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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)

PLACING OF HK\$50,000,000 BONDS

PLACING AGENT



FORTUNE (HK) SECURITIES LIMITED

PLACING OF BONDS

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

On 3 July 2013 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent pursuant to which the Placing Agent agreed to act as placing agent, on a best effort basis, for the purpose of procuring independent Placees to subscribe in cash for the Bonds in an aggregate principal amount of up to HK\$50,000,000.

The net proceeds from the issuance of the Bonds at approximately HK\$48,950,000 in maximum will be used for unlisted investments and/or for the general working capital of the Group.

Completion of the Bonds Placing is subject to the Placing Agent not terminating the Placing Agreement in accordance with the terms set out therein. As the Bonds Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

This announcement is made pursuant to the Inside Information Provisions under Part XIVA of the SFO and Rule 13.09 of the Listing Rules.

THE PLACING AGREEMENT

Date

3 July 2013 (after trading hours)

Parties

- (1) The Company; and
- (2) Fortune (HK) Securities Limited.

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

The Bonds Placing

Pursuant to the Placing Agreement, the Placing Agent agreed to act as placing agent, on a best effort basis, for the purpose of procuring independent Placees to subscribe in cash for the Bonds in an aggregate principal amount of up to HK\$50,000,000 at the issue price of 100% of the principal amount of the Bonds.

Placees

It is expected that the Bonds will be placed to Placees who will be professional, institutional or private investors, and who and whose ultimate beneficial owner(s) are Independent Third Parties.

Bonds

The principal terms of the Bonds are summarised below:

Issuer	the Company
Principal amount	up to HK\$50,000,000
Maturity Date	on the day of the seventh anniversary of the respective dates of issue of the Bonds
Interest rate	5% per annum and shall be payable by the Company once every six (6) months on 30 th June and 31 st December of each year and will be calculated in a pro rata basis if less than half year

Status	the obligations of the Company arising under the Bonds constitute direct, general, unconditional, unsecured obligations of the Company and rank, and shall rank equally among themselves and pari passu with all other present and future unsecured and unsubordinated obligations of the Company except for obligations accorded preference by mandatory provisions of applicable law
Transferability	assignable or transferrable in whole or in part (if in part, in minimum amount of HK\$1,000,000 or in whole multiple thereof) to any third party other than a connected person and subject to the conditions, approvals, requirements and any provisions of or under all applicable laws, rules and regulations
Redemption	<p>(i) on the Maturity Date; or</p> <p>(ii) upon the occurrence of an event of default as set out in the instrument constituting the Bonds, the Bondholder may by notice in writing to the Company demand immediate redemption of the relevant Bond at an amount equal to the outstanding principal amount of the Bond plus interest accrued up to the actual date of redemption.</p>

Placing Commission

The Company shall pay the Placing Agent a placing commission of 2% of the aggregate principal amount of the Bonds issued under the Placing Agreement, out of which the Placing Agent will meet its selling commission and sub-placing commission obligations (if any) in accordance with the Placing Agreement.

The placing commission was negotiated and agreed on an arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the market rate.

The Directors consider that the placing commission is fair and reasonable based on the current market conditions.

Conditions of the Bonds Placing

The Bonds Placing is unconditional.

Termination

If at any time during the Placing Period:

- (a) in the opinion of the Placing Agent, acting reasonably, there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Bonds Placing; or
- (b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which in the opinion of the Placing Agent, acting reasonably, may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
- (c) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the relevant Placing Completion Date which in the opinion of the Placing Agent, acting reasonably, if it had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect in any material respect or there has been a material breach by the Company of any other provision of the Placing Agreement; or
- (d) there is any adverse change in the financial position of the Company which in the opinion of the Placing Agent, acting reasonably, is material in the context of the Bonds Placing; or
- (e) any other event occurs or any matter arises on or after the date of the Placing Agreement which in the opinion of the Placing Agent, acting reasonably, would be likely to prejudice materially the consummation of the Bonds Placing,

the Placing Agent may terminate the Placing Agreement.

Completion of the Bonds Placing

Completion of the Bonds Placing shall take place upon the Placing Agent serving a completion notice for an individual Bond during the Placing Period on the relevant Placing Completion Date for the individual Bond upon which the Company shall issue the individual Bond.

Application for listing

No listing of the Bonds will be sought on the Stock Exchange or any other stock exchanges.

Reasons for the Bonds Placing

The Group is an investment company under Chapter 21 of the Listing Rules which principally engaged in the investments in the listed securities for short term and unlisted investments for medium and long term.

The Directors are of the view that the Bonds Placing represents a good opportunity for the Company to raise funds to strengthen its cashflow base and improve its financial position for the Company's future development and expansion.

The Board considers that the terms of the Bonds Placing are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Use of Proceeds

The net proceeds from the issuance of the Bonds at approximately HK\$48,950,000 in maximum will be used for unlisted investments and/or for the general working capital of the Group.

FUND RAISING EXERCISE BY THE COMPANY IN THE PAST TWELVE MONTHS

Except as mentioned below, the Board confirms that there has not been any fund raising exercise made by the Company in the twelve months immediately preceding the date of this announcement.

Relevant date	Events	Net proceed	Intended use of proceeds	Actual use of proceeds
18 July 2012 (announcement date)	Subscription of new Shares	HK\$107.8 million	investment in small loan and guarantee companies in the PRC	Used as intended
20 November 2012 (announcement date)	Issue of convertible bond	HK\$279.5 million	expanding small loan and guarantee business in the PRC by investing and acquiring small loan company(ies) and/or guarantee company(ies) in the PRC or used in other projects in relation to small loan and/or guarantee business	Used as intended
28 June 2013 (completion date)	Issue of bond	HK\$9.97 million	general working capital	Used as intended

GENERAL

Completion of the Bonds Placing is subject to the Placing Agent's rights of termination under the Placing Agreement. Accordingly, the Bonds Placing may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITION

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

“Board”	the board of Directors
“Bonds”	5% coupon unlisted bonds (each of which is referred to as a “Bond”) to be issued by the Company in an aggregate principal amount of up to HK\$50,000,000 due on the day of the seventh anniversary of the respective dates of issue of the Bonds
“Bondholders”	holders of Bonds
“Bonds Placing”	the placing of the Bonds pursuant to the terms of the Placing Agreement
“Business Day”	a day (other than a Saturday, a Sunday and a public holiday) on which banks are generally open for business in Hong Kong
“Company”	China Financial International Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the shares of which are listed on Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Directors(s)”	director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China

“Independent Third Party(ies)”	a party which/who is not a connected person (as defined under the Listing Rules) of the Company and is independent of the Company and its connected persons
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	the subscribers of the Bonds which the Placing Agent will procure on a best effort basis pursuant to and in accordance with the Placing Agreement
“Placing Agent”	Fortune (HK) Securities Limited, acting as the placing agent of the Bonds under the Placing Agreement
“Placing Agreement”	the conditional placing agreement dated 3 July 2013 entered into between the Company and the Placing Agent in relation to the Bonds Placing
“Placing Completion Date”	the seventh Business Day after receipt of the relevant completion notices by the Company, or such other dates as the Company and the Placing Agent may agree in writing, at which placing completion of Bonds shall take place and collectively “Placing Completion Dates”
“Placing Period”	the period commencing immediately after the date of the Placing Agreement and ending on the earlier of (i) 4 months thereafter; and (ii) the date on which the Placing Agent successfully procures Placees to subscribe for the Bonds in an aggregate principal amount of HK\$50,000,000, in both cases, inclusive of both the first and the last days, or such other period as agreed otherwise between the Company and the Placing Agent in writing
“PRC”	The People’s Republic of China
“SFO”	The Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Shares

“Stock Exchange”

The Stock Exchange of Hong Kong Limited

“%” or “per cent.”

percentage or per centum

By Order of the Board

China Financial International Investments Limited

Du Lin Dong

Chairman

Hong Kong, 3 July 2013

As at the date of this announcement, the executive Directors are Mr. Du Lin Dong and Mr. Pong Po Lam Paul, the non-executive Directors are Mr. Wang Dehe, Mr. Sha Naiping and Mr. Ding Xiaobin and the independent non-executive Directors are Dr. Cheung Wai Bun Charles, Mr. Wan Hongchun and Mr. Zeng Xianggao.