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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)

**(1) PROPOSED REFRESHMENT OF SHARE OPTION SCHEME LIMIT
AND
(2) CONSULTANCY SERVICE AGREEMENTS INVOLVING THE GRANT
OF OPTIONS UNDER A SPECIFIC MANDATE**

PROPOSED REFRESHMENT OF SHARE OPTION SCHEME LIMIT

The Share Option Scheme entitles the Company to grant options to subscribe for up to 237,090,622 Shares, representing 10% of the issued share capital of the Company as at the Date of Adoption. The Company has granted a total of 237,090,000 Share Options since the Date of Adoption. The Board wishes to maximize the flexibility in making new grants of share options under the Share Option Scheme. The Directors consider that the refreshment of the Share Option Scheme Limit is in the interests of the Group and the Shareholders as a whole as it enables the Company to provide incentives or rewards to participants for their contribution to the Group. The refreshment of Share Option Scheme Limit will be conditional upon approval by the Shareholders at the SGM.

CS AGREEMENT 1 INVOLVING THE GRANT OF OPTION 1

Pursuant to the CS Agreement 1 in respect of the provision of the consultancy service to the Company for the facilitation of the Group's investment and finance activities, the Company agreed to engage United Truth as its consultant at a fixed service fee of HK\$100,000 per month together with the grant of the Option 1 to United Truth. The grant of the Option 1 will be under the Specific Mandate conditional upon approval by the Shareholders at the SGM and granting of listing approval of the Shares to be issued upon exercise of the Option 1 by the Stock Exchange.

CS AGREEMENT 2 INVOLVING THE GRANT OF OPTION 2

On 7 April 2014 (after trading hours), the Company and GCA have entered into CS Agreement 2 in respect of the provision of the consultancy service to the Company for the facilitation of the Group's investment and finance activities, by which the Company agreed to engage GCA as its consultant under the CS Agreement 2 with the grant of the Option 2 to GCA. The grant of the Option 2 will be under the Specific Mandate conditional upon approval by the Shareholders at the SGM and granting of listing approval of the Shares to be issued upon exercise of the Option 2 by the Stock Exchange.

An aggregate of 200,000,000 Option 1 Shares and 200,000,000 Option 2 Shares will be allotted and issued based on the Exercise Price of HK\$0.48 per Share upon the exercise of the Option 1 and the Option 2 in full. Each of such Option 1 Shares or Option 2 Shares represent approximately (i) 4.29% of the existing issued share capital of the Company; (ii) 4.11% of the issued share capital of the Company as enlarged by the allotment and issue of the respective Option 1 Shares or Option 2 Shares; or (iii) 3.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Option 1 Shares and the Option 2 Shares.

The SGM will be convened for the Shareholders to consider and, if thought fit, to approve the proposed refreshment of the Share Option Scheme Limit; the grant of the Option 1 and the Option 2 and the issue of the Option 1 Shares and Option 2 Shares upon exercise of the Option 1 and the Option 2 respectively under the Specific Mandate. A circular will be despatched by the Company to the Shareholders as soon as practicable in accordance with Listing Rules, containing, among other matters, (i) further information of the proposed refreshment of the Share Option Scheme Limit; (ii) further information of the grant of the Option 1 and the Option 2 under the Specific Mandate; and (iii) a notice convening the SGM.

PROPOSED REFRESHMENT OF SHARE OPTION SCHEME LIMIT

The Share Option Scheme was approved and adopted by an ordinary resolution passed at the special general meeting of the Company on the Date of Adoption, which remains valid for a period of 10 years commencing on such date.

The Share Option Scheme entitles the Company to grant options to subscribe for up to 237,090,622 Shares, representing 10% of the issued share capital of the Company as at the Date of Adoption. The Company has granted a total of 237,090,000 Share Options since the Date of Adoption, out of which 70,700,000 Share Options have lapsed and forfeited, 110,690,000 Share Options have been exercised, leaving a balance of 55,700,000 outstanding Share Options, representing approximately 1.2% of the Shares in issue as at the date of this announcement. Save for the 70,700,000 Share Options which have lapsed and forfeited and the 110,690,000 Share Options which have been exercised, none of the Share Options so far granted have been exercised, cancelled and/or lapsed.

Pursuant to the terms of the Share Option Scheme and in compliance with Chapter 17 of the Listing Rules, the total number of Shares which may be allotted and issued upon exercise of all share options to be granted under the Share Option Scheme and any other schemes after the refreshment must not in aggregate exceed 10 per cent. of the total issued capital of the Company as at the Date of Adoption, unless the Company obtains a fresh approval from Shareholders to refresh the 10 per cent. limit. Also, the maximum number of Shares which may be allotted and issued upon exercise of all outstanding share options granted and yet to be exercised under the Share Option Scheme and any other schemes must not exceed 30 per cent. of the issued share capital of the Company from time to time.

As at the date of this announcement, the Company has not adopted any share option scheme other than the previous share option scheme adopted on 24 May 2001 and terminated on 15 January 2008 and the Share Option Scheme.

As at the date of this announcement, the total number of Shares in issue is 4,660,634,030. If the Share Option Scheme Limit is refreshed, the Board will be able to grant Share Options for subscription of up to 466,063,403 Shares, being 10% of Shares in issue and assuming that no further Shares will be issued prior to the date of approval of the refreshed Share Option Scheme Limit at the SGM.

The Board wishes to maximize the flexibility in making new grants of Share Options under the Share Option Scheme. The Directors consider that the refreshment of the Share Option Scheme Limit is in the interests of the Group and the Shareholders as a whole as it enables the Company to provide incentives or rewards to participants for their contribution to the Group.

As required by the Share Option Scheme and the Listing Rules, an ordinary resolution will be proposed at the SGM to approve the refreshment of the Share Option Scheme Limit such that the total number of Share which may be allotted and issued upon exercise of all options to be granted under the refreshed Share Option Scheme Limit must not exceed 10% of the total number of the Shares in issue as at the date of approval of the refreshed Share Option Scheme Limit.

The adoption of the refreshed Share Option Scheme Limit is conditional upon (a) the Shareholders passing an ordinary resolution to approve the refreshment of the Share Option Scheme Limit at the SGM; and (b) the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares (representing 10% of the Shares in issue as at the date of passing the relevant resolution at the SGM) to be issued pursuant to the exercise of any options granted under the refreshed Share Option Scheme Limit.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Shares which may fall to be issued upon the exercise of the Share Options that may be granted under the refreshed Share Option Scheme Limit.

THE CS AGREEMENT 1

Pursuant to the CS Agreement 1, regarding the provision of the consultancy service by United Truth to the Company for the facilitation of the Group's investment and finance activities for a term of 1 year, the Company agreed to engage United Truth as its consultant at a fixed service fee of HK\$100,000 per month together with the grant of the Option 1 to United Truth.

The grant of the Option 1 will be under the Specific Mandate conditional upon approval by the Shareholders at the SGM and granting of listing approval of the Shares to be issued upon exercise of the Option 1 by the Stock Exchange. If the Specific Mandate is not approved by the Shareholders, the Company will further negotiate with United Truth for an alternative remuneration proposal. Up to the date of this announcement, the Company and United Truth have not discussed any alternative remuneration proposal. The Company will comply with the applicable Listing Rules in respect of any alternative remuneration proposal as and when required.

The consultancy service provided by United Truth to the Company include, among other things, (i) introducing potential strategic partners to the Group; (ii) assisting personnel of the Group to participate in activities, such as investment seminars; (iii) regularly providing the Board with research reports or information on global economics and financial service industry; (iv) regularly collecting information on the trends of sizeable financial institutions in the PRC financial market and report to the Board; (v) advising the Group on its development strategy; (vi) acting as research consultant of the Group in small loan business; and (vii) such other service as to be agreed.

The terms of the CS Agreement 1 including the fee payable and the grant of Option 1 to United Truth were negotiated at arm's length after taking into account the following factors: (i) the consultancy service provided by United Truth; (ii) the percentage of the shareholding interest which United Truth would have in the Company upon exercise of the Option 1 in full (assuming there is no other change in the issued share capital of the Company); (iii) the share price and liquidity of the Shares; and (iv) the terms of the Option 1 including the Exercise Price. The Directors (including the independent non-executive Directors) consider that the terms of the CS Agreement 1 (including the grant of the Option 1) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

United Truth is a company incorporated in the BVI and is an Independent Third Party to the Company and its associates (as defined in the Listing Rules).

The Grant of Option 1 under the CS Agreement 1

The principal terms of the Option 1 are as follows:

Grantor	the Company
Grantee	United Truth
Number of Option Share	Up to 200,000,000 Option 1 Shares
Vesting	The Option 1 will be vested immediately upon its grant, which is subject to the Shareholders' approval.
Exercise Period	None of the Option 1 shall be exercised within 3 months from the date of grant. United Truth is entitled to exercise the Option 1 (i) for 40,000,000 Option 1 Shares after three months from the date of grant; (ii) for further 80,000,000 Option 1 Shares after one year from the date of grant; and (iii) for the remaining 80,000,000 Option 1 Shares after two years from the date of grant. The Option 1 will lapse after three years from the date of grant in respect of the Option 1 Shares which have not been exercised.
Exercise Price	HK\$0.48 per Option 1 Share, which is equal to the closing price of the Shares stated in the daily quotations sheet of the Stock Exchange on the Last Trading Date and the highest of (i) HK\$0.479, the average closing price of the Shares stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the Last Trading Date; and (ii) HK\$0.01, the nominal value per Share.
Adjustment	There shall be no adjustment to the Exercise Price of Option 1 except as determined by the Board as appropriate and certified by the auditors of the Company or an independent financial adviser to be fair and reasonable.

The consultancy service provided by GCA to the Company include, among other things, (i) introducing potential strategic partners to the Group; (ii) preparing reports on the financial market development and relevant policies analysis for the Company’s study; (iii) serving as an expert consultant to the Company in the research of the development of small loan industry in the PRC; (iv) regularly collecting information on the trend of sizeable financial institutions in the PRC financial market and report to the Board; (v) advising the Group on its development strategy; and (vi) such other service as to be agreed.

The terms of the CS Agreement 2 including the grant of Option 2 to GCA were negotiated at arm’s length after taking into account the following factors: (i) the consultancy service provided by GCA; (ii) the percentage of the shareholding interest which GCA would have in the Company upon exercise of the Option 2 in full (assuming there is no other change in the issued share capital of the Company); (iii) the share price and liquidity of the Shares; and (iv) the terms of the Option 2 including the Exercise Price. The Directors (including the independent non-executive Directors) consider that the terms of the CS Agreement 2 (including the grant of the Option 2) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

GCA is a company incorporated in the BVI and is an Independent Third Party to the Company and its associates (as defined in the Listing Rules).

The Grant of Option 2 under the CS Agreement 2

The principal terms of the Option 2 are as follows:

Grantor	the Company
Grantee	GCA
Number of Option Share	Up to 200,000,000 Option 2 Shares
Vesting	The Option 2 will be vested immediately upon its grant, which is subject to the Shareholders’ approval.
Exercise Period	None of the Option 2 shall be exercised within 3 months from the date of grant. GCA is entitled to exercise the Option 2 (i) for 40,000,000 Option 2 Shares after three months from the date of grant; (ii) for a further 80,000,000 Option 2 Shares after one year from the date of grant; and (iii) for the remaining 80,000,000 Option 2 Shares after two years from the date of grant. The Option 2 will lapse after three years from the date of grant in respect of the Option 2 Shares which have not been exercised.

Exercise Price HK\$0.48 per Option 2 Share, which is equal to the closing price of the Shares stated in the daily quotations sheet of the Stock Exchange on the Last Trading Date and the highest of (i) HK\$0.479, the average closing price of the Shares stated in the daily quotations sheet of the Stock Exchange for the five business days immediately preceding the Last Trading Date; and (ii) HK\$0.01, the nominal value per Share.

Adjustment There shall be no adjustment to the Exercise Price of Option 2 except as determined by the Board as appropriate and certified by the auditors of the Company or an independent financial adviser to be fair and reasonable.

Option 2 Shares The Option 2 Shares will rank, upon issue, pari passu in all respects with all other Shares in issue on the date of the allotment and issue of the Option 2 Shares and will entitle the holder(s) to all dividends, and other distributions, rights or entitlements for which the record date falls after the date of the allotment and issue of the Option 2 Shares.

Application for listing Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Option 2 Share which may fall to be allotted and issued upon the exercise of the Option 2.

Transferability The Option 2 is not transferrable in whole or in part.

Upon the grant of the Option 2, GCA will be entitled to subscribe for a maximum of 200,000,000 Option 2 Shares based on the Exercise Price HK\$0.48 per Share according to its terms, which represent approximately (i) 4.29% of the existing issued share capital of the Company; (ii) 4.11% of the issued share capital of the Company as enlarged by the allotment and issue of the Option 2 Shares; and (iii) 3.95% of the issued share capital of the Company as enlarged by the allotment and issue of the Option 1 Shares and Option 2 Shares.

The Exercise Price of HK\$0.48 per Option 2 Share was arrived at after arm's length negotiation between the Company and GCA based on the recent closing price of the Shares as quoted on the Stock Exchange on or before the Last Trading Day.

THE SGM

The SGM will be convened for the Shareholders to consider and, if thought fit, to approve the proposed refreshment of the Share Option Scheme Limit; the grant of the Option 1 and the Option 2 and the issue of the Option 1 Shares and Option 2 Shares upon exercise of the Option 1 and the Option 2 respectively under the Specific Mandate. A circular will be despatched by the Company to the Shareholders as soon as practicable in accordance with the Listing Rules, containing, among other matters, (i) further information of the proposed refreshment of the Share Option Scheme Limit; (ii) further information of the grant of the Option 1 and the Option 2 under the Specific Mandate; and (iii) a notice convening the SGM.

DEFINITION

“Board”	the board of directors of the Company
“BVI”	the British Virgin Islands
“Company”	China Financial International Investments Limited, a company incorporated in Cayman Islands and continued in Bermuda with limited liability, the shares of which are listed on the Stock Exchange with stock code 721
“CS Agreement 1”	the agreement dated 30 January 2014 (as amended on 7 April 2014) entered into between the Company and United Truth in respect of the related consultancy services provided by United Truth to the Company
“CS Agreement 2”	the agreement dated 7 April 2014 entered into between the Company and GCA in respect of the related consultancy services provided by GCA to the Company
“Directors”	directors of the Company for the time being
“Date of Adoption”	approval date of the Share Option Scheme on 15 January 2008
“Exercise Price”	the exercise price for Option 1 or Option 2;
“GCA”	GCA Special Situations (A) Limited, a consultant of the Group, a limited company incorporated in the BVI
“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”	a third party independent from and not connected with the directors, the chief executive or the substantial shareholders of the Company or its subsidiaries and/or their respective associates (as defined in the Listing Rules)
“Last Trading Day”	7 April 2014, being the last full trading day on which the Shares were traded on the Stock Exchange prior to the publishing of this announcement
“Option 1”	the rights to subscribe for the Option 1 Shares at the Exercise Price
“Option 1 Shares”	based on the Exercise Price, up to 200,000,000 new Shares to be issued upon the exercise of the Option 1
“Option 2”	the rights to subscribe for the Option 2 Shares at the Exercise Price
“Option 2 Shares”	based on the Exercise Price, up to 200,000,000 new Shares to be issued upon the exercise of the Option 2
“Share Options”	the share options granted or to be granted under the Share Option Scheme
“Share Option Scheme Limit”	the maximum number of Shares which may be allotted and issued upon the exercise of all options to be granted under the Share Option Scheme, which initially shall not in aggregate exceed 10% of the Shares in issue as at the Date of Adoption of the Share Option Scheme and thereafter, if refreshed, shall not in aggregate exceed 10% of the Shares in issue as at the date of the SGM
“Share Option Scheme”	the existing share option scheme of the Company adopted on the Date of Adoption

“SGM”	the special general meeting of the Company
“Shareholder(s)”	holder(s) of the Shares
“Shares”	ordinary share(s) in the share capital of the Company
“Specific Mandate”	the authority to allot and issue such number of the Option 1 Shares and Option 2 Shares pursuant to an ordinary resolution to be proposed and to be approved by the Shareholders at the SGM
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United Truth”	United Truth Group Limited (信合集團有限公司), a consultant of the Group, a limited company incorporated in the BVI

By Order of the Board
China Financial International Investments Limited
Wang Dehe
Chairman

Hong Kong, 7 April 2014

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.