

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

CLARIFICATION ANNOUNCEMENT PROPOSED ISSUE OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of China Investment and Finance Group Limited dated 21 May 2015 in relation to, among other things, the proposed issue of Subscription Shares under General Mandate (the “**Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meaning as defined in the Announcement.

The Board wishes to clarify that the paragraph under the heading of **General Mandate to issue the Subscription Shares** on page 4 of the Announcement should be replaced as follows:

The Subscription Shares will be allotted and issued under the General Mandate which has been partly used since it was granted. Under the General Mandate, 171,474,000 Shares can be issued and allotted, and only 43,000,000 Shares were issued and allotted on 5 December 2014. Therefore, the Subscription is not subject to additional approval by the Shareholders.

The Board also wishes to provide additional background information in respect of the Subscription.

Background information of the Company's interests in Lerado

On 31 March 2015 (after trading hours), the Company has entered into an agreement (the “**March Agreement**”) with PSL, pursuant to which the Company has conditionally agreed to sell and PSL has conditionally agreed to purchase the Sales Shares and the Sale Loan free from encumbrances at the Consideration of HK\$39,000,000, which would be satisfied by (i) paying HK\$1,000,000 in the form of cash in favour of the Company upon signing the March Agreement as the refundable deposit; and (ii) the balance of the Consideration was to be paid by allotment and issue of the Consideration Shares. The Company would procure the allotment and issue the Consideration Shares by Lerado as fully paid at HK\$0.50 per Consideration Shares on the Acquisition Completion (the “**Acquisition Transaction**”).

The principal asset and liability of Garron International as at 31 March 2015 were a property located in Guangzhou, the PRC and the Sale Loan respectively.

The Acquisition Transaction was completed on 17 April 2015, and the Group holds approximately 8.59% of the issued share capital of Lerado then.

Proposed issue of new Shares to Subscriber

The Company selecting the Subscriber as the placee of the Subscription shares instead of appointing a placing agent is because (i) no placing commission is required so as to save the Group's finance costs; (ii) the Subscriber is able to subscribe the Subscription Shares in full and less administrative costs are incurred; (iii) fair business relationship between the Company and Lerado has been established before entering into the Subscription Agreement; (iv) Lerado expressed in its annual results announcement dated 30 March 2015 that given its directors with concrete financial knowledge and background and its strong cash position, its directors are in the view that it is a suitable time to take an active approach in generating immediate revenue and diversifying its business portfolio in other business sector including securities trading, money lending business, and other financial and property investment, and Lerado further expressed in its announcement dated 17 April 2015 that it would like to re-allocate approximately HK\$300.0 million for the investment opportunities other than medical business; and (v) the Subscription Price, which is accepted by the Subscriber, has been considered reasonable by the Directors.

When potential investor(s) with favourable terms is/are located by the Company, the Directors intended to use the general mandate as much as possible, in order to enlarge the capital base of the Company and to strength the Group's financial position for future development of the Group. At the annual general meeting of the Company held on 8 August 2014, the Directors are granted the general mandate to allot, issue and deal with up to 174,474,000 Shares. On 5 December 2014, 43,000,000 Shares have been issued and allotted already. As such, the Director can only issue and allot up to 131,474,000 Shares under the unused General Mandate, which was substantially used on the Subscription.

Save as the Acquisition Transaction and the Subscription, as at the date of this clarification announcement, there are no any other arrangements, plan and/or understanding between the Company and Lerado.

The above additional information does not affect any other information contained in the Announcement and save as disclosed in this clarification announcement, the remaining contents of the Announcement remain unchanged and in full force and effect.

DEFINITIONS

“Acquisition Completion”	completion of the sale and purchase of the Sale Shares and the Sale Loan in accordance with the March Agreement
“Acquisition Completion Date”	the fourteenth business day after the fulfillment or waiver of the conditions or such other date as the Company and PSL may agree from time to time
“Consideration”	the total consideration of HK\$39,000,000 payable by PSL to the Company pursuant to the March Agreement
“Consideration Shares”	76,000,000 Lerado Shares to be issued by Lerado to the Company (or to its nominee as it may direct) as part of the Consideration
“encumbrance”	any form of interest (whether legal, equitable or security) of any person (including, without limitation, any right to acquire, option, right of pre-emption or right of conversion) or any claim, mortgage, charge, pledge, debenture, lien, option, equity, power of sale, hypothecation, restriction, assignment, right of first refusal, right of pre-emption, any preference arrangements (including title transfers and title retention arrangements or otherwise), third-party right or interest, interest bearing debt or any other encumbrance, priority or security interest, claim, agreement or arrangement of whatever nature over or in the relevant property and “encumber” shall be construed accordingly
“Garron International”	Garron International Strategic Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company as at 31 March 2015
“Lerado”	Lerado Group (Holding) Company Limited, a company incorporated in Bermuda, the shares of which are listed on the main board of the Stock Exchange

“Lerado Share(s)”	ordinary issued share(s) of HK\$0.10 each in the share capital of the Lerado
“PRC”	the People’s Republic of China
“PSL”	Perfect Scheme Limited, a company incorporated in British Virgin Islands with limited liability and a wholly-owned subsidiary of Lerado as at 31 March 2015
“Sale Loan”	represents the obligations, liabilities and debts owing by or due from Garron International to the Company as at the Acquisition Completion Date. As at the date of the March Agreement, the Lerado was indebted to the Company in the amount shall not be less than HK\$37,895,971 and not more than HK\$38,000,000 as at Acquisition Completion Date based on the statement of financial position of the completion accounts
“Sale Shares”	100 shares representing 100% of the entire issued share capital of Garron International immediately before the Acquisition Completion

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

Hong Kong, 26 May 2015

As at the date of this announcement, the Board comprises Mr. CHAN Cheong Yee as executive Director, Mr. LIAO Jintian, Mr. ZHOU Han Jie and Ms. LEE Kar Ying 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 in this announcement misleading.