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CHINA INVESTMENT AND FINANCE GROUP LIMITED

中國投融資集團有限公司

(Incorporated in Cayman Islands with limited liability)

(Stock code: 1226)

**(I) PROPOSED CHANGE OF AUDITOR
AND
(II) PROPOSED AMENDMENTS TO THE MEMORANDUM
AND ADOPTION OF
THE AMENDED AND RESTATED MEMORANDUM
AND ARTICLES OF ASSOCIATION**

PROPOSED CHANGE OF AUDITOR

The Board announces that HLM & Co. has resigned as the auditor of the Group with effect from 28 December 2012. The Board proposes to appoint Elite Partners CPA Limited as the new auditor of the Group to fill the vacancy arising from the resignation of HLM & Co. subject to the approval by the Shareholders at the EGM.

**PROPOSED AMENDMENTS TO THE MEMORANDUM AND ADOPTION OF THE
AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION**

The Board intend to put forward to the Shareholders a proposal to amend the Memorandum and adoption of the amended and restated Articles of Association in order to bring the constitution of the Company in line with current amendments made to the Listing Rules that came into effect on 1 January 2012 and 1 April 2012 respectively and to reflect the current situation of the Company.

The amendments to the Memorandum and adoption of the amended and restated Articles of Association are subject to approval of the Shareholders by way of passing special resolutions to be proposed at the EGM.

PROPOSED CHANGE OF AUDITOR

The board (the “Board”) of directors (the “Directors”) of China Investment and Finance Group Limited (the “Company”) announces that HLM & Co. has resigned as the auditor of the Company

and its subsidiaries (the “Group”) with effect from 28 December 2012 as HLM & Co. The Board proposes to appoint Elite Partners CPA Limited as the new auditor of the Group to fill the vacancy arising from the resignation of HLM & Co. and to hold office until the conclusion of the next annual general meeting of the Company. Pursuant to the articles of association of the Company, the appointment of new auditors is subject to approval by shareholders of the Company (the “Shareholders”) at an extraordinary general meeting (the “EGM”).

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

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

The Board would like to express its sincere gratitude to HLM & Co. for their professional services in the past.

PROPOSED AMENDMENTS TO ARTICLES OF ASSOCIATION AND PROPOSED ADOPTION OF THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION

The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) has amended the Rules (the “Listing Rules”) Governing the Listing of Securities of the Stock Exchange relating to, among other things, the constitutional documents or equivalent constitutional documents of listed issuers. The amendments to the Listing Rules came into effect on 1 January 2012 and 1 April 2012. The memorandum of association of the Company (the “Memorandum”) has not been amended since year 2004 and certain corporate information may no longer be up-to-date.

Accordingly, the Board of the Company propose to seek the approval of the Shareholders of the Company by way of special resolutions for the amendments to the Memorandum and adoption of the amended and restated articles of association of the Company (the “Articles of Association”) at an EGM, so as to bring the constitution of the Company in line with current amendments made to the Listing Rules and to reflect the current situation of the Company.

A circular containing further information in respect of the proposed change of auditor of the Group; the proposed amendments to articles of association and proposed adoption of the amended and restated memorandum and articles of association and a notice of EGM will be despatched to the Shareholders as soon as practicable.

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

Hong Kong, 31 December 2012

As at the date of this announcement, the Board comprises Mr. CHAN Cheong Yee as the executive Directors, Mr. LIAO Jintian and Mr. ZHOU Weiquan as the non-executive Directors, and Mr. CHEN Kaizhi, Mr. HA Takkong, Mr. LO Chi Ming and Mr. LEUNG Kwong Kin as the independent non-executive Directors.