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If you are in any doubt about this circular or as to the action to be taken, you should consult your licensed securities dealer or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Investment and Finance Group Limited (the “Company”), you should at once hand this circular with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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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)**

**(I) PROPOSED CHANGE OF AUDITOR
AND
(II) PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ADOPTION OF
THE AMENDED AND RESTATED MEMORANDUM
AND ARTICLES OF ASSOCIATION
AND
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board of China Investment and Finance Group Limited is set out on pages 2 to 5 of this circular. A notice convening the extraordinary general meeting (the “EGM”) of China Investment and Finance Group Limited to be held at Unit 5801-02, 58/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on 31 January 2013 at 10 a.m. is set out on pages 6 to 13 of this circular.

Whether or not you are able to attend the EGM, you are requested to complete the form of proxy enclosed with this circular in accordance with the instructions printed thereon and return it to the Company’s principal office in Hong Kong, at Unit 5801-02, 58/F, The Center, 99 Queen’s Road Central, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time fixed for holding the EGM or any adjourned meeting thereof. Completion and return of the form of proxy shall not preclude you from attending and voting at the EGM or any adjourned meeting should you so desire.

7 January 2013

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	2
NOTICE OF EGM	6

DEFINITIONS

In this circular, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Articles” or “Articles of Association”	the Articles of Association of the Company as amended from time to time
“Board”	the board of Directors
“Change of Auditor”	the resignation of HLM & Co. as auditor of the Group and the proposed appointment of Elite Partners CPA Limited as auditor of the Group upon the approval of the Shareholders by an ordinary resolution at the EGM and to hold office until the conclusion of the next annual general meeting of the Company
“Company”	China Investment and Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held at Unit 5801-02, 58/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on 31 January 2013 at 10 a.m. or any adjournment thereof
“Group”	the Company and the Subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Memorandum” or “Memorandum of Association”	the memorandum of association and articles of association of the Company as amended from time to time
“Shareholder(s)”	holder(s) of the share(s) in the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary”	a company which is for the time being and from time to time a subsidiary of Company (within the meaning of Companies Ordinance (Chapter 32 of the Laws of Hong Kong)), whether incorporated in Hong Kong, the Cayman Islands or elsewhere

LETTER FROM THE BOARD



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)

Executive Director:

Mr. Chan Cheong Yee

Non-executive Directors:

Mr. Liao Jintian (*Chairman*)

Mr. Zhou Weiquan

Independent Non-executive Directors:

Mr. Chen Kaizhi (*Honorary Chairman*)

Mr. Ha Tak-kong

Mr. Leung Kwong Kin

Mr. Lo Chi Ming

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

Principal Place of Business in Hong Kong:

Unit 5801-5802 The Center

99 Queen's Road Central

Hong Kong

7 January 2013

To the Shareholders

Dear Sir or Madam,

**(I) PROPOSED CHANGE OF AUDITOR
AND
(II) PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ADOPTION OF
THE AMENDED AND RESTATED MEMORANDUM
AND ARTICLES OF ASSOCIATION
AND
(III) NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 31 December 2012 in relation to (i) the proposed Change of Auditor; (ii) the proposed amendments to the Memorandum and adoption of an amended and restated Articles of Association (the "Amended and Restated Articles of Association"). The purpose of this circular is to provide you with information regarding (i) the details of the proposed Change of Auditor; (ii) the proposed amendments to the Memorandum and adoption of an amended and restated Articles of Association (the "Amended and Restated Articles of Association") and (iii) the notice of EGM.

LETTER FROM THE BOARD

2. PROPOSED CHANGE OF AUDITORS

The Board announced on 31 December 2012 that HLM & Co. has resigned as the auditor of the Group with effect from 28 December 2012. The Board proposed to appoint Elite Partners CPA Limited as the new auditor of the Group to fill the vacancy arising from the resignation of HLM & Co. and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to the articles of association of the Company, the appointment of new auditors is subject to approval by the Shareholders at the EGM.

3. REASON FOR THE PROPOSED CHANGE OF AUDITOR

The reason for the change of the Group's auditor is due to the fact that the Company could not reach consensus with HLM & Co. on the audit fee for the year ending 31 March 2013 and a lower audit fee is proposed by Elite Partners CPA Limited which the Board considers it be in the interest of the Company and the Shareholders as a whole.

HLM & Co. has confirmed in its letter of resignation dated 28 December 2012 that there were no matters connected with its resignation that needed to be brought to the attention of holders of securities of the Company. The Board also confirmed that it was not aware of any matters that should be brought to the attention of holders of securities of the Company and creditors of the Group in relation to the resignation of HLM & Co. No audit work has been commenced by HLM & Co. in respect of the audit of the Group's financial statements for the year ending 31 March 2013.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Stock Exchange has amended the Listing Rules relating to, among other things, the Articles or equivalent constitutional documents of listed issuers. The amendments to the Listing Rules came into effect on 1 January 2012 and 1 April 2012 respectively. Accordingly, the Directors propose to seek the approval of the Shareholders by way of special resolution for the amendments to the existing Articles of Association and the adoption of the form of the second amended and restated articles of association by consolidating the various previous amendments made to the Articles at the EGM, so as to bring the constitution of the Company in line with current amendments made to the Listing Rules.

The major proposed amendments to the existing Articles include the following:

- (i) all resolutions at general meetings of the Company shall be decided by poll other than a resolution which relates purely to a procedural or administrative matter as may be permitted under the Listing Rules to be voted by a show of hands;
- (ii) an annual general meeting shall be called by written notice of not less than twenty-one (21) clear days and not less than twenty (20) clear business days and an extraordinary general meeting called for the passing of a special resolution shall be called by written notice of not less than twenty-one (21) clear days and not less than ten (10) clear business days and for all other extraordinary general meetings, they shall be called by written notice of not less than fourteen (14) clear days and not less than ten (10) clear business days;

LETTER FROM THE BOARD

- (iii) physical board meeting shall be held rather than by way of passing written resolution to deal with matter in which a substantial shareholder or a Director has a conflict of interest; and
- (iv) no longer permit a Director to disregard 5% interest when considering whether the Director has a material interest which would prevent him from forming part of the quorum or voting at board meeting.

Details of the amendments to the Articles of Association are set out in the notice of EGM.

The Company's legal advisers as to Hong Kong Laws and Cayman Islands laws have respectively confirmed that the proposed amendments to the existing Articles are in compliance with the requirements of the Listing Rules and do not violate the applicable laws of the Cayman Islands. The Company also confirms that there is nothing unusual about the proposed amendments for a Cayman Islands company listed in Hong Kong.

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

EGM

A notice convening the EGM to be held at Unit 5801-02, 58/F, The Center, 99 Queen's Road Central, Central, Hong Kong on 31 January 2013 at 10 a.m. is set out on pages 6 to 13 of this circular. Both ordinary and special resolutions will be proposed at the EGM to approve (i) the proposed change of auditor and (ii) the proposed amendments to the Memorandum and adoption of the amended and restated memorandum and articles of association.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published at the website of the Stock Exchange at www.hkex.com.hk. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return to the Company's principal place of business in Hong Kong at Suite 5801-5802, 58/F, The Centre, 99 Queen's Road Central, Central, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish, and in such event, the instrument appointing a proxy shall be deemed revoked.

All the resolutions proposed to be approved at the EGM will be taken by poll in accordance with the Listing Rules and an announcement will be made by the Company after the EGM on the results of the EGM.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATIONS

The Board is of the opinion that the proposed Change of Auditor and the Proposed Amendments to the Memorandum and Adoption of the Amended and Restated Memorandum and Articles of Association are in the best interest of the Company and the Shareholders as a whole and accordingly recommend the Shareholders to vote in favour of the proposed ordinary resolution set out in the notice of EGM to approve the proposed Change of Auditor and the Proposed Amendments to the Memorandum and Adoption of the Amended and Restated Memorandum and Articles of Association.

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

NOTICE OF EXTRAORDINARY GENERAL MEETING



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of China Investment and Finance Group Limited (the “Company”) will be held at Unit 5801-02, 58/F, The Center, 99 Queen’s Road Central, Central, Hong Kong on 31 January 2013 at 10 a.m. for the purpose of considering and, if thought fit, pass with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTION

1. “**THAT** Elite Partners CPA Limited be and is hereby appointed as auditor of the Company and its subsidiaries to fill the vacancy arising from the resignation of HLM & Co. and to hold office until the conclusion of the next annual general meeting of the Company, and the board of directors of the Company be and is hereby authorised to fix its remuneration.”

SPECIAL RESOLUTIONS

1. (I) **THAT** the existing articles of association of the Company (the “Articles”) be and is hereby amended in the following manner:

(1) *Article 2*

- (i) By deleting the existing definition of “Business Day” in its entirety and replacing therewith the following new definition:

“Business Day”

shall mean a day on which the Designated Stock Exchange generally is open for the business of dealing in securities in Hong Kong. For the avoidance of doubt, where the Designated Stock Exchange is closed for the business of dealing in securities in Hong Kong on a business day by 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.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (ii) By deleting the words “from time to time” after the words “the share capital” from the existing definition of “capital” and inserting the words “from time to time” after the words “of the Company”:

“capital” the share capital of the Company from time to time.

- (iii) By deleting the existing definition of “Company” in its entirety and replacing therewith the following new definition:

“Company” CHINA INVESTMENT AND FINANCE GROUP LIMITED 中國投融資集團有限公司.

- (iv) By deleting the existing definition of “Ordinary resolution” in its entirety and replacing therewith the following new definition:

“Ordinary resolution” a resolution shall be an ordinary resolution when it has been passed by a simple majority of votes cast by such Members as, being entitled to do so, vote in person or, in the case of any Member being a corporation, by its duly authorised representative or, where proxies are allowed, by proxy at a general meeting of which Notice of not less than fourteen (14) clear days and not less than ten (10) clear business days has been duly given.

- (v) By deleting the existing definition of “Special resolution” in its entirety and replacing therewith the following new definition:

“Special resolution” a resolution shall be a special resolution when it has been passed by a majority of not less than three-fourths of votes cast by such Members as, being entitled so to do, vote in person or, in the case of such Members being corporations, by their respective duly authorised representatives or, where proxies are allowed, by proxy at a general meeting of which Notice has been duly given in accordance with Article 59;

a special resolution shall be effective for any purpose for which an ordinary resolution is expressed to be required under any provision of these Articles or the Statutes.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (vi) By inserting the following new definition of “substantial shareholder” immediately after the definition of “Subsidiary and Holding Company”:

“substantial shareholder”

a person who is entitled to exercise, or to control the exercise of, 10% or more (or such other percentage as may be prescribed by the rules of the Designated Stock Exchange from time to time) of the voting power at any general meeting of the Company.

(2) *Article 3(3)*

By deleting the word “further” after the words “allowed by the Law and subject” in the first sentence of Article 3(3).

(3) *Article 9*

By deleting the first sentence of Article 9 which contains the words “Subject to the Law, any preference shares may be issued or converted into shares that, at a determinable date or at the option of the Company or the holder if so authorised by its memorandum of association, are liable to be redeemed on such terms and in such manner as the Company before the issue or conversion may by ordinary resolution of the Members determine.”

(4) *Article 10*

- (i) By inserting the word “and” after the words “shall be a quorum;” at the end of Article 10(a);
- (ii) By deleting the words “on a poll” after the words “shall be entitled”, deleting the semicolon and the word “and” after the words “such share held by him” in Article 10(b);
- (iii) By deleting the existing Article 10(c) in its entirety and replacing therewith the words “INTENTIONALLY DELETED”.

(5) *Article 55(2)*

By inserting “(12)” after the words “means the period commencing twelve” at the end of Article 55(2).

NOTICE OF EXTRAORDINARY GENERAL MEETING

(6) *Article 59(1)*

By deleting the existing Article 59(1) in its entirety and replacing therewith the following new Article 59(1):

- “59. (1) An annual general meeting shall be called by Notice of not less than twenty-one (21) clear days and not less than twenty (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 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 of not less than fourteen (14) clear days and not less than ten (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:
- (a) in the case of a meeting called as an annual general meeting, by all the Members entitled to attend and vote thereat; and
 - (b) 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 majority together holding not less than ninety-five per cent. (95%) in nominal value of the issued shares giving that right.”

(7) *Article 66*

By deleting the existing Article 66 in its entirety and replacing therewith the following new articles 66(1) and 66(2):

- “66. (1) 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 foregoing purposes as paid up on the share. A resolution put to the vote of a meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of

NOTICE OF EXTRAORDINARY GENERAL MEETING

hands in which case every Member present in person (or being a corporation, is present by a duly authorized representative), or by proxy(ies) shall have one vote provided that where more than one proxy is appointed by a Member which is a clearing house (or its nominee(s)), each such proxy shall have one vote on a show of hands. For purposes of this Article, procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular that may be issued by the Company to its Members; and (ii) 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 Members a reasonable opportunity to express their views.

- (2) 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:
 - (a) 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
 - (b) 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
 - (c) by a Member or Members present in person or in the case of a Member being a corporation by its duly authorised representative or by proxy and 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.

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.”

(8) *Article 67*

By deleting the existing Article 67 in its entirety and replacing therewith the words “INTENTIONALLY DELETED”.

NOTICE OF EXTRAORDINARY GENERAL MEETING

(9) *Article 68*

By deleting the existing Article 68 in its entirety and replacing therewith the following new Article 68:

“68. Where a resolution is voted on by a show of hands, a declaration by the chairman that a resolution has been carried, or carried unanimously, or by a particular majority, or not carried by a particular majority, or lost, and an entry to that effect made in the minute book of the Company, shall be conclusive evidence of the facts without proof of the number or proportion of the votes recorded for or against the resolution. The result of the poll shall be deemed to be the resolution of the meeting. There shall be no requirement for the chairman to disclose the voting figures on a poll.”

(10) *Article 69*

By deleting the existing Article 69 in its entirety and replacing therewith the words “INTENTIONALLY DELETED”.

(11) *Article 70*

By deleting the existing Article 70 in its entirety and replacing therewith the words “INTENTIONALLY DELETED”.

(12) *Article 73*

By deleting the comma and the words “whether on a show of hands or on a poll” after the words “an equality of votes” in the second sentence of Article 73.

(13) *Article 75(1)*

(i) By deleting the words “whether on a show of hands or on a poll” and the comma after the words “persons incapable of managing their own affairs may vote” in the first sentence of Article 75(1);

(ii) By deleting the words “or poll” after the words “or adjourned meeting” at the end of Article 75(1)

(14) *Article 85(2)*

By deleting the words “including the right to vote individually on a show of hands” and replacing therewith the words “including, where a show of hands is allowed, the right to vote individually on a show of hands.”

NOTICE OF EXTRAORDINARY GENERAL MEETING

(15) *Article 104*

- (i) By deleting the existing Article 104(1)(v) in its entirety and substituting therewith the words “INTENTIONALLY DELETED”;
- (ii) By deleting the existing Article 104(2) in its entirety and substituting therewith the words “INTENTIONALLY DELETED”;
- (iii) By deleting the existing Article 104(3) in its entirety and substituting therewith the words “INTENTIONALLY DELETED”.

(16) *Article 123*

By inserting the sentence “Notwithstanding the foregoing, a resolution in writing shall not be passed in lieu of a meeting of the Board 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” after the words “or an alternate Director shall be treated as valid” at the end of the existing Article 123.

(17) *Article 151(1)*

- (i) By inserting the words “(as defined below)” after the words “other than the Subscription Rights Reserve” in Article 151(1)(a)(iv);
- (ii) By inserting the words “(as defined below)” after the words “other than the Subscription Rights Reserve” in Article 151(1)(b)(iv).

(18) *Article 158*

By inserting the words “together with the notice of the general meeting” after the words “at least twenty-one (21) days before the date of the general meeting” in Article 158.

- (II) **THAT** the second amended and restated articles of association of the Company consolidating all of the various previous amendments and the proposed amendments referred to above and in the form produced to the meeting, a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of this meeting for the purpose of identification, be approved and adopted as the second amended and restated articles of association of the Company in substitution for and to the exclusion of the existing Articles of the Company with immediate effect.

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

7 January 2013

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

As at the date of this circular, the board of the Company consists of Mr. CHAN Cheong Yee as executive director, Mr. LIAO Jintian and Mr. ZHOU Weiquan as non-executive directors and Mr. CHEN Kaizhi, Mr. HA Tak-kong, Mr. LEUNG Kwong Kin and Mr. LO Chi Ming as independent non-executive directors.

Notes:

1. Any registered shareholders of the Company entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy need not be a registered shareholder of the Company.
2. To be valid, a form of proxy and any power of attorney or other authority (if any) under which it is signed or a certified copy of such powers of attorney or authority, must be return to the Company's principal place of business in Hong Kong at Suite 5801-5802, 58/F, The Centre, 99 Queen's Road Central, Central, in Hong Kong, not less than 48 hours before the time appointed for holding the EGM or any adjournment thereof. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date named in it as the date of its execution.
3. A form of proxy for use at the EGM is enclosed. Whether or not you propose to attend the EGM in person, you are strongly advised to complete and sign the form of proxy in accordance with the instructions printed on it and then deliver it at the Company's principle place of business in Hong Kong as indicated above. Returning the completed form of proxy will not preclude you from attending the EGM and voting in person if you so wish and, in such event, this form of proxy shall be deemed to be revoked.
4. If two or more persons are jointly registered as holders of any share in the Company, the vote of the senior person who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of other joint holders. For this purpose seniority shall be determined by the order in which the names stand on the Company's register of members in respect of the relevant shares.
5. A registered shareholder holding more than one share entitled to attend and vote at the EGM need not cast the votes in respect of such shares in the same way on any resolution and therefore may vote a share or some or all such shares either for or against a resolution and/or abstain from voting a share or some or all of the shares and, subject to the terms of the instrument appointing any proxy, a proxy appointed under one or more instruments may vote a share or some or all of the shares in respect of which he is appointed either for or against a resolution and/or abstain from voting.