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CHINA INVESTMENT AND FINANCE GROUP LIMITED

中國投融資集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1226)

**(A) PROPOSED OPEN OFFER OF 290,790,000 OFFER SHARES
ON THE BASIS OF ONE OFFER SHARE
FOR EVERY TWO EXISTING SHARES
HELD ON THE RECORD DATE AT HK\$0.20 PER OFFER SHARE;
AND
(B) CHANGE OF BOARD LOT SIZE**

Underwriter of the Open Offer



英皇證券(香港)有限公司
Emperor Securities Limited

THE PROPOSED OPEN OFFER

The Company proposes to raise approximately HK\$58.1 million before expenses by way of Open Offer of 290,790,000 Offer Shares at the Subscription Price of HK\$0.20 per Offer Share on the basis of one Offer Share for every two existing Shares held on the Record Date and payable in full upon application.

Qualifying Shareholders are not entitled to apply for excess Offer Shares and any Offer Shares not taken up by the Qualifying Shareholders in respect of their respective entitlements under the Open Offer will be underwritten by the Underwriter.

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 290,790,000 Offer Shares proposed to be allotted and issued, represent 50% of the Company's issued share capital as at the date of this announcement and approximately 33% of the Company's issued share capital as enlarged by the allotment and issue of the 290,790,000 Offer Shares immediately after completion of the Open Offer.

The Open Offer is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders. The last day of dealings in the Shares on cum-entitlement basis is Wednesday, 18 June 2014.

The Shares will be dealt in on ex-entitlement basis from Thursday, 19 June 2014. To qualify for the Open Offer, a Shareholder must at the close of business on the Record Date, which is currently expected to be Friday, 27 June 2014, (i) be registered on the register of members of the Company; and (ii) not be a Non-Qualifying Shareholder. In order to be registered as members of the Company prior to the close of business on the Record Date, the Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 20 June 2014.

The Company's register of members will be closed from Monday, 23 June 2014 to Friday, 27 June 2014, both days inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this book closure period.

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or substantial shareholder of the Company (or an associate of any of them), the Open Offer is not subject to Shareholders' approval under the Listing Rules.

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders on the Posting Date. To the extent reasonably practicable, the Prospectus will be despatched to the Non-Qualifying Shareholders for information only but no Application Form will be sent to them.

CHANGE OF BOARD LOT SIZE

The Board proposes to change the board lot size for trading of the Shares from 4,000 Shares to 8,000 Shares with effect from Thursday, 24 July 2014. No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 4,000 Shares to new share certificates in board lot size of 8,000 Shares is necessary.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriting Agreement not having been terminated in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Any dealing in Shares from the date of this announcement up to the date on which all conditions to which the Open Offer is subject are fulfilled bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their professional advisers. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.

THE PROPOSED OPEN OFFER

The Company proposes to raise approximately HK\$58.1 million before expenses by way of Open Offer, details of which are set out as follows:

Issue statistics

Basis of the Open Offer:	One (1) Offer Share for every two (2) existing Shares held on the Record Date
Number of Shares in issue as at the date of this announcement:	581,580,000 Shares
Subscription Price:	HK\$0.20 per Offer Share
Number of Offer Shares:	290,790,000 Offer Shares
Enlarged issued share capital upon completion of the Open Offer	872,370,000 Shares
Funds to be raised before expenses:	HK\$58,158,000
Underwriter:	Emperor Securities

As at the date of this announcement, the Company has no outstanding convertible securities, share options or warrants in issue which confer any right to subscribe for, convert or exchange into Shares.

As at the date of this announcement, the Board has not received any information or irrevocable undertakings from any substantial Shareholders of their intention to take up the Offer Shares under the Open Offer.

Assuming no further issue of new Shares or repurchase of Shares on or before the Record Date, the 290,790,000 Offer Shares proposed to be allotted and issued, represent 50% of the Company's issued share capital as at the date of this announcement and approximately 33% of the Company's issued share capital as enlarged by the allotment and issue of the 290,790,000 Offer Shares immediately after completion of the Open Offer.

Basis of entitlement

The basis of the entitlement shall be one (1) Offer Share for every two (2) existing Shares held on the Record Date, being 290,790,000 Offer Shares at the Subscription Price. Acceptance for all or any part entitlement of a Qualifying Shareholder should be made by completing the Application Form and lodging the same with a remittance for the Offer Shares being applied for.

Qualifying Shareholders

The Open Offer is only available to the Qualifying Shareholders. The Company will only send the Prospectus Documents to the Qualifying Shareholders. The Company will, to the extent practicable, send the Prospectus to the Non-Qualifying Shareholders for information purposes only.

To qualify for the Open Offer, a Shareholder must at the close of business on the Record Date:

1. be registered as a member of the Company; and
2. be a Qualifying Shareholder.

In order to be registered as members of the Company prior to the close of business on the Record Date, Shareholders must lodge any transfers of Shares (together with the relevant share certificates) for registration with the Company's Registrar in Hong Kong, Tricor Standard Limited of Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, no later than 4:30 p.m. on Friday, 20 June 2014.

Beneficial owners with their Shares held by a nominee (or which are held in CCASS) should note that the Board will regard such nominee (including HKSCC) as a single Shareholder according to the register of members of the Company. Beneficial owners with their Shares held by a nominee (or which are held in CCASS) are advised to consider whether they would like to arrange registration of their Shares in their own names prior to the relevant book closure period. Beneficial owners whose Shares are held by a nominee (or which are held in CCASS) and who would like to have their names registered on the register of members of the Company, must lodge all necessary documents with the Registrar by 4:30 p.m. on Friday, 20 June 2014. Beneficial owners should consult their professional advisers if they are in any doubt as to whether they should register their shareholding in their own names.

Subscription Price

The Subscription Price is HK\$0.20 per Offer Share, payable in full on application. The Subscription Price represents:

- (i) a discount of approximately 47.37% to the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 37.5% to the theoretical ex-entitlement price of approximately HK\$0.32 per Share based on the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (iii) a discount of approximately 51.81% to the average of the closing price of HK\$0.415 per Share for the last five consecutive trading days including and up to the Last Trading Day.

The Subscription Price was determined after arm's length negotiations between the Company and the Underwriter with reference to, among others, the prevailing market price of the Shares. Each of the Qualifying Shareholders will be entitled to subscribe for the Offer Shares at the same Subscription Price in proportion to his/her/its shareholding held on the Record Date. The Directors consider that the terms of the Open Offer, including the Subscription Price which has been set as a discount to the recent closing prices of the Shares with an objective of encouraging existing Shareholders to take up their entitlements so as to share in the potential growth of the Company, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

Closure of register of members

The Company's register of members will be closed from Monday, 23 June 2014 to Friday, 27 June 2014, both days inclusive, to determine the eligibility of the Open Offer. No transfer of Shares will be registered during this book closure period.

Overseas Shareholders and Non-Qualifying Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside of Hong Kong, that Shareholder may not be eligible to take part in the Open Offer. The Prospectus Documents will not be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than in Hong Kong.

In compliance with the notes to Rule 13.36(2)(a) of the Listing Rules, the Directors will make enquiries as to whether the issue of Offer Shares to the Overseas Shareholder(s) may contravene the applicable securities legislation of the relevant overseas places or the requirements of the relevant regulatory body or stock exchange.

If, after making such enquiries, the Directors are of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place, not to offer the Offer Shares to such Overseas Shareholder(s), the Open Offer will not be extended to such Overseas Shareholders. The results of enquiries and the basis of any exclusion of the Overseas Shareholders will be included in the Prospectus. If they are excluded, the Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but the Company will not send any Application Forms to the Non-Qualifying Shareholders. Accordingly, the Open Offer will not be extended to the Non-Qualifying Shareholders. The Offer Shares to which the

Non-Qualifying Shareholders would have been entitled will be underwritten and taken up by the Underwriter. Further information in this connection will be set out in the Prospectus Documents containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on Wednesday, 2 July 2014.

Those Qualifying Shareholders who do not take up the Offer Shares to which they are entitled and the Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted upon completion of the Open Offer.

No application for excess Offer Shares

No application for excess Offer Shares will be available to any Qualifying Shareholders to apply for any Offer Share in excess of their respective assured entitlements since each Qualifying Shareholder will be given an equal and fair opportunity to participate in the Company's future development by subscribing for his/her/its assured entitlements under the Open Offer and if an application for excess Offer Shares is arranged, the Company would be required to put in additional efforts and costs to administer the excess application procedures. Any Offer Shares not taken up by Qualifying Shareholders and any Offer Shares which the Non-Qualifying Shareholders would otherwise have been entitled (if any) will be taken up by the Underwriter.

Fractions of the Offer Shares

Fractional entitlements to the Offer Shares will not be issued to the Qualifying Shareholders but will be aggregated and taken up by the Underwriter. The Company will not provisionally allot any fractions of the Offer Shares.

Status of the Offer Shares

The Offer Shares, when allotted, issued and fully paid, shall rank *pari passu* in all respects with the then existing Shares in issue on the date of allotment and issue of the Offer Shares, including the right to receive all dividends and distributions which may be declared, made or paid on or after such date.

Share certificates and refund cheques for the Offer Shares

Subject to the fulfillment of the conditions as set out in the paragraph headed "Conditions of the Open Offer" in this announcement, share certificates for all fully-paid Offer Shares are expected to be posted on or before Wednesday, 23 July 2014 by ordinary mail to the Qualifying Shareholders who have validly accepted and applied for (where appropriate), and paid for the Offer Shares by 4:00 p.m. on Wednesday, 16 July 2014 at their own risk. If the Open Offer is terminated, refund cheques will be despatched on or before Wednesday, 23 July 2014 by ordinary post at the respective Shareholders' own risk.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares. Dealings in the Offer Shares will be subject to the payment of stamp duty, Stock Exchange trading fee and any other applicable fees and charges in Hong Kong.

None of the securities of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange and no such listing or permission to deal is proposed to be sought.

Subject to the granting of listing of, and permission to deal in, the Offer Shares on the Stock Exchange, the Offer Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Offer Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

CONDITIONS OF THE OPEN OFFER

The Open Offer is conditional upon the following conditions precedent being fulfilled and/or waived on or before the Latest Time for Termination:

- (a) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies respectively one copy of the Prospectus Documents each duly signed by two Directors of the Company (or by their duly authorised agents) in accordance with the relevant requirements under section 342C of the Companies (Winding Up) Ordinance and otherwise in compliance with the Listing Rules and the Companies (Winding Up) Ordinance not later than the Posting Date;
- (b) the posting of the Prospectus Documents to the Qualifying Shareholders on or before the Posting Date and the Prospectus to the Non-Qualifying Shareholders for information only;
- (c) the Listing Committee of the Stock Exchange granting or agreeing to grant in principle (subject to allotment of Offer Shares) and not having withdrawn or revoked listing of and permission to deal in all the Offer Shares;
- (d) compliance by the Company with certain obligations under the Underwriting Agreement including obligations in connection with the making of the Open Offer and allotment and offer of the Offer Shares by the times specified in the Underwriting Agreement;
- (e) the trading of the Shares not having been suspended for a consecutive period of more than ten trading days prior to the Latest Time for Termination (excluding any suspension in connection with the clearance of this announcement or Prospectus Documents or other announcements in connection with the Open Offer);

- (f) the Underwriting Agreement not having been terminated by the Underwriter pursuant to the terms of the Underwriting Agreement;
- (g) the Underwriter and its respective parties acting in concert not being obliged to make a mandatory offer pursuant to Rule 26 of the Takeovers Code by reason of the Underwriter taking up any of the Underwritten Shares; and
- (h) by the Latest Time for Termination, (i) no material breach of any of the warranties or the undertakings referred to in the Underwriting Agreement having come to the knowledge of the Underwriter, and (ii) a matter not having arisen which would reasonably be expected to give rise to a material breach or material claim under the Underwriting Agreement.

None of conditions (a), (b), (c) or (g) may be waived. Conditions (d), (e), (f) and (h) may be waived (in whole or in part) by the Underwriter. In the event that any of the conditions has not been satisfied and/or waived (where applicable) in whole or in part pursuant to the terms of the Underwriting Agreement no later than the Latest Time for Termination, the Underwriting Agreement shall terminate (save in respect of any rights and obligations which may accrue under the Underwriting Agreement prior to such termination) and neither the Company nor the Underwriter shall have any claim against the other party for costs, damages, compensation or otherwise, save for all reasonable out-of-pocket expenses of the Underwriter in respect of the Open Offer in accordance with the Underwriting Agreement and any antecedent breach of the Underwriting Agreement.

If the Underwriting Agreement is terminated, the Open Offer will not proceed.

THE UNDERWRITING AGREEMENT

Date	9 June 2014
Underwriter	Emperor Securities
Total number of Offer Shares being underwritten by the Underwriter	The Underwriter has conditionally agreed, pursuant to the Underwriting Agreement, to underwrite the Offer Shares not subscribed by the Qualifying Shareholders on a fully underwritten basis, up to 290,790,000 Offer Shares, subject to the terms and conditions of the Underwriting Agreement
Commission	2.0% of the aggregate Subscription Price of the Underwritten Shares as determined on the Record Date.

The underwriting commission was determined after arm’s length negotiations between the Company and the Underwriter with reference to the prevailing market rate. The Directors (including the independent non-executive Directors) consider that the terms of the Underwriting Agreement (including the underwriting commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Termination of the Underwriting Agreement

Notwithstanding anything contained in the Underwriting Agreement, the Underwriter may terminate the arrangement set out in the Underwriting Agreement by notice in writing to the Company at any time prior to the Latest Time for Termination, if the Underwriter becomes aware of the fact that there shall develop, occur, exist or come into effect:

- (a) any new law or regulation or any change in existing laws or regulations in Hong Kong or any other place that is the place of incorporation of any member of the Group, or in which any member of the Group conducts or carries on business; or
- (b) any material adverse change (whether or not permanent) in local, national or international economic, financial, political or military conditions; or
- (c) any material adverse change (whether or not permanent) in local, national or international securities market conditions (any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise) or exchange controls; or
- (d) any event of force majeure including, without limiting the generality thereof, any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out,

and in the absolute opinion of the Underwriter, such change or event has or would have a material and adverse effect on the business, financial or trading position of the Company or the Group as a whole or the success of the Open Offer or make it inadvisable or inexpedient to proceed with the Open Offer; or

other than information previously disclosed in public announcement(s) by/of the Company, any material adverse change in relation to the business or the financial or trading position or prospects of the Company or any members of the Group which in the sole and absolute opinion of Emperor Securities will adversely affect the prospects of the Company or the Open Offer.

If the Underwriting Agreement is terminated at such time on or before the Latest Time for Termination but after the Underwriter has paid or procured payment to the Company of the aggregate Subscription Price in respect of the Underwritten Shares for which the Underwriter is obliged to subscribe or procure subscription under the Underwriting Agreement, the Company shall, not later than 4:00 p.m. on the first Business Day after (but not including) the date of receipt of the notice of termination issued pursuant to the Underwriting Agreement, remit to the Underwriter such amount of aggregate Subscription Price which it has received from the Underwriter.

Upon the giving of notice of termination pursuant to the Underwriting Agreement, the obligations of the parties to the Underwriting Agreement shall cease forthwith provided that the Company shall remain liable to pay to the Underwriter such fees and expenses (but not the underwriting commission) referred to in the Underwriting Agreement. If the Underwriting Agreement is terminated, the Open Offer will not proceed.

CHANGE IN BOARD LOT SIZE

The Shares are currently traded in board lots of 4,000 Shares each and the market value of each board lot is HK\$1,520 (based on the closing price of HK\$0.38 per Share as quoted on the Stock Exchange on the Last Trading Date). In order to increase the value of each board lot of the Shares so that the value of each board lot of the Shares will not be less than HK\$2,000, as well as to reduce transaction and registration costs incurred by the Shareholders and investors of the Company, the Board proposes to change the board lot size for trading of the Shares from 4,000 Shares to 8,000 Shares with effect from Thursday, 24 July 2014. Based on the theoretical ex-entitlement price of the Shares of HK\$0.32 with reference to the closing price on the Last Trading Date, the new estimated board lot value would be approximately HK\$2,560. The change in board lot size will not result in any change in the relative rights of the Shareholders. The Board is of the opinion that the change in board lot size is in the interests of the Company and its Shareholders as a whole.

To alleviate the difficulties in trading odd lots of the Shares arising from the change in board lot size of the Shares, the Company has appointed Emperor Securities as an agent to provide matching services to the Shareholders who wish to top up or sell their holdings of odd lots of the Shares during the period from Thursday, 24 July 2014 to Wednesday, 13 August 2014 (both days inclusive). Holders of the Shares in odd lots represented by the existing share certificates for the Shares who wish to take advantage of this facility either to dispose of their odd lots of the Shares or to top up their odd lots to a full new board lot may directly or through their broker contact Mr. Eric Leung of Emperor Securities at 23-24/F, Emperor Group Centre, 288 Hennesey Road, Wanchai, Hong Kong (telephone: (852) 2836 2652 and facsimile: (852) 2893 1540) during such period. Holders of the Shares in odd lots should note that successful matching of the sale and purchase of odd lots of the Shares is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

All existing share certificates in board lot of 4,000 Shares will continue to be evidence of entitlement to the Shares and be valid for delivery, transfer, trading and settlement purposes. No new share certificates for existing Shareholders will be issued as a result of the change in board lot size, and therefore no arrangement for free exchange of existing share certificates in board lot size of 4,000 Shares to new share certificates in board lot size of 8,000 Shares is necessary. With effect from Thursday, 24 July 2014, any new certificate of the Shares will be issued in new board lot size of 8,000 Shares (except for odd lots or where the Shareholder(s) otherwise instruct(s)). Save and except for the change in the number of Shares for each board lot, new certificates of Shares will have the same format and colour as the existing certificates of Shares.

EXPECTED TIMETABLE

The expected timetable for the Open Offer set out below is indicative only and has been prepared on the assumption that all the conditions set out under the paragraph headed “Conditions of the Open Offer” in this announcement will be fulfilled. Any changes to the expected timetable for the Open Offer will be announced by the Company as and when appropriate.

2014
(Hong Kong time)

Last day of dealing in Shares on cum-entitlement basis of the Open Offer	Wednesday, 18 June
Ex-date (the first day of dealings in Shares on ex-entitlement basis of the Open Offer)	Thursday, 19 June
Latest time for lodging transfers of shares in order to qualify for the Open Offer	4:30 p.m. on Friday, 20 June
Register of members closes (both days inclusive)	Monday, 23 June to Friday, 27 June
Record date	Friday, 27 June
Register of members of the Company re-opens	Monday, 30 June
Despatch of the Prospectus Documents	Wednesday, 2 July
Latest time for acceptance and payment for the Offer Shares	4:00 p.m. on Wednesday, 16 July
Latest time for termination of the Underwriting Agreement by the Underwriter	4:00 p.m. on Monday, 21 July
Announcement of the results of the Open Offer	Tuesday, 22 July
Despatch of share certificates for Offer Shares and refund cheques	Wednesday, 23 July
Expected first day of dealing in Offer Shares on the Stock Exchange	Thursday, 24 July
Effective date of change of the board lot size from 4,000 Shares to 8,000 Shares	Thursday, 24 July
Designated broker starts to stand in the market to provide matching services	Thursday, 24 July
Last day for the designated broker to stand in the market to provide matching services	Wednesday, 13 August

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE

The Latest Time for Acceptance will be postponed if there is:

- a tropical cyclone warning signal number 8 or above, or
- a “black” rainstorm warning

in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 16 July 2014. Instead, the Latest Time for Acceptance will be rescheduled to 12:00 noon on the next Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 12:00 noon. If the Latest Time for Acceptance is postponed in accordance with the foregoing, the dates mentioned in the section headed “Expected Timetable” in this announcement may be affected. An announcement will be made by the Company in such event accordingly.

WARNING OF THE RISKS OF DEALING IN SHARES

Shareholders and potential investors should note that the Open Offer is conditional upon the Underwriting Agreement having become unconditional and the Underwriting Agreement not having been terminated in accordance with the terms thereof. Accordingly, the Open Offer may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Any dealing in Shares from the date of this announcement up to the date on which all conditions to which the Open Offer is subject are fulfilled bear the risk that the Open Offer may not become unconditional and may not proceed. Any Shareholders or other persons contemplating dealings in the Shares are recommended to consult their professional advisers. Shareholders and potential investors of the Company should therefore exercise extreme caution when dealing in the Shares.

SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company assuming that there is no change in the shareholding structure of the Company from the date of this announcement to immediately after completion of the Open Offer:

	As at the date of this announcement		Immediately after completion of the Open Offer (assuming all Offer Shares are taken up by the Qualifying Shareholders)		Immediately after completion of the Open Offer (assuming none of the Offer Shares are taken up by the Qualifying Shareholders)	
	<i>Number of Shares</i>	<i>% (approx.)</i>	<i>Number of Shares</i>	<i>% (approx.)</i>	<i>Number of Shares</i>	<i>% (approx.)</i>
Tycor Development Limited (<i>Note 1</i>)	170,576,000	29.33	255,864,000	29.33	170,576,000	19.55
Wei Zhuo Fu (<i>Note 2</i>)	40,928,000	7.04	61,392,000	7.04	40,928,000	4.69
Zhou Han Jie (<i>Note 3</i>)	256,000	0.04	384,000	0.04	256,000	0.03
Public Shareholders	369,820,000	63.59	554,730,000	63.59	369,820,000	42.40
The Underwriter (<i>Note 4</i>)	–	–	–	–	290,790,000	33.33
Total	<u>581,580,000</u>	<u>100</u>	<u>872,370,000</u>	<u>100</u>	<u>872,370,000</u>	<u>100</u>

Notes:

1. Tycor Development Limited is interested in 170,576,000 Shares as at the date of this announcement. Mr. Liao Jintian and Mr. Zhou Weiquan, non-executive Directors of the Company, beneficially owns approximately 11.68% and 10.15% respectively of the issued shares of Tycor Development Limited respectively.
2. Mr. Wei Zhuo Fu is interested in 40,928,000 Shares as at the date of this announcement. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Wei Zhuo Fu has no relationship with any Directors, senior management or other substantial or controlling Shareholder.
3. Mr. Zhou Han Jie, a non-executive Director, holds approximately 11.19% of the issued shares of Tycor Development Limited. Mr. Zhou Han Jie also holds 256,000 Shares, representing approximately 0.04% of the total issued Shares of the Company as at the date of this announcement.

4. This scenario is for illustration purpose only. Pursuant to the Underwriting Agreement, the Underwriter shall not subscribe, for its own account, for such number of Underwritten Shares which will result in it and parties acting in concert with it (within the meaning of the Takeovers Code) to own 30% or more of the voting rights of the Company upon completion of the Open Offer; and the Underwriter shall use its best endeavours to ensure that each of the sub-underwriters and independent placees and/or subscribers procured by any of them shall be third parties independent of, not acting in concert (within the meaning of the Takeovers Code) with and not connected with the Directors or substantial shareholders of the Company or their respective associates.

REASONS FOR THE PROPOSED OPEN OFFER AND USE OF PROCEEDS

The principal activity of the Company is investment holding. The principal activities of its subsidiaries are securities trading, investment holding and rendering of consultancy services. Based on the Subscription Price of HK\$0.20 and assuming no change in the shareholding structure of the Company from the date of this announcement to immediately after completion of the Open Offer, the gross proceeds to be raised by the Company from the Open Offer will amount to approximately HK\$58.1 million (before expenses). The net proceeds to be raised by the Company from the Open Offer will amount to approximately HK\$56.6 million (after expenses). The Company intends to apply the net proceeds from the Open Offer for the general working capital of the Group and for future investments pursuant to the investment objectives of the Company.

The Board considers that it is prudent to finance the Group's long-term growth by long-term financing, preferably in the form of equity. The Board also believes that the Open Offer will enable the Group to strengthen its capital base and to enhance its financial position and ability to grasp potential investment opportunities that may arise. The Open Offer will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group. Accordingly, the Board considers that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES INVOLVING ISSUE OF SECURITIES IN THE PAST 12 MONTHS

There has not been any fund raising exercise conducted by the Company in the past 12 months immediately preceding the date of this announcement.

LISTING RULES IMPLICATIONS

Since the Open Offer will not increase the issued share capital or the market capitalisation of the Company by more than 50% within the twelve-month period immediately preceding this announcement and the Open Offer is fully underwritten by the Underwriter who is not a Director, chief executive or substantial shareholder of the Company (or an associate of any of them), the Open Offer is not subject to Shareholders' approval under the Listing Rules.

GENERAL

The Prospectus Documents setting out details of the Open Offer will be despatched to the Qualifying Shareholders on the Posting Date. Subject to the advice of the Company's legal advisers in the relevant jurisdictions and to the extent reasonably practicable, the Prospectus will be despatched to the Non-Qualifying Shareholders for information only but no Application Form will be sent to them.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Application Form(s)”	the application form(s) to be used by the Qualifying Shareholders to apply for the Offer Shares in connection with the Open Offer in such form as may be agreed between the Company and the Underwriter
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for business (other than a Saturday or Sunday and any day on which a tropical cyclone warning No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (Winding Up) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	China Investment and Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange (stock code: 1226)

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries and the expression “member of the Group” shall be construed accordingly
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Last Trading Day”	Friday, 6 June 2014, being the last trading day for the Shares before the date of this announcement
“Latest Time for Acceptance”	the latest time for acceptance of, and payment for, the Offer Shares at 4:00 p.m., on Wednesday, 16 July 2014 or such other time as may be agreed between the Company and the Underwriter
“Latest Time for Termination”	the latest time for terminating the Underwriting Agreement at 4:00 p.m., on Monday, 21 July 2014, being the first Business Day after the Latest Time for Acceptance or such other time as may be agreed between the Company and the Underwriter in writing
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Non-Qualifying Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, after making relevant enquiries as required under the Listing Rules, consider it necessary or expedient not to offer the Open Offer on account either of legal restrictions under the laws of the relevant place(s) or the requirements of the relevant regulatory body or stock exchange in that (those) place(s)
“Offer Share(s)”	Share(s) to be allotted and issued under the Open Offer, being 290,790,000 Shares

“Open Offer”	the proposed issue by way of an open offer, subject to the fulfillment of certain conditions precedent, of 290,790,000 Offer Shares for subscription by the Qualifying Shareholders on the basis of one (1) Offer Share for every two (2) existing Shares held by a Qualifying Shareholder on the Record Date for the Offer Shares at the Subscription Price payable in full on application and otherwise on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is (are) outside Hong Kong and beneficial owners of Shares at the time who are otherwise known to the Company to be resident in a place(s) outside Hong Kong
“Posting Date”	such date as may be agreed in writing between the Company and the Underwriter for the posting of the Prospectus Documents to Qualifying Shareholders, which is currently expected to be Wednesday, 2 July 2014
“Prospectus”	the prospectus to be despatched to Shareholders containing details of the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form(s)
“Qualifying Shareholder(s)”	Shareholder(s), other than the Non-Qualifying Shareholder(s), whose name(s) appear(s) on the register of members of the Company at the close of business on the Record Date
“Record Date”	Friday, 27 June 2014 (or such other date as the Underwriter may agree with the Company in writing), as the date by reference to which entitlements to the Open Offer are expected to be determined
“Registrar”	Tricor Standard Limited at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.20 each in the share capital of the Company

“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.20 per Offer Share
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“Underwriter” or “Emperor Securities”	Emperor Securities Limited, a licensed corporation to carry out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 9 June 2014 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer
“Underwritten Shares”	up to 290,790,000 Offer Shares
“%” or “per cent.”	percentage or per centum

By order of the Board
China Investment and Finance Group Limited
Executive Director
Chan Cheong Yee

Hong Kong, 9 June 2014

As at the date of this announcement, the Board consists of Mr. CHAN Cheong Yee as executive Director, Mr. LIAO Jintian, Mr. ZHOU Weiquan (duties, rights and position suspended from 4 June 2014) and Mr. ZHOU Han Jie as non-executive Directors and Mr. HA Tak-kong, Mr. LEUNG Kwong Kin and Mr. TSANG Hin Man Terence as independent non-executive Directors.