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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)

INSIDE INFORMATION ORIGINATING SUMMONS AGAINST THE COMPANY

This announcement is made by China Investment and Finance Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Inside Information Provisions (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

Reference is made to the announcement (the “**Announcement**”) of the Company dated 9 June 2014 in relation to the proposed open offer. Unless otherwise stated, capitalised terms used herein shall have the same meanings ascribed in the Announcement.

The Board wishes to inform the Shareholders and potential investors of the Company that on 16 June 2014, the Company received a letter with a sealed copy of an originating summons (the “**Originating Summons**”) issued on 12 June 2014 by Mr. Wei Zhuofu (the “**Applicant**”) in the Court of First Instance of the High Court of The Hong Kong Special Administrative Region (the “**Court**”) against (i) the Company as 1st defendant; and (ii) six Directors, namely, Mr. Chan Cheong Yee, Mr. Liao Jintian, Mr. Zhou Han Jie, Mr. Ha Tak-Kong, Mr. Leung Kwong Kin and Mr. Tsang Hin Man Terrence as 2nd to 7th defendants, seeking a permanent injunction restraining the Company from proceeding with the Open Offer of 290,790,000 Shares of the Company to existing Qualifying Shareholders of the Company.

The Applicant is one of the substantial shareholders of the Company within the meaning of the Listing Rules. As at the date of the Announcement, the Applicant was interested in 40,928,000 Shares representing approximately 7.04% of the issued shares of the Company.

The Applicant alleged in the Originating Summons that (i) the Open Offer constitutes a breach of directors' fiduciary duty and duty of care and skill to the Company; and (ii) the Open Offer is made for improper purposes including the dilution of the Applicant's shareholding in the Company.

The Board wishes to emphasize that (i) under the Listing Rules, the Open Offer is not subject to Shareholders' approval; and (ii) under the Open Offer, each Qualifying Shareholder, including the Applicant, is entitled to subscribe for the Offer Shares at the same price in proportion to his/her/its existing shareholding in the Company.

No injunction order against the Open Offer has been granted by the Court. Hearing for the injunction application is scheduled on 11 July 2014 (the "**Hearing**"), before the latest time for acceptance and payment for the Offer Shares (which is on 16 July 2014).

The Board considers that it is in the best interests of the Shareholders and the Company as a whole to proceed with the Open Offer. The Board is therefore of the view that the Open Offer shall proceed according to the expected timetable as set out in the Announcement. The last day of dealing in the Shares on cum-entitlement basis of the Open Offer is 18 June 2014.

The Company will obtain legal advice and will defend in the Hearing. Further announcement(s) will be published as and when appropriate to keep the Shareholders and potential investors of the Company informed.

Shareholders should note that the Shares will be dealt in on an ex-entitlement basis from 19 June 2014, and that dealings in Shares will take place whilst the conditions to which the Open offer is subject remain unfulfilled. Any Shareholder or other person dealing in the Shares up to the date on which all the conditions to which the Open Offer is subject are fulfilled which is expected to be on 21 July 2014 will accordingly bear the risk that the Open Offer may not become unconditional or may not proceed. Any Shareholder or other person contemplating dealing in the Shares during such period who is in any doubt his/her/its position is advised to consult his/her/its professional adviser. Shareholders and potential investors should therefore exercise extreme caution when dealing in the Shares.

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

Hong Kong, 16 June 2014

As at the date of this announcement, the board of the Company consists of Mr. CHAN Cheong Yee as executive director, Mr. LIAO Jintian, Mr. ZHOU Wei-quan (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 Terrence as independent non-executive directors.