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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

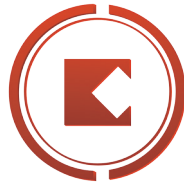
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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in China Investment and Finance Group Limited, you should at once hand this circular and the accompanying 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 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)**

**PROPOSED GENERAL MANDATES TO  
REPURCHASE AND ISSUE SHARES,  
PROPOSED RE-ELECTION OF DIRECTORS,  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

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Notice convening the AGM (as defined herein) to be held at Units 03 & 05, 32/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong on 29 August 2013, at 9:00 a.m., is set out on page 23 to page 27 of this circular. Whether or not Shareholders are able to attend the AGM, they are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the Company's principal place of business in Hong Kong at Units 03 & 05, 32/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong, as soon as possible but in any event no later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude Shareholders from attending and voting in person at the AGM or any adjournment thereof should they so desire.

19 July 2013

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise.*

“AGM”	the annual general meeting of the Company to be held at Units 03 & 05, 32/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong on 29 August 2013 at 9:00 a.m., a notice of which is set out on page 23 to page 27 of this circular
“Articles”	the articles of association of the Company
“Auditors”	the auditors, from time to time, of the Company
“Board”	the board of Directors
“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
“Companies Law”	the Companies Law Cap. 22 (Law 3 of 1961) of the Cayman Islands (as amended from time to time)
“Directors”	the directors of the Company
“Group”	the Company and its Subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	18 July 2013, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Share Option Scheme”	the new share option scheme which is proposed to be adopted by the Company at the AGM, the principal terms of which are set out in Appendix 3 to this circular
“Notice”	Notice of the AGM as set out on pages 23 to 27 of this circular
“Offer”	an offer for the grant of an Option made in accordance with the New Share Option Scheme
“Option(s)”	option(s) to subscribe for Shares granted pursuant to the New Share Option Scheme

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## DEFINITIONS

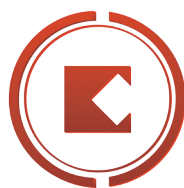
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“Participant(s)”	any employees of the Group (including any directors, whether executive or non-executive and whether independent or not, of the Company or any Subsidiary) and any distributor, contractor, business partner, promoter, service provider, customer, supplier, consultant, agent and adviser or any person who, in the sole discretion of the Board, has contributed or may contribute to the Group eligible for Options under the New Share Option Scheme
“Previous Share Option Scheme”	the previous share option scheme of the Company adopted by the Company on 31 August 2002
“Repurchase Mandate”	the general and unconditional mandate to repurchase shares in the capital of the Company for up to 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the resolution
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company
“Share Issue Mandate”	the general and unconditional mandate to allot, issue or otherwise deal with Shares up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing of the resolution
“Shareholder(s)”	holder(s) of the Share(s), from time to time
“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 the Company (within the meaning of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong), whether incorporated in Hong Kong, the Cayman Islands or elsewhere
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers
“\$” and “cents”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong
“%”	per cent

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## LETTER FROM THE BOARD

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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)**

*Executive Director:*

Mr. CHAN Cheong Yee

*Non-executive Directors:*

Mr. LIAO Jintian (*Chairman*)

Mr. ZHOU Weiquan

Mr. ZHOU Han Jie

*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:*

Units 03 & 05, 32/F

Sino Plaza

255-257 Gloucester Road

Causeway Bay

Hong Kong

19 July 2013

*To all Shareholders*

Dear Sirs or Madams,

**PROPOSED GENERAL MANDATES TO  
REPURCHASE AND ISSUE SHARES,  
PROPOSED RE-ELECTION OF DIRECTORS,  
PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

#### **1. INTRODUCTION**

The purpose of this circular is to provide the Shareholders with information regarding the resolutions to be proposed at the AGM relating to the Share Issue Mandate, the Repurchase Mandate, the re-election of retiring Directors and the adoption of the New Share Option Scheme. A notice of the AGM is set out on pages 23 to 27 of this circular.

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## LETTER FROM THE BOARD

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### 2. GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES

Ordinary resolutions will be proposed at the AGM relating to the following general mandates:

- (i) authorising the Directors to allot, issue and otherwise deal with additional Shares (and securities convertible into Shares) with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company (581,580,000 Shares on the Latest Practicable Date) as at the date of the passing of the resolution;
- (ii) authorising the Directors to repurchase Shares with an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of the passing of the resolution; and
- (iii) authorising the addition to the mandate to issue new Shares (referred to in (i) above) of those Shares repurchased by the Company pursuant to the Repurchase Mandate (referred to in (ii) above).

In accordance with the Listing Rules, and in particular the rules regulating repurchase of securities on the Stock Exchange, the Company is required to send to Shareholders an explanatory statement containing information reasonably necessary to enable Shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its Shares. This explanatory statement is set out in Appendix 1 to this circular.

### 3. RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 87(3) of the Articles, the office of Mr. ZHOU Han Jie as non-executive director of the Company will expire at the AGM and he, being eligible, will offer himself for re-election.

Pursuant to Article 88 of the Articles, Mr. CHEN Kaizhi and Mr. HA Tak-kong will retire at AGM from office as independent non-executive Directors. They, being eligible, will offer themselves for re-election at the AGM.

According to the code provision A.4.3 of the Corporate Governance Code contained in Appendix 14 to the Listing Rules, if an independent non-executive director serves more than nine years, his further appointment should be subject to a separate resolution to be approved by shareholders and the papers to the shareholders accompanying that resolution should include the reasons why the board believes he is still independent and should be re-elected. Mr. HA Tak-kong, who is subject to retirement at the AGM, has served as an independent non-executive Director for more than nine years since he was first appointed to the Board in June 2004. Mr. HA Tak-kong provides his independence confirmation to the Company annually, confirming that he has thus far met the independence guidelines set out in Rule 3.13 of the Listing Rules. The Board therefore believes that he continues to be independent and considers that he should be re-elected, particularly in view of the stability of the Board and his experience and contribution to the Board.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director(s) in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting.

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## LETTER FROM THE BOARD

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Details of the Directors proposed to be re-elected at the AGM are set out in Appendix 2 to this circular.

#### 4. ADOPTION OF THE NEW SHARE OPTION SCHEME

The Previous Share Option Scheme was adopted by the Company on 31 August 2002 and expired on 30 August 2012. The Board proposes and recommends to the Shareholders at the AGM to approve the adoption of the New Share Option Scheme.

Accordingly, an ordinary resolution will be proposed at the AGM to approve the adoption of the New Share Option Scheme.

##### **New Share Option Scheme**

The purpose of the New Share Option Scheme is to provide incentive or reward to Participants for their contribution to, and continuing efforts to promote the interests of, the Group.

The rules of the New Share Option Scheme provide that the Company may specify the Participants to whom Options shall be granted, the number of Shares subject to each Option and the date on which the Options shall be granted. The basis for determining the subscription price is also specified precisely in the rules of the New Share Option Scheme. There is no performance target specified in the New Share Option Scheme. The Directors consider that the aforesaid criteria and rules will serve to preserve the value of the Company and encourage Participants to acquire proprietary interests in the Company.

The total issued share capital of the Company as at the Latest Practicable Date is HK\$116,316,000 divided into 581,580,000 Shares. Subject to the approval of the New Share Option Scheme by the Shareholders and assuming that there is no change in the issued share capital between the period from the Latest Practicable Date to the date of the adoption of the New Share Option Scheme, the number of Shares which may fall to be allotted and issued upon exercise in full of all the Options that may be granted under the New Share Option Scheme would be 58,158,000 Shares, representing approximately 10% of the Shares in issue as at the Latest Practicable Date.

The Directors consider that it is not appropriate to state the value of all Options that can be granted pursuant to the New Share Option Scheme as if they had been granted on the Latest Practicable Date, as a number of variables which are crucial for the calculation of the Option value have not been determined. Such variables include but are not limited to the exercise price, exercise period and lock-up period (if any). The Directors believe that any calculation of the value of the Options as at the Latest Practicable Date based on a number of speculative assumptions would not be meaningful and would be misleading to Shareholders.

The New Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules. The New Share Option Scheme is conditional upon:–

- (a) the passing of the ordinary resolution by the Shareholders at the AGM to approve the adoption of the New Share Option Scheme; and

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## LETTER FROM THE BOARD

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- (b) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of the Options under the New Share Option Scheme.

An application will be made to the Listing Committee of the Stock Exchange for granting the approval for the listing of, and permission to deal in, the Shares to be issued pursuant to the exercise of the Options granted under the New Share Option Scheme.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix 3 to this circular. A copy of the rules of the New Share Option Scheme is available for inspection at the head office and principal place of business of the Company at Units 03 & 05, 32/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong during normal business hours from the date hereof up to and including the date at the AGM.

### **5. ANNUAL GENERAL MEETING**

The Notice convening the AGM is set out on pages 23 to 27 of this circular. A form of proxy for use at the AGM is enclosed. Whether or not Shareholders intend to attend the AGM, Shareholders are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return to the Company's principal place of business in Hong Kong at Units 03 & 05, 32/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong, as soon as possible but in any event no later than 48 hours before the time appointed for holding the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the AGM (or any adjournment thereof) should they so desire.

### **6. RECOMMENDATION**

The Directors consider that the proposed grant of the general mandates to issue and repurchase Shares, the proposed re-election of the retiring Directors and the adoption of the New Share Option Scheme are all in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

### **7. 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.



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## LETTER FROM THE BOARD

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### 8. GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the resolutions to be proposed at the AGM and is required to abstain from voting on the resolution(s) to be proposed at the AGM.

### 9. FURTHER INFORMATION

Your attention is drawn to Appendix 1 to this circular which provides an explanatory statement on the proposed general mandate for repurchase of Shares, Appendix 2 which sets out details of the Directors proposed to be re-elected at the AGM in accordance with the Listing Rules and Appendix 3 which sets out a summary of the principal terms of the New Share Option Scheme.

Yours faithfully,  
On behalf of the Board  
**Mr. CHAN Cheong Yee**  
*Executive Director*

*The following is an Explanatory Statement required to be sent to Shareholders under the Listing Rules in connection with the proposed general mandate for repurchase of securities:*

## **1.     LISTING RULES REQUIREMENT FOR REPURCHASE OF SECURITIES**

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities (which shall include, where the context permits, shares of all classes and securities which carry a right to subscribe or purchase shares, of a company, and shall include warrants) on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

### **(a)    Shareholders' approval**

All on-market securities repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of Shareholders, either by way of general mandate or by specific approval in relation to specific transactions.

### **(b)    Source of funds**

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the company's memorandum and articles of association (the "**Articles**") and the laws of Cayman Islands.

## **2.     SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company comprised 581,580,000 Shares.

Subject to the passing of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase Shares up to a maximum of 58,158,000 Shares representing not more than 10% of the share capital of the Company in issue as at the Latest Practicable Date, during the period from the date of passing of the resolution for the approval of the Repurchase Mandate up to (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 or any other applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

## **3.     REASONS FOR REPURCHASE**

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

**4.      FUNDING OF REPURCHASE**

Repurchases pursuant to the Repurchase Mandate would be financed entirely from the Company's available cash flow or working capital facilities. Any repurchases will only be funded out of funds of the Company legally available for such purposes in accordance with its Articles and the laws of Cayman Islands.

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in its latest published audited accounts) in the event that the Repurchase Mandate was to be carried out at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

**5.      SHARE PRICES**

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous 12 calendar months immediately prior the Latest Practicable Date are as follows:

	<b>Highest</b> <i>HK\$</i>	<b>Lowest</b> <i>HK\$</i>
August 2012	0.590	0.270
September 2012	0.355	0.280
October 2012	0.470	0.320
November 2012	0.390	0.320
December 2012	0.455	0.350
January 2013	0.400	0.360
February 2013	0.425	0.340
March 2013	0.395	0.350
April 2013	0.390	0.330
May 2013	0.330	0.300
June 2013	0.340	0.280
July 2013 (up to the Latest Practicable Date)	0.365	0.280

**6.      UNDERTAKING**

The Directors have undertaken to the Stock Exchange that they will exercise the Repurchase Mandate in accordance with the Listing Rules and the laws of Cayman Islands and in accordance with the regulations set out in the Articles of the Company.

None of the Directors, to the best of their knowledge having made all reasonable enquiries, nor any of their respective associates (as defined in the Listing Rules), presently intend to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate in the event that the Repurchase Mandate is approved by Shareholders.

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## APPENDIX 1      EXPLANATORY STATEMENT ON REPURCHASE PROPOSAL

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No other connected persons (as defined in the Listing Rules) have notified the Company that they have any intention presently to sell any Shares, or that they have undertaken presently not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by Shareholders.

### 7. EFFECT OF TAKEOVERS CODE

If there has been a repurchase of Shares resulting in an increase in a Shareholder's proportionate interest in the voting rights of the Company, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, depending on the level of increase of the Shareholder's interest, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 366 of the SFO, and so far as is known to the Directors, the following Shareholders were directly interested in 5% or more of the issued share capital of the Company carrying rights to vote in all circumstances at general meetings of the Company together with the number of Shares in which it was deemed to be interested:

	<i>Note</i>	<b>Number of Shares Held as at the Latest Practicable Date</b>	<b>Percentage of Holding as at the Latest Practicable Date</b>	<b>Percentage of Holding if the Proposed Repurchase Mandate is exercised in full</b>
Tycor Development Limited	1	170,576,000	29.33%	32.58%
Zhou Han Jie	2	170,832,000	29.57%	32.64%
Wei Zhou Fu	3	35,000,000	6.01%	6.68%

*Notes:*

1. Tycor Development Limited is interested in 170,576,000 shares of the Company as at the Latest Practicable Date. Mr. Liao Jintian and Mr. Zhou Weiyan beneficially own approximately 11.68% and 10.15% of the shareholdings of Tycor Development Limited respectively.
2. Mr. Zhou Han Jie ("Mr. Zhou") is holding approximately 11.19% of the shareholding of Tycor Development Limited, and Mr. Zhou also holds 256,000 Shares, representing approximately 0.04% of the total issued shares of the Company as at the Latest Practicable Date. Therefore Mr. Zhou is deemed to have interests in aggregate of 170,832,000 Shares, representing approximately 29.37% of the total issued shares of the Company.
3. Mr. Wei Zhou Fu, is interested in 35,000,000 shares as at the Latest Practicable Date. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Mr. Wei Zhou Fu has no relationship with any Directors, senior management or other substantial or controlling Shareholders.

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**APPENDIX 1            EXPLANATORY STATEMENT ON REPURCHASE PROPOSAL**

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In the event that the Directors exercise the Repurchase Mandate in full and assuming there is no change in the issued share capital of the Company as at the date of passing of the relevant resolution granting the Repurchase Mandate, the interest of Tycor Development Limited and Mr. Zhou Han Jie would be increased to approximately the percentage shown in the last column above and such increase would give rise to an obligation to make a mandatory offer under Rule 26.1 of the Takeovers Code. In the event that any exercise of the Repurchase Mandate would, to the Directors' knowledge, have such a consequence, the Directors would not exercise the Repurchase Mandate to such extent.

Save as disclosed above, the Directors are not aware of any consequences arising under the Takeovers Code as a consequence of any purchases made pursuant to the Repurchase Mandate.

The Listing Rules prohibit a company from making a repurchase of shares on the Stock Exchange if as a result of the repurchase, there would be less than 25% (or such other prescribed percentage as determined by the Stock Exchange to constitute the minimum public float of a company) of the issued share capital in public hands. The Directors do not propose to repurchase Shares which would result in shares in public hands being less than the prescribed minimum percentage of Shares in public hands.

**8.     SHARE PURCHASES MADE BY THE COMPANY**

The Company has not purchased any of its Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

*The details of the Directors who are proposed to be re-elected and appointed at the AGM, are set out below:*

**NON-EXECUTIVE DIRECTOR**

Mr. Zhou Han Jie, aged 40, is the chairman of Guangdong Zhongtai Furniture Industries Limited (廣東中泰家具實業有限公司) and the vice president of Shunde Furniture Association (順德家俱協會) since 2004. Mr. Zhou has significant influence in the areas of furniture sales and manufacturing.

Mr. Zhou is also the director of Guangdong Mingde Financial Guarantee Company Limited (廣東明德融資擔保有限公司) and Fushan Zhengde Investment Limited (佛山正德投資有限公司). Mr. Zhou has over three years of financial experience, specialising in corporate finance and investment. Mr. Zhou also holds an EMBA degree from Zhongshan University. Mr. Zhou has not held directorship in any listed public companies during the past three years.

Mr. Zhou has not entered into any service contract with the Company and will be subject to retirement by rotation and re-election at the forthcoming annual general meeting of the Company in accordance with the Articles.

The director's fee of Mr. Zhou is to be determined by the Board as authorised by the Shareholders at the AGM, which is with reference to his duties, responsibilities and the market conditions. As at the Latest Practicable Date, Mr. Zhou is not entitled to a director's emolument.

As at the Latest Practicable Date, Tycor Development Limited ("Tycor"), a private limited company incorporated in British Virgin Islands, holds 170,576,000 shares in the Company and Tycor is approximately 11.19% owned by Mr. Zhou. Mr. Zhou also holds 256,000 Shares. Mr. Zhou is therefore deemed to have interest in aggregate of 170,832,000 Shares representing approximately 29.37% of the total issued shares of the Company. Save as disclosed above, Mr. Zhou does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Zhou has not held any directorship in other listed public companies in the last three years nor was there any other information relating to Mr. Zhou that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**INDEPENDENT NON-EXECUTIVE DIRECTORS**

**Mr. CHEN Kaizhi**, aged 72, was appointed as an independent non-executive Director and honorary chairman with effect from 25 March 2011. Prior to joining the Company, he held various positions in the government of Guangdong province from 1964 to 1998. Mr. Chen was promoted to executive vice mayor of Guangzhou in 1992 and deputy secretary of the Leading Party Group of Guangzhou Municipal Government (廣州市政府黨組副書記) in 1993. From 1998 to 2005, Mr. Chen was the chairman and secretary of the Leading Party Group of Guangzhou Political Consultative Conference (廣州市政協主席及黨組書記). Since his retirement from his positions in the government in 2005, he held the position of vice president of China Foundation for Poverty Alleviation (中國扶貧基金會), a charity organization in the PRC. He obtained a bachelor's degree in political education from South China Normal College (華南師範學院), which is the predecessor of South China Normal University (華南師範大學) in 1964. Mr. Chen is an independent non-executive director of BaWang International (Group) Holding Limited (stock code: 1338).

Mr. Chen has not entered into any service contract with the Company and will be subject to retirement by rotation and re-election at the forthcoming annual general meeting of the Company in accordance with the Articles of the Company.

The director's fee of Mr. Chen is to be determined by the Board as authorised by the Shareholders at the AGM, which are with reference to his duties, responsibilities and the market conditions. For the year ended 31 March 2013, Mr. Chen is entitled for a director's emolument of HK\$130,000 per annum.

As at the Latest Practicable Date, Mr. Chen does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed above, Mr. Chen does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Chen has not held any directorship in other listed public companies in the last three years nor was there any other information relating to Mr. Chen that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

**Mr. HA Tak-kong**, aged 44, was appointed as an independent non-executive director of the Group on 3 June 2004. Mr. Ha obtained a bachelor degree in accounting from the University of Hong Kong and is working as an accounting manager in an import and export trading firm. Mr. Ha is an associate member of the Hong Kong Institute of Certified Public Accountants.

Mr. Ha has not entered into any service contract with the Company and will be subject to retirement by rotation and re-election at the forthcoming annual general meeting of the Company in accordance with the Articles of the Company.

The director's fee of Mr. Ha is to be determined by the Board as authorised by the Shareholders at the AGM, which are with reference to his duties, responsibilities and the market conditions. For the year ended 31 March 2013, Mr. Ha is entitled for a director's emolument of HK\$130,000 per annum.

As at the Latest Practicable Date, Mr. Ha does not have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Save as disclosed above, Mr. Ha does not have any relationship with any directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, Mr. Ha has not held any directorship in other listed public companies in the last three years nor was there any other information relating to Mr. Ha that was required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules.

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## APPENDIX 3 SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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*This appendix sets out further information of the New Share Option Scheme and also summarises the principal terms of the New Share Option Scheme but does not form part of nor was it intended to be, part of the New Share Option Scheme nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:*

### NEW SHARE OPTION SCHEME

#### Summary of terms

The following is a summary of the principal terms of the New Share Option Scheme proposed to be approved by a resolution of the Shareholders at the AGM, notice of which is set out on pages 23 to 27 of this circular:

*(a) Purpose of the New Share Option Scheme*

The purpose of the New Share Option Scheme is to enable the Company to provide incentive or reward to Participants for their contribution to, and continuing efforts to promote the interests of, the Group.

*(b) Administration of the New Share Option Scheme*

The New Share Option Scheme shall be subject to the administration of the Directors whose decision on all matters arising in relation to the New Share Option Scheme or their interpretation or effect shall (save as otherwise provided herein) be final and binding on all persons who may be affected thereby.

*(c) Grant and acceptance of Options*

Subject to the terms of the New Share Option Scheme, the Board may, in its absolute discretion, invite any Participant to take up Options to subscribe for Shares at a price calculated in accordance with paragraph (d) below.

An Offer shall be made to a Participant in writing (and unless so made shall be invalid) in such form as the Board may from time to time determine either generally or on a case-by-case basis specifying the number of Shares and the Option Period (as defined below) in respect of which the Offer is made and further requiring the Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme and shall remain open for acceptance by the Participant concerned (and by no other person, including his personal representative(s)) for a period of twenty-one (21) days inclusive of, and from the date on which the Offer is made (the "Offer Date") provided that no such Offer shall be open for acceptance after the earlier of the date falling ten (10) years after the date on which the New Share Option Scheme was adopted (the "Adoption Date") or the termination of the New Share Option Scheme.



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### APPENDIX 3 SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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An Offer shall be deemed to have been accepted by a Participant in respect of all Shares which are offered to such Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Participant together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

Any Offer may be accepted by a Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate letter comprising acceptance of the Offer duly signed by such Participant and received by the Company together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof within twenty-one (21) days from the Offer Date or such shorter period as the Board may from time to time determine.

Upon an Offer being accepted by a Participant in whole or in part in accordance with this paragraph (c), an Option in respect of the number of Shares in respect of which the Offer was so accepted will be deemed to have been granted by the Company to such Participant on the date of such acceptance. To the extent that the Offer is not accepted within twenty-one (21) days in the manner indicated in this paragraph (c) it will be deemed to have been irrevocably declined.

*(d) Exercise of Options and Price of Shares*

An Option may be exercised in whole or in part by the grantee giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. Within twenty-one (21) days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate of the Company's auditors or independent financial advisers, the Company shall allot and issue the relevant Shares to the grantee (or his personal representative(s)) credited as fully paid.

Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the Articles for the time being in force and will rank pari passu in all respects with the existing fully paid Shares in issue on the date on which the Option is duly exercised or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members (the "Exercise Date") and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the Exercise Date other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the Exercise Date. A Share allotted upon the exercise of an Option shall not carry voting rights until the name of the grantee has been duly entered onto the register of members of the Company as the holder thereof.

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### APPENDIX 3 SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME

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The exercise price for Shares under the New Share Option Scheme may be determined by the Board at its absolute discretion but in any event will not be less than the highest of: (i) the closing price of the Shares on the Stock Exchange (as stated in the Stock Exchange's daily quotations sheet) on the Offer Date, which must be a Business Day (meaning a day on which the Stock Exchange is open for the business of dealing in securities); (ii) the average closing price of the Shares on the Stock Exchange (as stated in the Stock Exchange's daily quotations sheets) for the five (5) Business Days immediately preceding the Offer Date; (iii) the nominal value of the Share on the date of grant.

*(e) Maximum number of Shares available for issue*

- (i) Subject to the Listing Rules, the maximum number of Shares which may be issued upon exercise of all Options may be granted at any time under the New Share Option Scheme shall not, when aggregated with any Shares subject to any other schemes involving the issue or grant of option over Shares by the Company to, or for the benefit of the Participants, exceed such number of Shares as shall represent 10 per cent. of the issued share capital of the Company as at the Adoption Date (the "Scheme Mandate Limit"). Options lapsed in accordance with the terms of the New Share Option Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.
- (ii) The Company may seek approval by its Shareholders in general meeting for "refreshing" the Scheme Mandate Limit under the New Share Option Scheme. However, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other schemes of the Company under the limit as "refreshed" must not exceed 10 per cent. of the Shares in issue as at the date of passing the relevant resolution. Options previously granted under the New Share Option Scheme (including those outstanding, cancelled, lapsed in accordance with the New Share Option Scheme or exercised Options) will not be counted for the purpose of calculating the Scheme Mandate Limit as "refreshed".
- (iii) The Company may seek separate approval by its Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit provided the Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought. The Company must send a circular to the Shareholders containing a generic description of the specified Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose, the information required under rule 17.02(2)(d) and the disclaimer required under rule 17.02(4) of the Listing Rules.
- (iv) The limit on the number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other schemes of the Company must not exceed 30 per cent. of the relevant class of Shares in issue from time to time. No Options may be granted under the New Share Option Scheme or any other schemes of the Company if this will result in this limit being exceeded.

(f) *Grant of Options to connected persons or any of their associates*

Any grant of Option to a Director, chief executive or substantial Shareholder (as defined in the Listing Rules) of the Company, or any of their respective associates (as defined in the Listing Rules), under the New Share Option Scheme must be approved by the independent non-executive Directors (excluding an independent non-executive Director who is the proposed grantee of the Option). Where any grant of Options to a substantial Shareholder (as defined in the Listing Rules) of the Company or an independent non-executive Director or any of their respective associates (as defined in the Listing Rules), would result in the Shares issued or to be issued upon exercise of all Options already granted or to be granted (including Options exercised, cancelled and outstanding) to such person in the twelve (12)-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1 per cent. of the relevant class of Shares in issue; and
- (b) having an aggregate value, based on the closing price of the Shares as stated in the daily quotation sheet issued by the Stock Exchange at the date of each grant, in excess of HK\$5 million,

such further grant of Options must be approved by the Shareholders in general meeting at which all connected persons of the Company (as defined in the Listing Rules) must abstain from voting in favour at such general meeting. Any vote taken at the general meeting to approve the grant of such Options must be taken by way of a poll.

A circular must be prepared by the Company explaining the proposed grant, disclosing (i) the number and terms of the Options to be granted, (ii) containing a recommendation from the independent non-executive Directors (excluding independent non-executive Director who is the proposed grantee of the Options) as to voting, (iii) the information required under rule 17.02(2)(c) and (d) and the disclaimer required under rule 17.02(4); and (iv) the information required under rule 2.17 of the Listing Rules.

(g) *Maximum entitlement of each Participant*

The total number of Shares issued and to be issued upon exercise of the Options granted to each Participant or grantee (including exercised and outstanding options) in any twelve (12)-month period up to the date of grant shall not exceed 1% of the Shares in issue at the date of grant (the "Individual Limit"). Where it is proposed that any Offer is to be made to a Participant (or where approximate, an existing grantee) which would result in the Shares issued and to be issued upon exercise of all Options granted and to be granted to such person (including exercised, cancelled and outstanding Options) in the twelve (12)-month period up to and including the relevant date of grant to exceed his, her or its Individual Limit, such Offer and any acceptance thereof must be conditional upon Shareholders' approval in general meeting with such Participant (or where appropriate, an existing grantee) and his, her or its associates (as defined in the Listing Rules) abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Participant or grantee, the number and terms of Options to be granted (and Options previously granted) to such Participant, the information required under the Listing Rules. The number and terms (including the subscription price) of Options to be granted to such Participant must be fixed before the date on which Shareholders' approval is sought and the date of the Board meeting for proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

*(h) Time of Exercise of Options*

Subject to the terms of the New Share Option Scheme, an Option may be exercised in whole or in part at any time during the period to be determined and identified by the Board to each grantee at the time of making an offer for the grant of an Option, but in any event no later than ten (10) years from the date of grant but subject to the early termination of the New Share Option Scheme (the “Option Period”).

There is no specified minimum period under the New Share Option Scheme for which an Option must be held or the performance target which must be achieved before an Option can be exercised under the terms of the New Share Option Scheme.

*(i) Restrictions on the time of grant of Options*

Grant of Options may not be made after inside information has come to the Company’s knowledge until the Company has announced the information in accordance with the relevant requirements of the Listing Rules. In particular, no Option may be granted during the period commencing one (1) month immediately preceding the earlier of (i) the date of the Board meeting for the approval of the Company’s interim or annual results; and (ii) the deadline for the Company to publish its interim or annual results announcement, and ending on the date of such results announcement.

*(j) Rights are personal to grantees*

An Option is personal to the grantee and shall not be assignable. An Option shall not be sold, transferred, charged, mortgaged, encumbered or created with any interest in favour of any third party.

*(k) Rights on cessation of employment by dismissal*

If the grantee of an Option is an employee of a member of the Group and ceases to be an employee on one or more of the grounds that he or she has been guilty of persistent or serious misconduct, bankruptcy, insolvency, composition with his or her creditors generally or conviction of any criminal offence (other than an offence which in the opinion of the Directors does not bring the grantee or the Group into disrepute), his or her Option (to the extent not already exercised) will lapse on the date of cessation of his or her employment.

*(l) Rights on death*

If the grantee of an Option is an employee of a member of the Group and ceases to be an employee by reason of his or her death before exercising the Options in full and none of the events referred to in paragraph (k) above as ground for termination of his or her Options arises, his or her personal representative(s) may exercise the Option (to the extent not already exercised) within a period of twelve (12)-months following the date of death (or such longer period as the Board may determine), failing which it will lapse.

*(m) Rights on cessation of employment for other reasons*

If the grantee of an Option who is an employee of a member of the Group ceases to be an Participant for any other reason before exercising the Option in full, the Option (to the extent not already exercised) shall lapse on the date of cessation or termination and shall not be exercisable. The date of cessation or termination as aforesaid shall be the last day on which the grantee was actually at work with the Company or the relevant Subsidiary whether salary is paid in lieu of notice or not.

*(n) Rights on a general or partial offer*

In the event of a general or partial offer being made to all Shareholders (or all such holders other than the offeror and/or person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) with the offeror) and such offer becomes or is declared unconditional during the Option Period of the relevant Option, the grantee (or his personal representative(s)) shall be entitled to exercise the Option in full (to the extent not already exercised) at any time thereafter and up to the close of such offer.

*(o) Rights on winding up*

In the event a notice is given by the Company to its members to convene a general meeting for the purpose of considering and, if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each member of the Company give notice thereof to all grantees and any grantee or his or her personal representative(s) may by notice in writing to the Company accompanied by a remittance for the full amount of the aggregate subscription price in respect of the relevant Option (such notice to be received by the Company no later than four (4) Business Days prior to the proposed general meeting)) exercise the Option (to the extent not already exercised) either to its full extent or to the extent that he or she may specify in his or her notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue such number of Shares to the grantee credited as fully paid.

*(p) Rights on reconstruction, compromise or arrangement*

If a compromise or arrangement between the Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice to the grantee on the same date as it despatches the notice to each member or creditor of the Company to consider such a compromise or arrangement, and thereupon the grantee (or his or her personal representative(s)) may by notice in writing to the Company accompanied by a remittance of the full amount of the subscription price in respect of which the notice is given (such notice to be received by the Company no later than five (5) Business Days prior to the proposed meeting) exercise the Option (to the extent not already exercised) either to its full extent or to the extent specified in the notice and the Company shall as soon as possible and in any event no later than the Business Day immediately prior to the date of the proposed general meeting allot and issue such number of Shares to the grantee credited as fully paid.

*(q) Cancellation of Options*

The Board may at any time cancel any Option granted but not exercised if the grantee so agrees. Any cancellation of Options granted but not exercised and the issuance of new Options to the same grantee may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) within the Scheme Mandate Limit.

*(r) Effect of alterations to share capital*

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, consolidation, subdivision or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), such corresponding alterations (if any) will be made in (i) the number or nominal amount of Shares to which the New Share Option Scheme or any Option(s) relates and/or (ii) the subscription price per Share and/or (iii) the maximum number of Shares available for subscription and/or; (iv) the method of exercise of the Option, as the auditors or independent financial advisers for the time being of the Company shall at the request of the Company or any grantee certify in writing to be in their opinion fair and reasonable, provided that any such alterations shall be made on the basis that the grantee shall have the same proportion of the issued share capital of the Company to which he was entitled before such alteration and the aggregate subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as possible the same as (but not greater than) it was before such event, but so that no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. Save in the case of a capitalisation issue, the auditors or independent financial advisers for the time being of the Company must confirm to the Directors in writing that such adjustment(s), among others, satisfy the aforesaid requirements.

*(s) Ranking of Shares*

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the articles of associations of the Company for the time being in force and will rank *pari passu* in all respects with the fully paid Shares in issue on the date on which the Option is exercised and accordingly will entitle the holders of Shares to participate in all dividends or other distributions paid or made on or after the date on which the Option is exercised other than any dividends or other distributions previously declared or recommended or resolved to be paid or made with respect to a record date which shall be before the date of allotment.

*(t) Duration of the New Share Option Scheme*

The New Share Option Scheme shall continue in force for the period commencing from the Adoption Date and expiring at the close of business on the tenth anniversary thereof, after such period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in full force and effect in respect of any Options granted before its expiry or termination but not yet exercised.

*(u) Alterations to the terms of the New Share Option Scheme*

- (i) The provisions relating to the matters set out in rule 17.03 of the Listing Rules cannot be altered to the advantage of Participants without the prior approval of Shareholders in a general meeting.
- (ii) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any change to the terms of Options granted must be approved by Shareholders, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (iii) The amended terms of the New Share Option Scheme or the Options must still comply with the relevant requirements of Chapter 17 of the Listing Rules.
- (iv) Any change to the authority of the Directors or the administrator of the New Share Option Scheme in relation to any alteration to the terms of the New Share Option Scheme must be approved by Shareholders in a general meeting.

*(v) Conditions of the New Share Option Scheme*

The New Share Option Scheme is conditional upon:

- (i) the Listing Committee of the Stock Exchange granting the listing of and permission to deal in any Shares to be issued by the Company pursuant to the exercise of Options in accordance with the terms and conditions of the New Share Option Scheme; and
- (ii) the passing of the necessary resolution to approve and adopt the New Share Option Scheme in general meeting.

*(w) Lapse of Options*

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (i) the expiry of the Option Period;
- (ii) the expiry of any of the periods referred to in paragraphs (k) to (p); and
- (iii) the date on which the Directors shall exercise the Company's right to cancel the Option by reason of a breach of paragraph (j) by the grantee of the Option in respect of that or any other Option.

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**APPENDIX 3 SUMMARY OF PRINCIPAL TERMS OF THE NEW SHARE OPTION SCHEME**

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(x) *Termination*

The Company by ordinary resolution in general meeting may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior to such termination.

Details of the Options granted, including Options exercised or outstanding, under the New Share Option Scheme shall be disclosed in the circular to Shareholders seeking approval of any subsequent share option scheme to be established after such termination.

(y) *Miscellaneous*

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time in force on a continuing basis in respect of the New Share Option Scheme and any other schemes of the Company.

Any dispute arising in connection with the number of Shares of an Option and any of the matters referred to in paragraph (r) above shall be referred to the decision of the auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final and binding.



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## NOTICE OF ANNUAL GENERAL MEETING

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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)**

**NOTICE IS HEREBY GIVEN** that the annual general meeting of China Investment and Finance Group Limited (the “Company”) will be held at Units 03 & 05, 32/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong on 29 August 2013 at 9:00 a.m. for the following purposes:

#### **Ordinary Resolutions**

1. To receive and adopt the audited financial statements of the Company and the reports of the directors (the “Directors”) and auditors for the year ended 31 March 2013.
2. (a) (i) To re-elect Mr. ZHOU Han Jie as a non-executive director of the Company.  
(ii) To re-elect Mr. CHEN Kaizhi as an independent non-executive director of the Company.  
(iii) To re-elect Mr. HA Tak-kong, who has served the Company for more than nine years, as an independent non-executive director of the Company.  
(b) To authorise the board of directors and/or the remuneration committee of the Company to fix the respective directors’ remuneration.
3. To re-appoint Elite Partners CPA Limited as auditors and authorise the board of Directors to fix their remuneration.
4. To consider and, if thought fit, pass with or without amendments, the following resolution as ordinary resolutions of the Company:

**“THAT:**

- (a) subject to paragraph (b) of this resolution, the Directors be and are hereby granted an unconditional general mandate to repurchase on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), or any other stock exchange on which the securities of the Company are or may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

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## NOTICE OF ANNUAL GENERAL MEETING

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(b) the aggregate nominal amount of shares of the Company which may be repurchased by the Company pursuant to the approval in paragraph (a) above during the Relevant Period (as defined below) shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution;

(c) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution up to:

- (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 any applicable law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest.”

5. “**THAT:**

- (a) subject to paragraphs (b) and (c) of this resolution, the Directors be and are hereby granted an unconditional general mandate to allot, issue and deal with additional shares in the capital of the Company and to allot, issue or grant securities convertible into such shares, options, warrants or similar rights to subscribe for any shares in the Company or such convertible securities and to make or grant offers, agreements and options in respect thereof;
- (b) such mandate shall not extend beyond the Relevant Period (as defined below) save that the Directors may during the Relevant Period make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to paragraph (a) above, otherwise than pursuant to:
  - (i) a Rights Issue (as defined below);
  - (ii) the exercise of rights of subscription or conversion under the terms of any warrants issued by the Company or any securities which are convertible into shares of the Company;

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## NOTICE OF ANNUAL GENERAL MEETING

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- (iii) the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
- (iv) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company;

shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the passing of this resolution;

- (d) for the purpose of this resolution:

“**Relevant Period**” means the period from the passing of this resolution up to:

- (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 any applicable law or the articles of association of the Company to be held; or
- (iii) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting,

whichever is the earliest; and

“**Rights Issue**” means an offer of shares open for a period fixed by the Directors to holders of shares on the register of members on a fixed record date in proportion to their then holdings of such shares (subject to such exclusions 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).”

- 6. “**THAT** subject to the passing of Ordinary Resolution No. 5 set out in the notice of this Meeting, the aggregate nominal amount of share capital of the Company that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 4 set out in the notice of this Meeting be and is hereby increased and extended by the addition of the aggregate nominal amount of the shares in the capital of the Company which may be repurchased by the Company pursuant to and in accordance with the mandate granted under Ordinary Resolution No. 5 set out in the notice of this Meeting, provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue at the date of the passing of this resolution.”

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## NOTICE OF ANNUAL GENERAL MEETING

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7. “**THAT** subject to and conditional upon the Stock Exchange granting the listing of and permission to deal in the shares (the “Shares”) of HK\$0.02 each in the capital of the Company falling to be issued pursuant to the new share option scheme (the “New Share Option Scheme”), the terms of which are set out in the document marked “A” which has been produced to this meeting and signed by the chairman of this meeting for the purpose of identification, the rules of the New Share Option Scheme be and are hereby approved and adopted and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including but without limitation:
- (a) to administer the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares of the Company;
  - (b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
  - (c) to allot and issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of the options under the New Share Option Scheme provided always that the total number of shares subject to the New Share Option Scheme, when aggregated with any shares subject to any other share option schemes of the Company, shall not exceed 10% of the relevant class of the issued share capital of the Company as at the date of passing this resolution, but the Company may seek approval of its shareholders in general meeting for refreshing the 10% limit under the New Share Option Scheme and the maximum number of shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company shall not exceed 30% of the relevant class of the issued share capital of the Company from time to time;
  - (d) to make applications at the appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares of the Company may for the time being be listed, for listing of and permission to deal in any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the options under the New Share Option Scheme; and
  - (e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme.”

By Order of the Board  
**CHINA INVESTMENT AND FINANCE GROUP LIMITED**  
**Mr. CHAN Cheong Yee**  
*Executive Directors*

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## NOTICE OF ANNUAL GENERAL MEETING

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*Notes:*

1. Any member of the Company entitled to attend and vote at the Annual General Meeting (or any adjournment thereof) (the "Meeting") is entitled to appoint one or more proxies to attend and, subject to the Articles of Association of the Company, to vote instead of himself. A proxy need not be a member of the Company.
2. Where there are joint registered holders of any share, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
3. The form of proxy and the power of attorney or other authority, if any, under which it is signed (or a notarized certified copy of such power of attorney or authority) must be returned to the Company's principal place of business in Hong Kong at Units 03 & 05, 32/F, Sino Plaza, 255-257 Gloucester Road, Causeway Bay, Hong Kong no later than 48 hours before the time appointed for holding the Meeting, otherwise the form of proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude members of the Company from attending and voting in person at the Meeting should they so wish.