



China Financial Industry Investment Fund Limited
中國金融產業投資基金有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1227)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China Financial Industry Investment Fund Limited (“**Company**”) will be held at Room 3201, 32nd Floor, China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Monday, 21 May 2007 at 10:00 a.m. for the following purposes:

1. to receive and approve the audited financial statements and the reports of the directors (“**Directors**”) of the Company and the auditors of the Company for the year ended 31 December 2006;
2. to re-elect retiring directors of the Company, namely Mr Wu Tse Wai, Frederick and Mr Tang King Fai, Kelvin (each as a separate resolution) and to authorize the board of directors of the Company to fix the directors’ remuneration;
3. to re-appoint HLB Hodgson Impey Cheng as the Company’s auditors and to authorize the board of directors of the Company to fix their remuneration;

and as special businesses, to consider and, if thought fit, pass (with or without modifications) the following resolutions as ordinary or, as the case may be, special resolutions:

ORDINARY RESOLUTIONS

4. “**THAT:**
 - (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, the exercise by the directors (“**Directors**”) of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares (each a “**Share**”) of HK\$0.01 each in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) to subscribe for Shares which would or might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
 - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) to subscribe for Shares which would or might require the exercise of such powers after the end of the Relevant Period;
 - (c) the aggregate nominal amount of share capital allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (d) below); or

- (ii) the exercise of any options granted under the share option schemes of the Company or similar arrangements for the time being adopted by the Company; or
- (iii) any issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association (“**Articles of Association**”) of the Company and other relevant regulations; or
- (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares,

shall not exceed the aggregate of:

- (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (ii) (if the directors of the Company are so authorized by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution),

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

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of 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, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands or any applicable law to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the directors of the Company to holders of shares on the Company’s register of members on a fixed record date in proportion to their then holdings of shares (subject to such exclusion or other arrangements as the directors of the Company 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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors (**“Directors”**) of the Company during the Relevant Period (as defined in paragraph (c) below) of all powers of the Company to purchase Shares (as defined in paragraph (c) below) on The Stock Exchange of Hong Kong Limited (**“Stock Exchange”**) or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong (**“SFC”**) and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the SFC, the Stock Exchange, the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) (**“Companies Law”**) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (as defined in paragraph (c) below) shall not exceed 10 per cent. of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly;
- (c) for the purposes of this resolution:

“Shares” means shares of HK\$0.01 each in the share capital of the Company or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company of such nominal amount as shall result from any such sub-division, consolidation, re-classification or re-construction.

“Relevant Period” means the period from the date of 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 Companies Law or any other applicable law of the Cayman Islands to be held; and
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”

6. **“THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition thereto of an amount representing the aggregate nominal amount of the share capital of the Company purchased or agreed to be purchased by the Company under the authority granted pursuant to resolution numbered 5 above.”

SPECIAL RESOLUTION

7. **“THAT** the articles of association of the Company (“Articles”) be and they are hereby amended in the following manner:

(a) by deleting in its entirety the definition of “clearing house” in Article 2(1) and substituting therefor the following new definition:

“clearing house” a clearing house recognized by the laws of the jurisdiction in which the shares of the Company are listed or quoted on a stock exchange in such jurisdiction.

(b) by deleting Article 12(2) in its entirety and substituting therefor the following new Article 12(2):

12.(2)The Board may issue warrants or convertible securities or securities of similar nature conferring the right upon the holders thereof to subscribe for any class of shares or securities of the Company, which warrants or convertible securities or securities of similar nature may be issued on such terms as the Board may from time to time determine. Where warrants or convertible securities or securities of similar nature are issued to bearer, no certificate thereof shall be issued to replace one that has been lost unless the Board is satisfied beyond reasonable doubt that the original certificate thereof has been destroyed and the Company has received an indemnity in such form as the Board shall think fit with regard to the issue of any such replacement certificate.”

(c) by deleting Article 66 in its entirety and substituting therefor the following new Article 66:

“66. Subject to any special rights or restrictions as to voting for the time being attached to any shares by or in accordance with these Articles, at any general meeting on a show of hands every Member present in person (or being a corporation, is present by its duly authorised representative), or by proxy shall have one vote and on a poll every Member present in person or by proxy or, in the case of a Member being a corporation, by its duly authorised representative shall have one vote for every fully paid share of which he is the holder but so that no amount paid up or credited as paid up on a share in advance of calls or instalments is treated for the foregoing purposes as paid up on the share. Notwithstanding anything contained in these Articles, where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. A resolution put to the vote of a meeting shall be decided on a show of hands unless voting by way of a poll is required by the rules of the Designated Stock Exchange or (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

(a) by the chairman of such meeting; or

(b) by at least three Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

- (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all Members having the right to vote at the meeting; or
- (d) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all shares conferring that right; or
- (e) if required by the rules of the Designated Stock Exchange, by any Director or Directors who, individually or collectively, hold proxies in respect of shares representing five per cent. (5%) or more of the total voting rights at such meeting.

A demand by a person as proxy for a Member or in the case of a Member being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a Member.”;

- (d) by deleting Article 68 in its entirety and substituting therefor the following new Article 68:

“68. If a poll is duly demanded, the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The Company shall only be required to disclose the voting figures on a poll if such disclosure is required by the rules of the Designated Stock Exchange.”

- (e) by deleting Article 87(3) in its entirety and substituting therefor the following new Article 87(3):

“The Directors shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an addition to the existing Board but so that the number of Directors so appointed shall not exceed any maximum number determined from time to time by the Members in general meeting. Any Director so appointed shall hold office until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the existing Board), and shall then be eligible for re-election at such meeting. The Directors to retire at an annual general meeting pursuant to this Article 87(3) shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at such annual general meeting pursuant to Article 88(1).”

- (f) by deleting Article 88(1) in its entirety and substituting therefor the following new Article 88(1):

“(1) Notwithstanding any other provisions in the Articles or other terms on which any Director may be engaged, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not three or a multiple of three (3), then the number nearest to but not less than one-third) shall retire from office by rotation, provided that every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.”

(g) by deleting Article 87(5) in its entirety and substituting therefor the following new Article 87(5):

“(5) The Company may by ordinary resolution remove any Director before the expiration of his period of office notwithstanding anything in these Articles or in any agreement between the Company and such Director (but without prejudice to any claim which such Director may have for damages for any breach of any contract between him and the Company).”; and

A copy of the revised Articles, and a mark-up indicating the above proposed amendments, having been produced to the meeting marked “A” and signed by the chairman of the meeting for the purposes of identification be approved and adopted as the new Articles of Association of the Company.”

Hong Kong, 24 April 2007

By order of the Board
China Financial Industry Investment Fund Limited
Tam Wai Keung, Billy
Chairman

Registered office:
Cricket Square
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P. O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

Principal place of business in Hong Kong:
Room 3201, 32nd Floor
China Resources Building
26 Harbour Road
Wanchai
Hong Kong

Notes:

1. A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more than one proxy to attend and, subject to the provisions of the articles of association of the Company, vote in his stead. A proxy need not be a member of the Company.
2. 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 offices of the Company’s Hong Kong branch share registrar, Tengis Limited, at 26th Floor, Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong no later than 48 hours before the time of the above meeting or any adjournment thereof.
3. In relation to the proposed resolution numbered 2, Mr Wu Tse Wai, Frederick and Mr Tang King Fai Kelvin will retire from their office of directors at the above meeting pursuant to the Company’s articles of association and, being eligible, both of them offer themselves for re-election. Brief biographical details of the directors to be re-elected and appointed are set out in Appendix III to the circular of the Company dated 24 April 2007 (“Circular”) of which this notice of the annual general meeting forms part.
4. In relation to the proposed resolutions numbered 4 and 6 above, approval is being sought from the shareholders of the Company for the grant to the directors of the Company of a general mandate to authorise the allotment and issue of Shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). The Directors have no immediate plans to issue any new Shares other than Shares which may fall to be issued upon the exercise of options granted under the share option scheme of the Company or otherwise or any scrip dividend scheme of the Company which may be approved by the shareholders of the Company.

5. In relation to the proposed resolution no. 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase the Company's shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in Appendix I to the Circular of which this notice of the annual general meeting forms part.
6. As at the date of this notice, the board of Directors comprises three executive Directors, namely Mr Tam Wai Keung, Billy, Mr Wu Tse Wai, Frederick and Mr Fong Chi Wah and three independent non-executive Directors, namely Mr Tang King Fai, Kelvin, Mr Lam Yuk Lau and Mr Wong Che Man, Eddy.