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## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Investment Fund Company Limited (the “Company”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**PROPOSAL FOR  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF DIRECTORS,  
ADOPTION OF THE NEW SHARE OPTION SCHEME AND  
TERMINATION OF THE EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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The notice convening the annual general meeting of the Company to be held at 4th Floor, Aon China Building, 29 Queen’s Road Central, Hong Kong on Monday, 27 June 2011 at 9:30 a.m. (the “Annual General Meeting”) is set out on pages 24 to 27 of this circular.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting if you so wish.

29 April 2011

\* For identification purpose only

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions have the following meanings:*

“Annual General Meeting”	annual general meeting of the Company to be held at 4th Floor, Aon China Building, 29 Queen’s Road Central, Hong Kong on Monday, 27 June 2011 at 9:30 a.m. or any adjourned meeting, the notice which is set out on pages 24 to 27 of this circular
“Articles”	articles of association of the Company
“associate(s)”	shall have the meaning ascribed to it under the Listing Rules
“Board”	board of Directors of the Company
“Companies Law”	Companies Law of the Cayman Islands
“Company”	China Investment Fund Company Limited
“connected person(s)”	shall have the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“Employee”	any employee or proposed employee (whether full time or part time) of any member of the Group or any Invested Entity, including any executive director of any member of the Group or any Invested Entity
“Exercise Price”	the price per share at which a Grantee may subscribe for shares on the exercise of an Option pursuant to the New Share Option Scheme, as set out in paragraph 1(e) of Appendix III to this circular
“Existing Share Option Scheme”	the share option scheme adopted by the Company on 3 December 2001
“General Mandate”	general mandate to exercise all powers of the Company to allot, issue or otherwise deal with the Shares up to a maximum of 20% of the issued share capital of the Company as at the date of passing the resolution
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China

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## DEFINITIONS

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“Invested Entity”	a corporation, partnership incorporated or unincorporated body or other entity in which the Company or any of its Subsidiaries holds an interest
“Last Annual General Meeting”	last annual general meeting of the Company held on 28 June 2010
“Latest Practicable Date”	26 April 2011, being the latest practicable date prior to printing of this circular for ascertaining certain information contained in this Circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“New Share Option Scheme”	the new share option scheme to be adopted by the Company pursuant to the ordinary resolution referred to in item 7 of the notice of the Annual General Meeting in its present or any amended form
“Participant”	<ul style="list-style-type: none"><li>(i) any Employee;</li><li>(ii) any non-executive director (including independent non-executive director) of any member of the Group or any Invested Entity;</li><li>(iii) any supplier of goods or services to any member of the Group or any Invested Entity;</li><li>(iv) any customer of any member of the Group or any Invested Entity;</li><li>(v) any person or entity that provides research, development or other technological support to any member of the Group or any Invested Entity; and</li><li>(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity,</li></ul>

and for the purposes of the New Share Option Scheme, the options may be granted to any company wholly owned by one or more person(s) belonging to any of the above classes of participants

The basis of eligibility of any of the above classes of participants to the grant of any options shall be determined by the Directors from time to time on the basis of their contribution to the development and growth of the Group

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## DEFINITIONS

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“Share Repurchase Mandate”	a general and unconditional mandate to be given to the Directors to exercise the powers of the Company to repurchase at any time until the next annual general meeting of the Company or such earlier period as stated in the Share Repurchase Resolution the Shares up to a maximum of 10 per cent. of the fully paid-up issued share capital of the Company at the date of passing of the Share Repurchase Resolution
“SFO”	Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Share Repurchase Resolution”	the ordinary resolution referred to in item 4 of the notice of the Annual General Meeting
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Subsidiary”	a subsidiary (within the meaning of the Companies Ordinance) of the Company from time to time
“Takeovers Code”	the Hong Kong Codes on Takeovers and Mergers approved by the Securities and Future Commission from time to time
“%”	per cent

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**LETTER FROM THE BOARD**

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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)**

*Executive Directors:*

Mr. William Robert Majcher, *Chairman*  
Mr. Wan Chuen Hing, Alexander, *Managing Director*

*Independent Non-executive Directors:*

Mr. Cheng Wing Keung, Raymond  
Mr. Yeung Chun Yue, David  
Mr. Siu Hi Lam. Alick

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business  
in Hong Kong:*

4th Floor, Aon China Building  
29 Queen's Road Central  
Hong Kong

29 April 2011

*To the Shareholders*

Dear Sir or Madam,

**PROPOSAL FOR  
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES,  
RE-ELECTION OF DIRECTORS,  
ADOPTION OF THE NEW SHARE OPTION SCHEME AND  
TERMINATION OF THE EXISTING SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**1. INTRODUCTION**

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the AGM of the Company relating to (i) the granting of the general mandates to repurchase and issue Shares; (ii) re-election of Directors; (iii) the adoption of the New Share Option Scheme and the termination of the Existing Share Option Scheme; and (iv) give you the notice of the Annual General Meeting.

\* For identification purposes only

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## LETTER FROM THE BOARD

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### **2. GENERAL MANDATE TO REPURCHASE SHARES**

The latest general mandate to repurchase Shares up to a maximum of 10 per cent. of the fully paid-up issued Shares of the Company was granted to the Directors at the 2010 annual general meeting of the Company held on 28 June 2010. This general mandate will lapse at the conclusion of the forthcoming Annual General Meeting to be held on 27 June 2011, unless renewed at that meeting.

Therefore, the Share Repurchase Resolution will be proposed at the Annual General Meeting to approve the grant of the Share Repurchase Mandate to the Directors. The Share Repurchase Mandate will continue in force until the conclusion of the next annual general meeting of the Company or any earlier date as referred to in item 4 of the notice of the Annual General Meeting.

Shareholders should refer to the explanatory statement contained in Appendix I of this circular, which sets out further information in relation to the Share Repurchase Mandate.

### **3. GENERAL MANDATE TO ISSUE NEW SHARES**

The ordinary resolution to grant a fresh general mandate to the Directors to allot, issue and deal with additional Shares not exceeding 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue at the date of passing the relevant ordinary resolution will be proposed at the Annual General Meeting. As at the Latest Practicable Date, the issued share capital of the Company comprised 765,120,000 fully paid-up Shares. If there is no allotment or repurchase of the Shares between the Latest Practicable Date and the date of Annual General Meeting, the fresh general mandate to allot, issue and deal with additional Shares shall not exceed 153,024,000.

### **4. RE-ELECTION OF DIRECTORS**

At the Annual General Meeting, Mr. William Robert Majcher and Mr. Cheng Wing Keung, Raymond will retire as Directors by rotation and, being eligible, offer themselves for re-election in accordance with the Articles. Mr. Siu Hi Lam, Alick being appointed after the Last Annual General Meeting as an addition to the existing Board, shall hold office only until the Annual General Meeting, being eligible, offers himself for re-election at the Annual General Meeting in accordance with the Articles. Particulars of Directors are set out in Appendix I to this circular.

### **5. ADOPTION OF THE NEW SHARE OPTION SCHEME AND TERMINATION OF THE EXISTING SHARE OPTION SCHEME**

The Existing Share Option Scheme was adopted on 3 December 2001 and will expire on 2 December 2011. In view of the expiration of the Existing Share Option Scheme and in order to enable the Group to grant options to selected participants as incentives or rewards for their contributions to the Group, the Directors propose to recommend to that Shareholders at the Annual General Meeting to approve the adoption of the New Share Option Scheme and simultaneously terminate the operation of the Existing Share Option Scheme. As at the Latest Practicable Date, the Company has no unexpired share option scheme other than the Existing Share Option Scheme.

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## LETTER FROM THE BOARD

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It is proposed that, subject to the approval of the Shareholders for the adoption of the New Share Option Scheme at the Annual General Meeting, the operation of the Existing Share Option Scheme shall be terminated with effect from the conclusion of the Annual General Meeting (such that no further options could thereafter be offered under the Existing Share Option Scheme but in all other respects the provisions of the Existing Share Option Scheme shall remain in full force and effect) and the New Share Option Scheme will take effect, subject to the approval of the Stock Exchange, on the date of its adoption at the Annual General Meeting. Operation of the New Share Option Scheme will commence after all conditions precedent have been fulfilled.

The Directors consider that in order to enable the Group to attract and retain Employees of appropriate qualifications and with the necessary experience to work for the Group, it is important that the Group should continue to provide such Employees with an additional incentive by offering them an opportunity to obtain an ownership interest in the Company and to reward them for contributing to the long term success of the business of the Group.

The Directors further consider that in order to enable the Group to motivate Participants (other than the Employees) to authorize their performance and efficiency for the benefit of the Group and to attract and retain or otherwise maintain on-going business relationship with such Participants whose contributions are or will be beneficial to the long term growth of the Group, it is important that the Group should be permitted to provide them, where appropriate, with an additional incentive by also offering them an opportunity to obtain an ownership interest in the Company and to reward them for contributing to the long term success of the business of the Group. By offering the options to the Participants (other than the Employees) upon such terms as may be permitted under the New Share Option Scheme, such Participants may exercise their options at any time within the option period (where applicable, subject to any terms of the grant of such options) to acquire a monetary gain or ownership interest in the Company which may in turn provide a further incentive to them for advancing their performance.

It is therefore proposed that the New Share Option Scheme for the benefit of the Participants be adopted at the Annual General Meeting. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

As at the Latest Practicable Date, there were 765,120,000 Shares in issue and no option has been granted under the Existing Share Option Scheme.

Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of the adoption of the New Share Option Scheme, the number of Shares that may be issued pursuant to the New Share Option Scheme will be 76,512,000 Shares, being 10% of the Company's issued share capital as at the Latest Practicable Date.

In respect of the operation of the New Share Option Scheme, the Company will comply with all relevant requirements under Chapter 17 of the Listing Rules.

The Company has not appointed any parties as trustees of the New Share Option Scheme.

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## LETTER FROM THE BOARD

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### **Value of the Options**

The Directors consider that it is not appropriate to state the value of all options that can be granted under the New Share Option Scheme, as if they had been granted on the Latest Practicable Date, as a number of variables which are crucial for the calculation of the option value have not been determined. Such variables include the exercise price, option period, lock up period (if any), performance targets set (if any) and other relevant variables. The Directors believe that any calculation of the value of the options as at the Latest Practicable Date would be based on a great number of speculative assumptions and would henceforth not be meaningful and be misleading to the Shareholders.

### **Conditions of the proposed adoption of the New Share Option Scheme**

The proposed adoption of the New Share Option Scheme is subject to the following conditions:

- (i) the Shareholders passing an ordinary resolution to approve and adopt the New Share Option Scheme at the Annual General Meeting; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of the options in accordance with the terms and conditions of the New Share Option Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of the options in accordance with the terms and conditions of the New Share Option Scheme.

The Directors intend to use the proceeds from the exercise of the options, if any, as general working capital of the Company.

## **6. ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting to be held at 4th Floor, Aon China Building, 29 Queen's Road Central, Hong Kong on Monday, 27 June 2011 at 9:30 a.m. is set out on pages 24 to 27 of this circular for the purpose of considering and, if thought fit, passing the resolutions as set out therein. The vote of the Shareholders at the Annual General Meeting will be taken by poll in accordance with Rule 13.39(4) of the Listing Rules and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use by the Shareholders at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting thereof should you so wish.

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief having made reasonable enquiries, none of the Shareholders is required to abstain from voting at the Annual General Meeting pursuant to the Listing Rules and/or the Articles.

### 7. RECOMMENDATION

The Directors consider that the resources as set out in the notice of the Annual General Meeting are in the interests of the Company and its Shareholders as a whole and accordingly recommend that all Shareholders should vote in favour of all the relevant resolutions to be proposed at the Annual General Meeting.

### 8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement in this circular misleading.

### 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the memorandum of association of the Company, the Articles and a draft New Share Option Scheme (subject to minor modifications) will be available for inspection during normal business hours on any weekdays (except public holidays) at the principal place of business of the Company in Hong Kong at 4th Floor, Aon China Building, 29 Queen's Road Central, Hong Kong from the date of this circular up to and including 27 June 2011 and will be available for inspection at the Annual General Meeting.

### 10. GENERAL

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully,  
For and on behalf of  
**China Investment Fund Company Limited**  
**William Robert Majcher**  
*Executive Director*

The following is the explanatory statement required to be sent to shareholders under the Listing Rules to enable them to make an informed decision on whether to vote for or against the ordinary resolution in relation to the Share Repurchase Mandate to be proposed at the Annual General Meeting.

### **1. SHARE REPURCHASE PROPOSAL**

At the Latest Practicable Date, the issued share capital of the Company comprised 765,120,000 fully paid Shares. It is proposed that up to a maximum of 10 per cent. of the fully paid-up Shares in issue at the date of passing of the Share Repurchase Resolution to approve the Share Repurchase Mandate may be repurchased by the Director.

Subject to the passing of the Share Repurchase Resolution, on the basis that no further Shares are issued or repurchased by the Company prior to the Annual General Meeting, the Company will be allowed to repurchase a maximum of 76,512,000 Shares under the Repurchase Mandate, representing 10% of the issued share capital of the Company as at Latest Practicable Date.

### **2. SOURCE OF FUNDS**

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles and the Companies Law. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Any repurchases by the Company may be made out of profits of the Company or out of the proceeds of a fresh issue of shares made for the purpose of the repurchase or, if so authorised by the Articles and subject to the provisions of the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if so authorised by the Articles and subject to the Companies Law, out of capital.

### **3. REASONS FOR REPURCHASES**

The Directors believe that it is in the best interest of the Company and its Shareholders for the Directors to have general authority from the Shareholders to enable the Company to repurchase shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders.

**4. NO MATERIAL ADVERSE CHANGES**

As compared with the position disclosed in the Company's audited financial statements as at 31 December 2010, and taking into account the current working capital position of the Company, the Directors consider that there would be no material adverse effect on the working capital and gearing position of the Company in the event that the Repurchase Mandate is to be exercised in full during the period before the Repurchase Mandate expires.

The Directors however do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company. Exercise in full of the Repurchase Mandate, on the basis of 765,120,000 existing Shares on the basis that no new shares are issued or repurchased prior to the date of the resolution approving the Repurchase Mandate could accordingly result in up to 76,512,000 Shares, representing 10% of the issued share capital as at the Latest Practicable Date, being repurchased by the Company during the course of the period from the date of resolution granting the Repurchase Mandate until the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law of the Cayman Islands to be held; or (iii) the revocation or variation of the Repurchase Mandate by an ordinary resolution of the Shareholders in general meeting.

**5. SHARE PRICES**

The highest and lowest prices at which the Shares were traded on the Stock Exchange during each of the previous twelve months before the Latest Practicable Date were as follows:

<b>Month</b>	<b>Price per Share</b>	
	<b>Highest HK\$</b>	<b>Lowest HK\$</b>
<b>2010</b>		
April	0.410	0.350
May	0.365	0.285
June	0.325	0.275
July	0.325	0.275
August	0.315	0.275
September	0.320	0.280
October	0.360	0.295
November	0.355	0.295
December	0.325	0.210
<b>2011</b>		
January	0.400	0.170
February	0.380	0.174
March	0.285	0.178
April (up to and including the Latest Practicable Date)	0.450	0.220

**6. UNDERTAKING**

To the best of their knowledge, having made all reasonable enquiries, none of the Directors nor any of their associates currently intend to sell any Shares to the Company if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules and the applicable laws and regulations of Hong Kong and the Cayman Islands.

As at the Latest Practicable Date, no connected persons (as defined in the Listing Rules) has notified the Company that they have a present intention to sell any Shares to the Company, or has undertaken not to do so, if the Repurchase Mandate is approved by the Shareholders.

**7. HONG KONG CODE ON TAKEOVERS AND MERGERS**

In the event that the Directors exercise the Repurchase Mandate (if the Repurchase Mandate is approved in the Annual General Meeting) in full to repurchase Shares in accordance with the terms of the ordinary resolution to be proposed at the Annual General Meeting and assuming no further Shares are issued or repurchased by the Company prior to any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code.

As at the Latest Practicable Date, Ms. Wan Ho Yan, Letty ("Ms. Wan"), through Harvest Capital Global Enterprises Ltd., a company wholly owned by Ms. Wan, is beneficially interested in 229,468,305 Shares, representing approximately 29.99% of the existing issued share capital of the Company. In the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the interests of Ms. Wan would be increased to approximately 33.32% of the issued share capital of the Company. In the absence of any special circumstances, such increase may give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code but it would not result in the number of Shares in the hands of the public falling below the prescribed minimum percentage as required by Rule 8.08 of the Listing Rules. The Company shall comply with the Listing Rules and/or the Takeovers Code should the Repurchase Mandate be exercised to such an extent that will result in a mandatory offer being triggered under the Takeovers Code.

Save as disclosed above, the Directors are not aware of any consequences which the exercise in full of the Repurchase Mandate, if so approved at the Annual General Meeting, would have under the Takeovers Code.

**8. SHARE REPURCHASE MADE BY THE COMPANY**

The Company has not repurchased any of its shares, whether on the Stock Exchange or otherwise, during the previous six months preceding the Latest Practicable Date.

*Particulars of the Directors subject to re-election at the Annual General Meeting are set out as follows:*

Mr. William Robert Majcher (“Mr. Majcher”), aged 48, has been appointed as an executive Director of the Company with effect from 15 August 2007. Mr. Majcher has been appointed to the board of directors of Evolving Gold Corporation, a company listed on both TSX Venture Exchange of Canada and Frankfurt Stock Exchange, with effect from 21 September 2007. Mr. Majcher has also been appointed to be independent director of Q-Gold Resources Ltd., and First Star Resources Inc. companies listed on TSX Venture Exchange of Canada with effect from 4 November 2010 and 4 February 2011 respectively. Mr. Majcher is a highly accomplished visionary with over 20 years combined experience in public service, international finance, and capital markets. His background includes management, public stewardship, structured finance, emerging markets, product development, strategic planning and positioning, and risk management. Mr. Majcher started his career as a Eurobond trader in London, England, where he was known as one of the youngest Canadian Eurobond traders in the market. He later used this experience during a twenty-year career with the Royal Canadian Mounted Police (RCMP), where Mr. Majcher enjoyed remarkable success in covert and public market investigations that often saw him working with law enforcement and securities regulators from around the globe. Mr. Majcher has experience as a Futures and Options broker and trader in both Canada and the United States and has lectured extensively on abuse within the international capital markets, including sophisticated money laundering. Mr. Majcher is recognised as an expert on money laundering in the United States Federal Court for the Southern District of Florida and the Supreme Court of British Columbia and the Ontario Superior Court of Justice. Mr. Majcher obtained a bachelor’s degree in Commerce from St. Mary’s University, Halifax. Save as disclosed above, Mr. Majcher did not hold other directorship in listed companies in the last three years.

There is a service contract between Mr. Majcher and the Company and Mr. Majcher will have no fixed term of service with the Company, but will be subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Articles. Mr. Majcher will be entitled to an annual payment of HK\$120,000, which is determined with reference to the prevailing market rate and the director’s time commitment and expertise in the Company’s affairs.

As at the Latest Practicable Date, Mr. Majcher does not have any interests or short position in the Shares within the meaning of Part XV of the SFO. He does not have any relationships with any other directors, senior management or substantial or controlling Shareholders.

Mr. Cheng Wing Keung, Raymond (“Mr. Cheng”), aged 51, has been appointed as an independent non-executive Director on 30 September 2004, member and chairman of the remuneration committee and member of the audit committee of the Company. Mr. Cheng is a solicitor practicing in Hong Kong and has over 20 years of experience in corporate, company secretarial and listing affairs. He holds a bachelor degree in laws from the University of London and a Master Degree in Business Administration from the University of Strathclyde, Scotland. Mr. Cheng was an independent non-

executive director of Fortuna International Holdings Limited from 27 September 2004 to 20 September 2006. At present, he is an independent non-executive director in three listed companies in Hong Kong, Skyfame Realty (Holdings) Limited, Emperor Capital Group Limited and Sino Resources Group Limited. Save as disclosed above, Mr. Cheng did not hold other directorship in listed companies in the last three years.

There is no service contract between Mr. Cheng and the Company and Mr. Cheng will have no fixed term of service with the Company, but will be subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Articles. Mr. Cheng will be entitled to an annual payment of HK\$90,000 for the performance of his duties as an independent non-executive Director, which is determined with reference to the prevailing market rate and the director's time commitment and expertise in the Company's affairs.

As at the Latest Practicable Date, Mr. Cheng does not have any interests or short position in the Shares within the meaning of Part XV of the SFO. He does not have any relationships with any other directors, senior management or substantial or controlling Shareholders.

Mr. Siu Hi Lam, Alick ("Mr. Siu"), aged 56, has been appointed as an independent non-executive Director, member of the audit committee and member of the remuneration committee of the Company with effect from 1 November 2010. Mr. Siu is the Managing Director of Fortune Take International Limited, a company engaging in business consultancy services established in February 2004. Mr. Siu has worked in the finance and banking field for more than 25 years. He had been the Senior Vice President of AIG Finance (Hong Kong) Limited and the Vice President of Bank of America. He was responsible for business development and credit risk management. Mr. Siu obtained a master degree in Business Administration from the University of Hull in 1995. Mr. Siu was appointed as an independent non-executive director of BEP International Holdings Limited (stock code: 2326) and Sage International Group Ltd. — previously known as Info Communication Holdings Limited (stock code: 8082) in June 2009 and February 2010 respectively. Save as disclosed above, Mr. Siu did not hold other directorship in listed companies in the last three years.

There is no service contract between Mr. Siu and the Company and Mr. Siu will have no fixed term of service with the Company, but will be subject to retirement by rotation and re-election at the Annual General Meeting in accordance with the Articles. Mr. Siu will be entitled to an annual payment of HK\$90,000 for the performance of his duties as an independent non-executive Director, which is determined with reference to the prevailing market rate and the director's time commitment and expertise in the Company's affairs.

As at the Latest Practicable Date, Mr. Siu does not have any interests or short position in the Shares within the meaning of Part XV of the SFO. He does not have any relationships with any other directors, senior management or substantial or controlling Shareholders.

Save as disclosed above, each of the above Directors are not aware of any matters relating to their respective re-election that need to be brought to the attention of the Shareholders and there are no other information to be disclosed pursuant to the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

**NEW SHARE OPTION SCHEME****1. Summary of terms**

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved by a resolution of the Shareholders at the Annual General Meeting, notice of which is set out on pages 24 and 27 of this circular:

(a) *Purpose of the New Share Option Scheme*

The New Share Option Scheme enables the Company to grant options to selected persons as incentives or rewards for their contribution to any member of the Group or any Invested Entity.

(b) *Administration of the New Share Option Scheme*

The New Share Option Scheme shall be subject to the administration by the Board which includes a duly authorised committee thereof and the decision of the Board shall be final and binding on all parties. The Board shall, subject to the rules of the New Share Option Scheme and the Listing Rules, have the right (i) to interpret and construe the provisions of the New Share Option Scheme, (ii) to determine the eligibility of the persons who will be granted options under the New Share Option Scheme, and the number and exercise price of options granted thereto, (iii) to make such appropriate and equitable adjustments to the terms of options granted under the New Share Option Scheme as it deems necessary, and (iv) to make such other decision or determination as it shall deem appropriate in the administration of the New Share Option Scheme.

(c) *Who may join*

The Board may, at its discretion, offer any of the Participants options to subscribe for such number of new Shares as the Board may determine at the exercise price determined in accordance with paragraph (e) below.

Upon acceptance of the option, the grantee must pay HK\$1 to the Company by way of consideration for the grant thereof.

(d) *Grant of options*

An offer of options must not be made after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision, until an announcement of such price sensitive information has been published by such means as the Stock Exchange shall prescribe from time to time. In particular, during the period commencing one month immediately preceding the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's interim or annual results; and

- (ii) the deadline for the Company to publish an announcement of its interim or annual results under the Listing Rules,

and ending on the date of the results announcement, no option may be granted.

(e) *Exercise Price*

The exercise price in respect of any particular option granted under the New Share Option Scheme shall be such price as the Board at its absolute discretion shall determine and notified to the Participants, save that such price will not be less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the date of offer of the option which must be a business day, (ii) the average of the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding the date of offer of the option and (iii) the nominal value of the Share on the date of offer of the option.

(f) *Maximum number of Shares*

- (i) Subject to the Listing Rules, the overall limit on the number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company must not exceed 30% of the Shares in issue from time to time (the “Overall Limit”). No option may be granted under any share option scheme of the Company if such grant would result in the Overall Limit being exceeded;
- (ii) Subject to the Overall Limit, the total number of Shares available for issue under options which may be granted under the New Share Option Scheme and any other share option schemes of the Company must not, in aggregate, exceed 10% of the Shares in issue as at the date of adoption of the New Share Option Scheme (the “Scheme Mandate Limit”), unless Shareholders’ approval has been obtained pursuant to sub-paragraphs (iii) and (iv) below. Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit. Assuming that there is no change in the issued share capital of the Company between the period from the Latest Practicable Date and the date of the adoption of the New Share Option Scheme, the number of Shares that may be issued pursuant to the New Share Option Scheme will be 76,512,000 Shares, being 10% of the Company’s issued share capital as at the Latest Practicable Date;

- (iii) Subject to the Overall Limit, the Company may refresh the Scheme Mandate Limit at any time subject to approval of the Shareholders in general meeting. However, the Scheme Mandate Limit as refreshed must not exceed 10% of the Shares in issue as at the date of the aforesaid Shareholders' approval (the "Refreshed Limit"). Options previously granted under the New Share Option Scheme and any other share option schemes of the Company (including those outstanding, cancelled, lapsed in accordance with such schemes or exercised options) will not be counted for the purpose of calculating the Refreshed Limit. The Company must send a circular to the Shareholders containing such information required under the Listing Rules; and
- (iv) Subject to the Overall Limit, the Company may also seek separate approval of the Shareholders in general meeting for granting options beyond the Scheme Mandate Limit provided that the options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a generic description of the specified Participants, the number and terms of options to be granted, the purpose of granting options to the specified Participants with an explanation as to how the terms of the options serve such purpose and such other information required under the Listing Rules.

(g) *Maximum entitlement of each Participant*

The total number of Shares issued and to be issued upon exercise of the options granted to each Participant or grantee (including both exercised and outstanding options) in any 12-month period shall not exceed 1% of the Shares in issue (the "Individual Limit"). Any further grant of options in excess of the Individual Limit must be subject to Shareholders' approval in general meeting with such Participant or grantee and his, her or its associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant, the number and terms of options to be granted (including options previously granted) to such Participant or grantee and such other information required under the Listing Rules. The number and terms (including the exercise price) of the options to be granted to such Participant or grantee must be fixed before the Shareholders' approval is sought and the date of the Board meeting for proposing such further grant should be taken as the date of offer for the purpose of calculating the exercise price.

(h) *Grant of options to Director, chief executive or substantial shareholder of the Company*

- (i) Insofar as the Listing Rules require and subject to the terms of the New Share Option Scheme, any offer of options proposed to be made to a Director, chief executive or substantial shareholder of the Company or any of his, her or its associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a prospective grantee in question).

- (ii) Where any offer of options to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such offer:
  - (aa) representing in aggregate over 0.1% of the Shares in issue at the date of offer; and
  - (bb) having an aggregate value, based on the closing price of the Shares at the date of offer, in excess of HK\$5 million,

then such offer of options and any acceptance thereof must be conditional upon the approval of the Shareholders in general meeting taken on a poll. The Company must send a circular to the Shareholders. All connected persons of the Company must abstain from voting in favour, but any connected person of the Company may vote against the resolution provided that his, her or its intention to do so has been stated in the circular. In addition, Shareholders' approval as described above is also required for any change in the terms of options granted to a Participant or grantee who is a substantial shareholder of the Company, an independent non-executive Director or any of their respective associates.

- (iii) The above-mentioned circular must contain the following information:
  - (aa) details of the number and terms (including the exercise price) of the options to be granted to each Participant or grantee, which must be fixed before the date of the relevant Shareholders' meeting, and the date of the Board meeting for proposing the offer should be taken as the date of offer for the purpose of calculating the exercise price;
  - (bb) a recommendation from the independent non-executive Directors (excluding any independent non-executive Director who is a prospective grantee in question) to the independent Shareholders as to voting;
  - (cc) information relating to any Directors who are trustees of the New Share Option Scheme or have a direct or indirect interest in the trustees;
  - (dd) a statement in the form set out in paragraph 2 of Part B of Appendix 1 to the Listing Rules;
  - (ee) the disclaimer required under Rule 17.02(4) of the Listing Rules;
  - (ff) the information required under Rule 2.17 of the Listing Rules; and
  - (gg) any other information required under the Listing Rules.

- (iv) The requirements for the granting of options to a Director or chief executive of the Company set out in this paragraph (h) do not apply where the Participant is only a proposed Director or chief executive of the Company.

(i) *Time of exercise of option*

An option may be exercised in accordance with the terms of the New Share Option Scheme at any time during a period to be notified by the Board to each grantee but must not be exercised after the expiry of ten years from the date of grant of the option. There is no minimum period for which an option must be held or a performance target that must be achieved before an option can be exercised specified in the terms of the New Share Option Scheme, however, the Board may provide restrictions on the exercise of an option during the period an option may be exercised including, if appropriate, a minimum period for which an option must be held or a performance target which must be achieved before an option can be exercised.

(j) *Rights are personal to grantee*

An option may not be transferred or assigned and is personal to the grantee.

(k) *Rights on cessation of employment by dismissal*

If the grantee of an option is an Employee and ceases to be an Employee on the grounds that he or she has been guilty of serious misconduct, or has committed any act of bankruptcy or has become bankrupt or has made any arrangements or composition with his or her creditors generally, or has been convicted of any criminal offence involving his or her integrity or honesty, his or her option will lapse on the date of termination of the employment.

(l) *Rights on death*

If the grantee of an option is an Employee and ceases to be an Employee by reason of his or her death before exercising the options in full and none of the events referred to in paragraph (k) above as ground for termination of his or her employment by the Group or the Invested Entity arises, his or her personal representative(s) may exercise the option (to the extent not already exercised) within a period of twelve months from the date of death, failing which it will lapse.

(m) *Rights on cessation of employment for other reasons*

If the grantee of an option is an Employee and ceases to be an Employee for any other reason other than his or her death or the termination of his or her employment on one or more grounds specified in paragraph (k) above, his or her option shall lapse (to the extent not already exercised) on the date of such cessation (which date shall be the last day of employment with the Company or the relevant subsidiary whether salary is paid in lieu of notice or not) and shall on that day cease to be exercisable.

(n) *Cancellation of options*

Any cancellation of any option which has been duly granted in accordance with the New Share Option Scheme and has neither lapsed nor been exercised in full shall be conditional on the approval by the Board and the grantee(s). In the event that the Board elects to cancel options of the grantee which have been granted and have neither lapsed nor been exercised in full and issue new options to the same grantee, the issue of such new options shall be made with available unissued options (excluding the cancelled options) within the Scheme Mandate Limit or the Refreshed Limit (as the case may be).

(o) *Effects of alterations to share capital*

In the event of any alteration in the capital structure of the Company whilst any option remains exercisable, whether by way of capitalisation issue, rights issue, sub-division or consolidation of shares, or reduction of capital of the Company or otherwise howsoever, other than any alteration in the capital structure of the Company as result of an issue of Shares as consideration in a transaction to which any member of the Group is a party, such corresponding alterations (if any) shall be made to the number or the nominal amount of Shares subject to the New Share Option Scheme and outstanding options so far as unexercised and/or the exercise price per Share of each outstanding option and/or the method of exercise of the option or any combination thereof as the independent financial adviser or the auditors of the Company shall certify in writing to the Board to be in this opinion to be fair and reasonable, provided that any such alterations must give the grantee the same proportion of the issued share capital of the Company as to which that grantee was previously entitled, and any alterations so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Note immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option schemes) and provided further that no such alteration will be made the effect of which would be to enable a Share to be issued at less than its nominal value. In respect of any such alterations, other than any made under a capitalisation issue, the independent financial adviser or the auditors of the Company shall also confirm to the Board in writing that such alterations satisfy the requirements of Rule 17.03(13) of the Listing Rules and the note thereto.

(p) *Rights on a general offer*

In the event of a general offer (other than by way of scheme of arrangement referred to below) being made to all the holders of Shares (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional prior to the expiry date of the relevant option, the grantee (or his or her personal representatives) shall be entitled to exercise the option in full (to the extent not already exercised) at any time within one month of the notice given by the offeror to acquire the remaining Shares.

In the event of a general offer by way of scheme of arrangement being made to all the holders of Shares and has been approved by the necessary number of holders of Shares at the requisite meetings, the grantee (or his or her personal representatives) may thereafter (but before such time as shall be notified by the Company) exercise the option (to the extent not already exercised) to its full extent or to the extent specified in such notice.

(q) *Rights on winding up*

In the event a notice is given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, the Company shall forthwith give notice thereof to the grantee and the grantee (or his or her personal representatives) may by notice in writing to the Company (such notice to be received by the Company not later than four business days prior to the proposed Shareholders' meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed Shareholders' meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise.

(r) *Rights on compromise or arrangement*

Other than a scheme of arrangement referred to in paragraph (p) above, in the event of a compromise or arrangement between the Company and its members or creditors being proposed in connection with the scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all grantees on the same day as it gives notice of the meeting to its members or creditors to consider such a scheme or arrangement and the grantee (or his or her personal representatives) may by notice in writing to the Company accompanied by the remittance for the exercise price in respect of the relevant option (such notice to be received by the Company not later than four business days prior to the proposed meeting) exercise the option (to the extent not already exercised) either to its full extent or to the extent specified in such notice and the Company shall as soon as possible and in any event no later than the business day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the grantee which falls to be issued on such exercise credited as fully paid and registered the grantee as holder thereof.

(s) *Ranking of Shares*

Shares allotted and issued upon the exercise of options will rank pari passu, in terms of voting, dividend, transfer and other rights, including those arising on the liquidation of the Company, with the other fully-paid Shares in issue as from the date when the name of the grantee is registered in the register of members of the Company. Unless the context otherwise requires, reference to "Shares" in the New Share Option Scheme includes shares of HK\$0.05 each of the Company or if there has been a subdivision, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company.

(t) *Period of the New Share Option Scheme*

Subject to earlier termination by the Company in general meeting or by the Board, the New Share Option Scheme shall be valid and effective for a period of ten years from the date of adoption of the New Share Option Scheme. After the expiry of the ten-year period, no further options will be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect.

(u) *Termination of the New Share Option Scheme*

The Company by ordinary resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme and in such event no further options will be offered or granted but in all other respects the provisions of the New Share Option Scheme shall remain in full force and effect. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the New Share Option Scheme and remain unexpired immediately prior to the termination of the operation of the New Share Option Scheme shall continue to be exercisable in accordance with their terms of issue after the termination of the New Share Option Scheme.

(v) *Lapse of option*

An option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:

- (i) subject to paragraphs (t) and (u) above, the expiry of the option period;
- (ii) the expiry of the periods referred to in paragraphs (l), (m), (p) or (q), respectively;
- (iii) subject to the compromise or arrangement becoming effective, the expiry of the period referred to in paragraph (r);
- (iv) where the grantee of an option is an Employee, the date on which he or she ceases to be an Employee by reason of the termination of his or her employment on grounds including, but not limited to, misconduct, bankruptcy, insolvency and conviction of any criminal offence;
- (v) the date of the commencement of the winding up of the Company;
- (vi) the date on which the grantee sells, transfers, charges, mortgages, encumbers or creates any interest in favour of any third party over or in relation to the option in breach of the terms of the New Share Option Scheme; or
- (vii) the occurrence of such event or expiry of such period as may have been specifically provided in the offer of option (if any), unless otherwise resolved to the contrary by the Board.

(w) *Alterations to the New Share Option Scheme*

The New Share Option Scheme may subject to the Listing Rules be altered in any respect by resolution of the Board except that the provisions of the New Share Option Scheme as to:

- (i) the definitions of “Participant”, “Grantee” and “Option Period” in paragraph 1.1 of the New Share Option Scheme; and
- (ii) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules shall not be altered to the advantage of grantees or prospective grantees without the prior approval of the Shareholders in general meeting (with all grantees, prospective grantees and their associates abstaining from voting). No such alteration shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the grantees as would be required of the Shareholders under the articles of association for the time being of the Company for a variation of the rights attached to the Shares. Any alteration to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting, except where such alterations take effect automatically under the existing terms of the New Share Option Scheme. Any change to the authority of the Board in relation to any alteration to the terms of the New Share Option Scheme must be approved by the Shareholders in general meeting. The New Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

(x) *Disclosure of the New Share Option Scheme*

The Company will disclose details of the New Share Option Scheme in its annual and interim reports including the number of options, date of grant, exercise price, option period, (if appropriate) vesting period and (if appropriate) a valuation of the options granted during the financial year/period in the annual/interim reports in accordance with the Listing Rules in force from time to time.

**2. Present status of the New Share Option Scheme**

The New Share Option Scheme is conditional on:

- (a) the Shareholders passing an ordinary resolution to approve and adopt the New Share Option Scheme at the Annual General Meeting; and
- (b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of the options in accordance with the terms and conditions of the New Share Option Scheme.

As at the Latest Practicable Date, no option has been granted or agreed to be granted by the Company under the New Share Option Scheme.

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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting of China Investment Fund Company Limited (the “Company”) will be held at 9:30 a.m. on 27 June 2011 at 4th Floor, Aon China Building, 29 Queen’s Road Central, Hong Kong for the following purposes:

1. To receive and approve the audited consolidated financial statements and the reports of the directors of the Company (the “Directors”) and the Company’s auditors (the “Auditors”) for the year ended 31 December 2010;
2.
  - (a) To re-elect Mr. William Robert Majcher as a director of the Company;
  - (b) To re-elect Mr. Cheng Wing Keung, Raymond as a director of the Company;
  - (c) To re-elect Mr. Siu Hi Lam, Alick as a director of the Company; and
  - (d) To authorise the board of directors to fix the directors’ remuneration.
3. To re-appoint HLM & Co. Certified Public Accountants as Auditors and to authorise the Board to fix their remuneration;

and, as Special Business, to consider and, if thought fit, to pass with or without amendments the following resolutions as Ordinary Resolutions:

#### ORDINARY RESOLUTIONS

4. **“THAT:**
  - (a) subject to paragraph (b) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.05 each in the share capital of the Company on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) or any other stock exchange on which the securities of the Company may be listed and which is recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities (the “Listing Rules”) of the Stock Exchange or of any other stock exchange as amended from time to time, be in hereby generally and unconditionally approved;

\* For identification purposes only

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## NOTICE OF ANNUAL GENERAL MEETING

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- (b) the aggregate nominal amount of shares of the Company to be repurchased by the Company pursuant to the approval in sub-paragraph (a) above shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly; and
- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
  - i. the conclusion of the next annual general meeting of the Company;
  - ii. the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company (the “Articles of Association”) or any applicable law of the Cayman Islands to be held; and
  - iii. the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders in general meeting of the Company.”

5. **“THAT:**

- (a) subject to sub-paragraph (c) of this resolution, pursuant to the Listing Rules, the exercise by the Directors during the Relevant period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with additional shares in the share capital of the Company and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements or options, including warrants to subscribe for Shares, which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) issued or deal with by the Directors pursuant to the approval in paragraph (a) of this ordinary resolution, otherwise than pursuant to (i) a Rights Issue (as defined below); (ii) the exercise of any option under the Share Option Scheme (as defined below) or any other option scheme or similar arrangement for the time being adopted for the grant or issue to directors and/or employees of the Company and/or any of its subsidiaries of Shares or rights to acquire Shares; or (iii) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing warrants of the Company or any existing securities of the

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## NOTICE OF ANNUAL GENERAL MEETING

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Company which carry rights to subscribe for are convertible into Shares, shall not exceed the aggregate of:

- (i) 20 percent of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this ordinary resolution;
- (ii) (provide that resolution no. 4 is passed) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this ordinary resolution (up to a maximum equivalent to 10 percent of the aggregate nominal amount of the share capital of the Company in issue on the date of passing of this resolution),

and the authority pursuant to paragraph (a) of this ordinary resolution shall be limited accordingly;

- (d) for the purpose of this resolution, “Relevant Period” shall have the same meaning as in resolution no. 4(c); and
  - (e) “Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, or any territory outside, Hong Kong).”
6. “**THAT**, conditional upon resolutions (4) and (5) stated above duly passed, the unconditional general mandate granted to the Directors to exercise the powers of the Company to allot and issue shares pursuant to resolution (5) stated above be and is hereby extended by the addition to the aggregate nominal amount of the share capital which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company under the authority granted pursuant to resolution (4) stated above, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of this resolution no. 4.”
7. “**THAT**, conditional upon the Stock Exchange granting the approval for the New Share Option Scheme referred to in the circular despatched to the shareholders on the same day as this Notice, the terms of which are set out in the printed document marked “A” now produced to the meeting and for the purpose of identification signed by the Chairman hereof (the “New Share Option Scheme”) and subject to such amendments to the New Share Option Scheme as the Stock Exchange may request, the New Share Option Scheme be approved and adopted to be the new share option scheme of the Company and that the board of directors of the Company be and is hereby authorised to do all such acts and to enter into all such transactions and arrangements as may be necessary or expedient in order to give effect to the New Share Option Scheme, notwithstanding that they or any of them may be interested in the same.”

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## NOTICE OF ANNUAL GENERAL MEETING

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8. “**THAT**, subject to and conditional upon the passing of resolution (7) stated above and the condition referred to therein being satisfied or fulfilled, the operation of the existing share option scheme of the Company adopted on 3 December 2001 be hereby terminated with effect from the adoption of the New Share Option Scheme (such that no further options could thereafter be offered under the existing share option scheme of the Company but in all other respects the provisions of the existing share option scheme of the Company shall remain in full force and effect).”

By order of the Board  
**China Investment Fund Company Limited**  
**William Robert Majcher**  
*Executive Director*

Hong Kong, 29 April 2011

*Notes:*

1. Any member entitled to attend and vote at the meeting convened by the above notice shall be entitled to appoint another person as his proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A member who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at a general meeting of the Company or at a class meeting. A proxy need not be a member. In addition, a proxy or proxies representing either a member who is an individual or a member which is a corporation shall be entitled to exercise the same powers on behalf of the member which he or they represent as such member could exercise the same powers on behalf of the member which he or they represent as such member could exercise.
2. The register of members of the Company will be closed from Thursday, 23 June 2011 to Monday, 27 June 2011, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the annual general meeting of the Company to be held on Monday, 27 June 2011, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's share registrar in Hong Kong, Tricor Standard Limited, at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Wednesday, 22 June 2011.
3. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the share registrar and transfer office of the Company in Hong Kong, Tricor Standard Limited at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not later than 48 hours before the time of the meeting or any adjourned meeting.
4. An explanatory statement containing the biographical details of the re-elect Directors and further details regarding resolutions (4), (5), (6), (7) and (8) stated above are set out in the circular.

*As at the date of this notice, the Executive Directors are Mr. William Robert Majcher, and Mr. Wan Chuen Hing, Alexander, and Independent Non-executive Directors are Mr. Cheng Wing Keung, Raymond, Mr. Yeung Chun Yue, David and Mr. Siu Hi Lam, Alick.*