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If you are in any doubt 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 Natural Investment Company Limited, 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 the transfer was effected for onward transmission to the purchaser or the transferee.

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China Natural Investment Company Limited

中國天然投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8250)

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
GRANT OF GENERAL MANDATES TO ISSUE AND
REPURCHASE SHARES,
ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM &
ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of the Company to be held at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Tuesday, 8 January 2013 at 10:30 a.m. is set out on pages 14 to 21 of this circular. Whether or not you are able to attend the meeting, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the meeting or any adjournment thereof to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the meeting should you so wish.

This circular will remain on the "Latest Company Announcements" page of the GEM website at <http://www.hkgem.com> for at least seven (7) days from the date of its publication and is available for reference on the website of the Company at <http://www.chinanatural.com.hk>.

10 December 2012

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange.

Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company convened to be held at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Tuesday, 8 January 2013 at 10:30 a.m.
“Amended Articles”	the amended and restated Articles proposed to be adopted by the Company at the AGM in place of the existing Articles
“Articles”	the articles of association of the Company, as amended from time to time
“associate(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Natural Investment Company Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Extension Mandate”	a general mandate to the Directors to the effect that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of PRC
“Issue Mandate”	a general mandate to the Directors to exercise the power of the Company to allot, issue and deal with additional Shares up to a maximum of 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM

DEFINITIONS

“Latest Practicable Date”	5 December 2012, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Memorandum”	the memorandum of association of the Company, as amended from time to time
“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general mandate to the Directors to enable them to repurchase the Shares of an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the relevant resolution at the AGM
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.05 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.



China Natural Investment Company Limited
中國天然投資有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8250)

Executive Directors:

Mr. LI Wai Hung
Mr. CHEN Liang
Mr. BAI Jian
Mr. CHEN Youhua
Ms. XIONG Yun Huan

Registered Office:

PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

Independent non-executive Directors:

Mr. TAM B Ray, Billy
Mr. CHI Chi Hung, Kenneth
Mr. YAN Shengxian

*Head Office and Principal place
of business in Hong Kong:*

Unit 1903, 19th Floor
West Tower, Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

10 December 2012

To the Shareholders

Dear Sir or Madam,

**PROPOSALS FOR
RE-ELECTION OF DIRECTORS,
GRANT OF GENERAL MANDATES TO ISSUE
AND REPURCHASE SHARES,
ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND
ARTICLES OF ASSOCIATION
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information relating to the proposals for (i) the re-election of Directors at the AGM; (ii) the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate; (iii) the adoption of the amended and restated Memorandum and Amended Articles, and to give you notice of the AGM.

LETTER FROM THE BOARD

At the AGM, ordinary resolutions relating to the re-election of Directors, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and a special resolution to adopt the amended and restated Memorandum and Amended Articles, and certain other resolutions as ordinary business of the AGM will be proposed.

RE-ELECTION OF DIRECTORS

In accordance with article 112 of the Articles, 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, then the number nearest to but not less than one third, shall retire from office by rotation. In addition, the GEM Listing Rules provide that every Director should be subject to retirement by rotation at least once every three years. Pursuant to the above, Mr. Li Wai Hung will retire by rotation at the AGM. Mr. Li Wai Hung being eligible, will offer himself for re-election as Director at the AGM.

In accordance with article 95 of the Articles, the Board 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 additional to the Board. Any Director so appointed shall hold office only until the next following general meeting of the Company and shall then be eligible for re-election at that meeting provided that any Director who so retires shall not be taken into account in determining the number of Directors who are to retire at such meeting by rotation pursuant to article 112 of the Articles. Pursuant to the above, Mr. Chen Liang, Mr. Bai Jian, Mr. Chen Youhua, Ms. Xiong Yun Huan, Mr. Tam B Ray, Billy, Mr. Chi Chi Hung, Kenneth and Mr. Yan Shengxian will retire at the AGM. Mr. Chen Liang, Mr. Bai Jian, Mr. Chen Youhua, Ms. Xiong Yun Huan, Mr. Tam B Ray, Billy, Mr. Chi Chi Hung, Kenneth and Mr. Yan Shengxian, all being eligible, will offer themselves for re-election as Directors at the AGM.

Biographical details of Mr. Li Wai Hung, Mr. Chen Liang, Mr. Bai Jian, Mr. Chen Youhua, Ms. Xiong Yun Huan, Mr. Tam B Ray, Billy, Mr. Chi Chi Hung, Kenneth and Mr. Yan Shengxian, the Directors who are proposed to be re-elected at the AGM, are set out in Appendix I to this circular.

ISSUE MANDATE, REPURCHASE MANDATE AND EXTENSION MANDATE

At the annual general meeting of the Company held on 10 November 2011, the Directors were granted a general mandate to allot, issue and deal with shares in the share capital of the Company. This mandate will expire at the conclusion of the AGM. To facilitate future allotments and issues of Shares by the Directors on behalf of the Company, the Board will seek the approval of the Shareholders for the grant of the Issue Mandate at the AGM.

On the basis of 2,662,502,338 Shares in issue as at the Latest Practicable Date and assuming that no Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Issue Mandate to allot and issue a maximum of 532,500,467 new Shares, representing 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution.

LETTER FROM THE BOARD

The Directors have no immediate plans to allot and 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 other options granted by the Company to entitle holders thereof to subscribe for Shares or pursuant to any scrip dividend scheme which may be approved by the Shareholders or the Directors.

At the AGM, an ordinary resolution will also be proposed to grant to the Directors the Repurchase Mandate, i.e. a general mandate to exercise all powers of the Company to repurchase on GEM or on any other stock exchange on which the Shares may be listed, Shares up to a maximum of 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of the resolution.

In addition, an ordinary resolution regarding the Extension Mandate will be proposed at the AGM providing that any Shares repurchased under the Repurchase Mandate will be added to the total number of Shares which may be allotted and issued under the Issue Mandate.

Each of the Issue Mandate, the Repurchase Mandate and the Extension Mandate will expire at the earliest of:

- (a) the conclusion of the next annual general meeting of the Company; or
- (b) the end of the period within which the next annual general meeting of the Company is required by the Articles, the Companies Law or any other applicable laws of the Cayman Islands to be held; or
- (c) when revoked or varied by an ordinary resolution of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

Under the GEM Listing Rules, the Company is required to give to the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Repurchase Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix II to this circular.

ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM

It is proposed that a new Memorandum be adopted to reflect all the previous changes and amendments made to the existing Memorandum since the existing Memorandum was adopted on 20 April 2004.

LETTER FROM THE BOARD

ADOPTION OF THE AMENDED ARTICLES

In light of the amendments to the GEM Listing Rules and the Code on Corporate Governance Practices contained in Appendix 15 of the GEM Listing Rules, it is proposed that the Amended Articles be adopted to align the Articles with the new requirements under the revised GEM Listing Rules and the Code on Corporate Governance Practices. A special resolution will be proposed at the AGM to adopt the Amended Articles. Set out hereunder are some of the major amendments to be made to the Articles on adoption of the Amended Articles:

1. the notice period for convening an annual general meeting shall not be less than twenty-one (21) clear days and not less than twenty (20) clear business days; whereas any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by notice in writing of not less than twenty-one (21) clear days and not less than ten (10) clear business days. All other extraordinary general meetings may be called by notice in writing of not less than fourteen (14) clear days and not less than ten (10) clear business days;
2. all resolutions at general meetings of the Company shall be decided by poll but if the matters relates purely to a procedural and administrative matter, the chairman of the meeting may in good faith allow it to be voted on by a show of hands; and
3. subject to certain exceptions, a Director shall not vote on any board resolution approving any contract or arrangement or any other proposal in which he or any of his associates has a material interest nor shall he be counted in the quorum present at the meeting, and the exception that a Director may vote on such board resolution provided that he or any of his associate are not beneficially interest in more than 5% in the party with which the Company proposes to enter into a contract or arrangement is to be removed.

It is also proposed that subject to the aforesaid amendments to the Articles being approved by the Shareholders at the AGM by way of special resolution, the Amended Articles consolidating all of the proposed amendments set out in the notice of the AGM as well as all previous amendments made to the Articles since the Articles were adopted on 20 April 2004 be adopted by the Company. The proposed amendments to the Articles are set out in the notice of the AGM contained in this circular.

The legal advisers to the Company have confirmed that the proposed amendments comply with the requirements of the GEM Listing Rules and the applicable laws of the Cayman Islands. The Company confirms that there is nothing unusual about the proposed amendments for a company listed in Hong Kong.

Shareholders are advised that the amended and restated Memorandum and the Amended Articles are available only in English and the Chinese translation of the amendments to the Articles provided in the notice of AGM is for reference only. In case of any inconsistency, the English version shall prevail.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

A notice convening the AGM is set out on pages 14 to 21 of this circular. At the AGM, resolutions will be proposed to consider and, if thought fit, re-elect Directors, approve the granting of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and amendments to and adoption of the restated and amended Memorandum and Amended Articles.

Form of proxy for use by the Shareholders at the AGM is enclosed. Whether or not you are able to attend the AGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 48 hours before the time appointed for holding the AGM or any adjournment thereof to the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Pursuant to the GEM Listing Rules, any vote of shareholders at a general meeting must be taken by poll. The chairman of the AGM will therefore put each of the resolutions to be proposed at the AGM to be voted by way of poll pursuant to article 76 of the Articles.

RECOMMENDATION

The Directors consider that the resolutions, including without limitation, regarding the re-election of Directors, the grant of the Issue Mandate, the Repurchase Mandate and the Extension Mandate and amendments to and adoption of the restated and amended Memorandum and Amended Articles, as set out respectively in the notice of the AGM are all in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all such resolutions to be proposed at the AGM.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 herein or this circular misleading.

By Order of the Board
China Natural Investment Company Limited
Chen Liang
Chief Executive Officer

The following are the biographical details of the Directors proposed to be re-elected at the AGM:

EXECUTIVE DIRECTORS

Mr. Li Wai Hung (“Mr. Li”)

Mr. Li, aged 50, joined the Company as an executive Director on 30 September 2009 and was appointed as the chairman of the Company on 22 November 2011. He has over 22 years of experience in sales related works and held senior positions in various companies.

Mr. Chen Liang (“Mr. Chen”)

Mr. Chen, aged 43, joined the Company as an executive Director and chief executive officer on 28 December 2011. Mr. Chen holds a Doctoral Degree in Coal, Oil and Gas Geology and Exploration from China University of Petroleum (Beijing). Mr. Chen had been a vice president of CITIC Resources Holdings Limited (stock code: 1205), a company listed on the Main Board of the Stock Exchange, during the period from September 2005 to November 2006 and a vice president of CITIC Seram Energy Limited during the period from December 2006 to February 2010. During the period from April 2010 to July 2011, Mr. Chen had been an executive director of Goodtop Tin International Holdings Limited (formerly known as Vitar International Holdings Limited, stock code: 195), also a company listed on the Main Board of the Stock Exchange. Mr. Chen has accumulated over 15 years of working experience in petroleum exploration and development.

Mr. Bai Jian (“Mr. Bai”)

Mr. Bai, aged 42, joined the Company as an executive Director on 28 December 2011. Mr. Bai holds a Doctoral Degree in Cartography and Geographic Information Engineering from China University of Geosciences (Beijing). Mr. Bai is also a qualified senior geologist in China. Since his graduation from Rock and Mineral and Geochemical Profession in Geology Department of Peking University and obtaining the Bachelor Degree of Science in 1992, Mr. Bai has worked for a number of state-owned and large-scale multinational exploration enterprises, including BHP Billiton in Australia, and has supervised or participated in various geological researches and mineral exploration projects in these companies. Mr. Bai has accumulated over 19 years of working experience in mineral resources exploration, geological data collection, processing, analysis and study. Mr. Bai has also published a number of articles in geology studies in various core journals in China and other famous overseas scientific journals.

Mr. Chen Youhua

Mr. Chen Youhua, aged 40, joined the Company as an executive Director on 26 November 2012. Mr. Chen Youhua completed his course of study in accountancy and graduated from Shandong Economics College, PRC and holds an Executive Master Degree of Business Administration from Inner Mongolia University, PRC. Mr. Chen Youhua has worked

for a number of mining companies in PRC, taking the positions of accounting manager or financial controller of such companies. Mr. Chen Youhua has accumulated over 15 years of working experience in the fields of cost accounting, financial and corporate management.

Ms. Xiong Yun Huan (“Ms. Xiong”)

Ms. Xiong, aged 41, joined the Company as an executive Director on 26 November 2012. Ms. Xiong holds a Bachelor Degree from Wuhan University, PRC. Ms. Xiong has been one of the founders and directors of Human Digital Technology (Shanghai) Co., Ltd, a company incorporated in PRC in 2002 and engaging in the manufacturing and sales of digital printing machines. Ms. Xiong has accumulated nearly 10 years of working experience in the fields of sales and marketing, corporate and assets management.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chi Chi Hung, Kenneth (“Mr. Chi”)

Mr. Chi, aged 44, was appointed as an independent non-executive Director on 28 December 2011. Mr. Chi has accumulated over 20 years of working experience in accounting and financial control. He is a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Chi holds a Bachelor of Accountancy Degree from the Hong Kong Polytechnic University and is a fellow member of the Association of Chartered Certified Accountants in the United Kingdom, an associate member of the Hong Kong Institute of Certified Public Accountants, an associate member of the Hong Kong Institute of Chartered Secretaries and an associate member of the Institute of Chartered Secretaries and Administrators in the United Kingdom. Mr. Chi is an executive director of Hua Yi Copper Holdings Limited (stock code: 559), a company listed on the Main Board of the Stock Exchange; China Sandi Holdings Limited (formerly known as China Grand Forestry Green Resources Group Limited) (stock code: 910), a company listed on the Main Board of the Stock Exchange; M Dream Inworld Limited (stock code: 8100), a company listed on GEM; and Morning Star Resources Limited (stock code: 542), a company listed on the Main Board of the Stock Exchange. He is also an independent non-executive director of ZMAY Holdings Limited (stock code: 8085), and Aurum Pacific (China) Group Limited (stock code: 8148), both companies listed on GEM; Noble Century Investment Holdings Limited (formerly known as Sam Woo Holdings Limited) (stock code: 2322) and Perfect Shape (PRC) Holdings Limited (stock code: 1830), being companies listed on the Main Board of the Stock Exchange. He was an independent non-executive director of Interchina Holdings Company Limited (stock code: 202), a company listed on the Main Board of the Stock Exchange, for period from October 2011 to August 2012.

Mr. Tam B Ray, Billy (“Mr. Tam”)

Mr. Tam, aged 43, was appointed as an independent non-executive Director on 10 November 2011. He is a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Tam has been a practicing solicitor in Hong Kong for over 15 years. He is currently a partner of Messrs. Ho & Tam, a firm of solicitors in Hong Kong. He holds a Bachelor Degree of Laws from the University of London; Bachelor Degree of PRC Laws from Tsing Hua University; and a Master Degree of Laws from The University

of Hong Kong. He is an independent non-executive director of China Fortune Financial Group Limited (formerly known as “China Fortune Group Limited”) (stock code: 290), a company listed on the Main Board of the Stock Exchange and an independent non-executive director of M Dream Inworld Limited (stock code: 8100), and China AU Group Holdings Limited (stock code: 8176), both companies listed on GEM. Mr. Tam is also a non-executive director of both Larry Jewelry International Company Limited (formerly known as Eternite International Company Limited) (stock code: 8351), a company listed on GEM and Milan Station Holdings Limited (stock code: 1150), a company listed on the Main Board of the Stock Exchange.

Mr. Yan Shengxian (“Mr. Yan”)

Mr. Yan, aged 57, was appointed as an independent non-executive director on 26 November 2012. He is a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Yan graduated from Hangzhou University, PRC. Mr. Yan is a domestic professional senior engineer who is qualified for carrying out geological survey and exploration. Mr. Yan has accumulated over 35 years of working experience in geological exploration. Mr. Yan and the projects under his supervision have obtained a number of awards in the field of geological mine searching. Mr. Yan is currently the judging panel expert of geological mine searching for Zhejiang Province, PRC. Mr. Yan has also published a number of articles in geology studies in national journals in PRC.

This appendix serves as an explanatory statement, as required by the GEM Listing Rules, to provide requisite information to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution to approve the grant of the Repurchase Mandate to the Directors.

1. GEM LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The GEM Listing Rules permit companies whose primary listing is on GEM to repurchase their shares on GEM or any other stock exchange on which the securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong and GEM subject to certain restrictions. Among such restrictions, the GEM Listing Rules provide that the shares of such companies must be fully paid up and all repurchase of shares by such companies must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,662,502,338 Shares. Subject to the passing of resolution no. 7 approving the Repurchase Mandate as set out in the notice convening the AGM on pages 14 to 21 of this circular, and assuming that no Shares are issued or repurchased by the Company prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 266,250,233 Shares, representing 10% of the issued share capital of the Company as at the date of passing of resolution no. 7, until (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, the Companies Law or any other applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation by an ordinary resolution of the Shareholders in a general meeting, whichever is the earliest.

3. REASONS FOR REPURCHASES

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

4. FUNDING OF REPURCHASES

In repurchasing Shares pursuant to the Repurchase Mandate, the Company may only apply funds legally available for such purpose in accordance with its Memorandum and Articles, the Companies Law and other applicable laws of the Cayman Islands.

5. IMPACT ON WORKING CAPITAL OR GEARING POSITION

Taking into account the current working capital position of the Company, the Directors consider that, if the Repurchase Mandate were to be exercised in full, it might have a material adverse effect on the working capital and/or gearing position of the Company as compared with the position as at 30 June 2012, the date to which the latest audited consolidated financial statements of the Group were made up. However, the Directors do not intend to exercise the Repurchase Mandate to such an extent as would, in the circumstances, have a material adverse effect on the working capital or gearing levels of the Company which, in the opinion of the Directors, are from time to time appropriate for the Company.

6. SHARE PRICES

In each of the previous twelve months and up to the Latest Practicable Date, the highest and lowest prices at which the Shares were traded on GEM are as follows:

Year	Month	Per Share	
		Highest (HK\$)	Lowest (HK\$)
2011	December	0.20	0.14
2012	January	0.22	0.14
	February	0.20	0.14
	March	0.17	0.09
	April	0.14	0.09
	May	0.13	0.11
	June	0.14	0.11
	July	0.14	0.12
	August	0.13	0.10
	September	0.14	0.10
	October	0.14	0.10
	November	0.13	0.10
		December (upto and including the Latest Practicable Date)	0.12

7. DIRECTORS, THEIR ASSOCIATES AND CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate, in the event that the Repurchase Mandate is approved at the AGM by the Shareholders.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell any Shares to the Company and no such person has undertaken not to sell any Shares held by him/her/it to the Company, in the event that the Repurchase Mandate is approved at the AGM by the Shareholders.

8. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases of the Shares pursuant to the Repurchase Mandate in accordance with the GEM Listing Rules, the Companies Law, any other applicable laws of the Cayman Islands, and the Memorandum and Articles.

9. TAKEOVERS CODE CONSEQUENCES

If as a result of a share repurchase a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, they are not aware of any consequence which will give rise under the Takeovers Code as a result of any repurchases made under the Repurchase Mandate.

The Directors have no intention to exercise the Repurchase Mandate to such an extent that will result in the number of Shares in the hands of the public falling below the prescribed minimum percentage of 25%.

10. SHARE REPURCHASE MADE BY THE COMPANY

No repurchase has been made by the Company of the Shares (whether on GEM or otherwise) in the six months immediately preceding the Latest Practicable Date.

NOTICE OF ANNUAL GENERAL MEETING



China Natural Investment Company Limited 中國天然投資有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock Code: 8250)

NOTICE IS HEREBY GIVEN that the annual general meeting of China Natural Investment Company Limited (“Company”) will be held at 3/F., Nexxus Building, 77 Des Voeux Road Central, Hong Kong on Tuesday, 8 January 2013 at 10:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements, the report of the directors and the independent auditors’ report of the Company for the year ended 30 June 2012.
2. To re-elect Mr. Li Wai Hung, Mr. Chen Liang, Mr. Bai Jian, Mr. Chen Youhua and Ms. Xiong Yun Huan as executive directors of the Company.
3. To re-elect Mr. Tam B Ray, Billy, Mr. Chi Chi Hung, Kenneth and Mr. Yan Shengxian as independent non-executive directors of the Company.
4. To authorise the board of directors of the Company (“Board”) to fix the directors’ remuneration.
5. To appoint HLB Hodgson Impey Cheng Limited as auditors of the Company and authorise the Board to fix their remuneration.

As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

6. **“THAT:**
 - (a) subject to paragraph (c) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares (each a “Share”) of HK\$0.05 each 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;

NOTICE OF ANNUAL GENERAL MEETING

- (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 to subscribe for Shares, which might require the exercise of such powers after the expiration of the Relevant Period;
- (c) the aggregate nominal amount of the share capital of the Company allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to or in consequence of: (i) a Rights Issue (as defined below); or (ii) the exercise of any option granted under any share option scheme or similar arrangements adopted by the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue 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 warrants, convertible bonds, debentures, notes or any securities issued by the Company which are convertible into Shares, shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue as at the date of passing of this resolution; and
 - (bb) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate nominal amount of any share capital of the Company repurchased 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 as at the date of 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 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 laws of the Cayman Islands to be held; or
 - (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 under this resolution.

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“**Rights Issue**” means an offer of Shares, or an offer of warrants, options or other securities giving rights to subscribe for Shares, open for a period fixed by the Directors to holders of Shares whose names appear 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 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, any territory outside Hong Kong).”

7. **“THAT:**

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all powers of the Company to repurchase shares (each a “Share”) of HK\$0.05 each in the share capital of the Company on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“GEM”) or on any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission of Hong Kong and GEM for such purpose, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of Shares which may be repurchased or agreed to be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period shall not exceed 10 per cent. 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 authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “Relevant Period” means the period from the date of 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 laws of the Cayman Islands to be held; or
 - (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 under this resolution.”

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8. **“THAT** conditional upon the passing of resolutions nos. 6 and 7 above, the general mandate granted to the Directors pursuant to resolution no. 6 above be and is hereby extended by the addition to the aggregate nominal amount of shares of HK\$0.05 each in the share capital of the Company which may be allotted, issued or dealt with or agreed conditionally or unconditionally to be allotted, issued or dealt with by the Directors pursuant to or in accordance with such general mandate of an amount representing the aggregate nominal amount of the share capital of the Company repurchased by the Company pursuant to or in accordance with the authority granted under resolution no. 7 above.”

SPECIAL RESOLUTIONS

To consider and, if thought fit, to pass the following resolutions as special resolutions:

9. **“THAT** the Articles of Association be amended in the following manner:
- (i) By adding the following new definition “business day” in the existing Article 2 after the definition of “Board”:
- ““business day” shall mean shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities on a business day for the reason of a Number 8 or higher Typhoon Signal, Black Rainstorm Warning or other similar event, such day shall for the purposes of these Articles be counted as a business day;”;
- (ii) By adding the following new definition “Designated Stock Exchange” in the existing Article 2 after the definition of “the Company’s Website”:
- ““Designated Stock Exchange” shall mean a stock exchange in respect of which the shares of the Company are listed or quoted and where such stock exchange deems such listing or quotation to be the primary listing or quotation of the shares of the Company;”;
- (iii) By adding the following new definition “substantial shareholder” in the existing Article 2 after the definition of “subsidiary and holding company”:
- ““substantial shareholder” shall have the meaning attributed to it in the Listing Rules from time to time;”;
- (iv) By deleting the existing Article 69 in its entirety and substituting with the following:
- “69 (a) An annual general meeting shall be called by notice in writing of not less than 21 clear days and not less than 20 clear business days and any extraordinary general meeting at which the passing of a special resolution is to be considered shall be called by notice in writing of not less than 21 clear days and not less than 10 clear business days.

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All other extraordinary general meetings may be called by notice in writing of not less than 14 clear days and not less than 10 clear business days but if permitted by the rules of the Designated Stock Exchange, a general meeting may be called by shorter notice, subject to the Law, if it is so agreed:

- (i) in the case of a meeting called as an annual general meeting, by all the members entitled to attend and vote thereat; and
 - (ii) in the case of any other meeting, by a majority in number of the members having the right to attend and vote at the meeting, being a majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.
- (b) The notice shall specify the time and place of the meeting and particulars of resolutions to be considered at the meeting and, in case of special business, the general nature of the business. The notice convening an annual general meeting shall specify the meeting as such. Notice of every general meeting shall be given to all members other than to such members as, under the provisions of these Articles or the terms of issue of the shares they hold, are not entitled to receive such notices from the Company, to all persons entitled to a share in consequence of the death or bankruptcy or winding-up of a member and to each of the Directors and the Auditors.”;
- (v) By deleting the existing Article 81 in its entirety and substituting with the following:

“81 (a) 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 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 purposes as paid up on the share. Any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

Procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular to members; and (ii) which relate to the chairman’s duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all shareholders a reasonable opportunity to express their views.

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- (b) Where a show of hands is allowed, before or on the declaration of the result of the show of hands, a poll may be demanded:
 - (i) 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
 - (ii) 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
 - (iii) 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.
- (c) Where the Company has knowledge that any member is, under the rules of the Designated Stock Exchange, required to abstain from voting on any particular resolution of the Company or restricted to voting only for or only against any particular resolution of the Company, any votes cast by or on behalf of such member in contravention of such requirement or restriction shall not be counted.

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 the member.”;

- (vi) By deleting the existing Article 103(c)(iii) in its entirety and amending the existing Article 103(c)(iv) as the new Article 103(c)(iii) and the existing Article 103(c)(v) as the new Article 103(c)(iv);
- (vii) By adding the words “Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Directors for the purposes of considering any matter or business in which a substantial shareholder of the Company or a Director has a conflict of interest and the Board has determined that such conflict of interest to be material.” in the seventh line of the existing Article 129 after the words “Directors or alternate Directors.”;
- (viii) By adding the words “(including any “corporate communication” within the meaning ascribed thereto under the rules of the Designated Stock Exchange), whether or not, to be given or issued under these Articles from the Company to a member shall be in writing or cable, telex or facsimile transmission message

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or other form of electronic transmission or communication and any such notice and document” in the second line of the existing Article 163(a) after the words “any notice or document”; and

- (ix) By adding the words “Notwithstanding the foregoing, the Company may deem consent on the part of a member to corporate communication being made available to him on the Company’s website if such deemed consent is permitted by the rules of the Designated Stock Exchange the Company complies with any procedure that may be required by the Designated Stock Exchange.” in the twenty sixth line of the existing Article 163(a) after the words “to all the joint holders.”.
10. “**THAT** the Memorandum and Articles of Association of the Company in the form of the document marked “A” and produced to this meeting and for the purpose of identification signed by the chairman of this meeting, which consolidates all of the proposed amendments referred to in resolutions 9 above and all previous amendments made pursuant to resolutions passed by the members of the Company at general meetings (if any) be approved and adopted as the new Memorandum and Articles of Association of the Company in substitution for and to the exclusion of the existing Memorandum and Articles of Association of the Company with immediate effect.”.

By order of the Board
China Natural Investment Company Limited
Chen Liang
Chief Executive Officer

Hong Kong, 10 December 2012

Registered Office:
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

*Head Office and Principal Place
of Business in Hong Kong:*
Unit 1903, 19th Floor
West Tower, Shun Tak Centre
168–200 Connaught Road Central
Hong Kong

Notes:

- (1) A shareholder of the Company entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxy to attend and, subject to the provisions of the articles of association of the Company, to vote on his/her behalf. A proxy need not be a shareholder of the Company but must be present in person at the meeting to represent the shareholder. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
- (2) To be valid, the 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 office of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for

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holding the meeting or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof should he/she so wish.

- (3) Completion and return of an instrument appointing a proxy will not preclude a shareholder of the Company from attending and voting in person at the meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (4) As required under the Rules Governing the Listing of Securities on GEM (“GEM Listing Rules”), all of the above resolutions will be voted by way of poll.

As at the date of this notice, the Board comprises (i) five executive Directors namely, Mr. Li Wai Hung, Mr. Chen Liang, Mr. Bai Jian, Mr. Chen Youhua and Ms. Xiong Yun Huan; and (ii) three independent non-executive Directors namely, Mr. Tam B Ray, Billy, Mr. Chi Chi Hung, Kenneth and Mr. Yan Shengxian.

This notice, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 notice 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 herein or this notice misleading.

This notice will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least seven days from the date of its publication and is available for reference on the website of the Company at <http://www.chinanatural.com.hk>.