do so, and, more importantly, the IM Agreement July 2023 Renewal will better position the Company to strive for further development and asset growth. The Directors (including all independent non-executive Directors) are of the view that the IM Agreement July 2023 Renewal has been entered into on normal commercial terms and in the ordinary and usual course of business of the Company and is in the best interests of the Company and its shareholders as a whole. None of the Directors has material interest in the IM Agreement July 2023 Renewal.

The Company has no intention to change its existing investment objectives and policies after the IM Agreement July 2023 Renewal as announced herein.

## **INFORMATION ON TIANHE QUANT**

Tianhe Quant is a company incorporated in Hong Kong with limited liability and is licensed to carry out Type 9 (asset management) regulated activity under the SFO. Apart from the Company, none of Tianhe Quant or its directors currently manages investments on behalf of other clients. Tianhe Quant is a wholly-owned subsidiary of the Company. Tianhe Quant has two directors whose details are below:

### **Alan Kenneth Mercer (“Mr. Mercer”)**

Mr. Mercer is a director of Tianhe Quant. He is a responsible officer of Tianhe Quant in relation to its Type 9 (asset management) regulated activity under the SFO.

Prior to co-founding Tianhe Quant with Mr. Felix Otto D’Souza in July 2013, Mr. Mercer held senior management positions in various financial institutions including the Peregrine Group and BNP Paribas Peregrine Securities. Mr. Mercer also established and operated the Hong Kong office of Harmony Capital from 2006 to 2010.

Mr. Mercer has over a decade of experience in professional management of investments on behalf of third party investors and/or providing investment advisory services to professional/institutional investors. Since 2004, Mr. Mercer has acted as responsible officer for Type 9 (asset management) regulated activity under the SFO. Mr. Mercer obtained a degree in law from the University of Leeds in 1979, and was admitted as a solicitor in England and Wales in 1982 and in Hong Kong in 1984.

### **Felix Otto D’souza (“Mr. D’souza”)**

Mr. D’Souza is a director of Tianhe Quant. He is a responsible officer of Tianhe Quant in relation to its Type 9 (asset management) regulated activity under the SFO. Mr. D’Souza also has oversight on the compliance function of Tianhe Quant.

Prior to co-founding Tianhe Quant with Mr. Mercer in July 2013, Mr. D’Souza held senior positions with various financial institutions including Peregrine Securities at its South Korea office, Societe Generale Hong Kong, and Macquarie Bank at its the New York, London and Hong Kong offices.

Mr. D’Souza has over a decade of experience in professional management of investments on behalf of third party investors and/or providing investment advisory services to professional/institutional investors, four years of which Mr. D’Souza acted as responsible officer for Type 9 (asset management) regulated activity under the SFO. Mr. D’Souza obtained a degree in biochemistry & chemistry from Lancashire University in 1987.

### **LISTING RULES IMPLICATION**

Tianhe Quant is deemed as a connected person of the Company pursuant to Rule 14A.08 of the Listing Rules upon the commencement of the Investment Management Agreement on 5 July 2017 and as the same was renewed on 4 July 2019, 2 July 2021 and 4 July 2023. As the total amount of management fee and related expenses payable by the Company under the IM Agreement July 2023 Renewal at maximum is expected to be HK\$2,960,000 per annum, which is less than HK\$3,000,000 and 5% in respect of each of the percentage ratios (other than the profits ratio) prescribed under Rule 14.07 of the Listing Rules, the transaction contemplated under the IM Agreement July 2023 Renewal falls within Rule 14A.76(1) of the Listing Rules and is exempt from the announcement, circular and independent shareholders’ approval requirements.

### **INFORMATION ON THE COMPANY**

The Company is an investment company listed under Chapter 21 of the Listing Rules and is principally engaged in investing in listed and unlisted securities.

## DEFINITIONS

“Board”	board of 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 SEHK
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the SEHK
“PRC”	People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region and Taiwan)
“SEHK”	The Stock Exchange of Hong Kong Limited
“SFC”	Securities and Futures Commission of Hong Kong
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Tianhe Quant”	Tianhe Quant Asset Management Limited, a company incorporated in Hong Kong with limited liability and a corporation licensed to carry out and Type 9 (asset management) regulated activity under the SFO
“%”	per cent

By order of the Board  
**China Investment Fund Company Limited**  
**LUK HONG MAN, HAMMOND**  
*Executive Director*

Hong Kong, 11 July 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 Ms. Liang Wenzhi; and the independent non-executive Directors are Ms. Jing Siyuan, Mr. Zhang Aimin and Mr. Zhang Qiang.*