

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt about as to any aspect of this circular or as to the action to be taken, 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 with the accompanying proxy form 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.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



中國投資

CHINA INVESTMENT FUND COMPANY LIMITED

中國投資基金有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 00612)

**(1) BORROWINGS OF UP TO HK\$500,000,000;
(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
OF THE SHARE OPTION SCHEME;
(3) PROPOSED APPOINTMENT OF DIRECTORS;
AND
(4) NOTICE OF
EXTRAORDINARY GENERAL MEETING**

A notice convening the EGM to be held at Diamond Ballroom, Level 3, The Ritz-Carlton, Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Monday, 31 October 2016 at 2:00 p.m. is set out on pages 10 to 11 of this circular. A proxy form for use at the Extraordinary General Meeting is enclosed. Whether or not you are able to attend the EGM, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the office of the Company's branch share registrar in Hong Kong, Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the accompanying form of proxy will not preclude you from attending and voting in person at the EGM or at any adjournment thereof (as the case may be) should you so wish.

CONTENTS

Definitions	1
Letter from the Board	3
Notice of Extraordinary General Meeting	10

DEFINITIONS

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

“Articles”	the articles of association of Company, as amended from time to time
“Board”	the board of Directors
“Company”	China Investment Fund Company Limited, a company incorporated in Cayman Islands with limited liability and the Shares of which are listed on the main board of the Stock Exchange (stock code: 612)
“Company Law”	Companies Law (2010 Revision), Capp 22 (as consolidated and revised from time to time) of the Cayman Islands
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company held and convened at Diamond Ballroom, Level 3, The Ritz-Carlton, Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Monday, 31 October 2016, at 2:00 p.m., notice of which is set out on pages 10 to 11 of this circular or, where the context so requires any adjournment thereof
“Existing Borrowing Limit”	borrowings in the aggregate amount of up to HK\$130,000,000
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Invested Entity”	a corporation, partnership incorporated or unincorporated body or other entity in which the Company or any of its Subsidiaries holds an interest
“Latest Practicable Date”	5 October 2016, 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

DEFINITIONS

“Net Asset Value”	the net asset value of the Company calculated in accordance with the provisions of the Articles, the latest net asset value of the Company which was calculated as at 31 August 2016 and was disclosed in the announcement of the Company dated 15 September 2016
“PRC”	The People’s Republic of China
“Scheme Mandate Limit”	the limit imposed under the rules of the Share Option Scheme on the total number of Shares which may be issued upon the exercise of all options to be granted under the Share Option Scheme of the Company, being 10% of the Company’s issued share capital as at the date of adoption of the Share Option Scheme, which may be renewed or refreshed pursuant to the rules of the Share Option Scheme but shall not exceed 30% of the Shares in issue as at the date of approval of the proposed renewal/refreshment by the Shareholders
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares of HK\$0.05 each in the share capital of the Company
“Share Option Scheme”	the existing share option scheme adopted by the Company pursuant to a resolution of the then Shareholders passed on 27 June 2011
“Shareholder(s)”	the holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

LETTER FROM THE BOARD



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. Luk Hong Man, Hammond
Mr. Zhang Xi

Non-Executive Directors:

Mr. Sui Guangyi

Independent Non-Executive Directors:

Ms. Jing Siyuan
Mr. Zhang Aimin

Registered office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman HY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:

Suite 2701, 27th Floor
One International Finance Centre
No. 1 Harbour View Street
Central, Hong Kong

7 October 2016

To the Shareholders

Dear Sir or Madam,

**(1) BORROWINGS OF UP TO HK\$500,000,000;
(2) PROPOSED REFRESHMENT OF SCHEME MANDATE LIMIT
OF THE SHARE OPTION SCHEME;
(3) PROPOSED APPOINTMENT OF DIRECTORS;
AND
(4) NOTICE OF
EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding resolutions to be proposed at the EGM relating to, among other things, (i) borrowings of up to HK\$500,000,000; (ii) the refreshment of the Scheme Mandate Limit; and (iii) the appointment of Directors, and to give you the notice of the EGM.

* For identification purpose only

LETTER FROM THE BOARD

PROPOSED BORROWINGS OF UP TO HK\$500,000,000

The Articles empowers the Board to exercise all the powers of the Company to raise or borrow money and to issue debentures, bonds and other securities, provided that no borrowing may be made if it would result in the aggregate principal amount for the time being remaining undischarged of all moneys borrowed by the Company exceeding fifty per cent. (50%) of the latest available Net Asset Value at the time the borrowing is made without the approval of an ordinary resolution of the Shareholders at a general meeting.

On 29 June 2015, the Existing Borrowing Limit was approved by the Shareholder's resolution passed at the annual general meeting held on the same date.

On 26 March 2015 the Company announced a proposed issue of fixed rate notes in a maximum amount of HK\$70,000,000 ("**Fixed Rate Notes**"). As at the date hereof, an aggregate of HK\$42,500,000 of the Fixed Rate Notes has been issued. Accordingly, the Company may borrow up to an aggregate of HK\$87,500,000 under the Existing Borrowing Limit.

On the basis that the Fixed Rate Notes will be issued in full, then the aggregate principal amount remaining undischarged of all moneys borrowed by the Company will approach 56% of the latest available Net Asset Value. As provided in the Articles, the Company may not incur additional borrowings of the amount exceeding HK\$87,500,000 without the approval of an ordinary resolution of the Shareholders at a general meeting.

The Company is principally engaged in investment in both listed and unlisted securities. The Directors propose to recommend to the Shareholders at the EGM to approve borrowings in the aggregate of up to HK\$500,000,000. The Directors envisage that the net proceeds from the proposed borrowing will be used for the Group's working capital and for investments in, including but not limited to, A Shares, H Shares, industry funds, unit trust funds and gold hedge funds.

LETTER FROM THE BOARD

REFRESHMENT OF THE SCHEME MANDATE LIMIT

The Share Option Scheme was adopted by the Company on 27 June 2011. Under the terms of the Share Option Scheme, the Directors are authorized to grant options to the eligible participants of the Share Option Scheme up to the Scheme Mandate Limit in force from time to time. The existing Scheme Mandate Limit is 76,512,000 Shares, representing 10% of the Shares in issue as at 27 June 2011, being the adoption date of the Share Option Scheme. From that adoption date to the Latest Practicable Date, options to subscribe for 76,512,000 Shares had been granted under the existing Scheme Mandate Limit and options to subscribe for a total of 68,316,640 Shares and 5,900,000 Shares have lapsed and exercised respectively. Therefore, no option is available to be granted under the existing Scheme Mandate Limit, as at the Latest Practicable Date.

Details of the share options granted and remained outstanding as at the Latest Practicable Date under the Share Option Scheme are as follows:

Name of Grantee	Exercise Price (HK\$)	Number of option Shares	Exercise Period
Luk Hong Man, Hammond	HK\$0.74 per Share	765,120	During the 10 year period from 17 June 2015
Zhang Xi	HK\$0.74 per Share	765,120	During the 10 year period from 17 June 2015
Other participant	HK\$0.74 per Share	765,120	During the 10 year period from 17 June 2015
Total: 3 participants		<u>2,295,360 Shares</u>	

As at the Latest Practicable Date, save for the Share Option Scheme, the Company had not adopted any other share option schemes.

Subject to the approval of the Shareholders at the EGM and such other requirements prescribed under the Listing Rules, the Scheme Mandate Limit will be refreshed so that the total number of Shares in respect of which options may be granted under the Share Option Scheme must not exceed 10% of the total number of Shares in issue as at the date of the approval by the Shareholders at the EGM.

As at the Latest Practicable Date, there are a total of 1,107,020,000 Shares in issue. Assuming no further Shares will be issued or repurchased prior to the EGM, after the Scheme Mandate Limit is refreshed (assuming no other further Shares will be issued or repurchased prior to the EGM), options to subscribe for up to a maximum of 110,702,000 Shares may be granted under the Share Option Scheme, which does not include the options that are outstanding, cancelled or have lapsed as at the date of EGM.

LETTER FROM THE BOARD

The maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under any share option schemes of the Company must not exceed 30% of the relevant class of the Shares in issue from time to time. Assuming that the refreshment of Scheme Mandate Limit is approved, the maximum number of Shares which may be allotted and issued under any share option scheme of the Company (including the number of Shares that may be issued upon exercise of options to be granted under the Share Option Scheme with the refreshed Scheme Mandate Limit) represents approximately 10.2% of the number of Shares in issue as at the Latest Practicable Date and is within the 30% limit. No options under the Share Option Scheme may be granted if such grant will result in this 30% limit being exceeded.

Save for the outstanding options granted under the Share Option Scheme, there are no outstanding warrants, options or securities convertible into Shares as at the Latest Practicable Date.

The purpose of the Share Option Scheme is to enable 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.

The refreshment of the Scheme Mandate Limit is conditional on: (i) the Shareholders passing an ordinary resolution by way of poll pursuant to the Listing Rules to approve the refreshment of the Scheme Mandate Limit at the EGM; and (ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, any new Shares (representing a maximum of 10% of the Shares in issue as at the date of approval of the resolution at the EGM) which may fall to be issued upon the exercise of all options to be granted under the Share Option Scheme.

The Directors consider that it will be for the benefit of the Company and the Shareholders as a whole that eligible participants of the Share Option Scheme are granted rights to obtain equity holdings of the Company through the grant of options under the Share Option Scheme. This will motivate the eligible participants to contribute further to the success of the Group. For these reasons, the Directors will propose the passing of an ordinary resolution at the EGM for refreshing the Scheme Mandate Limit.

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in any Shares to be issued upon exercise of the options to be granted under the refreshed Scheme Mandate Limit.

LETTER FROM THE BOARD

PROPOSED APPOINTMENT OF DIRECTORS

Pursuant to the Company Law and the Articles, the Board proposes the appointment of (i) Mr. Wang Mengtao as a non-executive Director and (ii) Mr. Leung Ka Fai as a non-executive Director.

At the EGM, ordinary resolutions will be proposed to the Shareholders to consider and approve the appointment of Mr. Wang Mengtao and Mr. Leung Ka Fai as non-executive Directors.

The biographies of Mr. Wang Mengtao and Mr. Leung Ka Fai are set out below.

Mr. Wang Mengtao (王夢濤) (“Mr. Wang”)

Mr. Wang, aged 42, was a non-executive Director and a member of the Investor Relations Committee from 22 April 2016 to 20 July 2016. Mr. Wang is currently an assistant director of the Center of Taoism Business School* (禪道商學院) and a general manager of Shenzhen Zhi Chong Culture Broadcast Co., Ltd.* (深圳知崇文化傳播有限公司), which is a wholly-owned subsidiary and a non-wholly-owned subsidiary of Shenzhen Ding Yifeng Assets Management Co., Ltd* (深圳市鼎益豐資產管理有限公司), a substantial shareholder of the Company, respectively.

Save as disclosed above, Mr. Wang did not hold directorship in any listed companies in Hong Kong or elsewhere during the last three years. Mr. Wang does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. Save as disclosed above, Mr. Wang does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Subject to the approval at the EGM, Mr. Wang will enter into a service contract with the Company for a term of three years as director, subject to re-election at the general meeting of the Company. Mr. Wang’s annual remuneration will be determined pursuant to the Articles, taking into account the recommendations made by the Remuneration Committee of the Company and with reference to his duties and responsibilities with the Company.

Save for disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and the Company is not aware of any other matters that need to be brought to attention of Shareholders in connection with Mr. Wang’s appointment as a non-executive Director of the Company.

* For identification purpose only

LETTER FROM THE BOARD

Mr. Leung Ka Fai (梁家輝) (“Mr. Leung”)

Mr. Leung, aged 37, was an independent non-executive Director, a member of the Audit Committee of the Board, the chairman of each of the Remuneration Committee, the Nomination Committee, the Risk Management Committee and the Investor Relations Committee of the Board from 22 April 2016 to 20 July 2016.

Mr. Leung has been an independent non-executive Director of Rui Kang Pharmaceutical Group Investments Limited, a company listed on the Growth Enterprise Market of the Stock Exchange (Stock Code: 8037) since 26 June 2013. Mr. Leung was employed by a law firm in Hong Kong as community service manager. He also worked in Beta Field Capital Limited as a business director from December 2011 to February 2012 and he has worked as the China Business director in Beta Field Capital Limited since April 2013. Mr. Leung has been a district council member of Sha Tin District Council since 2008. Mr. Leung has also been a committee member of Yunfu City of the Chinese People’s Political Consultative Conference* (中國人民政治協商會議雲浮市委員會) in the PRC since January 2013. Mr. Leung is currently a member of Sha Tin District of Fight Crime Committee (沙田區撲滅罪行委員會), a vice-chairman of Sha Tin East District in New Territories East Region of District Scout Council of Scout Association of Hong Kong (香港童軍總會新界東地域沙田東區區務委員會). Mr. Leung has been a director of Hong Kong Association For The Development of Western China Limited (香港中國西部發展促進會有限公司) since 2011. Mr. Leung obtained a Master of Arts degree in Chinese Language and Literature from The Hong Kong Polytechnic University in October 2008, a Postgraduate Diploma in Education (Teaching in Chinese) from Hong Kong Baptist University in November 2012 and a Master of Arts degree in Sociology from The Chinese University of Hong Kong in November 2014.

Save as disclosed above, Mr. Leung did not hold directorship in any listed companies in Hong Kong or elsewhere during the last three years. Mr. Leung does not have any interest in the shares of the Company within the meaning of Part XV of the SFO. Mr. Leung does not have any relationship with any directors, senior management, substantial or controlling shareholders of the Company.

Subject to the approval at the EGM, Mr. Leung will enter into a service contract with the Company for a term of three years as director, subject to re-election at the general meeting of the Company. Mr. Leung’s annual remuneration will be determined pursuant to the Articles, taking into account the recommendations made by the Remuneration Committee of the Company and with reference to his duties and responsibilities with the Company.

Save for disclosed above, there is no other information required to be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and the Company is not aware of any other matters that need to be brought to attention of Shareholders in connection with Mr. Leung’s appointment as a non-executive Director of the Company.

* For identification purpose only

LETTER FROM THE BOARD

THE EGM

A notice of the EGM to be held at Diamond Ballroom, Level 3, The Ritz-Carlton, Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Monday, 31 October 2016 at 2:00 p.m. is set out on pages 10 to 11 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 EGM 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 EGM is enclosed. Whether or not you are able to attend the EGM, 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 Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the EGM or any adjourned meeting. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

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 EGM pursuant to the Listing Rules and/or the Articles.

RECOMMENDATION

The Directors consider that the resolutions as set out in the notice of the EGM 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 EGM.

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.

On behalf of the Board
China Investment Fund Company Limited
Luk Hong Man, Hammond
Executive Director

NOTICE OF EXTRAORDINARY GENERAL MEETING



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 OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China Investment Fund Company Limited (the “Company”) will be held at Diamond Ballroom, Level 3, The Ritz-Carlton, Hong Kong, International Commerce Centre, 1 Austin Road West, Kowloon, Hong Kong on Monday, 31 October 2016 at 2:00 p.m. to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

Unless otherwise indicated, capitalized terms used herein shall have the same meanings as those defined in the circular of the Company dated 7 October 2016.

ORDINARY RESOLUTIONS

1. “**THAT**, borrowings in the aggregate amount of up to HK\$500,000,000 be approved and that any Director 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 borrowings in the aggregate amount of HK\$500,000,000.”
2. “**THAT**, subject to and conditional upon the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Shares to be issued upon the exercise of options which may be granted under the Share Option Scheme, the existing scheme mandate limit in respect of the granting of options to subscribe for Shares under the Share Option Scheme be refreshed and renewed provided that the total number of Shares which may be allotted and issued pursuant to the grant or exercises of the options under the Share Option Scheme (excluding options previously granted, outstanding, cancelled, lapsed or exercised under any share option scheme) shall not exceed 10 per cent. (10%) of the number of Shares in issue as at the date of passing this resolution (the “**Refreshed Scheme Mandate Limit**”) and that the Directors be and are hereby authorized, subject to compliance with the Listing Rules and the terms of the Share Option Scheme, to grant options under the Share Option Scheme up to the Refreshed Scheme Mandate Limit and to exercise all the powers of the Company to allot, issue and deal with the Shares pursuant to the exercise of such options and to do such acts and execute such documents for or incidental to such purpose.”
3. “**THAT**, Mr. Wang Mengtao be appointed as a non-executive Director with immediate effect and to authorise the Board to fix his remuneration.”

* For identification purpose only

NOTICE OF EXTRAORDINARY GENERAL MEETING

4. “THAT, Mr. Leung Ka Fai be appointed as a non-executive Director with immediate effect and to authorise the Board to fix his remuneration.”

On behalf of the Board
China Investment Fund Company Limited
Luk Hong Man, Hammond
Executive Director

7 October 2016

Notes:

1. A proxy form (the “**Proxy Form**”) containing the resolutions mentioned above is enclosed herewith.
2. Any member of the Company 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.
3. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his/her/its attorney duly authorised in writing or, if the appointer is a corporation, either executed under its common seal or under the hand of any officer, attorney or other person duly authorised to sign the same.
4. Completion and return of the Proxy Form will not preclude a shareholder from attending the meeting and voting in person at the EGM or any of its adjourned meeting thereof if he/she/it so desires. If a shareholder attends the meeting after having deposited the Proxy Form, his/her/its Proxy Form shall be deemed to be revoked.
5. To be valid, the Proxy Form 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 Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong not later than 48 hours before the time of the meeting or any adjourned meeting.
6. Where there are joint registered holders of any share, any one of such persons may vote at the EGM, either personal or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for the purpose seniority shall be determined by the order in which name stand in the register of members in respect of the joint holdings.
7. Any voting at the EGM or any adjournment thereof should be taken by poll.
8. If typhoon signal no. 8 or above, or a “black” rainstorm warning is in effect any time after 7:30 a.m. on the date of the EGM, the meeting will be postponed. The Company will post an announcement on the website of the Company at www.cifund.com.hk and on the HKExnews website of the Stock Exchange at www.hkexnews.hk to notify Shareholders of the date, time and place of the rescheduled meeting.

As at the date of this notice, the executive directors of the Company are Mr. Luk Hong Man, Hammond, and Mr. Zhang Xi, the non-executive directors of the Company are Mr. Sui Guangyi and the independent non-executive directors of the Company are Ms. Jing Siyuan and Mr. Zhang Aimin.