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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) MAJOR TRANSACTION  
INVESTMENT STRATEGIC COOPERATION AGREEMENT;  
(2) MAJOR DISPOSAL;  
(3) CHANGE IN USE OF PROCEEDS;  
AND  
(4) RESUMPTION OF TRADING**

#### **(1) THE STRATEGIC COOPERATION**

The Board is pleased to announce that on 24 November 2015, Beijing Irena and the Company have conditionally entered into the Strategic Cooperation Agreement in relation to the acquisition of in aggregate 226,000,000 shares, representing approximately 28.76% of the issued share capital in Ourgame, by Glassy Mind. Glassy Mind is owned as to 70% by Yi Jia, a wholly-owned subsidiary of Beijing Irena and as to 30% by Best Joy, a wholly-owned subsidiary of the Company.

#### **(2) THE DISPOSAL**

Upon completion of the Strategic Cooperation Agreement, parties to the Strategic Cooperation Agreement have agreed that, on 30 June 2016, Beijing Irena shall buy back the 30% issued share capital in Glassy Mind currently owned by Best Joy, at the Guaranteed Return.

#### **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Strategic Cooperation is more than 25% but less than 100%, the Strategic Cooperation constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The Strategic Cooperation and the transactions contemplated thereunder are therefore subject to, among others, the approval of the Shareholders at the SGM.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The Disposal and the transactions contemplated thereunder are therefore subject to, among others, the approval of the Shareholders at the SGM.

### **SGM**

The SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Strategic Cooperation Agreement, the Disposal and the respective transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the Strategic Cooperation, the Disposal and the respective transactions contemplated thereunder. As such, no Shareholder will be required to abstain from voting on the resolution to approve the Strategic Cooperation, the Disposal and the respective transactions contemplated thereunder. Any vote exercised by the Shareholders at the SGM shall be taken by way of poll.

### **GENERAL**

A Circular containing, among other things, (i) further details of the Strategic Cooperation and the Disposal; (ii) the financial information of Glassy Mind and Ourgame Group; and (iii) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the Circular will be despatched to the Shareholders on or before 24 December 2015, as additional time will be required to finalise certain financial and general information of the Group to be included in the Circular.

### **(3) CHANGE IN USE OF PROCEEDS**

In view of the attractive Guaranteed Return to the Company, pursuant to the Strategic Cooperation Agreement, the Board has resolved to change the use of part of the net proceeds originally allocated for equity investments in the clean energy industry and the leisure sports vacation industry to be extended to include the short term investment financing with a guaranteed return. Upon completion of the Second Subscription (as defined in the Subscription Announcement), the unutilised net proceeds amount to approximately HK\$1,137,000,000.

### **(4) RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Tuesday, 24 November 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 1 December 2015.

**Shareholders and potential investors of the Company should be aware that the Strategic Cooperation, the Disposal and the respective transactions contemplated thereunder are subject to certain conditions being satisfied, and consequently the Strategic Cooperation and the Disposal may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## **(1) THE STRATEGIC COOPERATION**

The Board is pleased to announce that on 24 November 2015, Beijing Irena and the Company have conditionally entered into the Strategic Cooperation Agreement in relation to the acquisition of in aggregate 226,000,000 shares, representing approximately 28.76% of the issued share capital in Ourgame, by Glassy Mind. Glassy Mind is owned as to 70% by Yi Jia, a wholly-owned subsidiary of Beijing Irena and as to 30% by Best Joy, a wholly-owned subsidiary of the Company.

The terms of the Strategic Cooperation Agreement are set out below:

### **The Strategic Cooperation Agreement**

Date: 24 November 2015

Parties:

- (1) Beijing Irena Culture Co., Ltd
- (2) China Financial International Investments Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Beijing Irena and its ultimate beneficial owners, are Independent Third Parties.

### **The Strategic Cooperation**

Pursuant to the terms and conditions of the Strategic Cooperation Agreement, Beijing Irena and the Company have agreed that, pursuant to Sale and Purchase Agreements, Glassy Mind shall acquire in aggregate 226,000,000 shares, representing approximately 28.76% of the issued share capital in Ourgame. Glassy Mind is owned as to 70% by Yi Jia, a wholly-owned subsidiary of Beijing Irena and as to 30% by Best Joy, a wholly-owned subsidiary of the Company.

Pursuant to the Sale and Purchase Agreements, the Acquisition is subject to the following conditions precedent:

- (a) the shareholders of Beijing Irena approving the Acquisition at a shareholders' general meeting; and
- (b) Glassy Mind having received a ruling from the Executive of the Securities and Futures Commission that Beijing Irena shall not be required to make a mandatory general offer for all the shares in the Ourgame.

### **Investment in the Strategic Cooperation**

Subject to the Sale and Purchase Agreements becoming unconditional, the investment in the amount of HK\$1,130,000,000 shall be payable by the parties to the Strategic Cooperation Agreement to Glassy Mind on completion, in the following manner:

- (a) as to HK\$770,000,000, shall be payable by Yi Jia by way of cash; and
- (b) as to HK\$360,000,000, shall be payable by Best Joy by way of cash.

The investment amount was determined by Beijing Irena and the Company after arm's length negotiations and after taking into account (i) the consideration payable under the Sale and Purchase Agreements; and (ii) the shareholding interest of Best Joy in Glassy Mind.

Despite the fact that Glassy Mind is owned as to 70% by Yi Jia and as to 30% by Best Joy, the investment amount in Glassy Mind shall be payable as to approximately 68.14% by Yi Jia and as to approximately 31.86% by Best Joy. The investment amount payable by each of the parties to the Strategic Cooperation Agreement is a commercial decision between the parties. The Company is of the view that the Guaranteed Return, with an interest rate of 30% per annum, is an attractive investment return. Further, the Company considers that the Strategic Cooperation is a short term investment financing with a high expected return, hence the Company is willing to invest not in proportional to their shareholding in Glassy Mind.

The investment obligation of Best Joy shall be satisfied by internal resources of the Group.

In view of the above, the Directors consider that the investment amount for the Strategic Cooperation is fair and reasonable and the Strategic Cooperation Agreement is on normal commercial terms and is fair and reasonable, and the entering into of the Strategic Cooperation Agreement is in the interests of the Company and the Shareholders as a whole.

To ensure the successful completion of the Sale and Purchase Agreements, Yi Jia has the right to pay up the entire investment amount, being HK\$1,130,000,000, to Glassy Mind, pursuant to the Strategic Cooperation Agreement, should any of the following events occur:

- (a) failure of the Company to pass by the Shareholders at the SGM on or before 31 January 2016, the necessary resolutions to approve the Strategic Cooperation Agreement and the transactions contemplated thereunder, including but not limited to, the acquisition of in aggregate 28.76% of the issued share capital in Ourgame by Glassy Mind; and
- (b) failure of Best Joy to pay up its investment obligation, being HK\$360,000,000, upon the completion of the Sale and Purchase Agreements, when Glassy Mind had to pay up the consideration thereunder.

As the Strategic Cooperation constitutes a major acquisition, which requires the Shareholders' approval at the SGM, in compliance with the Listing Rule requirement, prior to obtaining the Shareholders' approval at the SGM, the Company would not pay up its investment obligation under the Strategic Cooperation Agreement.

## (2) THE DISPOSAL

Upon completion of the Strategic Cooperation Agreement, parties to the Strategic Cooperation Agreement have agreed that, on 30 June 2016, Beijing Irena shall buy back the 30% issued share capital in Glassy Mind currently owned by Best Joy, at the consideration ("**Guaranteed Return**") calculated based on the following formula:

$$\text{Guaranteed Return} = \text{HK\$}360,000,000 [1 + (30\% \times N/365)]$$

"N" represents the number of calendar days from the date of the payment of the investment amount by Best Joy to Glassy Mind to 30 June 2016.

## INFORMATION ABOUT GLASSY MIND

Glassy Mind was a company incorporated in the BVI with limited liability on 9 November 2015, and is principally engaged in investment holding.

Glassy Mind had not recorded any profit or loss for the period from 9 November 2015 (date of incorporation) to the date of this announcement. In addition, the unaudited net assets of Glassy Mind were nil as at the date of this announcement.

Pursuant to the Sale and Purchase Agreements, the consideration for the Acquisition is HK\$1,380,001,200; and the investment amount of HK\$1,130,000,000 in Glassy Mind shall be used as partial consideration for the Acquisition. The remaining consideration in the amount of HK\$250,001,200 shall be payable by Glassy Mind on or before 30 September 2016, but the Company has no commitment to the payment of the remaining consideration.

## **INFORMATION ABOUT OURGAME GROUP**

Ourgame is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the main board of the Stock Exchange. Ourgame Group is principally engaged in the development and operation of online games in the PRC.

Set out below is the financial information of Ourgame Group extracted from its financial reports for the year ended 31 December 2013 and for the year ended 31 December 2014:

	<b>For the year ended 31 December 2013 <i>RMB'000</i></b>	<b>For the year ended 31 December 2014 <i>RMB'000</i></b>
Turnover	236,300	475,769
Profit before tax	44,767	111,599
Profit after tax	40,461	97,643

The unaudited net assets of Ourgame Group as at 30 June 2015 was approximately RMB926,520,000.

## **INFORMATION ABOUT THE COMPANY AND THE GROUP**

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

Save for the Strategic Cooperation and the transactions contemplated thereunder, each of the vendors under the Sale and Purchase Agreements, Beijing Irena, and their respective concert parties are Independent Third Parties.

## **USE OF PROCEEDS**

The net proceeds from the Disposal after deducting related transaction costs and expenses are estimated to be approximately HK\$408,000,000. The Group intends to apply the net proceeds from the Disposal as follows:

- (a) approximately HK\$8,000,000 for equity investments in insurance and financial services; and
- (b) approximately HK\$400,000,000 for equity investments in the leisure sports vacation industry.

## **REASONS FOR AND THE BENEFITS OF THE STRATEGIC COOPERATION AND THE DISPOSAL**

The Company entered into the Strategic Cooperation Agreement for the purpose of engaging in the short term investment financing and earning the Guaranteed Return, through Best Joy's investment in 30% of the issued share capital in Glassy Mind.

The Directors are of the view that the Strategic Cooperation provides the Group with a good investment opportunity. Further, the Directors are of the view that the Guaranteed Return at the rate of 30% per annum under the Disposal provides the Group with an attractive investment return.

The Directors hold a positive view towards the investment strategic cooperation with Beijing Irena, and the Directors believe that the Strategic Cooperation and the Disposal would bring positive returns to the Group. Therefore, the Board considers that the terms of the Strategic Cooperation and the Disposal are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Strategic Cooperation is more than 25% but less than 100%, the Strategic Cooperation constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The Strategic Cooperation and the transactions contemplated thereunder are therefore subject to, among others, the approval of the Shareholders at the SGM.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Disposal is more than 25% but less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. The Disposal and the transactions contemplated thereunder are therefore subject to, among others, the approval of the Shareholders at the SGM.

## **SGM**

The SGM will be convened for the purpose of considering and, if thought fit, approving, among other things, the Strategic Cooperation Agreement, the Disposal and the respective transactions contemplated thereunder.

To the best of the knowledge, information and belief of the Directors, no Shareholder has a material interest in the transactions contemplated under the Strategic Cooperation and the Disposal. As such, no Shareholder will be required to abstain from voting on the resolution to approve the Strategic Cooperation, the Disposal and the respective transactions contemplated thereunder. Any vote exercised by the Shareholders at the SGM shall be taken by way of poll.

## **GENERAL**

A Circular containing, among other things, (i) further details of the Strategic Cooperation and the Disposal; (ii) the financial information of Glassy Mind and Ourgame Group; and (iii) a notice convening the SGM, will be despatched to the Shareholders as soon as practicable in accordance with the Listing Rules. It is expected that the Circular will be despatched to the Shareholders on or before 24 December 2015, as additional time will be required to finalise certain financial and general information of the Group to be included in the Circular.

### **(3) CHANGE IN USE OF PROCEEDS**

References are made to the announcements of the Company dated 3 September 2015, 20 October 2015, 13 November 2015 and 17 November 2015, respectively, and the circular of the Company dated 2 October 2015 in relation to, among others, the subscription of new Shares under specific mandate of the Company.

As set out in the section headed “Reasons for and benefits of the subscriptions and use of proceeds” in the Subscription Announcement, the Company intended to use the net proceeds of approximately HK\$1,297,000,000 received from the subscription of new Shares for the following purposes:

- (a) approximately HK\$500,000,000 for equity investments in insurance and financial services;
- (b) approximately HK\$300,000,000 for equity investments in the clean energy industry;
- (c) approximately HK\$400,000,000 for equity investments in the leisure sports vacation industry; and
- (d) approximately HK\$97,000,000 as general working capital of the Group.



As set out in the announcements of the Company dated 10 November 2015 and 13 November 2015, completion of the Third Subscription (as defined in the Subscription Announcement) and the First Subscription (as defined in the Subscription Announcement) took place, respectively. Upon completion of the Second Subscription (as defined in the Subscription Announcement), the unutilised net proceeds of approximately HK\$1,137,000,000 shall be applied as follows:

- (a) approximately HK\$530,000,000 for equity investments in insurance and financial services;
- (b) approximately HK\$150,000,000 for equity investments in the clean energy industry;
- (c) approximately HK\$360,000,000 for the short term investment financing with a guaranteed return; and
- (d) approximately HK\$97,000,000 as general working capital of the Group.

In view of the attractive Guaranteed Return to the Company, pursuant to the Strategic Cooperation Agreement, the Board has resolved to change the use of part of the net proceeds originally allocated for equity investments in the clean energy industry and the leisure sports vacation industry to be extended to include the short term investment financing with a guaranteed return.

The Board considers that the above changes in the use of proceeds and the treatment of the unutilised net proceeds are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

#### **(4) RESUMPTION OF TRADING**

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on Tuesday, 24 November 2015 pending the release of this announcement. Application has been made to the Stock Exchange for the resumption of trading of the Shares on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 1 December 2015.

**Shareholders and potential investors of the Company should be aware that the Strategic Cooperation, the Disposal and the respective transactions contemplated thereunder are subject to certain conditions being satisfied, and consequently the Strategic Cooperation and the Disposal may or may not proceed. Accordingly, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Acquisition”	the acquisition of in aggregate 226,000,000 shares, representing approximately 28.76% of the issued share capital in Ourgame, by Glassy Mind, pursuant to the Sale and Purchase Agreements
“Beijing Irena”	Beijing Irena Culture Co., Ltd, a company incorporated in the PRC with limited liability and the issued shares of which are listed on the National Equities Exchange and Quotations in the PRC (stock code: 834358)
“Best Joy”	Best Joy Asia Investment Limited, a company incorporated in the BVI with limited liability, a wholly-owned subsidiary of the Company
“Board”	the board of the Directors from time to time
“Business Day”	a day on which licensed banks in Hong Kong are open for normal banking business throughout their normal business hours (excluding Saturday, Sunday or public holiday)
“BVI”	the British Virgin Islands
“Circular”	the circular in relation to the Strategic Cooperation to be issued by the Company in accordance with the Listing Rules in respect of the Strategic Cooperation Agreement and the transactions contemplated thereunder
“Company”	China Financial International Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock code: 721)
“Director(s)”	the director(s) of the Company from time to time
“Disposal”	the buy-back of the 30% issued share capital in Glassy Mind currently owned by Best Joy by Beijing Irena, at the Guaranteed Return

“Glassy Mind”	Glassy Mind Holdings Limited, a company incorporated in the BVI with limited liability, which is owned as to 70% and 30% by Yi Jia and Best Joy, respectively
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company 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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Ourgame”	Ourgame International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the main board of the Stock Exchange (stock exchange: 6899)
“Ourgame Group”	Ourgame and its subsidiaries from time to time
“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
“Sale and Purchase Agreements”	two sale and purchase agreements dated 24 November 2015 entered into between Glassy Mind, as purchaser, the vendors of Ourgame, as vendors, in relation to the transfer of in aggregate 226,000,000 shares, representing approximately 28.76% of the issued share capital in Ourgame, to Glassy Mind
“SGM”	the special general meeting of the Company to be convened to consider and, if thought fit, approve the Strategic Cooperation, the Disposal and the respective transactions contemplated thereunder

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Strategic Cooperation”	the injection of capital in the sum of HK\$770,000,000 by Yi Jia and HK\$360,000,000 by Best Joy to Glassy Mind for the acquisition of in aggregate 226,000,000 shares, representing approximately 28.76% of the issued share capital in Ourgame, by Glassy Mind, pursuant to the Strategic Cooperation Agreement
“Strategic Cooperation Agreement”	the investment strategic cooperation agreement dated 24 November 2015 entered into between Beijing Irena and the Company in relation to the Strategic Cooperation
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Yi Jia”	Yi Jia Investment Limited, a company incorporated in Hong Kong with limited liability, a wholly-owned subsidiary of Beijing Irena
“HK\$”	Hong Kong dollar(s), 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**  
*Chairman and Chief Executive Officer*

Hong Kong, 30 November 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, Mr. Zeng Xianggao and Mr. Li Cailin.*

*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.*