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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)

PROPOSED SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

THE SUBSCRIPTION AGREEMENTS

On 3 September 2015, the Company and the First Subscriber entered into the First Subscription Agreement in respect of the First Subscription, pursuant to which the First Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 2,200,000,000 new Shares (representing (i) approximately 41.84% of the entire issued share capital of the Company as at the date of the First Subscription Agreement; (ii) approximately 29.50% of the entire issued share capital of the Company as enlarged by the issue of the First Subscription Shares; and (iii) approximately 18.71% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares) at the First Subscription Price of HK\$0.20 per First Subscription Share.

On 3 September 2015, the Company and the Second Subscriber entered into the Second Subscription Agreement in respect of the Second Subscription, pursuant to which the Second Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,800,000,000 new Shares (representing (i) approximately 34.24% of the entire issued share capital of the Company as at the date of the Second Subscription Agreement; (ii) approximately 25.50% of the entire issued share capital of the Company as enlarged by the issue of the Second Subscription Shares; and (iii) approximately 15.31% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares) at the Second Subscription Price of HK\$0.20 per Second Subscription Share.

On 3 September 2015, the Company and the Third Subscriber entered into the Third Subscription Agreement in respect of the Third Subscription, pursuant to which the Third Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 1,700,000,000 new Shares (representing (i) approximately 32.33% of the entire issued share capital of the Company as at the date of the Third Subscription Agreement; (ii) approximately 24.43% of the entire issued share capital of the Company as enlarged by the issue of the Third Subscription Shares; and (iii) approximately 14.46% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares) at the Third Subscription Price of HK\$0.20 per Third Subscription Share.

On 3 September 2015, the Company and the Fourth Subscriber entered into the Fourth Subscription Agreement in respect of the Fourth Subscription, pursuant to which the Fourth Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 800,000,000 new Shares (representing (i) approximately 15.22% of the entire issued share capital of the Company as at the date of the Fourth Subscription Agreement; (ii) approximately 13.21% of the entire issued share capital of the Company as enlarged by the issue of the Fourth Subscription Shares; and (iii) approximately 6.80% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares) at the Fourth Subscription Price of HK\$0.20 per Fourth Subscription Share.

The Subscription Shares, in aggregate, represent (i) approximately 123.63% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 55.28% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares (assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Subscriptions).

The gross proceeds from the Subscriptions are expected to be approximately HK\$1,300,000,000, the aggregate net proceeds from the Subscriptions is estimated to be approximately HK\$1,297,000,000, representing a net price of approximately HK\$0.1995 per Subscription Share. The net proceeds from the Subscription will be applied as to (i) approximately HK\$500,000,000 for equity investments in insurance and financial services; (ii) approximately HK\$300,000,000 for equity investments in the clean energy industry; (iii) approximately HK\$400,000,000 for equity investments in leisure sports vacation industry; and (iv) approximately HK\$97,000,000 as general working capital of the Group.

SPECIFIC MANDATE

The Subscription Shares will be issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

SGM

The SGM will be convened to consider and, if thought fit, to approve, among other things, the Subscription Agreements, the transactions contemplated thereunder and the Specific Mandate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting at the SGM in respect of the Subscription Agreements, the transactions contemplated thereunder and the Specific Mandate.

GENERAL

A circular containing, among other things, (i) further information on the Subscription Agreements and the Subscriptions; and (ii) the Specific Mandate, together with a notice of the SGM and a form of proxy will be despatched to the Shareholders within 15 Business Days after the publication of this announcement in accordance with the Listing Rules.

As the completion of the Subscriptions is subject to the fulfilment of the conditions precedent stated in the respective Subscription Agreements, the Subscriptions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

THE SUBSCRIPTIONS

The First Subscription Agreement

Date: 3 September 2015

Parties: (1) the Company (as issuer); and
(2) the First Subscriber (as subscriber);

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the date of this announcement, the First Subscriber and its ultimate beneficial owners are independent of the Company and its connected persons, the Second Subscriber, the Third Subscriber and the Fourth Subscriber.

On 3 September 2015, the Company entered into the First Subscription Agreement with the First Subscriber, pursuant to which the First Subscriber has conditionally agreed to subscribe for, in aggregate, and the Company has conditionally agreed to allot and issue an aggregate of 2,200,000,000 Subscription Shares at the First Subscription Price of HK\$0.20 per First Subscription Share. The total aggregate consideration for the First Subscription, being HK\$440,000,000, shall be payable by the First Subscriber in cash to the Company upon completion of the First Subscription.

The First Subscription Shares

The First Subscription Shares comprise 2,200,000,000 new Shares, representing (i) approximately 41.84% of the entire issued share capital of the Company as at the date of the First Subscription Agreement; (ii) approximately 29.50% of the entire issued share capital of the Company as enlarged by the issue of the First Subscription Shares; and (iii) approximately 18.71% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Subscriptions).

Conditions precedent to the First Subscription

The completion of the First Subscription is conditional upon fulfilment of the following conditions:

1. the Company not having breached any of the undertakings and warranties given by the Company in the First Subscription Agreement and such undertakings and warranties remaining true and accurate in all respects and not misleading;
2. the Company is in compliance with all its undertakings given, pending completion as set out in the paragraph headed “Undertakings pending completion of the First Subscription” below;
3. the obtaining of all necessary consent and approval by the Company, including but not limited to passing by the Board and the Shareholders at the SGM, among other things, an ordinary resolution to approve the First Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate in respect of the First Subscription Shares);
4. the Stock Exchange granting an approval for the listing of and permission to deal in the First Subscription Shares to be issued (and such approval not being subsequently revoked prior to the completion of the First Subscription);
5. the Bermuda Monetary Authority granting consent to (if required) the issue of the First Subscription Shares (and such consent not being subsequently revoked prior to the completion of the First Subscription);
6. all parties to the First Subscription Agreement having signed all relevant documents in connection with the First Subscription;
7. the obtaining of all necessary consent and approval by the First Subscriber; and
8. the results of the due diligence exercise being satisfactory to the First Subscriber, and confirmed in writing by the First Subscriber.

Each of the Company and the First Subscriber shall use their best endeavours to procure the fulfilment of the conditions precedent to the First Subscription. If the above conditions precedent are not fulfilled on or before 30 October 2015 (or such later date as may be agreed between the Company and the First Subscriber in writing), the First Subscription Agreement shall terminate and neither of the parties thereto will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the First Subscription Agreement.

Undertakings pending completion of the First Subscription

The Company shall from the date of the First Subscription Agreement until the completion of the First Subscription sufficiently consult with the First Subscriber in relation to any matters which may have material effect upon the Company or its business and financial position, in particular, the Company shall:

- (1) continue to carry on its business in the ordinary course in accordance with all applicable laws, regulations, rules, standards and other lawful requirements;
- (2) settle all debts incurred in the ordinary course of business within applicable credit periods;
- (3) inform the First Subscriber forthwith any change in the business of the Company with full particular of the change;
- (4) disclose to the First Subscriber forthwith the occurrence of any event or circumstance (either existing at the date of the First Subscription Agreement or occurring thereafter) that may result in breaching any of provision of the First Subscription Agreement or any of the warranties becoming untrue or inaccurate and all relevant information relating thereto;
- (5) allow the First Subscriber or its authorised persons to inspect the books and records of the Company with reasonable prior notice and provide copies of the books and records of the Company at the request of the First Subscriber; and
- (6) duly observe all the undertaking given by the Company under the First Subscription Agreement.

The Company shall not, from the date of the First Subscription Agreement until the completion of the First Subscription, except with the prior written consent of the First Subscriber,

- (1) carry out any investment or undertake or sign any agreement or document to invest in any new projects;
- (2) change, widen or decrease the scope of the current business of the Company;
- (3) waive or relinquish any right in any debt or guarantee;
- (4) create encumbrance on any asset, property or investment of the Company;

- (5) provide any guarantee in favour of any third party;
- (6) alter its memorandum of association or bye-laws;
- (7) increase or reduce the capital of the Company or create any related scheme;
- (8) enter into demerger, amalgamation or merger with any other company or any related scheme;
- (9) wind up, liquidate or terminate the operation of the Company;
- (10) declare, make and pay any dividend or distribution to the Shareholders;
- (11) change the composition or members of the Board;
- (12) sell or offer to sell any securities of the Company, including but not limited to bonds, convertible bonds or option to any individuals, corporations, organisations or entities;
- (13) set up any share incentive scheme;
- (14) provide any financial assistance to any individuals, corporations, organisations or entities;
- (15) borrow moneys from any individuals, corporations, organisations or entities;
- (16) lend moneys to any individuals, corporations, organisations or entities;
- (17) formulate any budget, plan, arrangement and scheme resulting in one-off or accumulative expenditure exceeding HK\$500,000;
- (18) lease, acquire, dispose of or sub-lease of any asset and property of the Company;
- (19) conduct any placing, rights issue, share issue or issue of convertible securities;
- (20) alter its authorised share capital;
- (21) conduct any share consolidation, sub-division or capitalisation issue;

- (22) alter the rights attaching to any retirement scheme or employee compensation scheme of the Company including conferring or setting up or declaration of conferring or setting up any scheme that provide additional payment to the retirement and employee compensation scheme;
- (23) commence, defend or settle or agree to settle any legal, administrative or arbitration proceedings;
- (24) do any act resulting in breach of the First Subscription Agreement or causing the Company to incur any liabilities;
- (25) do or not do or allowing any third party doing or not doing any act which results in breach of the warranties and other terms of the First Subscription Agreement;
- (26) transfer or sub-licence any qualification, permit, licence to any third party(ies) save and except for the First Subscriber; and
- (27) alter the organisation of the Company.

Nomination of Directors

Pursuant to the First Subscription Agreement, upon the completion thereof, the Company shall procure the change in the constitution of the Board in compliance with the Listing Rules so that the new Board will comprise nine members of which four are executive Directors, two are non-executive Directors and three are independent non-executive Directors. The First Subscriber shall have the right to nominate two executive Directors and one non-executive Director and one independent non-executive Director. The appointment of the Directors nominated by the First Subscriber shall be carried out in accordance with the Listing Rules in respect of appointment of Directors.

Termination of the First Subscription Agreement

Pursuant to the First Subscription Agreement, the First Subscriber has the right to terminate the First Subscription Agreement in the event of occurrence of any of the following events before completion of the First Subscription:

1. the Company is in breach of any term of the First Subscription Agreement;
2. the results of the due diligence exercise was not satisfactory to the First Subscriber;
3. there is any material adverse change in the business, financial position and prospect of the Company; and

4. the warranty(ies) in the First Subscription Agreement is/are found untrue, inaccurate and/or incomplete.

The Second Subscription Agreement

Date: 3 September 2015

Parties: (1) the Company (as issuer); and
(2) the Second Subscriber (as subscriber);

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the date of this announcement, the Second Subscriber and its ultimate beneficial owners are independent of the Company and its connected persons, the First Subscriber, the Third Subscriber and the Fourth Subscriber.

On 3 September 2015, the Company entered into the Second Subscription Agreement with the Second Subscriber, pursuant to which the Second Subscriber has conditionally agreed to subscribe for, in aggregate, and the Company has conditionally agreed to allot and issue an aggregate of 1,800,000,000 Subscription Shares at the Second Subscription Price of HK\$0.20 per Second Subscription Share. The total aggregate consideration for the Second Subscription, being HK\$360,000,000, shall be payable by the Second Subscriber in cash to the Company upon completion of the Second Subscription.

The Second Subscription Shares

The Second Subscription Shares comprise 1,800,000,000 new Shares, representing (i) approximately 34.24% of the entire issued share capital of the Company as at the date of the Second Subscription Agreement; (ii) approximately 25.50% of the entire issued share capital of the Company as enlarged by the issue of the Second Subscription Shares; and (iii) approximately 15.31% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Subscriptions).

The Third Subscription Agreement

Date: 3 September 2015

Parties: (1) the Company (as issuer); and
(2) the Third Subscriber (as subscriber);

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the date of this announcement, the Third Subscriber and its ultimate beneficial owners are independent of the Company and its connected persons, the First Subscriber, the Second Subscriber and the Fourth Subscriber.

On 3 September 2015, the Company entered into the Third Subscription Agreement with the Third Subscriber, pursuant to which the Third Subscriber has conditionally agreed to subscribe for, in aggregate, and the Company has conditionally agreed to allot and issue an aggregate of 1,700,000,000 Subscription Shares at the Third Subscription Price of HK\$0.20 per Third Subscription Share. The total aggregate consideration for the Third Subscription, being HK\$340,000,000, shall be payable by the Third Subscriber in cash to the Company upon completion of the Third Subscription.

The Third Subscription Shares

The Third Subscription Shares comprise 1,700,000,000 new Shares, representing (i) approximately 32.33% of the entire issued share capital of the Company as at the date of the Third Subscription Agreement; (ii) approximately 24.43% of the entire issued share capital of the Company as enlarged by the issue of the Third Subscription Shares; and (iii) approximately 14.46% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Subscriptions).

The Fourth Subscription Agreement

Date: 3 September 2015

Parties: (1) the Company (as issuer); and
(2) the Fourth Subscriber (as subscriber);

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, as at the date of this announcement, the Fourth Subscriber and its ultimate beneficial owners are independent of the Company and its connected persons, the First Subscriber, the Second Subscriber and the Third Subscriber.

On 3 September 2015, the Company entered into the Fourth Subscription Agreement with the Fourth Subscriber, pursuant to which the Fourth Subscriber has conditionally agreed to subscribe for, in aggregate, and the Company has conditionally agreed to allot and issue an aggregate of 800,000,000 Subscription Shares at the Fourth Subscription Price of HK\$0.20 per Fourth Subscription Share. The total aggregate consideration for the Fourth Subscription, being HK\$160,000,000, shall be payable by the Fourth Subscriber in cash to the Company upon completion of the Fourth Subscription.

The Fourth Subscription Shares

The Fourth Subscription Shares comprise 800,000,000 new Shares, representing (i) approximately 15.22% of the entire issued share capital of the Company as at the date of the Fourth Subscription Agreement; (ii) approximately 13.21% of the entire issued share capital of the Company as enlarged by the issue of the Fourth Subscription Shares; and (iii) approximately 6.80% of the entire issued share capital of the Company as enlarged by the issue of the Subscription Shares (assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Subscriptions).

Conditions precedent to each of the Second Subscription, the Third Subscription and the Fourth Subscription

The completion of each of the Second Subscription, the Third Subscription and the Fourth Subscription is conditional upon fulfilment of the following conditions:

1. the approval by the Shareholders at the SGM, among other things, an ordinary resolution to approve each of the respective Subscription Agreement and the transactions contemplated thereunder (including the grant of the Specific Mandate in respect of the respective Subscription Shares);

2. the Stock Exchange granting an approval for the listing of and permission to deal in the respective Subscription Shares to be issued (and such approval not being subsequently revoked prior to the completion of the respective Subscriptions);
3. the warranties given by the respective Subscribers in the respective Subscription Agreements remaining true, accurate and not misleading in all respects;
4. the Bermuda Monetary Authority granting consent to (if required) the issue of the Subscription Shares; and
5. the results of the due diligence exercise, to be performed by the respective Subscribers until the completion of the respective Subscriptions, being satisfactory to the respective Subscribers, and confirmed in writing by the respective Subscribers.

Each of the Company and the respective Subscriber shall use their best endeavours to procure the fulfilment of the conditions precedent to the respective Subscriptions. If the above conditions precedent are not fulfilled on or before 30 October 2015 (or such later date as may be agreed between the Company and the respective Subscribers in writing), the respective Subscription Agreements shall terminate and neither of the parties thereto will have any claim against the other for costs, damages, compensation or otherwise save for any antecedent breach of the respective Subscription Agreements.

Termination of each of the Second Subscription Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement

Pursuant to the Second Subscription Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement, each of the Second Subscriber, the Third Subscriber and the Fourth Subscriber has the right to terminate the Second Subscription Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement respectively in the event of occurrence of any of the following events before the completion of the respective Subscription Agreements:

1. the conditions precedents of the Second Subscription Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement respectively have not been fulfillment;
2. the information provided by the Company to the Second Subscriber, the Third Subscriber or the Fourth Subscriber is found untrue, inaccurate and/or incomplete;
3. the Company is in breach of any term of the Second Subscription Agreement, the Third Subscription Agreement or the Third Subscription Agreement respectively;

4. the results of the due diligence exercise are not satisfactory to the the Second Subscriber, the Third Subscriber or the Fourth Subscriber; and
5. there is any material adverse change in the business, financial position and prospect of the Company.

PRINCIPAL TERMS OF EACH OF THE SUBSCRIPTION AGREEMENTS

Apart from the number of the Subscription Shares to be subscribed for by each of the Subscribers set out above, the identities of the Subscribers, the conditions precedent to the Subscriptions and termination of the Subscriptions, the remaining terms of each of the Subscription Agreements are the same. Set out below are the key terms of the Subscription Agreements.

Subscription Price

Each of the First Subscription Price, the Second Subscription Price, the Third Subscription Price and the Fourth Subscription Price is the same, and equivalent to HK\$0.20 (the “**Subscription Price**”) per Subscription Share.

The Subscription Price of HK\$0.20 per Subscription Share represents:

- (i) a discount of approximately 78.26% to the closing price of HK\$0.92 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (ii) a discount of approximately 77.53% to the average of the closing price of approximately HK\$0.89 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day.

The aggregate net proceeds from the Subscriptions is estimated to be approximately HK\$1,297,000,000. The net subscription price per Subscription Share is approximately HK\$0.1995.

The Subscription Price was arrived at after arm’s length negotiations between the Company and each of the Subscribers with reference to the recent trading performance of the Shares and the unaudited net asset value per Share of approximately HK\$0.20 as at 31 July 2015. The Directors consider that the terms of the Subscription Agreements (including the Subscription Price) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price for the Subscription Shares is payable in cash by each of the Subscribers on the Completion Date.

Completion of the Subscriptions

The completion of the Subscriptions will take place on the Completion Date in accordance with the terms of the respective Subscription Agreements.

Ranking of the Subscription Shares

The Subscription Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves, and with the other Shares in issue as at the date of allotment and issue of the Subscription Shares, including the rights to all dividends and other distributions declared, made or paid at any time on or after the date of the completion of the Subscriptions.

Lock-up undertaking

Each of the Subscribers has irrevocably undertaken to the Company that from the Completion Date of the respective Subscription Agreement and until the first anniversary thereof, it shall not dispose of any of its respective Subscription Shares in the secondary market.

The undertakings to lock up the Subscription Shares demonstrate the support, commitment and confidence of the Subscribers to the continuous development of the Group.

Application for Listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

Specific Mandate for the issue of the Subscription Shares

The Subscription Shares will be allotted and issued by the Company pursuant to the Specific Mandate proposed to be sought from the Shareholders at the SGM.

INFORMATION ON THE GROUP AND THE SUBSCRIBERS

The Group is principally engaged in the investment of listed and unlisted companies established and/or doing business in Hong Kong and the PRC.

The First Subscriber was incorporated in Hong Kong with limited liability. The controlling shareholder of the First Subscriber is Mr. Wu Jiawei (“**Mr. Wu**”). The First Subscriber is currently an investment holding company, and shall focus on financial investments, including but not limited to, asset management and investment management, in the future. Mr. Wu’s main investment areas include but not limited to, logistics, automobiles mortgage guarantee, agriculture and biotechnology.

The Second Subscriber was incorporated in the BVI with limited liability. The Second Subscriber is wholly-owned by Mr. Xu Rongta (“**Mr. Xu**”). The Second Subscriber is currently an investment holding company, and shall focus on financial investments, including but not limited to, equity investment, asset management and investment management, in the future. Mr. Xu mainly engage in financial investments, financial advisory services, and automobiles sales services, in Shanghai, the PRC.

The Third Subscriber was incorporated in the BVI with limited liability. The Third Subscriber is wholly-owned by Mr. Lan Heng. The Third Subscriber is an investment holding company.

The Fourth Subscriber was incorporated in Hong Kong with limited liability. The controlling shareholder of the Fourth Subscriber is Mr. Fang Xianxin. The Fourth Subscriber is a high-end equipment import agent and the provision of professional and technical services in the PRC and worldwide. The Fourth Subscriber specialises in the technological promotion, market analysis, strategic development and planning and investment advisory in industries including but not limited to, coal chemical engineering, salt chemical engineering, phosphorous chemical engineering and energy chemical engineering, in the PRC.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS AND USE OF PROCEEDS

The Board considers that the Subscription represents an opportunity to raise capital for the Group while broadening its capital base. By entering into the Subscription Agreements, the Group could strengthen its overall financial position. Leveraging on the introduction of financially strong and well-experienced Subscribers as the Group’s substantial Shareholders and strategic investor after completion, the Group’s overall investment capability and network is strengthened.

The gross proceeds from the Subscriptions are expected to be approximately HK\$1,300,000,000, the aggregate net proceeds from the Subscriptions is estimated to be approximately HK\$1,297,000,000, representing a net price of approximately HK\$0.1995 per Subscription Share. The net proceeds from the Subscription will be applied as to (i) approximately HK\$500,000,000 for equity investments in insurance and financial services; (ii) approximately HK\$300,000,000 for equity investments in the clean energy industry; (iii) approximately HK\$400,000,000 for equity investments in leisure sports vacation industry; and (iv) approximately HK\$97,000,000 as general working capital of the Group.

The Directors consider that the Subscription Agreements are entered into on normal commercial terms following arm's length negotiations between the Company and each of the Subscribers and that the terms of the Subscription Agreements are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned.

EQUITY FUND RAISING EXERCISE OF THE COMPANY DURING THE PAST 12 MONTHS

Save for the entering into (i) the subscription agreement dated 4 September 2014 for the subscription for 1,150,000,000 Shares at the subscription price of HK\$0.2 per Share which has been terminated on 14 May 2015; and (ii) the subscription agreement dated 4 September 2014 for the subscription for 800,000,000 Shares at the subscription price of HK\$0.2 per Share which was not approved by the Shareholders at the special general meeting of the Company at 6 March 2015, the Company has not undertaken any equity fund raising exercise in the 12 months immediately preceding the date of this announcement.

CHANGES TO THE SHAREHOLDING IN THE COMPANY AS A RESULT OF THE ISSUE OF THE SUBSCRIPTION SHARES

The shareholding structure of the Company as at the date of this announcement and immediately upon completion of the Subscription(s) based on the following scenarios are set out below, for illustrative purposes only (assuming that there is no issue of new Shares after the date of this announcement to completion of the Subscriptions):

- (1) as at the date of this announcement (“**Scenario 1**”);

- (2) on Completion Date, if only the First Subscription has been completed (“**Scenario 2**”);
- (3) on Completion Date, if only the Second Subscription has been completed (“**Scenario 3**”);
- (4) on Completion Date, if only the Third Subscription has been completed (“**Scenario 4**”);
- (5) on Completion Date, if only the Fourth Subscription has been completed (“**Scenario 5**”);
- (6) on Completion Date, if only the First Subscription and the Second Subscription have been completed (“**Scenario 6**”);
- (7) on Completion Date, if only the First Subscription and the Third Subscription have been completed (“**Scenario 7**”);
- (8) on Completion Date, if only the First Subscription and the Fourth Subscription have been completed the (“**Scenario 8**”);
- (9) on Completion Date, if only the Second Subscription and the Third Subscription have been completed (“**Scenario 9**”);
- (10) on Completion Date, if only the Second Subscription and the Fourth Subscription have been completed (“**Scenario 10**”);
- (11) on Completion Date, if only the Third Subscription and the Fourth Subscription have been completed (“**Scenario 11**”);
- (12) on Completion Date, if only the First Subscription, the Second Subscription and the Third Subscription have been completed (“**Scenario 12**”);
- (13) on Completion Date, if only the First Subscription, the Second Subscription and the Fourth Subscription have been completed (“**Scenario 13**”);
- (14) on Completion Date, if only the First Subscription, the Third Subscription and the Fourth Subscription have been completed (“**Scenario 14**”);
- (15) on Completion Date, if only the Second Subscription, the Third Subscription and the Fourth Subscription have been completed (“**Scenario 15**”); and
- (16) on Completion Date, if all the Subscriptions have been completed (“**Scenario 16**”).

	Scenario 1	Scenario 2	Scenario 3	Scenario 4	Scenario 5	Scenario 6	Scenario 7	Scenario 8	Scenario 9	Scenario 10	Scenario 11	Scenario 12	Scenario 13	Scenario 14	Scenario 15	Scenario 16		
	No. of Shares Approx. #																	
3000000	951%	5000000	6.71%	5000000	7.09%	5000000	5.40%	5000000	5.46%	5000000	6.36%	5000000	4.56%	5000000	5.02%	5000000	4.25%	
18594830	154%	18594830	2.49%	18594830	2.67%	18594830	2.01%	18594830	2.25%	18594830	2.37%	18594830	1.70%	18594830	1.87%	18594830	1.58%	
3440000	0.67%	3440000	0.46%	3440000	0.49%	3440000	0.37%	3440000	0.39%	3440000	0.44%	3440000	0.31%	3440000	0.35%	3440000	0.30%	
1300000	0.02%	1300000	0.02%	1300000	0.02%	1300000	0.01%	1300000	0.02%	1300000	0.02%	1300000	0.01%	1300000	0.01%	1300000	0.01%	
1000000	0.02%	1000000	0.01%	1000000	0.01%	1000000	0.01%	1000000	0.01%	1000000	0.01%	1000000	0.01%	1000000	0.01%	1000000	0.01%	
722614830	13.74%	722614830	9.69%	722614830	10.34%	722614830	7.80%	722614830	8.25%	722614830	9.20%	722614830	6.59%	722614830	7.26%	722614830	6.15%	
The subscribers																		
First Subscriber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Second Subscriber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Third Subscriber	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fourth Subscriber (Note 6)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other public shareholders	4,555,019,200	86.26%	4,555,019,200	63.18%	4,555,019,200	63.18%	4,555,019,200	54.02%	4,555,019,200	51.79%	4,555,019,200	58.46%	4,555,019,200	45.09%	4,555,019,200	47.45%	4,555,019,200	38.57%
Total	5,257,654,030	100.00%	5,257,654,030	100.00%	5,257,654,030	100.00%	5,257,654,030	100.00%	5,257,654,030	100.00%	5,257,654,030	100.00%	5,257,654,030	100.00%	5,257,654,030	100.00%	5,257,654,030	100.00%

Directors and associates
 Rightfox Holdings Limited
 (Note 7)
 Du Lin Dong ("Mr. Du")
 (Note 7 and 2)
 Liu Zan ("Ms. Liu") (Note 3)
 Ding Xuebin (Note 4)
 Zeng Xiangqiao (Note 5)

Notes:

1. The entire issued share capital of Rightfirst Holdings Limited is beneficially owned by Mr. Du, an executive Director. Mr. Du is deemed to be interested in the 500,000,000 Shares held by Rightfirst Holdings Limited.
2. Mr. Du is the spouse of Ms. Liu, and is deemed to be interested in the 34,400,000 Shares held by Ms. Liu.
3. Ms. Liu is the spouse of Mr. Du, and is deemed to be interested in the 500,000,000 Shares held by Rightfirst Holdings Limited and the 185,914,830 Shares held by Mr. Du.
4. Mr. Ding Xiaobin is a non-executive Director.
5. Mr. Zeng Xianggao is an independent non-executive Director.
6. The Fourth Subscription Shares represent (i) approximately 15.22% of the entire issued share capital of the Company as at the date of this announcement; (ii) approximately 13.21% of the entire issued share capital of the Company as enlarged by the issue of the Fourth Subscription Shares; and (iii) approximately 6.80% of the entire issued share capital of the Company as enlarged by the issue of all Subscription Shares. The Fourth Subscriber will be a substantial Shareholder if only the completion of Fourth Subscription takes place and the Fourth Subscriber will be regarded as a public Shareholder if the completion of all Subscription takes place.

SPECIFIC MANDATE

The Subscription Shares will be issued pursuant to the Specific Mandate to be sought from the Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

SGM

The SGM will be convened to consider and, if thought fit, to approve, among other things, the Subscription Agreements, the transactions contemplated thereunder and the Specific Mandate. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholders will be required to abstain from voting at the SGM in respect of the Subscription Agreements, the transactions contemplated thereunder and the Specific Mandate.

GENERAL

A circular containing, among other things, (i) further information on the Subscription Agreements and the Subscriptions; and (ii) the Specific Mandate, together with a notice of the SGM and a form of proxy will be despatched to the Shareholders within 15 Business Days after the publication of this announcement in accordance with the Listing Rules.

As the completion of the Subscriptions is subject to the fulfilment of the conditions precedent stated in the respective Subscription Agreements, the Subscriptions may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the Shares.

DEFINITIONS

Unless otherwise stated or the context requires otherwise, the terms in this announcement have the following meanings:

“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“BVI”	the British Virgin Islands
“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 main board of the Stock Exchange (stock code: 0721)
“Completion Date”	the date which falls within ten (10) Business Days after satisfaction of all the conditions precedent under the respective Subscription Agreements, or such other date as may otherwise be agreed by the respective Subscribers and the Company in writing

“Director(s)”	the director(s) of the Company
“First Subscriber”	Excel Gainer International Limited, a company incorporated in Hong Kong with limited liability, a subscriber for the First Subscription Shares
“First Subscription”	the subscription for the First Subscription Shares by the First Subscriber pursuant to the First Subscription Agreement
“First Subscription Agreement”	the subscription agreement dated 3 September 2015 and entered into between the Company and the First Subscriber in respect of the First Subscription
“First Subscription Price”	the subscription price of HK\$0.20 per First Subscription Share
“First Subscription Shares”	2,200,000,000 new Shares to be subscribed by the First Subscriber and to be allotted and issued by the Company pursuant to the First Subscription Agreement
“Fourth Subscriber”	Hong Kong Puerte Co., Limited, a company incorporated in Hong Kong with limited liability, a subscriber for the Fourth Subscription Shares
“Fourth Subscription”	the subscription for the Fourth Subscription Shares by the Fourth Subscriber pursuant to the Fourth Subscription Agreement
“Fourth Subscription Agreement”	the subscription agreement dated 3 September 2015 and entered into between the Company and the Fourth Subscriber in respect of the Fourth Subscription
“Fourth Subscription Price”	the subscription price of HK\$0.20 per Fourth Subscription Share

“Fourth Subscription Shares”	800,000,000 new Shares to be subscribed by the Fourth Subscriber and to be allotted and issued by the Company pursuant to the Fourth Subscription Agreement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Last Trading Day”	2 September 2015, being the last trading day prior to the signing of the Subscription Agreements
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Second Subscriber”	Ruixin Taifu Investment Group Co., Ltd, a company incorporated in the BVI with limited liability, a subscriber for the Second Subscription Shares
“Second Subscription”	the subscription for the Second Subscription Shares by the Second Subscriber pursuant to the Second Subscription Agreement
“Second Subscription Agreement”	the subscription agreement dated 3 September 2015 and entered into between the Company and the Second Subscriber in respect of the Second Subscription
“Second Subscription Price”	the subscription price of HK\$0.20 per Second Subscription Share

“Second Subscription Shares”	1,800,000,000 new Shares to be subscribed by the Second Subscriber and to be allotted and issued by the Company pursuant to the Second Subscription Agreement
“SGM”	special general meeting
“Share(s)”	share(s) of HK\$0.01 each in the issued share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Specific Mandate”	the mandate to allot and issue the Subscription Shares to be sought from the Shareholders at the SGM to authorise the Directors to issue the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	collectively the First Subscriber, the Second Subscriber, the Third Subscriber and the Fourth Subscriber
“Subscription Agreements”	collectively the First Subscription Agreement, the Second Subscription Agreement, the Third Subscription Agreement and the Fourth Subscription Agreement
“Subscription Shares”	collectively the First Subscription Shares, the Second Subscription Shares, the Third Subscription Shares and the Fourth Subscription Shares
“Subscriptions”	collectively the First Subscription, the Second Subscription, the Third Subscription and the Fourth Subscription
“Third Subscriber”	Hong Rui Holdings Limited, a company incorporated in the BVI with limited liability, a subscriber for the Third Subscription Shares

“Third Subscription”	the subscription for the Third Subscription Shares by the Third Subscriber pursuant to the Third Subscription Agreement
“Third Subscription Agreement”	the subscription agreement dated 3 September 2015 and entered into between the Company and the Third Subscriber in respect of the Third Subscription
“Third Subscription Price”	the subscription price of HK\$0.20 per Third Subscription Share
“Third Subscription Shares”	the 1,700,000,000 new Shares to be subscribed by the Third Subscriber and to be allotted and issued by the Company pursuant to the Third Subscription Agreement
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
China Financial International Investment Limited
Du Lin Dong
Chairman and Chief Executive Officer

Hong Kong, 3 September 2015

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. Sha Naiping and Mr. Ding Xiaobin and the independent non-executive Directors are Dr. Cheung Wai Bun Charles and Mr. Zeng Xianggao.