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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 SHARE CONSOLIDATION;  
II. PROPOSED CHANGE IN BOARD LOT SIZE;  
III. PROPOSED OPEN OFFER ON THE BASIS OF  
EIGHT OFFER SHARES FOR EVERY ONE CONSOLIDATED SHARE  
HELD ON THE RECORD DATE AT HK\$0.25 PER OFFER SHARE; AND  
IV. APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER**

**Financial adviser to the Company**



**Underwriter of the Open Offer**



**Independent Financial Adviser to the Independent Board Committee and the  
Independent Shareholders**



## **I. PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the proposed Share Consolidation on the basis that every five (5) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.05 each.

## **II. PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Shares are traded in board lot size of 8,000 Shares. The Company proposes to change the board lot size for trading of the Shares and/or the Consolidated Shares on the Stock Exchange from 8,000 Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

## **III. PROPOSED OPEN OFFER**

Subject to the Share Consolidation becoming effective, the Company proposes to raise approximately HK\$418.1 million, before expenses, by way of an open offer of 1,672,592,000 Offer Shares at a subscription price of HK\$0.25 per Offer Share on the basis of eight (8) Offer Shares for every one (1) Consolidated Share held on the Record Date. The Company intends to apply net proceeds from the Open Offer of approximately HK\$410.8 million as to (i) approximately HK\$111.9 million for the Group's maximum entitlement to participate in fund raising exercises as announced by two listed investees of the Group; (ii) approximately HK\$50.0 million for subscription for shares in a listed company; (iii) approximately HK\$50.0 million for unlisted investment in a credit company in the PRC which specialize in environmental protection sectors; (iv) approximately HK\$120.0 million for unlisted investment in a degradable polymer manufacturer; (v) approximately HK\$45.0 million for repayment of the promissory note with prospective maturity by end of 2015; (vi) approximately HK\$15.0 million for listed investment as long as it is in compliance with its investment restrictions for both listed and unlisted equity investments in various industries including but not limited to agriculture, health and pharmaceutical related businesses, operation of supermarkets and convenience stores, communication technology, advertising, media and entertainment, energy and resources, movie distribution and film right licensing, money lending, properties investments, building construction, environmental protection, insurance, financial services, food and beverages, trading of natural resources and commodities, industrial, software, information technology related businesses and distribution of juvenile and infant products; and (vii) the remaining of approximately HK\$18.9 million for general working capital of the Group.

The Open Offer is only available to the Qualifying Shareholders. To qualify for the Open Offer, a Shareholder must be registered as a member of the Company on the Record Date and must not be a Non-Qualifying Shareholder. In order to be registered as members of the Company at the close of business on the Record Date, holders of the Shares must lodge any transfers of Shares/Consolidated Shares (together with the relevant share certificates) with the Registrar for registration no later than 4:30 p.m. (Hong Kong time) on Friday, 6 November 2015.

The Open Offer will be fully underwritten by the Underwriter. Details of the underwriting arrangement are set out in the paragraph headed “The Underwriting Agreement” below in this announcement.

### **LISTING RULES IMPLICATIONS**

In accordance with Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling Shareholders and their respective associates or, where there are no controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer. Since there is no controlling Shareholder as at the date of this announcement, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer in accordance with Rule 7.24(5) of the Listing Rules.

### **GENERAL**

The Independent Board Committee has been established to make recommendations to the Independent Shareholders in respect of the Open Offer. With the approval of the Independent Board Committee, Opus Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

An EGM will be convened and held for the Shareholders and the Independent Shareholders (as the case may be) to consider, and if thought fit, to approve, among other things, the proposed Share Consolidation and the proposed Open Offer. The Circular containing, among other things, (i) further details about the Share Consolidation, the Change in Board Lot Size and the Open Offer; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Open Offer; and (iv) the notice convening the EGM, will be despatched to the Shareholders on or before Thursday, 15 October 2015.

**WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE CONSOLIDATED SHARES**

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

Shareholders should note that the Shares and Consolidated Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 5 November 2015 and that dealings in the Shares and/or Consolidated Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealing in the Shares and/or Consolidated Shares up to the date on which all conditions to which the Open Offer are subject to are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 3 December 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating to sell or purchase any Shares and/or Consolidated Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.

**I. PROPOSED SHARE CONSOLIDATION**

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued and unissued Shares of HK\$0.01 each will be consolidated into one (1) Consolidated Share of HK\$0.05 each.

**Conditions of the Share Consolidation**

The Share Consolidation is conditional upon (i) passing of an ordinary resolution to approve the Share Consolidation by the Shareholders by way of poll at the EGM; and (ii) the Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal in, the Consolidated Shares.

The Share Consolidation will become effective on the next Business Day immediately following the fulfillment of the above conditions.

### **Effect of the Share Consolidation**

As at the date of this announcement, the authorised share capital of the Company is HK\$1,200,000,000 divided into 120,000,000,000 Shares of HK\$0.01 each, of which 1,045,370,000 Shares have been issued and fully paid or credited as fully paid.

Assuming that no further Shares will be allotted and issued or repurchased between the date of this announcement and the date of the EGM, immediately after the Share Consolidation becoming effective, the authorised share capital of the Company will become HK\$1,200,000,000 divided into 24,000,000,000 Consolidated Shares of HK\$0.05 each, of which 209,074,000 Consolidated Shares will be in issue.

Upon the Share Consolidation becoming effective, the Consolidated Shares will rank *pari passu* in all respects with each other. Fractional Consolidated Shares will not be issued by the Company to the Shareholders. Any fractional entitlements of the Consolidated Shares will be aggregated, sold and retained for the benefit of the Company, if feasible and applicable.

Other than the relevant expenses, including but not limited to professional fees and printing charges incurred, the implementation of the Share Consolidation will have no effect on the consolidated net asset value of the Group, nor will it alter the underlying assets, business, operations, management or financial position of the Company or the interests of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled. The Directors believe that the Share Consolidation will not have any material adverse effect on the financial position of the Group.

### **Application for Listing of the Consolidated Shares**

An application will be made by the Company to the Listing Division of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares to be in issue upon the Share Consolidation becoming effective.

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

None of the Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

### **Reasons for and benefits of the Share Consolidation**

The Share Consolidation will increase the nominal value of the Shares and it is expected to bring about corresponding upward adjustment in the trading price of the Consolidated Shares. In addition, the Share Consolidation will increase the market value per board lot of the Shares, which will reduce the overall transaction and handling costs of dealings in the Shares as a proportion of the market value of each board lot. Certain brokerage houses and institutional investors have internal policies and practices that either prohibit them from investing in low-priced shares or tend to discourage individual brokers from recommending low-priced shares to their customers. Therefore, with a higher trading price of the Consolidated Shares and reduction of the transaction and handling costs as a proportion of the market value of each board lot, the Company believes that the Share Consolidation will make investing in Shares more attractive to a broader range of institutional and professional investors and other members of the investing public. As such, the Board believes that the Share Consolidation may attract more investors and extend the shareholders' base of the Company. In view of the above, the Board considers that the Share Consolidation is in the interests of the Company and the Shareholders as a whole.

### **Free exchange of Consolidated Shares' certificates and trading arrangement**

Subject to the Share Consolidation becoming effective, Shareholders may, during a period from Wednesday, 4 November 2015 to Thursday, 10 December 2015, submit share certificates for the existing Shares to the Registrar to exchange, at the expense of the Company, for new certificates for the Consolidated Shares. Thereafter, each share certificate for the existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such higher amount as may from time to time be specified by the Stock Exchange) for each new share certificate issued for the Consolidated Shares or each share certificate for the existing Shares submitted for cancellation, whichever the number of certificates issued or cancelled is higher. With effect from Friday, 11 December 2015, trading will only be in Consolidated Shares in the form of new share certificates, and the share certificates for the existing Shares will cease to be valid for trading and settlement purpose but they continue to be good evidence of legal title and may be exchanged for new share certificates for the Consolidated Shares.

### **Odd lots arrangement and matching services**

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company will appoint an agent to provide matching services for sale and purchase of odd lots of Consolidated Shares at the relevant market price per Consolidated Share on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lots matching arrangement will be set out in the Circular. Holders of odd lots of the Consolidated Shares should note that successful matching of the sale and purchase of odd lots of the Consolidated Shares are not warranted. Any Shareholder who is in any doubt about the odd lots arrangement, is recommended to consult his/her/its own professional advisers.

### **II. PROPOSED CHANGE IN BOARD LOT SIZE**

As at the date of this announcement, the Shares are traded in board lot size of 8,000 Shares. The Company proposes to change the board lot size for trading of the Shares and/or the Consolidated Shares on the Stock Exchange from 8,000 Shares to 10,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$0.142 per Share (equivalent to HK\$0.710 per Consolidated Share) as at the Last Trading Day, the value of each board lot of 10,000 Consolidated Shares, assuming the Share Consolidation had already been effective, would be HK\$7,100.

The Change in Board Lot Size is expected to bring about a corresponding upward adjustment in the trading price per board lot of the Consolidated Shares on the Stock Exchange, which will reduce the overall transaction and handling costs for dealings in the Consolidated Shares.

### **III. PROPOSED OPEN OFFER**

Basis of the Open Offer:	Eight (8) Offer Shares for every one (1) Consolidated Share
Subscription Price:	HK\$0.25 per Offer Share
Number of Shares in issue as at the date of this announcement:	1,045,370,000 Shares
Number of Consolidated Shares in issue immediately upon the Share Consolidation having become effective:	209,074,000 Consolidated Shares

Number of Offer Shares: 1,672,592,000 Offer Shares  
The aggregate nominal value of the Offer Shares will be approximately HK\$83,629,600.00.

Number of Consolidated Shares 1,881,666,000 Consolidated Shares  
in issue immediately upon  
completion of the Open Offer:

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

The Open Offer is fully underwritten by the Underwriter, who shall ensure that the Company will maintain the minimum public float requirement in compliance with Rule 8.08(1) of the Listing Rules.

### **The Offer Shares**

Assuming no further issue of new Shares and/or Consolidated Shares and/or repurchase of Shares and/or Consolidated Shares on or before the Record Date, 1,672,592,000 Offer Shares will be issued and allotted representing approximately 800.0% of the issued share capital of the Company immediately after the Share Consolidation becoming effective and approximately 88.89% of the issued share capital of the Company as enlarged by the Offer Shares.

### **Subscription Price**

The Subscription Price of HK\$0.25 per Offer Share will be payable in full upon application by a Qualifying Shareholder. The Subscription Price represents:

- (a) a discount of approximately 64.79% to the theoretical closing price of approximately HK\$0.710 per Consolidated Share as quoted on the Stock Exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (b) a discount of approximately 62.69% to the average theoretical closing price of approximately HK\$0.670 per Consolidated Share for the last 5 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation;
- (c) a discount of approximately 63.50% to the average theoretical closing price of approximately HK\$0.685 per Consolidated Share for the last 10 consecutive trading days as quoted on the Stock Exchange up to and including the Last Trading Day and adjusted for the effect of the Share Consolidation; and

- (d) a discount of approximately 16.94% to the theoretical ex-entitlement price (assuming there is no new Shares and/or Consolidated Shares issued by the Company and there is no Shares and/or Consolidated Shares being repurchased by the Company from the date of this announcement up to the Record Date) of approximately HK\$0.301 per Consolidated Share based on the theoretical closing price of approximately HK\$0.710 per Consolidated Share as quoted on the Stock exchange on the Last Trading Day and adjusted for the effect of the Share Consolidation.

The Subscription Price was arrived at after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the market price of the Shares under the prevailing market conditions and the financial position of the Group. As all Qualifying Shareholders are entitled to subscribe for the Offer Shares in the same proportion to his/her/its existing shareholding in the Company held on the Record Date, the Directors (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) consider that the discount of the Subscription Price would encourage the Qualifying Shareholders to take up their entitlements so as to maintain their shareholdings in the Company and participate in the future growth of the Group. The Directors (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) consider the Subscription Price is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net price per Offer Share after deducting the related expenses of the Open Offer will be approximately HK\$0.25.

### **Conditions of the Open Offer**

The Open Offer is conditional upon the fulfillment of the following conditions (the "**Conditions**"):

- (a) the passing by the Shareholders at the EGM of the ordinary resolution to approve the Share Consolidation;
- (b) the passing by the Independent Shareholders at the EGM of the ordinary resolution to approve the Open Offer;
- (c) the Share Consolidation having become effective;
- (d) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly certified by two Directors (or by their agents duly authorised in writing) as having been approved by a resolution of the Board (and with all other documents required to be attached thereto under the Companies Ordinance) not later than the Prospectus Posting Date and otherwise in compliance with the Listing Rules and the Companies Ordinance;

- (e) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus stamped “For Information Only” to the Non-Qualifying Shareholders, if any, for information purpose only on or before the Prospectus Posting Date;
- (f) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked, the listing of, and permission to deal in, the Offer Shares, before commencement of dealings in the Offer Shares and such listing and permission not being revoked prior to the Latest Time for Termination;
- (g) the Shares and/or the Consolidated Shares (as the case may be) remaining listed on the Stock Exchange at all times up to and including the Latest Time for Termination and the current listing of the Shares and/or the Consolidated Shares (as the case may be) not having been withdrawn or the trading of the Shares and/or the Consolidated Shares not having been suspended for a consecutive period of more than 10 trading days and no indication being received before the Latest Time for Termination from the Stock Exchange to the effect that such listing may be withdrawn or objected to (or conditions will or may be attached thereto) including but not limited to as a result of the Open Offer or in connection with the terms of the Underwriting Agreement or for any other reason;
- (h) compliance by the Company with all of its undertakings and obligations of the Company under the Underwriting Agreement;
- (i) obligations of the Underwriter under the Underwriting Agreement not being terminated by the Underwriter in accordance with the terms of the Underwriting Agreement; and
- (j) the filing of the Prospectus Documents with the Registrar of Companies in Cayman Islands and approval of the Open Offer by the relevant authority of Cayman Islands if so required by the Companies Law (2013 Revision) of Cayman Islands as amended from time to time.

If any of the conditions is not fulfilled and/or waived in whole or in part by the Underwriter at or before the Latest Time for Termination (or such later time and/or date as the Company and the Underwriter may agree):

- (1) the Underwriting Agreement, save in respect of the provisions of the relevant sub-clause and clauses under the Underwriting Agreement, shall terminate and the obligations of the parties shall immediately cease and be null and void and none of the parties shall, save in respect of the provisions of the relevant sub-clause and clauses under the Underwriting Agreement and any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement; and

- (2) the Company shall reimburse the Underwriter all such reasonable costs and expenses as have been properly incurred by it in connection with the Open Offer.

The Company agrees and undertakes to notify the Underwriter in writing upon fulfilment of all the conditions.

### **Status of the Offer Shares**

The Offer Shares, when allotted, issued and fully-paid, will rank *pari passu* with the Consolidated Shares then in issue in all respects. Holders of such Offer Shares will be entitled to receive all future dividends and distributions which are declared, made or paid with a record date which falls on or after the date of allotment and issue of the Offer Shares. Dealings in the Offer Shares, which are registered in the register of members of the Company in Hong Kong, will be subject to payment of stamp duty and other applicable fees and charges in Hong Kong.

### **Qualifying Shareholders**

The Open Offer will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders and the Prospectus, for information only, to the Non-Qualifying Shareholders.

To qualify for the Open Offer, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and must be a Qualifying Shareholder.

In order to be registered as a member of the Company on the Record Date, Shareholders must lodge any transfers of the Shares/Consolidated Shares (together with the relevant share certificates) with the Registrar, Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong by no later than 4:30 p.m. on Friday, 6 November 2015.

### **Closure of register of members**

The Company's register of members will be closed from Monday, 9 November 2015 to Friday, 13 November 2015, both dates inclusive, for the purpose of, among other things, establishing entitlements to the Open Offer. No transfer of Shares or Consolidated Shares will be registered during this period.

### **Rights of Overseas Shareholders**

The Prospectus Documents are not intended to be registered under the applicable securities legislation of any jurisdiction other than Hong Kong.

In compliance with Rule 13.36 of the Listing Rules, the Company will make enquiries regarding the feasibility of extending the Open Offer to the Overseas Shareholders. If, based on legal advice, the Directors consider that it is necessary or expedient not to issue the Offer Shares to the Overseas Shareholders on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place, the Open Offer will not be available to such Overseas Shareholders. Further information in this connection will be set out in the Prospectus containing, among other things, details of the Open Offer, to be despatched to the Qualifying Shareholders on the Prospectus Posting Date. The Company will send copies of the Prospectus to the Non-Qualifying Shareholders for their information only, but will not send any Application Form to them.

**Overseas Shareholders should note that they may or may not be entitled to the Open Offer. Accordingly, Overseas Shareholders should exercise caution when dealing in the securities of the Company.**

#### **No application for excess Offer Shares**

No Qualifying Shareholder is entitled to apply for any Offer Shares which are in excess to his/her/its entitlement. Any Offer Shares not taken up by the Qualifying Shareholders, and the Offer Shares to which the Non-Qualifying Shareholders would otherwise have been entitled under the Open Offer, will not be available for subscription by other Qualifying Shareholders by way of excess application and will be taken up by the Underwriter.

The Directors hold the view that the Open Offer allows the Qualifying Shareholders to maintain their respective pro rata shareholding in the Company and to participate in the future growth and development of the Group. After arm's length negotiations with the Underwriter, and taking into account that the related administration costs would be lowered in the absence of excess applications, the Directors consider that it is fair and reasonable and in the interests of the Company and the Shareholders as a whole not to offer any excess application to the Qualifying Shareholders.

#### **Fractions of Offer Shares**

On the basis of provisional allotment of eight (8) Offer Shares for every one (1) Consolidated Share held on the Record Date, no fractional entitlements to the Offer Shares will arise under the Open Offer.

#### **Share certificates for the Offer Shares**

Subject to the fulfillment of the conditions of the Open Offer, share certificates for all Offer Shares are expected to be posted to the Qualifying Shareholders who have applied and paid for the Offer Shares on or before Thursday, 10 December 2015 by ordinary post at their own risk. If the Open Offer is terminated, refund cheques are expected to be posted on or before Thursday, 10 December 2015 by ordinary post to the applicants at their own risk.

### **Application for listing of the Offer Shares**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Offer Shares on the Stock Exchange.

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

All necessary arrangements will be made to enable the Offer Shares to be admitted into CCASS.

Dealings in the Offer Shares which are registered in the register of members of the Company in Hong Kong will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

### **Reasons for the Open Offer and the use of proceeds**

The Company is an investment company listed under Chapter 21 of the Listing Rules. The Company and its subsidiaries are principally engaged in securities trading, investment holding and rendering of consultancy service. The Company has primary objective of achieving medium-term to long-term capital appreciation, and interest incomes and dividends by investing principally in listed and unlisted companies in Hong Kong, the PRC and Taiwan. The principal return of the business is investments return. A sound investment strategy and a meaningful investment portfolio are important for an investment company to generate investment returns for the Shareholders and to support its daily operations.

As disclosed in the annual report of the Company for the year ended 31 March 2015, the Group recorded an increase in revenue from approximately HK\$8.3 million to approximately HK\$12.2 million, representing an increase of approximately 46.5%. Furthermore, the Group turned around from loss attributable to owners of the Company of approximately HK\$93.6 million for the year ended 31 March 2014 to profit attributable to owners of the Company of approximately HK\$0.2 million for the year ended 31 March 2015. For year ended 31 March 2015, the Group recorded overall profit on its investments, while in corresponding period in 2014, the Group recorded impairment loss on available-for-sale financial assets of approximately HK\$55.3 million and loss on derecognition of derivative financial instrument of approximately HK\$18.9 million.

The unaudited net asset value per share of the Company ranged from HK\$0.56 to HK\$0.58 during the period from July 2014 to March 2015 and amounted to approximately HK\$0.57 as at 31 March 2015. After 31 March 2015, the unaudited net asset value per share of the Company demonstrated growth and reached HK\$0.76 as at 31 July 2015, representing a growth of approximately 33.3%. As such, the Directors considered that the Company was in growth stage. In addition, subsequent to 31 March 2015, the Group recorded unrealized investment gain of over HK\$400 million from listed securities for the three months ended 30 June 2015 and with investment portfolio almost reached HK\$900 million as at 30 June 2015, the Directors consider that it was in the interest of the Company to raise fund for increasing the fund size of the Company to achieve economies of scale when making investments and to allow the Company to have readily available fund for capturing suitable investment opportunities which may arise at any time for generating investment returns to Shareholders.

Although the Company had satisfactory financial performance for the three months ended 30 June 2015, most of the investment gain from listed securities was unrealized capital appreciation and will not bring in immediate cash inflow until disposal.

As at 31 August 2015, the cash and bank balances and cash balance held in securities accounts of the Group aggregate to approximately HK\$101.2 million. As at the date of this announcement, the Group has a promissory note with principal amount of HK\$45.0 million (the “PN”) which will be repayable by end of 2015. After taking into account the needs for repayment of the PN, the Group recorded a net cash position of approximately HK\$56.2 million.

Owing to the nature of the Group’s business which is investment, the Group requires extensive cash to grow. Unlike other companies with constant cash income from operations, investments of investment companies under Chapter 21 of the Listing Rules do not necessarily generate extensive cash income. The Company constantly aims to increase and improve its investment portfolio in order to generate returns to the Shareholders. Therefore, it is crucial for the Group to have readily available funds for capturing suitable investment opportunities in a timely fashion to provide investment return to the Group and Shareholders and/or increase the size of its investment portfolio to diversify the risks of its investments. Hence, the Directors are of the view that the Company should take the opportunity to increase capital via Open Offer to equip itself with a healthier and stronger capital base and to pursue its business development.

The Board has considered other fund raising alternatives before resolving to the Open Offer, including but not limited to debt financing, placing of new shares and rights issue. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms on a timely basis under volatile market conditions. Placing of new shares would only be available to certain places who were not necessarily the existing Shareholders and would dilute the shareholding of the existing Shareholders. Although rights issue can provide a way out to those Shareholders who do

not wish to take up the entitlements by selling nil-paid rights, rights issue will involve extra administrative work and cost for the trading arrangements in relation to the nil-paid rights. In addition, in view of the downward trend of the historical trading price of the Shares, there is uncertainty of the existence of a market to trade the nil-paid rights. In view of the above, the Board (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) considered that raising funds by way of the Open Offer is more cost effective and efficient and beneficial to the Company and its Shareholders as a whole than a rights issue. The Board considers it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs.

The Directors consider that the Open Offer, which is on a fully underwritten basis, provide funding to capture suitable investment opportunities in both listed and unlisted securities when arises. In addition, the Open Offer would give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interest in the Company and provide an opportunity to all Qualifying Shareholders to participate in the growth of the Company in proportion to their shareholdings. Therefore, the Directors (excluding the independent non-executive Directors who will form their views after seeking the advice from the Independent Financial Adviser) consider that fund raising through the Open Offer is in the interests of the Company and the Shareholders as a whole.

The Company will receive gross proceeds of approximately HK\$418.1 million. The estimated net proceeds of the Open Offer will be approximately HK\$410.8 million. The Company intends to apply net proceeds from the Open Offer in the following manner:

- (i) approximately HK\$111.9 million for the Group's maximum entitlement to participate in fund raising exercises as announced by two listed investees of the Group;
- (ii) approximately HK\$50.0 million for subscription for shares in a listed company;
- (iii) approximately HK\$50.0 million for unlisted investment in a credit company in the PRC which specializes in environmental protection sectors;
- (iv) approximately HK\$120.0 million for unlisted investment in a degradable polymer manufacturer;
- (v) approximately HK\$45.0 million for repayment of the promissory note with prospective maturity by end of 2015;

- (vi) approximately HK\$15.0 million for listed investment as long as it is in compliance with its investment restrictions for both listed and unlisted equity investments in various industries including but not limited to agriculture, health and pharmaceutical related businesses, operation of supermarkets and convenience stores, communication technology, advertising, media and entertainment, energy and resources, movie distribution and film right licensing, money lending, properties investments, building construction, environmental protection, insurance, financial services, food and beverages, trading of natural resources and commodities, industrial, software, information technology related businesses and distribution of juvenile and infant products; and
- (vii) the remaining of approximately HK\$18.9 million for general working capital of the Group.

The Company is an investment company and its principal business is restricted to making investments. Accordingly, net proceeds of the Open Offer will be and can only be used for making investments and for general working capital purpose. Upon receiving proceeds from the Open Offer, the Group will continue to explore suitable investment opportunities actively. In the event that suitable investments with acceptable return are not identified after completion of the Open Offer, the Company will place the proceeds from the Open Offer with financial institution in Hong Kong and such proceeds will be reserved for future investments when suitable investment opportunities arise.

### **Underwriting Agreement**

Date:	9 September 2015 (after trading hours)
Underwriter:	Black Marble Securities Limited
Number of Offer Shares underwritten:	1,672,592,000 Offer Shares
Commission:	1.5% of the total aggregate Subscription Price for the Underwritten Shares

The terms of the Underwriting Agreement are agreed after arm's length negotiation between the Company and the Underwriter by reference to the existing financial position of the Group, the size of the Open Offer, and the current and expected market condition. The Directors (excluding the independent non-executive Directors who will form their views after considering the advice of the Independent Financial Adviser) consider that the terms of the Underwriting Agreement are fair and reasonable so far as the Company and the Shareholders are concerned.

Underwriter may enter into sub-underwriting arrangement with sub-underwriter(s) or appoint any person to be sub-agent(s) on its behalf for the purpose of arranging for the subscription of the Underwritten Shares with selected subscribers with such authority and rights as the Underwriter has pursuant to its appointment under the Underwriting Agreement.

As at the date of this announcement, the Group is interested in 71,916,000 shares of Lerado, representing approximately 7.49% of its issued share capital, and Wonder Time Holdings Limited, the entire issue share capital of which is beneficially owned by Lerado, is interested in 103,392,000 Shares, representing approximately 9.89% of the existing issued share capital of the Company. Save as disclosed above, to the best of the Directors' knowledge, information and belief, each of the Underwriter and its ultimate beneficial owner is not a connected person of the Company.

Pursuant to the Underwriting Agreement, the Company has undertaken not to issue any Shares or Consolidated Shares (save for Consolidated Shares to be issued under Share Consolidation) or issue any options or other securities which carry rights to acquire or convert into Shares or Consolidated Shares or repurchase its own Shares or Consolidated Shares from the date of the Underwriting Agreement until the Latest Time for Acceptance.

The Underwriter has irrevocably undertaken to the Company in the Underwriting Agreement that (i) the Underwriter will not trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriter in respect of performing its obligations under the Underwriting Agreement; (ii) the Underwriter shall use its reasonable endeavours to ensure that the subscribers for Underwritten Shares shall be third parties independent of and not connected with the Company and its connected persons and their respective associates and the subscribers for Underwritten Shares are not acting in concert with the Underwriter and its associates; (iii) none of the persons to be procured by the Underwriter to subscribe for the Underwritten Shares will be a substantial Shareholder as a result of the Open Offer; and (iv) the Underwriter shall and shall cause the sub-underwriters to procure independent subscribers and/or places to take up such number of Offer Shares as necessary to ensure that the Company will comply with the public float requirement under the Listing Rules upon completion of the Open Offer.

### **Conditions of the Underwriting Agreement**

The conditions of the Underwriting Agreement have been set out in the section headed "Proposed Open Offer – Conditions of the Open Offer" above.

## **Termination of the Underwriting Agreement**

Notwithstanding anything contained in the Underwriting Agreement, if at any time prior to the Latest Time for Termination:

- a) there shall develop, occur, exist or come into effect:
  - i. any new law or regulation or any change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other place in which any member of the Group conducts or carries on business; or
  - ii. any local, national or international event or change of a political, military, financial, economic or other nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets; or
  - iii. any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic or threatened epidemic, terrorism, strike or lock-out; or
  - iv. the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances; or
  - v. the occurrence of any event, or series of events, beyond the control of the Underwriter;

which, in the reasonable opinion of the Underwriter:

- 1) is or will or is likely to have a material adverse effect on the business or financial position of the Group or the Open Offer; or
    - 2) has or will have or is likely to have a material adverse effect on the success of the Open Offer or the level of Offer Shares taken up; or
    - 3) makes it inadvisable or inexpedient for the Company to proceed with the Open Offer; or
- b) there comes to the notice of the Underwriter:
  - i. any matter or event showing any of representations, warranties and undertakings set out in the Underwriting Agreement was, when given, untrue or misleading or as having been breached in any respect; or
  - ii. any breach by any of the other parties to the Underwriting Agreement of any of their respective obligations or undertakings under the Underwriting Agreement

then and in such case the Underwriter may, upon giving notice to the Company, terminate the Underwriting Agreement with immediate effect.

Upon the giving of notice in accordance with the Underwriting Agreement, the Underwriting Agreement shall terminate and the obligations of the parties shall immediately cease and null and void and none of the parties shall, save in respect of the relevant provisions of the Underwriting Agreement and any right or liability accrued before such termination, have any right against or liability towards any of the other parties arising out of or in connection with the Underwriting Agreement.

## SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structures of the Company (for illustration purpose only) (i) as at the date of this announcement; (ii) immediately after the Share Consolidation becoming effective but before completion of the Open Offer; and (iii) immediately after completion of the Open Offer:

	As at the date of this announcement		Immediately after the Share Consolidation becoming effective but before completion of the Open Offer		Immediately after completion of the Open Offer			
	Number of Shares	%	Number of Consolidated Shares	%	Assuming all the Offer Shares are subscribed for by the Qualifying Shareholders		Assuming none of the Offer Shares are subscribed for by the Qualifying Shareholders	
					Number of Consolidated Shares	%	Number of Consolidated Shares	%
Underwriter sub-underwriter(s) and subscribers procured by any of them <i>(Note 1)</i>	-	-	-	-	-	-	1,672,592,000	88.89%
Other public shareholders	1,045,370,000	100.00%	209,074,000	100.00%	1,881,666,000	100.00%	209,074,000	11.11%
	<u>1,045,370,000</u>	<u>100.00%</u>	<u>209,074,000</u>	<u>100.00%</u>	<u>1,881,666,000</u>	<u>100.00%</u>	<u>1,881,666,000</u>	<u>100.00%</u>

*Note:*

- The Underwriter has irrevocably undertaken to the Company that (i) the Underwriter will not trigger a mandatory offer obligation under Rule 26 of Takeovers Code on the part of the Underwriter in respect of performing its obligations under the Underwriting Agreement; (ii) the Underwriter shall use its reasonable endeavours to ensure that the subscribers for Underwritten Shares shall be third parties independent of and not connected with the Company and its Connected Persons and their respective associates and the subscribers for Underwritten Shares are not acting in concert with the Underwriter and its associates; (iii) none of the persons to be procured by the

Underwriter to subscribe for the Underwritten Shares will be a substantial Shareholder as a result of the Open Offer; and (iv) the Underwriter shall and shall cause the sub-underwriters to procure independent subscribers and/or placees to take up such number of Offer Shares as necessary to ensure that the Company will comply with the public float requirement under the Listing Rules upon completion of the Open Offer.

**WARNING OF THE RISKS OF DEALING IN SHARES AND CONSOLIDATED SHARES**

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

**Shareholders should note that the Shares and Consolidated Shares will be dealt in on an ex-entitlement basis commencing from Thursday, 5 November 2015 and that dealing in Shares and/or Consolidated Shares will take place while the conditions to which the Underwriting Agreement is subject to remain unfulfilled. Any Shareholder or other person dealing in Shares and/or Consolidated Shares up to the date on which all conditions to which the Open Offer are subject to are fulfilled (which is expected to be at 4:00 p.m. on Thursday, 3 December 2015), will accordingly bear the risk that the Open Offer cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares and/or Consolidated Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional advisers.**

**EXPECTED TIMETABLE**

The expected timetable for the Share Consolidation, the Change in Board Lot Size and the Open Offer is set out below:

<b>Event</b>	<b>2015</b>
Expected date of despatch of the Circular and the notice of the EGM	Thursday, 15 October
Latest time for lodging proxy form for the EGM	11:00 a.m. on Sunday, 1 November
Date and time of the EGM	11:00 a.m. on Tuesday, 3 November
Announcement of results of the EGM	Tuesday, 3 November
Effective date of the Share Consolidation	Wednesday, 4 November

Commencement of dealings in . . . . .9:00 a.m. on Wednesday, 4 November  
the Consolidated Shares

Original counter for trading in Shares . . . . .9:00 a.m. on Wednesday, 4 November  
(in board lots of 8,000 Shares)  
(in the form of existing share certificates)  
temporarily closes

Temporary counter for trading . . . . .9:00 a.m. on Wednesday, 4 November  
in Consolidated Shares, in board lots  
of 1,600 Consolidated Shares (in the  
form of existing share certificates) opens

First day for free exchange of . . . . . Wednesday, 4 November  
existing certificates for the Shares  
into new share certificates for the  
Consolidated Shares commences

Last day of dealings in Consolidated . . . . . Wednesday, 4 November  
Shares on a cum-entitlement basis

First day of dealings in Consolidated . . . . . Thursday, 5 November  
Shares on an ex-entitlement basis

Latest time for lodging transfers of . . . . . 4:30 p.m. on Friday, 6 November  
Consolidated Shares in order to  
qualify for the Open Offer

Register of members closes (both dates inclusive) . . . . . Monday, 9 November to  
Friday, 13 November

Record Date . . . . . Friday, 13 November

Register of members re-opens . . . . . Monday, 16 November

Despatch of the Prospectus Documents . . . . . Monday, 16 November

Designated broker starts to stand . . . . .9:00 a.m. on Wednesday, 18 November  
in the market to provide matching  
services for the sale and purchase  
of odd lots of Consolidated Shares

Original counter for trading in . . . . .9:00 a.m. on Wednesday, 18 November  
Consolidated Shares in new board lots  
of 10,000 Consolidated Shares  
(in the form of new share certificates)  
re-opens

- Parallel trading in the Consolidated . . . . .9:00 a.m. on Wednesday, 18 November  
Shares (in the form of both  
existing share certificates and  
new share certificates) commences
- Latest time for acceptance of . . . . . 4:00 p.m. on Monday, 30 November  
and payment for the Offer Shares
- Latest time for termination . . . . . 4:00 p.m. on Thursday, 3 December  
of the Underwriting Agreement
- Designated broker ceases to stand . . . . . 4:00 p.m. on Tuesday, 8 December  
in the market to provide matching  
services for the sale and purchase  
of odd lots of Consolidated Shares
- Temporary counter for trading in . . . . . 4:00 p.m. on Tuesday, 8 December  
board lots of 1,600 Consolidated  
Shares (in the form of existing  
share certificates) closes
- Parallel trading in Consolidated . . . . . 4:00 p.m. on Tuesday, 8 December  
Shares (in the form of new and  
existing certificates) ends
- Announcement of the results of the Open Offer . . . . . Wednesday, 9 December
- Last day of free exchange of existing . . . . . Thursday, 10 December  
certificates for new certificates for  
Consolidated Shares
- Despatch of certificates for the Offer Shares. . . . . Thursday, 10 December
- Despatch of refund cheques if the . . . . . Thursday, 10 December  
Open Offer is terminated
- Expected first day of dealings in . . . . .9:00 a.m. on Friday, 11 December  
the Offer Shares

*All times and dates in this announcement refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate*

## FUND RAISING EXERCISES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not carried out any fund raising exercises in the past twelve months immediately preceding the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised</b>	<b>Proposed use of the net proceeds</b>	<b>Actual use of the net proceeds</b>
19 November 2014	Subscription of 43,000,000 new shares under general mandate	Approximately HK\$14.78 million	Intended to be used for the general working capital of the Group and for future investment pursuant to the investment objectives of the Company	(i) Approximately HK\$7.36 million was in unlisted equities;  (ii) approximately HK\$3.36 million was invested in listed equities; and  (iii) approximately HK\$4.06 million was used for general working capital
21 May 2015	Subscription of 130,000,000 new shares under general mandate	Approximately HK\$35.55 million	Intended to be used for the general working capital of the Group and for future investment pursuant to the investment objectives of the Company	Approximately HK\$35.55 million was invested in listed equities

## LISTING RULES IMPLICATIONS

In accordance with Rule 7.24(5) of the Listing Rules, the Open Offer must be made conditional on approval by the Shareholders in general meeting by a resolution on which any controlling shareholders of the Company and their respective associates or, where there are no controlling shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer. Since there is no controlling shareholder as at the date of this announcement, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Open Offer in accordance with Rule 7.24(5) of the Listing Rules.

## GENERAL

An independent board committee of the Company, comprising Mr. Tsang Hin Man Terence, Mr. Luk Simon and Ms. Liu Xiaoyin, all being the independent non-executive Directors, has been established to make recommendations to the Independent Shareholders in respect of the Open Offer. With the approval of the Independent Board Committee, Opus Capital has been appointed to advise the Independent Board Committee and the Independent Shareholders in this regard.

An EGM will be convened and held for the Shareholders and the Independent Shareholders (as the case may be) to consider, and if thought fit, to approve, among other things, the proposed Share Consolidation and the proposed Open Offer. The Circular containing, among other things, (i) further details about the Share Consolidation, the Change in Board Lot Size and the Open Offer; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Open Offer; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Open Offer; and (iv) the notice convening the EGM, will be despatched to the Shareholders on or before Thursday, 15 October 2015.

## DEFINITIONS

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

“Application Form(s)”	the application form(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Open Offer
“associate(s)”	has the meaning as ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or any day on which either a tropical cyclone warning signal number 8 or above or a “black” rainstorm warning signal at any time between 9:00 a.m. and 4:00 p.m.) on which banks in Hong Kong are open for business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 8,000 Shares to 10,000 Consolidated Shares

“Circular”	the circular to be despatched by the Company on or before Thursday, 15 October 2015 to provide, among other things, further details regarding the Share Consolidation, the Change in Board Lot Size and the Open Offer
“Company”	China Investment and Finance Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Companies Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Connected person”	has the meaning as ascribed thereto under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of HK\$0.05 each in the issued share capital of the Company upon the Share Consolidation
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and, if thought fit, approve, among other things, the proposed Share Consolidation and the proposed Open Offer
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	a committee of the Board (comprising Mr. Tsang Hin Man Terence, Mr. Luk Simon and Mr. Liu Xiaoyin, all being independent non-executive Directors) established to advise the Independent Shareholders on the Open Offer

“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a corporation licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Open Offer
“Independent Shareholder(s)”	any Shareholders other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Last Trading Day”	9 September 2015, being the date of the Underwriting Agreement
“Latest Time for Acceptance”	4:00 p.m. on 30 November 2015, or such other time as may be agreed between the Company and the Underwriter, being the latest time for acceptance by the Qualifying Shareholders of the offer of Offer Shares as described in the Prospectus
“Latest Time for Termination”	4:00 p.m. on 3 December 2015, or such other date and/or time as may be agreed between the Company and the Underwriter, being the latest time to terminate the Underwriting Agreement
“Lerado”	Lerado Group (Holding) Company Limited (stock code: 1225), a company listed on main board of the Stock Exchange and the ultimate holding company of the Underwriter
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Non-Qualifying Shareholders”	the Overseas Shareholders to whom the Board, based on legal opinions provided by the legal advisers, considers it necessary or expedient not to offer the Offer Shares to such Shareholders on account either of legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place

“Offer Share(s)”	1,672,592,000 Consolidated Shares to be issued pursuant to the Open Offer on the basis of eight (8) Offer Shares for every one (1) Consolidated Share in issue on the Record Date
“Open Offer”	the proposed issue of eight (8) Offer Shares for every one (1) Consolidated Share in issue and held on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Underwriting Agreement and the Prospectus Documents
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear(s) on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong
“Parties”	the named parties to the Underwriting Agreement and their respective successors and permitted assignees, and “Party” means each of them
“PRC”	the People’s Republic of China
“Prospectus”	the prospectus to be despatched to the Shareholders on the Prospectus Posting Date containing details of the Open Offer
“Prospectus Documents”	the Prospectus and the Application Form
“Prospectus Posting Date”	16 November 2015 or such other date as the Underwriter may agree in writing with the Company, being the date of despatch of the Prospectus Documents to the Qualifying Shareholders or the Prospectus for information only to the Non-Qualifying Shareholders
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) is/are registered on the register of the members of the Company on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	13 November 2015 (or such other date as the Underwriter may agree in writing with the Company), as the date by reference to which entitlements to the Open Offer are expected to be determined

“Registrar”	the share registrar of the Company in Hong Kong, being Tricor Standard Limited, at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	The Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong)
“Share Consolidation”	the proposed consolidation of every five (5) Shares of par value of HK\$0.01 each into one (1) Consolidated Share of HK\$0.05 each
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Shares or Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.25 per Offer Share
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Hong Kong Code on the Takeovers and Mergers
“Underwriter”	Black Marble Securities Limited, a licensed corporation to carry on Type 1 (dealing in securities) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Underwriting Agreement”	the underwriting agreement dated 9 September 2015 entered into between the Company and the Underwriter in relation to the underwriting arrangement in respect of the Open Offer

“Underwritten Shares” 1,672,592,000 Offer Shares being underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement

“%” or “per cent” percentage or per centum

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

Hong Kong, 9 September 2015

*As at the date of this announcement, the Board comprises Mr. Chan Cheong Yee as executive Director; Mr. Liao Jintian, Ms. Lee Kar Ying and Mr. Wu Qi as non-executive Directors; and Mr. Ha Tak Kong, Mr. Tsang Hin Man Terence, Mr. Luk Simon and Ms. Liu Xiaoyin as independent non-executive Directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement, and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement contained in this announcement misleading.*

*In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*