

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the annual general meeting of China Investment Fund Company Limited (the "Company") will be held at 4th Floor, Aon China Building, 29 Queen's Road Central, Central, Hong Kong on Friday, 28 May 2004 at 10:00 a.m. for the following purposes:

1. To receive and consider the audited financial statements of the Company and the reports of the directors of the Company (the "Directors") and the auditors of the Company (the "Auditors") for the year ended 31 December 2003.
2. To re-elect Directors and to authorise the board of Directors to fix their remuneration.
3. To re-appoint Auditors and to authorise the board of Directors to fix their remuneration.

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 sub-paragraph (b) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of HK\$0.01 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") on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
 - (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;

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- (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;
- (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) below, 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 which might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in sub-paragraph (a) shall authorise the Directors during the Relevant Period to make or grant offers, agreements or options which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in sub-paragraph (a) of this resolution, otherwise than by way of (i) a Rights Issue (as defined in sub-paragraph (e) of this resolution); or (ii) the exercise of any option granted under any share option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company of options to subscribe for or rights to acquire shares; or (iii) the exercise of rights of subscription or conversion attaching to any warrants issued by the Company or any securities which are convertible into shares; or (iv) 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 shall not exceed 20% 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 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 recognised regulatory body or any stock exchange in, or any territory outside, Hong Kong)."

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6. **“THAT** conditional upon resolutions nos. 4 and 5 duly passed, the general mandate granted to the Directors to exercise the powers of the Company to allot and issue shares pursuant to resolution no. 5 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 no. 4, provided that such amount 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.”

As special business, to consider and, if thought fit, pass with or without modification the following resolution as a Special Resolution:

SPECIAL RESOLUTION

7. **“THAT** the existing Articles of Association be and are hereby amended in the following manner:
- (a) by adding the following definition in Article 2(1) of the existing Articles of Association immediately after the definition of “Articles” in the following form:
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| ““associate” | the meaning attributed to it in the rules of the Designated Stock Exchange.”; |
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- (b) by adding the following definition in Article 2(1) of the existing Articles of Association immediately after the definition of “Hong Kong” in the following form:
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| ““Hong Kong Financial Reporting Standards” or “HKFRS” | financial reporting standards approved by the Council of the Hong Kong Society of Accountants (“HKSA”), and includes all Statements of Standard Accounting Practice and interpretations of HKFRS approved by the HKSA from time to time.”; |
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- (c) by adding the following definition in Article 2(1) of the existing Articles of Association immediately after the definition of “HK Codes on Takeover & Mergers” in the following form:
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| ““International Financial Reporting Standards” or “IFRS” | financial reporting standards and interpretations approved by the International Accounting Standards Board, and includes all International Accounting Standards and interpretations issued under the former International Accounting Standards Committee from time to time.”; |
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- (d) by deleting the words “a recognised clearing house within the meaning of Section 2 of the Securities and Futures (Clearing Houses) Ordinance (Cap. 420 of the Laws of Hong Kong) or” in the definition of “clearing house” in Article 2(1) of the existing Articles of Association ;
- (e) by deleting the words “Section 2 of the Companies Ordinance” in the definition of “Subsidiary and Holdings Company” in Article 2(1) of the existing Articles of Association and replacing the same with “the Listing Rules”;
- (f) by re-numbering Article 76 of the existing Articles of Association as Article 76(1) and adding a new Article 76(2) immediately thereafter in the following form:
 - “(2) Where the Company has knowledge that any Member is, under the Listing Rules, required to abstain from voting on any particular resolution or restricted to voting only for or only against any particular resolution, any votes cast by or on behalf of such Member in contravention of such requirement or restriction shall not be counted.”;
- (g) by deleting the words “not less than seven (7) clear days but not more than fourteen (14) clear days before the date of the general meeting” in Article 89 of the existing Articles of Association and substituting therefor the following:
 - “provided that the minimum length of the period, during which such Notice(s) are given, shall be at least seven (7) days and that the period for lodgment of such Notice(s) shall commence no earlier than the day after the despatch of the Notice of the general meeting appointed for such election and end no later than seven (7) days prior to the date of such general meeting”;
- (h) by deleting Article 104(1) of the existing Articles of Association in its entirety and substituting therefor a new Article 104(1) in the following form:
 - “104(1) Save as otherwise provided by these Articles, a Director shall not vote (nor be counted in the quorum) on any resolution of the Board approving of any contract or arrangement or any other proposal in which he or any of his associates is/are materially interested, but this prohibition shall not apply to any of the following matters namely:
 - (i) any contract or arrangement or any other proposal for the giving to such Director or his associate(s) any security or indemnity in respect of money lent by him or any of his associates or obligations incurred or undertaken by him or any of his associates at the request of or for the benefit of the Company or any of its subsidiaries;

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- (ii) any contract or arrangement or any other proposal for the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which the Director or his associate(s) has himself/themselves assumed responsibility in whole or in part whether alone or jointly under a guarantee or indemnity or by the giving of security;
 - (iii) any contract or arrangement or any other proposal concerning an offer of shares or debentures or other securities of or by the Company or any other company which the Company may promote or be interested in for subscription or purchase where the Director or his associate(s) is/are or is/are to be interested as a participant in the underwriting or sub-underwriting of the offer;
 - (iv) any contract or arrangement or any other proposal in which the Director or his associate(s) is/are interested in the same manner as other holders of shares or debentures or other securities of the Company or any of its subsidiaries by virtue only of his/their interest in shares or debentures or other securities of the Company;
 - (v) any contract or arrangement or any other proposal concerning any other company in which the Director or his associate(s) is/are interested only, whether directly or indirectly, as an officer or executive or a shareholder other than a company in which the Director and/or his associate(s) is/are beneficially interested in five (5) per cent or more of the issued shares or of the voting rights of any class of shares of such company (or any third company through which his interest or that of any of his associates is derived); or
 - (vi) any proposal concerning the adoption, modification or operation of a share option scheme, a pension fund or retirement, death or disability benefits scheme or other arrangement which relates both to Directors, their respective associates and employees of the Company or of any of its subsidiaries and does not provide in respect of any Director, or his associate(s), as such any privilege or advantage not generally accorded to the employees to which such scheme or fund relates.”;
- (i) by adding a new Article 104(5) immediately following Article 104(4) of the existing Articles of Association in the following form:

“If any question shall arise at any meeting of the Board as to the materiality of the interest of an associate to a Director, such question shall be referred to the chairman of the meeting and his ruling shall be final and conclusive. If any

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question as aforesaid shall arise in respect of an association to the chairman of the meeting, such question shall be decided by a resolution of the Board for which purpose such chairman shall not vote thereon and such resolution shall be final and conclusive.”;

- (j) by deleting the words “international accounting standards as promulgated from time to time by the International Accounting Standards Committee” in Article 164 of the existing Articles of Association and replacing the same with “Hong Kong Financial Reporting Standards or International Financial Reporting Standards or such other standards as may be permitted by The Stock Exchange of Hong Kong Limited”;

and that any Director be and is hereby authorised to take such further action as he may, in his sole and absolute discretion thinks fit for and on behalf of the Company to implement the aforesaid amendments to the existing Articles of Association.”

By order of the Board

Tsui Wing Tak

Company Secretary

Hong Kong, 23 April 2004

Notes:

- (1) Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. 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.
- (2) The register of members of the Company will be closed from Friday 21 May 2004 to Thursday 27 May 2004, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for attending the meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company’s share registrar in Hong Kong, Standard Registrars Limited, at G/F, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong for registration not later than 4:00 p.m. on Thursday 20 May 2004.
- (3) To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be deposited at the principal place of business of the Company at 4th Floor, Aon China Building, 29 Queen’s Road Central, Central, Hong Kong not less than 48 hours before the time appointed for holding the meeting.
- (4) An explanatory statement containing further details regarding resolution no. 4 above is set out in the Appendix to this Annual Report.