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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)

**SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO  
(I) THE SUPPLEMENTAL AGREEMENT TO  
THE AMENDED FIRST SUBSCRIPTION AGREEMENT  
AND  
(II) THE SECOND SUPPLEMENTAL AGREEMENT TO  
THE SECOND SUBSCRIPTION AGREEMENT**

References are made to the announcements of the Company dated 4 September 2014 (the “**Subscription Announcement**”), 24 September 2014 (the “**Delay in Despatch Announcement**”), 7 November 2014 (the “**Supplemental Announcement**”), 12 December 2014 (the “**First Further Delay in Despatch Announcement**”) and 24 December 2014 (the “**Second Further Delay in Despatch Announcement**”, together with the Subscription Announcement, the Delay in Despatch Announcement, the Supplemental Announcement and the First Delay in Despatch Announcement, collectively refer to the “**Announcements**”), in respect of, among other things, the First Subscription, the Second Subscription and the Whitewash Waiver, the delay in despatch of the Circular, the Deed of Novation, the supplemental agreement to the Second Subscription Agreement and further delay in despatch of the Circular respectively. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as defined in the Announcements. The First Subscription Agreement as amended, modified and varied by the Deed of Novation is collectively referred to the “Amended First Subscription Agreement” in this announcement.

## **SUPPLEMENTAL AGREEMENT TO THE AMENDED FIRST SUBSCRIPTION AGREEMENT**

The Board announces that on 30 December 2014, Junjue, the First Guarantor, the Second Guarantor and the Company entered into a supplemental agreement (the “**First Subscription Supplemental Agreement**”) to the Amended First Subscription Agreement pursuant to which, the parties thereto agree, among others,

- (1) to modify the mechanism of the issue of the First Subscription Shares in order to comply with the public float requirement under the Listing Rules, details of the mechanism are set out below:

At the First Completion, if the issue of the entire First Subscription Shares will result in the public float of the Shares falling below 25% of the then total issued share capital of the Company as required under the Listing Rules, the First Completion shall take place in two tranches, whereby the first tranche of 11,000,000,000 new Shares will be allotted and issued to the Nominee Subscriber at the total consideration of HK\$2,200,000,000 at HK\$0.2 per First Subscription Share, while the second tranche of 500,000,000 new Shares will be allotted and issued to the Nominee Subscriber at the total consideration of HK\$100,000,000 at HK\$0.2 per First Subscription Share on the day of the completion of the below event (a), (b) or (c); or on the third day from the date of event (d), whichever date is earlier,

- (a) the Second Subscription is completed;
- (b) if the Second Completion does not take place on or before 29 July 2015, the Company shall arrange for the placement (the “**Placing**”) of 130,000,000 new Shares within three months from the date of the first tranche of the First Completion;
- (c) if the Second Subscription and the Placing cannot be completed within three months from the date of the first tranche of the First Completion, Junjue shall release the charge of 130,000,000 Shares directly or indirectly owned by the First Guarantor created in favour of Junjue and the First Guarantor undertakes to sell or procure his controlled corporation, namely Rightfirst Holdings Limited, to sell such 130,000,000 Shares to Independent Third Parties within one month from the date of release of the said charge; or
- (d) any reason not relating to item (a), (b) or (c) above, but in the event there is not less than 25% shareholdings of the Company being held by the public immediately upon the allotment and issue of the remaining 500,000,000 new Shares;

Set out below are the shareholding structures of the Company as a result of the Subscriptions:

		Scenario (1)	Scenario (2)	Scenario (3)	Scenario (4)	Scenario (5)	Scenario (6)	Scenario (7)	Scenario (8)		
		Immediately after the issue of 11 billion First Subscription Shares but before the Second Completion assuming no options have been exercised and no CB have been converted	Immediately after the Second Completion but before the First Completion assuming no options have been exercised and no CB have been converted	Immediately after completion of the Subscriptions assuming no options have been exercised and no CB have been converted	Immediately after the First Completion but before the Second Completion assuming full exercise of the outstanding options and full conversion of CB	Immediately after the Second Completion but before the First Completion assuming full exercise of the outstanding options and full conversion of CB	Immediately after completion of the Subscriptions assuming full exercise of the outstanding options and full conversion of CB	Completion does not take place and the completion of the placing of 130,000,000 new Shares assuming no options have been exercised and no CB have been converted	Completion does not take place and the disposal of 130,000,000 Shares by Mr. Du and his associates assuming no options have been exercised and no CB have been converted		
No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %		
<b>Directors and its associates</b>											
Rightfirst Holdings Limited (note 1)	500,000,000	10.70	500,000,000	9.07	500,000,000	2.91	500,000,000	2.78	500,000,000	3.09	
Liu Zan (note 1)	34,400,000	0.74	34,400,000	0.63	34,400,000	0.20	34,400,000	0.19	34,400,000	0.21	
Mr. Du (note 1)	185,914,830	3.98	185,914,830	3.37	185,914,830	1.09	190,614,830	1.06	185,914,830	1.14	
Ding Xiaohui (note 2)	1,300,000	0.03	1,300,000	0.02	1,300,000	0.01	1,300,000	0.01	1,300,000	0.01	
Zeng Xiangqiao (note 2)	1,000,000	0.02	1,000,000	0.02	1,000,000	0.00	1,000,000	0.02	1,000,000	0.01	
Mr. Wang	-	-	-	-	40,000,000	0.23	40,000,000	0.61	-	-	
Sub-total	722,614,830	15.47	722,614,830	13.11	722,614,830	4.47	767,314,830	11.78	767,314,830	4.43	
<b>The Subscribers</b>											
The Nominee Subscriber (note 3) and parties acting in concert with it	-	-	-	-	11,500,000,000	66.95	-	11,500,000,000	63.83	11,500,000,000	71.11
The Second Subscriber (note 4)	-	-	-	840,000,000	15.24	-	840,000,000	12.89	-	-	
Sub-total	-	-	840,000,000	15.24	12,340,000,000	66.95	840,000,000	12.89	12,340,000,000	70.54	
<b>Sino Day Financial International Holdings Limited ("Sino Day") (note 4)</b>											
Other public Shareholders (note 5) Placing Shares	470,640,000	10.07	470,640,000	8.54	470,640,000	2.74	470,640,000	2.61	470,640,000	2.89	
	3,478,379,200	74.46	3,478,379,200	63.11	4,438,379,200	25.84	4,438,379,200	68.11	3,608,379,200	21.34	
	-	-	-	-	-	-	-	-	-	0.80	
	-	-	-	-	-	-	-	-	-	-	
Total	4,671,634,030	100.00	15,671,634,030	100.00	17,011,634,030	100.00	18,016,334,030	100.00	16,301,634,030	100.00	

*Notes:*

1. The 34,400,000 Shares were held by Ms. Liu Zan, who is the spouse of Mr. Du, an executive Director and chief executive officer of the Company, and the entire issued capital of Rightfirst Holdings Limited is beneficially owned by Mr. Du. Therefore, in addition to the 185,914,830 Shares personally owned by Mr. Du, Mr. Du is deemed to be interested in the 500,000,000 Shares held by Rightfirst Holdings Limited and the 34,400,000 Shares held by Ms. Liu Zan. Mr. Du also holds 4,700,000 share options of the Company which confer him the right to subscribe for 4,700,000 Shares upon exercise of the subscription rights attached to such share options. Mr. Du, who is one of the guarantors to the Amended First Subscription Agreement, is interested and involved in the First Subscription. Mr. Du is required to abstain from voting on the relevant resolutions to be proposed to approve the Amended First Subscription Agreement, the First Subscription, the Specific Mandate in respect of the First Subscription Shares and the Whitewash Waiver at the SGM.
2. Each of Mr. Ding Xiaobin and Mr. Zeng Xianggao is a non-executive Director and an independent non-executive Director, respectively. Each of Mr. Ding Xiaobin and Mr. Zeng Xianggao is not involved in the negotiation of the Subscription Agreements nor interested in the Subscription Agreements and they are not required to abstain from voting at the SGM to approve the Subscription Agreements, the Specific Mandates and the Whitewash Waiver.
3. Pursuant to the Amended First Subscription Agreement, on the First Completion, the Company shall allot and issue the First Subscription Shares to the Nominee Subscriber.
4. 50% of the issued capital of Sino Day is beneficially owned by Ms. Peng Ying. Ms. Peng Ying is therefore deemed to be interested in the 470,640,000 Shares held by Sino Day. As at the Latest Practicable Date, Sino Day is a substantial Shareholder holding 10.07% of entire issued share capital of the Company. Upon the First Completion and/or the Second Completion, Sino Day will only hold less than 10% of the entire issued share capital of the Company and be regarded as a public Shareholder and the Second Subscriber will become a public shareholder upon completion of the Subscriptions.
5. In scenario (1), approximately 25.19% of the entire issued share capital of the Company will be held by public Shareholders; in scenario (2), approximately 71.65% of the entire issued share capital of the Company will be held by public Shareholders; in scenario (3), approximately 28.16 % of the entire issued share capital of the Company will be held by public Shareholders; in scenario (4), approximately 28.58% of the entire issued share capital of the Company will be held by public Shareholders; in scenario (5), approximately 75.33% of the entire issued share capital of the Company will be held by public Shareholders; in scenario (6), approximately 31.91% of the entire issued share capital of the Company will be held by public Shareholders; in scenario (7), approximately 25.03% of the entire issued share capital of the Company will be held by public Shareholders; and in scenario (8), approximately 25.22% of the entire issued share capital of the Company will be held by public Shareholders.

- (2) the Long Stop Date be extended to 30 June 2015 (or such other date to be agreed among the parties);
- (3) the lock-up undertaking given by Junjue be amended so that from the date of the first tranche of the First Completion and until the second anniversary thereof, Junjue warrants and undertakes the Nominee Subscriber not to dispose of any of the 11,500,000,000 First Subscription Shares in the secondary market, namely on the Stock Exchange, without the prior consent of the Guarantors. If the Nominee Subscriber has disposed of any of the First Subscription Shares off the Stock Exchange, Junjue warrants and undertakes that the relevant transferee not to dispose of any of the 11,500,000,000 First Subscription Shares on the Stock Exchange; and
- (4) additional lock-up undertaking given by the First Guarantor that from the date of the first tranche of the First Completion until the second anniversary thereof, he shall in any event not to dispose of any of the Shares directly or indirectly owned by him (no less than 660,384,830 Shares, representing approximately 14.14% of the entire issued share capital of the Company as at the date of this announcement) save and except (a) the disposal of up to 130,000,000 Shares by the First Guarantor for the purpose of maintaining the public float in compliance with the Listing Rules; and (b) the disposal of Shares upon enforcement of the share charge created by the First Guarantor and Rightfirst Holdings Limited in favour of Junjue;
- (5) the definition of the Unlisted Company Investments be replaced by “the investments of the Company in equity interest of the following eight unlisted companies, which are small loan companies, a guarantee company and an investment and management consultation service company in the PRC, namely:
  - (i) 30% equity interest in Jingdezhen CFI Guosen Microfinance Company Limited# (景德鎮市中金國信小額貸款有限責任公司);
  - (ii) 30% equity interest in Ezhou Zhongjinguotou Microfinance Limited# (鄂州市中金國投小額貸款有限責任公司);
  - (iii) 30% equity interest in Tianjian Zhongjinxinke Microfinance Limited# (天津中金新科小額貸款有限公司);
  - (iv) 30% equity interest in Nanchang Donghu Zhongjincaixin Microfinance Company Limited# (南昌市東湖區中金財信小額貸款股份有限公司);
  - (v) 30% equity interest in Ziyang Yanjiang CFI GuoSen Microfinance Company Limited# (資陽市雁江中金國信小額貸款股份有限公司);
  - (vi) 7.2% equity interest in Jiangxi Huazhang Hanchen Guarantee Group Limited# (江西華章漢辰擔保集團有限公司);
  - (vii) 30% equity interest in Zhengzhou Economic Technological Development Mingyang Micro-loan Limited# (鄭州經濟技術開發區明陽小額貸款有限公司); and
  - (viii) 30% equity interest in Hubei Zhongjin Tech Financial Services Co., Ltd.”

Pursuant to the First Subscription Supplemental Agreement, the Company shall dispose of and the Guarantors shall procure the Company to dispose of the Unlisted Company Investments for cash consideration of not less than HK\$608,000,000 (the “**Total Unlisted Company Investments Consideration**”) and shall have received the cash consideration on or before 6 March 2015; the Company shall, in respect of the disposal of the Unlisted Company Investments, perform and complete the registration of the respective share transfer of the Unlisted Company Investments with the Administration of Industry and Commerce or its relevant local counterpart in the PRC, which, in total, represent (a) not less than 90% of Total Unlisted Company Investments Consideration on or before 30 April 2015; and (b) the entire Total Unlisted Company Investments Consideration by 31 May 2015 (except with written consent from Junjue for the extension);

- (6) each of the deadlines for termination of the Cooperative Agreements and the collection and receipt of the Other Receivables be extended to 30 April 2015;
- (7) the SGM to approve, among other things, the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement, the Specific Mandates and the Whitewash Waiver shall be convened on or before 6 March 2015;
- (8) condition (17) under paragraph headed “Conditions of the First Subscription” in the Subscription Announcement be amended so that the First Guarantor having created a share charge to charge 500,000,000 Shares, representing approximately 10.70% of the entire issued share capital of the Company as at the date of this announcement, indirectly owned by him in favour of Junjue on or before the day immediately preceding the date of the despatch of the circular of the Company; and 160,384,830 Shares, representing approximately 3.44% of the entire issued share capital of the Company as at the date of this announcement, directly owned by him in favour of Junjue on or before 6 March 2015 to guarantee the performance of obligations of the Company and the Guarantors under the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement and has delivered to Junjue the relevant instrument(s) of transfer and sold note(s) signed in blank; and
- (9) Junjue has the right to waive the conditions numbered (1), (2), (8), (9), (10), (11), (16) and/or (17) of the conditions to the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement, save as the aforesaid, none of the above conditions can be waived by any parties to the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement. All parties to the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement shall use all endeavours to procure the fulfillment (or waiver as the case may be) of all the conditions above by the Long Stop Date or such other date as the parties to the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement may agree.

In the event that the Company fails to perform its obligations in accordance with paragraph (5) above, or Mr. Du fails to fulfill condition (17) of the conditions to the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement relating to the creation of share charge by Mr. Du and/or Rightfirst Holdings Limited in favour of Junjue according to the time and manner provided in the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement, Junjue has the right to terminate the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement and claim damages against the Company and/or Mr. Du.

Subject to the aforesaid, if the other conditions have not been fulfilled or waived (as the case may be) by the Long Stop Date and the parties to the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement have not agreed to extend the Long Stop Date within 15 days after the expiry of the Long Stop Date, the Amended First Subscription Agreement as amended by the First Subscription Supplemental Agreement will be terminated and cease to be effective, neither parties have obligations and liabilities thereafter save for any antecedent breach.

## **SECOND SUPPLEMENTAL AGREEMENT TO THE SECOND SUBSCRIPTION AGREEMENT**

On 30 December 2014, the Second Subscriber and the Company entered into a second supplemental agreement pursuant to which, the parties thereto agree to extend the long stop date for the fulfillment of the conditions precedent in the Second Subscription Agreement from 23 January 2015 to 30 June 2015 and that the completion of the Second Subscription will take place at 4:00 p.m. on the twentieth Business Day after the conditions of the Second Subscription have been fulfilled (or such other date and time as may be agreed between the Company and the Second Subscriber).

By order of the Board  
**China Financial International Investments Limited**  
**Du Lin Dong**  
*Chief Executive Officer*

Hong Kong, 30 December 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.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement the omission of which would make any statement in this announcement misleading.*