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CHINA FINANCIAL INTERNATIONAL INVESTMENTS LIMITED

中國金融國際投資有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 721)

SUBSCRIPTION OF NEW SHARES

On 29 March 2011 (after trading hours of the Stock Exchange), the Company entered into three (3) Subscription Agreements with three (3) Subscribers pursuant to which the Subscribers have conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue, an aggregate of 370,000,000 Shares at the Subscription Price of HK\$0.5 per Subscription Share.

The Subscription Price of HK\$0.5 per Subscription Share represents: (i) a discount of approximately 13.79% to the closing price of HK\$0.58 per Share as quoted on the Stock Exchange on 29 March 2011, being the closing price on the date of the Subscription Agreements; and (ii) a discount of approximately 7.92% to the average of the closing prices of HK\$0.543 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements. The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the liquidity and the recent trading performance of the Shares.

The Directors consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The Subscription Shares represent approximately 10.07% of the existing issued share capital of the Company and approximately 9.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The net proceeds of the Subscription of approximately HK\$184.8 million will be applied for the investment as disclosed in the announcement of the Company dated 24 March 2011.

THE SUBSCRIPTIONS

The Subscription Agreement 1

Date: 29 March 2011

Parties: (i) the Company;
(ii) Subscriber 1 – Vast Shine Holdings Limited; and
(iii) the Guarantor 1.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 1 is principally engaged in investment holding and each of the Subscriber 1, the Guarantor 1 and the ultimate beneficial owners of the Subscriber 1, is an Independent Third Party.

Pursuant to the Subscription Agreement 1, the Company agreed to allot and issue and the Subscriber 1 has conditionally agreed to subscribe in cash of HK\$60,000,000 for a total of 120,000,000 Subscription Shares at the Subscription Price of HK\$0.5 per Subscription Share. The 120,000,000 Subscription Shares represent approximately 3.27% of the existing issued share capital of the Company and approximately 2.97% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as at the date of this announcement.

The Subscription Agreement 2

Date: 29 March 2011

Parties: (i) the Company;
(ii) Subscriber 2 – Lucky Thrive Limited; and
(iii) the Guarantor 2.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 2 is principally engaged in investment holding and each of the Subscriber 2, the Guarantor 2 and the ultimate beneficial owners of the Subscriber 2, is an Independent Third Party.

Pursuant to the Subscription Agreement 2, the Company agreed to allot and issue and the Subscriber 2 has conditionally agreed to subscribe in cash of HK\$60,000,000 for a total of 120,000,000 Subscription Shares at the Subscription Price of HK\$0.5 per Subscription Share. The 120,000,000 Subscription Shares represent approximately 3.27% of the existing issued share capital of the Company and approximately 2.97% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as at the date of this announcement.

The Subscription Agreement 3

Date: 29 March 2011

Parties: (i) the Company;
(ii) Subscriber 3 – Elite Bloom Limited; and
(iii) the Guarantor 3.

To the best of the knowledge, information and belief of the Directors and having made all reasonable enquiries, the Subscriber 3 is principally engaged in investment holding and each of the Subscriber 3, the Guarantor 3 and the ultimate beneficial owner of the Subscriber 3, is an Independent Third Party.

Pursuant to the Subscription Agreement 3, the Company agreed to allot and issue and the Subscriber 3 has conditionally agreed to subscribe in cash of HK\$65,000,000 for a total of 130,000,000 Subscription Shares at the Subscription Price of HK\$0.5 per Subscription Share. The 130,000,000 Subscription Shares represent approximately 3.54% of the existing issued share capital of the Company and approximately 3.21% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares as at the date of this announcement.

Each of the subscribers is independent of each other.

Number of Subscription Shares

Pursuant to the Subscription Agreements, an aggregate of 370,000,000 Subscription Shares will be allotted and issue to the Subscribers. The 370,000,000 Subscription Shares represent approximately 10.07% of the existing issued share capital of the Company and approximately 9.15% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The aggregate nominal value of the Subscription Shares is HK\$3,700,000.

PRINCIPAL TERMS OF EACH SUBSCRIPTION AGREEMENTS

Apart from the number of the Subscription Shares to be subscribed by each of the Subscribers set out above, the identities of the Subscribers and the Guarantors, the terms of each of the Subscription Agreements are same. Set out below are the key terms of the Subscription Agreements.

Subscription Price

The Subscription Price of HK\$0.5 per Subscription Share represents:

- (i) a discount of approximately 13.79% to the closing price of HK\$0.5 per Share as quoted on the Stock Exchange on 29 March 2011, being the closing price on the date of the Subscription Agreements; and
- (ii) a discount of approximately 7.92% to the average of the closing prices of HK\$0.543 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Subscription Agreements.

The net Subscription Price, after deduction of relevant expenses (including but not limited to legal expenses and disbursements) of approximately HK\$184.8 million, is estimated to be approximately HK\$0.4995 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscribers with reference to the liquidity and the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Conditions of the Subscriptions

Each of the Subscriptions are conditional upon the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Subscription Shares.

In the event that the conditions of the Subscriptions are not fulfilled on or before 20 April 2011 or such other date as may be agreed between the parties to the relevant Subscription Agreements, the Subscription Agreements shall cease and determine and neither the Company nor the Subscribers shall have any obligations and liabilities under the Subscription Agreements.

Each of the Subscription Agreements is not conditional upon the others.

Completion of the Subscriptions

Completion of the Subscriptions will take place at 4:00 p.m. on the third Business Days after the conditions of the Subscriptions are fulfilled (or such other date as may be agreed between the parties of the Subscription Agreements).

Ranking of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Mandate to issue the Subscription Shares

The issue of the Subscription Shares is not subject to Shareholders' approval.

The Subscription Shares will be allotted and issued pursuant to the General Mandate. The maximum number of Shares that can be issued under the General Mandate is 734,956,806 Shares. As at the date of this announcement, no portion of the General

Mandate was utilised. The Company has not allotted and issued any Shares pursuant to the General Mandate and the General Mandate is sufficient for the issue and allotment of the Subscription Shares. As such, the issue of the Subscription Shares is not subject to further Shareholders' approval. The 370,000,000 Subscription Shares constitutes approximately 50.34% of General Mandate.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AGREEMENTS

The Company is an investment holding company and its principal subsidiaries are engaged in the holding of equity or equity-related investments and the provision of management services to the investee companies.

In view of recent strong economic growth in the PRC, the Company intends to strengthen its investments in the PRC. The Company has entered into a couple of agreements in this aspect including but not limited to those agreements as disclosed in the announcements of the Company dated 2 December 2010 and 24 March 2011. The Directors consider that it is in the interest of the Company and its Shareholder as a whole to strengthen its financial position by entering into the Subscription Agreements, which will enable the Company to expand its capital base for future investment opportunities in the PRC in order to achieve long-term capital appreciation of its assets primarily through equity and equity-related investments.

The Company intends to intensify its investments in the financial sector, such as the guarantee and small loan business in the PRC and to explore further potential investment opportunities in accordance with the Company's investment policy. As at the date of this announcement, the Company has not reached with any agreement with those potential entities. In the event that any written agreement has been entered into in respect of any investment opportunity, the Company will make necessary disclosure in compliance with the Listing Rules, if required.

The gross proceeds of the Subscriptions is HK\$185 million. All the net proceeds of the Subscriptions of approximately HK\$184.8 million will be applied for the investment as disclosed in the announcement of the Company dated 24 March 2011. The Directors consider that the Subscription Agreements are entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscribers and that the terms of the Subscription Agreements are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned. The Directors also consider that the Subscriptions will strengthen the financial position and shareholder base of the Group.

CHANGES IN SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscriptions are as follows:

	As at the date of this announcement and immediately before completion of the Subscriptions		Immediately after completion of the Subscriptions	
	<i>approximate</i>		<i>approximate</i>	
	<i>No. of Shares</i>	<i>%</i>	<i>No. of Shares</i>	<i>%</i>
Rightfirst Holdings Limited (<i>note 1</i>)	591,384,830	16.09	591,384,830	14.62
Du Lin Dong (“ Mr. Du ”) (<i>note 1 and 2</i>)	50,330,000	1.37	50,330,000	1.24
Ding Xiaobin (<i>note 2</i>)	500,000	0.01	500,000	0.01
Cheung Wai Bun Charles (<i>note 2</i>)	1,300,000	0.04	1,300,000	0.03
Fung Cheuk Nang Clement (<i>note 2</i>)	190,909,092	5.20	190,909,092	4.72
Ma Jie (<i>note 2</i>)	8,000,000	0.22	8,000,000	0.20
Pong Po Lam (<i>note 2</i>)	1,200,000	0.03	1,200,000	0.03
Subscriber 1	–	–	120,000,000	2.97
Subscriber 2	–	–	120,000,000	2.97
Subscriber 3	–	–	130,000,000	3.21
Subtotal of the Subscribers			370,000,000	9.15
Other public shareholders (excluding the Subscribers)	2,831,160,108	77.04	2,831,160,108	70.00
Total	<u>3,674,784,030</u>	<u>100.00</u>	<u>4,044,784,030</u>	<u>100.00</u>

Notes:

1. The entire issued capital of Rightfirst Holdings Limited is beneficial owned by Mr. Du. Mr. Du is deemed to be interested in the 591,384,830 Shares held by Rightfirst Holdings Limited.
2. Mr. Du, Mr Ding Xiaobin, Dr. Cheung Wai Bun Charles, Mr. Fung Cheuk Nang, Mr. Ma Jie and Mr. Pong Po Lam are Directors.

As at the date of this announcement, the Company has a total of 88,700,000 outstanding share options which entitles the holder of the share option to subscribe for 88,700,000 Shares.

FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

Date of announcement	Event	Estimated net proceeds	Intended use of proceeds	Actual use of proceeds
16 November 2010	Subscription of 496,700,000 Shares at the subscription price of HK\$0.15 per Share	HK\$74 million	applied for potential investments	Not yet used but will be used shortly as announced in the announcement of the Company dated 2 December 2010
12 December 2010	Subscription of 596,960,000 Shares at the subscription price of HK\$0.25 per Share	HK\$149 million	applied for potential investments	Not yet used but approximately HK\$61,000,000 will be used for the investments made by the Company and announced on 2 December 2010

Save as disclosed above, the Company has not conducted any equity fund raising activities in the previous 12 months immediately preceding the date of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“associates”	has the meaning ascribed to this term under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which licensed banks are generally open for business in Hong Kong throughout their normal business hours
“Company”	China Financial International Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange

“connected persons”	has the meaning ascribed to it in the Listing Rules
“Directors”	the directors of the Company
“General Mandate”	the general mandate granted to the Directors to allot, issue and deal with 734,956,806 Shares at the special general meeting of the Company held on 3 March 2011
“Group”	the Company and its subsidiaries
“Guarantor 1”	Zhu Ruimin朱瑞民, the guarantor under Subscription Agreement 1
“Guarantor 2”	Chen Xiaojun陳曉君, the guarantor under Subscription Agreement 2
“Guarantor 3”	Chen Yuejin陳躍進, the beneficial owner of the Subscriber 3 and the guarantor under Subscription Agreement 3
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber 1”	Vast Shine Holding Limited, a company incorporated in the British Virgin Islands with limited liability, an Independent Third Party
“Subscriber 2”	Lucky Thrive Limited, a company incorporated in the British Virgin Islands with limited liability, an Independent Third Party
“Subscriber 3”	Elite Bloom Limited, a company incorporated in the British Virgin Islands with limited liability, the entire issued share capital of which is beneficial owned by the Guarantor 3, an Independent Third Party
“Subscribers”	together, the Subscriber 1, the Subscriber 2 and the Subscriber 3 collectively refer to the Subscribers
“Subscription 1”	the subscription for the Subscription Shares by the Subscriber 1 pursuant to the Subscription Agreement 1
“Subscription 2”	the subscription for the Subscription Shares by the Subscriber 2 pursuant to the Subscription Agreement 2
“Subscription 3”	the subscription for the Subscription Shares by the Subscriber 3 pursuant to the Subscription Agreement 3
“Subscriptions”	together, the Subscription 1, the Subscription 2 and the Subscription 3 collectively refer to the Subscriptions
“Subscription Agreement 1”	the agreement dated 29 March 2011 and entered into among the Company, the Subscriber 1 and the Guarantor 1 in respect of the Subscription 1
“Subscription Agreement 2”	the agreement dated 29 March 2011 and entered into among the Company, the Subscriber 2 and the Guarantor 2 in respect of the Subscription 2
“Subscription Agreement 3”	the agreement dated 29 March 2011 and entered into among the Company, the Subscriber 3 and the Guarantor 3 in respect of the Subscription 3

“Subscription Agreements”	together, the Subscription Agreement 1, the Subscription Agreement 2 and the Subscription Agreement 3 collectively refer to the Subscription Agreements
“Subscription Price”	the subscription price of HK\$0.5 per Subscription Share
“Subscription Shares”	an aggregate of 370,000,000 Shares to be subscribed by the Subscribers pursuant to the Subscription Agreements
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Financial International Investments Limited
Du Lin Dong
Chairman

Hong Kong, 30 March 2011

As at the date of this announcement, the executive Directors are Mr. Du Lin Dong, Mr. Liu Baorui and Mr. Pong Po Lam Paul, the non-executive Directors are Mr. Ding Xiaobin, Mr. Fung Cheuk Nang Clement and Mr. Ma Jie and the independent non-executive Directors are Dr. Cheung Wai Bun Charles, Mr. Wan Hongchun and Mr. Zeng Xianggao.