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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)

FORMATION OF TWO JOINT VENTURE COMPANIES

This announcement is made by the Company on a voluntary basis to keep the Shareholders informed about the updated business development of the Company.

THE JV AGREEMENT I

The Board announces that on 18 July 2011, after trading hours of the Stock Exchange, the Company entered into the JV Agreement I with seven other parties for the formation of the JV Company I which is proposed to be principally engaged in provision of rapid and nimble small loans, and enterprise development, management and financial consultation services to three Rural (farmers, villages and agricultural industry), small and medium enterprises, sole proprietors and farmers in Donghu District, Nanchang City (南昌市東湖區[#]), Jiangxi Province, the PRC.

The authorised share capital of the JV Company I will be RMB100,000,000 divided into 100,000,000 shares of RMB1.00 each. Pursuant to the JV Agreement I, the Company will subscribe for 30% of equity interests of the JV Company I for a cash consideration of RMB30,000,000 and the other joint venture partners thereto will subscribe for 70%, in aggregate, of equity interests of the JV Company I for cash consideration of RMB70,000,000. The subscription money of RMB30,000,000 in cash payable by the Company will be funded by the Company's internal resources.

The JV Company I will be treated as pure investment in the financial statements of the Company. The subscription money payable by each of the parties to the JV Agreement I will be used as initial working capital of the JV Company I.

THE JV AGREEMENT II

The Board further announces that on 18 July 2011, after trading hours of the Stock Exchange, the Company has entered into the JV Agreement II with seven other parties for the formation of the JV Company II which is proposed to be principally engaged in provision of rapid and nimble small loans, and enterprise development, management and financial consultation services to three Rural (farmers, villages and agricultural industry), small and medium enterprises and sole proprietors in Yushui District, Xinyu City, (新余市渝水區[#]), Jiangxi Province, the PRC.

The authorised share capital of the JV Company II will be RMB250,000,000 divided into 250,000,000 shares of RMB1.00 each. Pursuant to the JV Agreement II, the Company will subscribe for 30% of equity interests of the JV Company II for a cash consideration of RMB75,000,000 and the other joint venture partners will subscribe for 70%, in aggregate, of equity interests of the JV Company II for cash consideration of RMB175,000,000. The subscription money of RMB75,000,000 in cash payable by the Company will be funded by the Company's internal resources.

The JV Company II will be treated as pure investment in the financial statements of the Company. The subscription money payable by each of the parties to the JV Agreement II will be used as initial working capital of the JV Company II.

This announcement is made by the Company on a voluntary basis to keep the Shareholders informed about the updated business development of the Company.

THE JV AGREEMENT I

The Board announces that on 18 July 2011, the Company and seven other parties entered into the JV Agreement I.

The JV Agreement I

Date: 18 July 2011

Parties: (i) the Company;
(ii) Jiangxi Administrative Assets;
(iii) Jiangxi Provincial Credit Guarantee;
(iv) Jiangxi Provincial City Development;
(v) Jiangxi Boneng;
(vi) Jiangxi SQSJSW Industrial;

(vii) Jiangxi Hanchen; and

(viii) Shangyao City Baimiao

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the principal business activities of each of the counterparties to the JV Agreement I is as follows:

- (i) Jiangxi Administrative Assets is a state owned enterprise and is principally engaged in managing important investment projects arranged by the provincial people's government or provincial financial bureau, provision of investment consultation services, provision of financial and consultation services, and domestic trading services;
- (ii) Jiangxi Provincial Credit Guarantee is a state owned enterprise and principally engaged in provision of financial guarantee for enterprises, performance of guarantee obligations, guarantee investment services and provision of re-guarantee services;
- (iii) Jiangxi Provincial City Development is a state owned enterprise and principally engaged in the security housing and other real estate development, reorganization and reserve, and investment in construction of public infrastructure of land cities;
- (iv) Jiangxi Boneng is principally engaged in the wholesale and retailing of coal, construction materials, mineral products and textile, installation of water and electricity equipments, decoration services, processing and sales of vehicle parts, and merchandising and sales of metal parts;
- (v) Jiangxi SQSJSW Industrial is principally engaged in development and provision of eco-tourism services, plantation, processing and sales of agricultural products;
- (vi) Jiangxi Hanchen is principally engaged in investment holding; and
- (vii) Shangyao City Baimiao is principally engaged in management and development of real properties, and sales of construction materials and metal products.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Jiangxi Administrative Assets, Jiangxi Provincial Credit Guarantee, Jiangxi Provincial City Development, Jiangxi Hanchen; and Shangyao City Baimiao entered into other joint venture agreements with the Company in respect of formation of joint venture companies in other areas of the PRC, each of the counterparties and its ultimate beneficial owners are Independent Third Parties.

The JV Company I

The JV Company I will be a company incorporated under the laws of the PRC with limited liability.

Authorised share capital and shareholding of the JV company I

The authorised share capital of the JV Company I will be RMB100,000,000 divided into 100,000,000 shares of RMB1.00 each. Pursuant to the JV Agreement I, the Company will subscribe for 30% of equity interests of the JV Company I for a cash consideration of RMB30,000,000 and the other joint venture partners will subscribe for 70%, in aggregate, of equity interests of the JV Company I for cash consideration of RMB70,000,000. The subscription money of RMB30,000,000 in cash payable by the Company will be funded by the Company's internal resources.

The JV Company I will be treated as pure investment in the financial statements of the Company. The Company will not involve in the daily operation and management of the JV Company I.

The subscription money payable by each of the parties to the JV Agreement I will be used as initial working capital of the JV Company I.

Principal business of the JV Company I

The JV Company I which is proposed to be principally engaged in provision of rapid and nimble small loans, and enterprise development, management and financial consultation services to three Rural (farmers, villages and agricultural industry), sole proprietors and small and medium enterprises in Donghu District, Nanchang City, Jiangxi Province, the PRC.

THE JOINT VENTURE AGREEMENT II

The Board further announces that on 18 July 2011, the Company and seven other parties entered into the JV Agreement II.

The JV Agreement II

Date: 18 July 2011

Parties: (i) The Company;
(ii) Xinyu Jinrun;
(iii) Xinyu Yiwen;
(iv) Xinyu Baocheng;
(v) Xinyu Zhongzhou;

- (vi) Xinyu Xiannuhu Development;
- (vii) Fuyun; and
- (viii) Yongrui.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the principal business activities of each of the counterparties to the JV Agreement II are as follows:

- (i) Xinyu Jinrun is principally engaged in sales of petroleum chemical by-products, department store, metal materials, construction materials and office supplies;
- (ii) Xinyu Yiwen is principally engaged in sales of department store, chemical products, metal materials, mineral products and office supplies;
- (iii) Xinyu Baocheng is principally engaged in purchasing and sales of metal materials, electrical mechanical equipments, construction materials, mineral products, vehicle parts and metallurgy products;
- (iv) Xinyu Zhongzhou is principally engaged in sales of chemical products, chemical raw materials and metal materials;
- (v) Xinyu Xiannuhu Development is principally engaged in construction and maintenance of road and infrastructure;
- (vi) Fuyun is principally engaged in sales of mineral products, chemical products, construction materials and agricultural by-products; and
- (vii) Yongrui is principally engaged in sales of oxidized iron scrap and scrap metal.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the counterparties and its ultimate beneficial owners are Independent Third Parties.

The JV Company II

The JV Company II will be a company incorporated under the laws of the PRC with limited liability.

Authorised share capital and shareholding of the JV Company II

The authorised share capital of the JV Company II will be RMB250,000,000 divided into 250,000,000 shares of RMB1.00 each. Pursuant to the JV Agreement II, the Company will subscribe for 30% of equity interests of the JV Company II for a cash consideration of RMB75,000,000 and the other seven joint venture partners will

subscribe for 70%, in aggregate, of equity interests of the JV Company II for cash consideration of RMB175,000,000. The subscription money of RMB75,000,000 in cash payable by the Company will be funded by the Company's internal resources.

The JV Company II will be treated as pure investment in the financial statements of the Company. The Company will not involve in the daily operation and management of the JV Company II.

The subscription money payable by each of the parties to the JV Agreement II will be used as initial working capital of the JV Company II.

Principal business of the JV Company II

The JV Company II which is proposed to be principally engaged in provision of rapid and nimble small loans, and enterprise development, management and financial consultation services to three Rural (farmers, villages and agricultural industry), sole proprietors and small and medium enterprises in Yushui District, Xinyu City, Jiangxi Province, the PRC.

REASONS FOR ENTERING INTO THE JV AGREEMENTS

The Company is an investment holding company and its principal subsidiaries are engaged in the holding of equity or equity-related investments in listed and unlisted companies in Hong Kong and the PRC.

The Company is actively exploring opportunities to expand its investment horizon and to enhance the investment return of the Company and the Shareholders as a whole.

The Board takes the view that the economy in the PRC will continuously grow in a rapid pace, the demand for the financial services such as small loan and guarantee business will continue to grow quickly and will have good profit margin. Since late 2010, the Company has commenced its investment in small loan and guarantee business in the PRC. The formations of the JV Company I and the JV Company II are in line with the Company's investment strategy.

The Board is of the view that the investments in Jiangxi Province will generate good return. According to introduction of the provincial government of Jiangxi Province, the PRC (where Nanchang City and Xinyu City are located) Jiangxi Province is currently one of the most important agricultural industry areas in the PRC. Jiangxi Province is strong in its agricultural productivity and it has been one of the only 2 provinces which are capable of supplying food and agricultural products to entire country on an annual basis since the establishment of the PRC. The provincial government is planning to further its agricultural production development by focusing on the promotion of eco-friendly agriculture and a variety of agricultural technological development in Jiangxi Province, the PRC. Apart from that, the provincial government also encourages the development of various high technological and resource industries, such as aerospace technology, mineral exploitation, metallurgy, medicine and biochemical products, etc

in Jiangxi Province, the PRC. Nanchang City, being the capital city of Jiangxi Province and is always the economic and industrial hub of the province while Xinyu City is the province’s fastest urbanising and industrialising city, and with potential mineral reserve for more than 30 types of minerals. The Board believes the potential economic development in the 2 cities will be promising, and that demand for small loan services, and enterprise development, management and financial consultation services will grow rapidly in the 2 cities, and the formation of the JV Company I and the JV Company II will be a profitable investments.

The Directors further consider that the terms and conditions of each of the JV Agreement I and the JV Agreement II are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

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

“Board”	the board of Directors
“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
“Fuyun”	Xinyu City Fuyun Trading Company Limited (新余市富運貿易有限公司 [#]), a company incorporated in the PRC with limited liability
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“Jiangxi Administrative Assets”	Jiangxi Province Administrative Assets Group Company Limited (江西省行政事業資產集團有限公司 [#]), a state owned enterprise and a company incorporated in the PRC with limited liability

“Jiangxi Boneng”	Jiangxi Boneng Industrial Group Company Limited (江西博能實業集團有限公司 [#]), a company incorporated in the PRC with limited liability
“Jiangxi Hanchen”	Jiangxi Hanchen Investment Group Company Limited (江西漢辰投資集團有限公司 [#]), a company incorporated in the PRC with limited liability and the controlling shareholder of Jiangxi Hanchen Guarantee Company Limited (江西漢辰擔保有限公司 [#]), which the Company has agreed to subscribe for 30% of equity interest in it; a joint venture partner of the Company in certain joint ventures of the Company which are treated as investments in the financial statements of the Company
“Jiangxi Provincial City Development”	Jiangxi Provincial City Development & Investments Company Limited (江西省城鎮開發投資有限公司 [#]), a state owned enterprise and a company incorporated in the PRC with limited liability
“Jiangxi Provincial Credit Guarantee”	Jiangxi Provincial Credit Guarantee Company Limited (江西省信用擔保股份有限公司 [#]), a state owned enterprise and a company incorporated in the PRC with limited liability
“Jiangxi SQSJSW Industrial”	Jiangxi Sanqingsan Jinshawan Industrial Company Limited (江西三清山金沙灣實業有限公司 [#]), a company incorporated in the PRC with limited liability
“JV Agreement I”	the agreement dated 18 July 2011 and entered into among the Company and seven other joint venture partners in relation to the formation of the JV Company I
“JV Agreement II”	the agreement dated 18 July 2011 and entered into among the Company and seven other parties in relation to the formation of the JV Company II
“JV Company I”	a joint venture company to be incorporated in the PRC with limited liability and the proposed name of which will be Nanchang City Donghu District Zhongjin Caixin Small Loans Company Limited (南昌市東湖區中金財信小額貸款股份有限公司 [#]) as to 30% of the entire issued authorised share capital of which will be owned by the Company

“JV Company II”	a joint venture company to be incorporated in the PRC with limited liability and the proposed name of which will be Xinyu City Yushui District Zhongjin Guoxin New Energy Technological Small Loans Company Limited (新余市渝水區中金國信新能源科技小額貸款股份有限公司 [#]) as to 30% of the entire issued authorised share capital of which will be owned by the Company
“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, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Shangyao City Baimiao”	Shangyao City Baimiao Properties Company Limited (上饒市百淼置業有限公司 [#]), a company incorporated in the PRC with limited liability
“Shareholders”	holders of the issued 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
“Xinyu Baocheng”	Xinyu City Baocheng Trading Company Limited (新余市寶誠貿易有限公司 [#]), a company incorporated in the PRC with limited liability
“Xinyu Jinrun”	Xinyu City Jinrun Industrial & Trading Company Limited (新余市金潤工貿有限公司 [#]), a company incorporated in the PRC with limited liability
“Xinyu Xiannuhu Development”	Xinyu Xiannuhu New City Development Company Limited (新余市仙女湖新城開發有限公司 [#]), a company incorporated in the PRC with limited liability
“Xinyu Yiwen”	Xinyu City Yiwen Industrial Company Limited (新余市譯文實業有限公司 [#]), a company incorporated in the PRC with limited liability

“Xinyu Zhongzhou”	Xinyu City Zhongzhou Trading Company Limited (新余市中洲貿易有限公司 [#]), a company incorporated in the PRC with limited liability
“Yongrui”	Xinyu City Yongrui Industrial and Trading Company Limited (新余市永銳工貿有限公司 [#]), a company incorporated in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

The English transliteration of the Chinese names in this announcement where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

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

Hong Kong, 18 July 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 and Mr. Ma Jie and the independent non-executive Directors are Dr. Cheung Wai Bun Charles, Mr. Wan Hongchun and Mr. Zeng Xianggao.