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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 A JOINT VENTURE COMPANY**

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The Board is pleased to announce that on 7 April 2015, the JV Agreement was entered into among the Company, Shanghai Shenhua and Lujiazui International in relation to the formation of Shanghai JV in Shanghai, the PRC.

The parties to the JV Agreement agreed that Shanghai JV will be established in the Shanghai Free Trade Zone, the PRC and will be owned as to 30% by the Company, as to 45% by Shanghai Shenhua and as to 25% by Lujiazui International respectively. It is expected that Shanghai JV will be engaged principally in the development of the financing and leasing business of the auto consumption industry in the PRC.

This announcement is made pursuant to the Inside Information Provision (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Listing Rules.

#### **FORMATION OF A JOINT VENTURE COMPANY**

The Board is pleased to announce that on 7 April 2015, the JV Agreement is entered into between the Company, Shanghai Shenhua and Lujiazui International in relation to the formation of Shanghai JV in Shanghai, the PRC. The principal terms of the JV Agreement are set out below.

**THE JV AGREEMENT**

Date: 7 April 2015

- Parties:
- (i) the Company;
  - (ii) Shanghai Shenhua; and
  - (iii) Lujiazui International

Shanghai Shenhua is a company established in Shanghai, the PRC and Lujiazui International is a company established in Qingdao, the PRC. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Shanghai Shenhua is principally engaged in auto sales and related services while Lujiazui International is principally engaged in trust services.

Each of Shanghai Shenhua, Lujiazui International and their ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is an Independent Third Party.

**Formation of Shanghai JV**

The parties to the JV Agreement agreed to establish the Shanghai JV in the Shanghai Free Trade Zone, the PRC for a term of 30 years from the issuance date of the operation licence by the State Administration for Industry and Commerce of the PRC (“SAIC”), and the entire registered and paid-up capital of which will be owned as to 30% by the Company, as to 45% by Shanghai Shenhua and as to 25% by Lujiazui International.

Leveraging on the policy and management advantages of the Shanghai Free Trade Zone, it is expected that the JV Agreement will allow the parties to utilise the extensive experience and network of Shanghai Shenhua in the auto consumption industry in the PRC, the expertise in trust and financial management as well as the provision of financial advice of Lujiazui International, and the strength of the Company in its resources and funding, to introduce financing options for financing and leasing business of the auto consumption industry and to generate satisfactory economic and social benefits to the parties to the JV Agreement.

It is expected that Shanghai JV will be engaged in, inter alias, financing and leasing business, leasing business, purchasing domestic and abroad leased properties, handling and maintenance of residuals of leased properties, and consultation and guarantee of lease transaction in the PRC.

## **Registered Capital**

The expected total registered capital of Shanghai JV will be RMB200,000,000 and will be contributed as to RMB90,000,000 by Shanghai Shenhua, RMB60,000,000 by the Company and RMB50,000,000 by Lujiazui International in cash.

The registered capital will be paid by the parties in two equal instalments. The first instalment will be paid within 3 months after the SAIC issued the operating licence. The second instalment will be paid within 3 months after the first instalment. Upon establishment, Shanghai JV will become an associated company of the Company.

The Company intends to finance the capital contribution to Shanghai JV by the internal funds of the Group.

The expected registered capital of Shanghai JV is determined after arm's length negotiations between the parties to the JV Agreement with reference to the expected funding need of Shanghai JV.

## **Board of directors of Shanghai JV**

The board of directors of Shanghai JV will comprise five (5) directors, of which, two will be nominated by Shanghai Shenhua, one will be nominated by the Company, one will be nominated by Lujiazui International and one independent director will be jointly nominated by Shanghai Shenhua and the Company.

## **Profit sharing in Shanghai JV**

Upon establishment of Shanghai JV, Shanghai Shenhua, the Company and Lujiazui International will be entitled to share the profit of Shanghai JV in proportion to their respective equity interests in Shanghai JV.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE TRANSACTION**

The Company is an investment holding company and is principally engaged in the investments in listed securities for short term and unlisted investments for medium and long term.

Considering that the abundant but low-cost fund raising resources, speedy approval process and the advantage of creative policies in the Shanghai Free Trade Zone, and leveraging on the extensive experience and network of Shanghai Shenhua in the auto consumption industry in the PRC, the expertise in trust and financial management as well as the provision of financial advice of Lujiazui International, and the strength of the Company in its resources and funding, the Board believes that the establishment of the Shanghai JV will bring an additional income to the Company. In addition, the entering into the JV Agreement will create and reinforce the strategic cooperation relationship between the Company, Shanghai Shenhua and Lujiazui International, which, in the view of the Directors, will further enhance its existing business network in the PRC.

The Directors consider that the JV Agreement is entered into upon normal commercial terms following arm's length negotiations among the parties and that the terms of the JV Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“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, under stock code: 0721
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	directors of the Company from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“JV Agreement”	the agreement dated 7 April 2015 and entered into among the Company, Shanghai Shenhua and Lujiazui International with respect to the formation of Shanghai JV
“Lujiazui International”	陸家嘴國際信託有限公司(Lujiazui International Trust Limited) <sup>#</sup> , a limited liability company established in the PRC and an Independent Third Party

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shanghai JV”	申華金發融資租賃(上海)有限公司(Shenhua Jinfa Financing & Leasing (Shanghai) Limited)#, a limited liability company to be established in Shanghai, the PRC, in accordance with the terms of the JV Agreement, which name is subject to the approval of the relevant authorities
“Shanghai Shenhua”	上海申華控股股份有限公司(Shanghai Shenhua Holdings Limited)#, a limited liability company established in the PRC, the shares of which are listed on Shanghai Stock Exchange, and an Independent Third Party
“Shareholders”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

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

Hong Kong, 8 April 2015

# *The English translation of Chinese names or words in this announcement, where indicated, are included for information purpose only, and should not be regarded as the official English translation of such Chinese names and words.*

*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.*