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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)

CLARIFICATION AND UPDATED ANNOUNCEMENT

Reference is made to the announcement (the “**Announcement**”) of China Financial International Investments Limited dated 30 March 2011. Capitalised terms used in this section should have the same meanings as those defined in the Announcement.

The Board would like to clarify and provide updated information on the use of proceeds from the three subscriptions of the new Shares as announced by the Company on 16 November 2010, 12 December 2010 and 30 March 2011 respectively as below:

FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD IMMEDIATELY PRECEDING THE DATE OF THE ANNOUNCEMENT

Date of announcement	Event	Estimated net proceeds	Intended use of proceeds	Actual use of proceeds
16 November 2010	Subscriptions of 496,700,000 Shares at the subscription price of HK\$0.15 per Share	approximately HK\$74 million	to be applied for potential investments including but not limited to approximately HK\$31 million to be applied as part of the Company’s capital commitment of RMB 45 million in a guarantee company in Jiangxi Province, the PRC as disclosed in the announcement (the “ December Announcement ”) of the Company dated 2 December 2011 (note 1)	approximately HK\$43 million was paid on 31 March 2011 to Jiangxi Hanchen Guarantee Company Limited (江西漢辰擔保有限公司#) in accordance with a subscription agreement disclosed in the December Announcement. The remaining approximately HK\$31 million has been invested in the listed securities in Hong Kong under the short term treasury policy of the Company (the “ Short Term Treasury Policy ”) (note 1)

Date of announcement	Event	Estimated net proceeds	Intended use of proceeds	Actual use of proceeds
12 December 2010	subscriptions of 596,960,000 Shares at the subscription price of HK\$0.25 per Share	approximately HK\$149 million	to be applied for potential investments including but not limited to (i) approximately HK\$24 million to be applied as part of the Company's capital commitment of RMB 45 million in a guarantee company in Jiangxi Province, the PRC as disclosed in December Announcement (note 1); (ii) approximately HK\$37 million to be applied to the Company's capital commitment of RMB 30 million in a small loan company in Jiangxi Province, the PRC as disclosed in December Announcement (note 2); and (iii) the remaining proceeds will be applied as part of the Company's capital commitment to the potential investments as disclosed in the announcement of the Company dated 31 March 2011.	all have been invested in the listed securities in Hong Kong under the Short Term Treasury Policy (notes 1 and 2)

Notes:

1. When the fund of RMB45 million, being the Company's total capital commitment to a joint venture guarantee company as disclosed in the December Announcement, is required (which will be in need when all the necessary approval in respect of formation of such joint venture has obtained), the Board believes that, at the request of the Company, the investment manager of the Company is able to realise part of the listed securities acquired under the Short Term Treasury Policy so that the Company is able to inject the said fund to a joint venture guarantee company.
2. When the fund of RMB30 million, being the Company's total capital commitment to a joint venture small loan company as disclosed in the December Announcement, is required (which will be in need when all the necessary approval in respect of formation of such joint venture has obtained), the Board believes that at the request of the Company, the investment manager of the Company is able to realise part of the listed securities acquired under the Short Term Treasury Policy so that the Company is able to inject the said fund to a joint venture small loan company.

Intended use of proceed under the Subscription Agreements dated 30 March 2011

Regarding the net proceeds of the Subscriptions of approximately HK\$184.8 million, the Board intends that (i) approximately HK\$109 million will be applied for the investment as disclosed in the announcement of the Company dated 24 March 2011; (ii) approximately HK\$22 million will be applied as part of the Company's capital commitment to the potential investments as disclosed in the announcement of the Company dated 31 March 2011; and (iii) remaining approximately HK\$53.8 million will be used for other potential investments.

The Company's intention on the investee companies

The Board's intention is to account the investment made by the Company in each of the target companies or joint venture companies, as disclosed in the announcement of the Company dated 2 December 2010, 24 March 2011 and 31 March 2011, as pure investment. The Company does not and will not involve in the daily operations or management of the business of each of the target companies or joint venture companies. The Company did not, does not and will not provide management services to any of its investee companies.

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

Hong Kong, 1 April 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.