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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)

**CONTINUING CONNECTED TRANSACTION IN RELATION TO THE  
RENEWAL OF THE INVESTMENT MANAGEMENT AGREEMENT**

The Board announces that the Old Investment Management Agreement will be expired on 28 April 2014 and the Company entered into the New Investment Management Agreement with CFIIM on 25 April 2014 (after trading hours) to renew the appointment of CFIIM as the investment manager of the Company, pursuant to which CFIIM has agreed to provide investment management services to the Company for a further period of three-year effective from 29 April 2014 and expiring on the third anniversary date thereof (both dates inclusive). The parties to the New Investment Management Agreement are entitled to terminate the New Investment Management Agreement by one month's notice in writing. The New Investment Management Agreement is unconditional. Pursuant to the New Investment Management Agreement, a management fee is payable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio(s) managed by it on the last Business Day of each calendar month.

CFIIM is an associate of the Company who is the beneficial owner of 29% of the entire issued shares in CFIIM as at the date of the New Investment Management Agreement. Further, pursuant to Rule 21.13 of the Listing Rules, any investment manager appointed by the Company shall be regarded as a connected person of the Company and the transaction(s) contemplated under the New Investment Management Agreement constitutes continuing connected transaction(s) of the Company. However, as (i) the annual management fee payable by the Company is expected to be less than HK\$1,800,000 per year under the New Investment Management Agreement, and thus the annual consideration will be less than HK\$10,000,000; and (ii) all the percentage ratios are less than 25%, the transaction(s) contemplated under the New Investment Management Agreement is/are only subject to reporting and announcement requirements and is exempt from the independent Shareholders' approval requirements under Rule 14A.34 of the Listing Rules.

## **THE NEW INVESTMENT MANAGEMENT AGREEMENT**

Date: 25 April 2014

Parties: (1) The Company; and

(2) CFIIM

### **Terms of the New Investment Management Agreement**

Pursuant to the New Investment Management Agreement, CFIIM was appointed as the investment manager of the Company to provide investment management services to the Company for a further period of three-year effective from 29 April 2014 and expiring on the third anniversary date thereof (both dates inclusive). The parties to the New Investment Management Agreement are entitled to terminate the Agreement by one month's notice in writing.

The New Investment Management Agreement is unconditional. The appointment of CFIIM as the investment manager of the Company will be governed by the terms and conditions of the New Investment Management Agreement. Pursuant to the New Investment Management Agreement, a management fee is payable monthly in arrears at the rate of 0.75% per annum of the aggregate market value of the portfolio(s) managed by it on the last Business Day of each calendar month.

The management fee is reached after arm's length negotiations between the Company and CFIIM and determined with reference to the historical management fee and the responsibilities and duties of CFIIM as the investment manager of the Company.

The Directors (including the independent non-executive Directors) consider the New Investment Management Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Company. The Directors believe that the terms of the New Investment Management Agreement are fair and reasonable as far as the independent Shareholders are concerned.

### **Duties**

CFIIM is responsible for making investment proposals in accordance with the New Investment Management Agreement, the articles of association of the Company and the investment policies of the Company.

## **REASONS FOR ENTERING INTO THE NEW INVESTMENT MANAGEMENT AGREEMENT**

The Group has been utilizing the services of CFIIM since 2011. The Old Investment Management Agreement entered into between the Company and CFIIM will be expired on 28 April 2014 and the Company entered into the New Investment Management Agreement with CFIIM on 25 April 2014 (after trading hours) to renew the appointment of CFIIM as the investment manager of the Company subject to the terms and condition set out therein.

The Directors (including the independent non-executive Directors) consider that the investment experiences of CFIIM and its responsible officers is relevant to the investment strategies of the Company and are of the view that the investment experiences and expertise of CFIIM will be beneficial to the Company and its Shareholders as a whole.

## **INFORMATION ON THE GROUP**

The Company is an investment company under Chapter 21 of the Listing Rules. The Company and its principal subsidiaries are engaged in investment in listed and unlisted companies.

## **INFORMATION ON CFIIM**

CFIIM is a limited liability company incorporated in Hong Kong on 23 February 2010, a licensed corporation to carry on Type 9 (asset management) regulated activity under the SFO. As at the date of this announcement, CFIIM is owned as to 51% by CFAML, 29% by the Company and 20% by Goldlane Holding Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CFAML, Goldlane Holding Limited and their respective ultimate beneficial owners are Independent Third Parties.

The senior management of CFIIM consists of the following experienced fund managers who possess over 20 years of fund industry experience.

## **Chan Wing Yau George**

Mr. Chan is a responsible officer and a director of CFIIM. Mr. Chan is responsible for establishing the corporate development and managing all sorts of company administration. He has over 25 years of experience in the fund management industry and has held senior position at a number of renowned financial institutions which including but not limited to director of Jardine Fleming Management Limited, executive director of HSBC Asset Management Hong Kong Limited, director of Peregrine Asset Management (HK) Limited, director, General Manager and Chief Investment Officer of Dao Heng Fund Management Limited and senior director of Principal Asset Management Company (Asia) Limited.

Mr. Chan has also made great contribution to the financial sector and the pension fund market. Over the years, he has actively participated in various financial related public services, including but not limited to Member of the Sir Robert Black Trust Fund Committee, Chairman of the Ocean Park Investment Committee, member of Executive Committee of the Hong Kong Investment Funds Association and the Chairman of the China Sub-committee, Committee member of the Hong Kong Trade Development Council Financial Services Advisory Committee, Finance Committee member of Board of Management of the Chinese Permanent Cemeteries, Member of Investment Advisory Committee of Sir Maclehole Trust Fund and Compliance Officer of the Hong Kong Institute of Financial Analysis and Professional Commentators Ltd.

## **Ip Ka Tsun Anthony**

Mr. Ip is a responsible officer of CFIIM, who is responsible for managing the investment portfolio and index futures hedge. Since 1998, he has been investing in growth stocks listed in the PRC and Hong Kong. Mr. Ip has more than 10 years of experience in investing in the PRC and Hong Kong securities and futures market.

His strength lies on using the earnings growth model in stock selection to form the core of the long-term investment portfolio. In 2003, Mr. Ip founded the ANPA Investment Management Limited. Since then, he has been actively managing Hong Kong and PRC equity portfolio and using derivatives for hedging to balance the risk of the portfolio. Mr. Ip is a Fellow Member of the Association of Chartered Certified Accountants (FCCA), and received an MBA degree from the Chinese University of Hong Kong and a Bachelor of Arts (First Class Honour) in Accountancy from the Hong Kong Polytechnic University.

The Directors are of the opinion that with the above experiences of both Mr. Chan and Mr. Ip, CFIIM will be the appropriate investment manager to manage the Company's assets in these specialised stock markets.

## CONTINUING CONNECTED TRANSACTIONS

CFIIM is an associate of the Company who is the beneficial owner of 29% of the entire issued shares in CFIIM as at the date of the New Investment Management Agreement. Further, pursuant to Rule 21.13 of the Listing Rules, any investment manager appointed by the Company shall be regarded as a connected person of the Company and the transaction(s) contemplated under the New Investment Management Agreement constitutes continuing connected transaction(s). However, as (i) the annual management fee payable by the Company is expected to be less than HK\$1,800,000 per year under the New Investment Management Agreement, and thus the annual consideration will be less than HK\$10,000,000; and (ii) all the percentage ratios are less than 25%, the transaction(s) contemplated under the New Investment Management Agreement is/ are only subject to reporting and announcement requirements and is exempt from the independent Shareholders' approval requirements under Rule 14A.34 of the Listing Rules.

## DEFINITIONS

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

“associates”	has the meaning ascribed to this term in the Listing Rules
“Board”	the board of Directors
“Business Day”	means any day (except Saturdays, Sundays or public holidays) on which banks and regulated stock exchanges and markets in Hong Kong are open for business
“CFAML”	Capital Focus Asset Management Limited, the holding company of CFIIM
“CFIIM ”	China Financial International Investments & Managements Limited, a company incorporated in Hong Kong with limited liability, a corporation licensed to carry on Type 9 (asset management) regulated activity under the SFO

“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 with Stock Code 721
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and all 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chan”	Mr. Chan Wing Yau George, a responsible officer and a director of CFIIM
“Mr. Ip”	Mr. Ip Ka Tsun Anthony, a responsible officer of CFIIM
“New Investment Management Agreement”	the investment management agreement dated 25 April 2014 entered into between the Company and CFIIM
“Old Investment Management Agreement”	the investment management agreement dated 29 April 2011 entered into between the Company and CFIIM expiring on 28 April 2014
“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
“SFC”	Securities and Future Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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

Hong Kong, 25 April 2014

*As at the date of this announcement, the executive Directors are Mr. Du Lin Dong and Mr. Pong Po Lam, 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.*