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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)

VOLUNTARY ANNOUNCEMENT
IN RELATION TO
FORMATION OF TWO JV COMPANIES

This announcement is made by China Financial International Investments Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis to provide the shareholders of the Company and other investors an update on the latest business development of the Group.

Reference is made to the announcement of the Company dated 16 March 2020 (the “**Announcement**”) in relation to the formation of two joint venture companies. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise specified herein.

THE JOINT VENTURE AGREEMENTS

The Board is pleased to announce that, after the execution of the Cooperation Agreement, the Nanyang Government has nominated 南陽產業投資集團有限公司 (transliterated as Nanyang Industrial Investment Group Company Limited, “**NIIG**”), a state-owned limited liability company controlled by the Nanyang Government, to act in place of the Nanyang Government to enter into two joint venture agreements with the Company, Sinopec Marketing and SSPAB (collectively with NIIG, the “**JV Partners**”) on 31 March 2020, in relation to the formation of JV Company I and JV Company II.

The First JV Agreement

Pursuant to the first joint venture agreement (the “**First JV Agreement**”), JV Company I will be engaged in, among others, the production and sales of fuel ethanol and related products, the production and supply of electricity and heat, and the research, development and technical services of fuel ethanol and denatured fuel ethanol for a term of 20 years subject to the shareholders’ approval to extend its term in one year prior to the expiry of its term.

The registered capital of JV Company I will be RMB150,000,000; and each of the Company, NIIG, Sinopec Marketing and SSAPB will subscribe for 30%, 20%, 20% and 30% of the equity interest of JV Company I, respectively.

The initial investment of RMB50,000,000 will be contributed by the JV Partners by cash in proportion to their respective equity interest in JV Company I, during the period from the completion of the registration of JV Company I and up to 31 October 2020. The Company will finance its subscription in JV Company I by internal fund.

The Second JV Agreement

Pursuant to the second joint venture agreement (the “**Second JV Agreement**”), JV Company II will be established for, among others, operating refined petroleum products (such as vehicle ethanol gasoline, kerosene, diesel, natural gas) without storage facilities, selling food and chemical products, retail medicine and road cargo transport for a term of 20 years subject to the shareholders’ approval to extend its term in one year prior to the expiry of its term.

The registered capital of JV Company II will be RMB150,000,000; and each of the Company, NIIG, Sinopec Marketing and SSAPB will subscribe for 30%, 20%, 43% and 7% of the equity interest of JV Company II, respectively by cash during the period from the completion of the registration of JV Company II and up to 31 October 2020. The Company will finance its subscription in JV Company II by internal fund.

Information of NIIG

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, NIIG is a state-owned limited liability company incorporated in October 2018 and controlled by the Nanyang Government. It is principally engaged in the construction projects assigned by the municipal party committee and the municipal government.

By order of the Board
China Financial International Investments Limited
Du Lin Dong
Chairman and chief executive officer

Hong Kong, 31 March 2020

As at the date of this announcement, the executive Director is Mr. Du Lin Dong, the non-executive Directors are Mr. Ding Xiaobin, Mr. Zhang Huayu, Ms. Li Jie and Ms. Chen Xi and the independent non-executive Directors are Mr. Zhang Jing, Mr. Zeng Xianggao and Mr. Li Cailin.