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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)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 30 JUNE 2012

FINANCIAL RESULTS

The board (the “**Board**”) of directors (the “**Directors**”) of China Financial International Investments Limited (the “**Company**”) is pleased to announce the consolidated results of the Company and its subsidiaries (the “**Group**”) for the year ended 30 June 2012 (the “**Year**”) as follows:

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the Year ended 30 June 2012

	<i>Notes</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Revenue	3	9,137	5,727
Other income	3	2,458	2,226
Net change in fair value of financial assets			
at fair value through profit or loss	4	(37,039)	24,071
Gain on disposal of available-for-sale financial assets		–	41,992
Administrative expenses		(37,621)	(33,732)
Share of profit/(loss) of an associate		138	(17)
(Loss)/profit before tax	5	(62,927)	40,267
Income tax expense	6	(732)	(3,342)
(Loss)/profit for the year		<u>(63,659)</u>	<u>36,925</u>

	<i>Notes</i>	2012 HK\$'000	2011 HK\$'000
OTHER COMPREHENSIVE INCOME			
Available-for-sale financial assets:			
– Change in fair value of available-for-sale financial assets		11,528	54,992
– Reclassification adjustment for gain on disposal of available-for-sale financial assets included in the consolidated profit or loss upon disposal of a subsidiary		–	(41,992)
– Income tax effect		(1,645)	(1,300)
		9,883	11,700
Exchange differences on translation of financial statements of overseas subsidiaries		124	421
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX			
		<u>10,007</u>	<u>12,121</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			
		<u>(53,652)</u>	<u>49,046</u>
(Loss)/earnings per share attributable to ordinary equity holders of the Company			
– Basic	7(a)	<u>(1.499) cents</u>	<u>1.129 cents</u>
– Diluted	7(b)	<u>(1.499) cents</u>	<u>1.125 cents</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

30 June 2012

	<i>Notes</i>	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		3,872	5,499
Interests in an associate		407	269
Available-for-sale financial assets		334,027	311,349
Financial assets at fair value through profit or loss	8	213,581	–
Other receivable	9	10,000	–
Loan receivable		–	35,894
Total non-current assets		<u>561,887</u>	<u>353,011</u>
Current assets			
Financial assets at fair value through profit or loss	8	227,350	300,561
Loan receivable		35,894	–
Prepayments, deposits and other receivables	9	53,075	86,395
Cash and cash equivalents		32,110	81,789
Total current assets		<u>348,429</u>	<u>468,745</u>
Current liabilities			
Other payables and accruals	10	1,164	420
Due to related companies		950	1,233
Due to an associate		143	320
Tax payable		4,199	5,993
Total current liabilities		<u>6,456</u>	<u>7,966</u>
Net current assets		<u>341,973</u>	<u>460,779</u>
Total assets less current liabilities		<u>903,860</u>	<u>813,790</u>
Non-current liabilities			
Deferred tax liabilities		3,448	1,300
Net assets		<u>900,412</u>	<u>812,490</u>
Equity			
Issued capital		44,179	41,094
Reserves		856,233	771,396
Total equity		<u>900,412</u>	<u>812,490</u>
Net asset value per share	11	<u>20.4 cents</u>	<u>19.8 cents</u>

Notes:

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for available-for-sale financial assets and financial assets at fair value through profit or loss, which have been measured at fair values. These financial statements are presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

1.1 CHANGES IN ACCOUNTING POLICY AND DISCLOSURES

The accounting policies adopted are consistent with those of the previous financial years, except for the following revised HKFRSs for the current year’s financial statements.

HKFRS 1 Amendments	Amendments to HKFRS 1 First-time Adoption of HKFRSs – <i>Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters</i>
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Transfers of Financial Assets</i>
HKAS 24 (Revised)	<i>Related Party Disclosures</i>
HK(IFRIC)-Int 14 Amendments	Amendments to HK(IFRIC)-Int 14 <i>Prepayments of a Minimum Funding Requirement</i>
<i>Improvements to HKFRSs 2010</i>	Amendments to a number of HKFRSs issued in May 2010

The adoption of the revised HKFRSs has had no significant financial effect on these financial statements.

1.2 ISSUED BUT NOT YET EFFECTIVE HONG KONG FINANCIAL REPORTING STANDARDS

The Group has not applied the following new and revised HKFRSs, that have been issued but are not yet effective, in these financial statements.

HKFRS 9	<i>Financial Instruments</i> ⁵
HKFRS 10	<i>Consolidated Financial Statements</i> ³
HKFRS 11	<i>Joint Arrangements</i> ³
HKFRS 12	<i>Disclosure of Interests in Other Entities</i> ³
HKFRS 13	<i>Fair Value Measurement</i> ³
HKAS 1 Amendments	Amendments to HKAS 1 <i>Presentation of Financial Statements – Presentation of Items of Other Comprehensive Income</i> ²
HKAS 12 Amendments	Amendments to HKAS 12 <i>Income Taxes – Deferred tax: Recovery of Underlying Assets</i> ¹
HKAS19 (2011)	<i>Employee Benefits</i> ³
HKAS 27 (2011)	<i>Separate Financial Statements</i> ³
HKAS 28 (2011)	<i>Investments in Associates and Joint Ventures</i> ³
HK(IFRIC)-Int 20	<i>Stripping Costs in the Production Phase of a Surface Mine</i> ³
HKFRS 1 Amendments	Amendments to HKFRS 1 <i>First-time Adoption of Hong Kong Financial Reporting Standards – Government Loans</i> ³
HKFRS 7 Amendments	Amendments to HKFRS 7 <i>Financial Instruments: Disclosures – Offsetting Financial Assets and Financial Liabilities</i> ³
HKFRS 9 and HKFRS 7 Amendments	Mandatory Effective Date of HKFRS 9 and Transition Disclosures ⁵
HKFRS 10, HKFRS 11 and HKFRS 12 Amendments	Amendments to HKFRS 10, HKFRS 11 and HKFRS 12: <i>Transition Guidance</i> ³
HKAS 32 Amendments	Amendments to HKAS 32 <i>Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities</i> ⁴
Annual Improvements Project	<i>Annual Improvements to HKFRSs 2009-2011 Cycle</i> ³

¹ Effective for annual periods beginning on or after 1 January 2012

² Effective for annual periods beginning on or after 1 July 2012

³ Effective for annual periods beginning on or after 1 January 2013

⁴ Effective for annual periods beginning on or after 1 January 2014

⁵ Effective for annual periods beginning on or after 1 January 2015

The Directors of the Company are in the process of making an assessment of the impact of these new standards and amendments. So far, the Directors consider that except for the adoption of HKFRS 9, HKFRS 10, HKFRS 12, HKFRS 13 and HKFRS 1 Amendments, these new standards and amendments are unlikely to have a significant impact on the Group's results and financial position.

2. OPERATING SEGMENT INFORMATION

For management purposes and information reported to the executive directors, the chief operating decision makers of the Group is focused on the categories of investments. The Group is organised to business units based on the categories of investment and has two reportable segments as follows:

Available-for-sale - financial assets	Investments in unlisted investments
Financial assets at fair value through profit or loss (“FVTPL”)	Investments in trading securities listed on The Stock Exchange of Hong Kong Limited (The “Stock Exchange”), and derivative contracts held for trading and unlisted investments designated as financial assets at fair value through profit or loss upon acquisition and redeemable convertible bonds at FVTPL

Segment results

	Investment in available-for-sale financial assets <i>HK\$'000</i>	Investment in financial assets at FVTPL <i>HK\$'000</i>	Total <i>HK\$'000</i>
Year ended 30 June 2012			
Segment results	6,801	(34,703)	(27,902)
Share of profit of an associate			138
Unallocated income			2,458
Unallocated expenses			(37,621)
Loss before tax			(62,927)
Income tax expense			(732)
Loss for the year			(63,659)
Year ended 30 June 2011			
Segment results	41,992	29,956	71,948
Share of loss of an associate			(17)
Unallocated income			2,068
Unallocated expenses			(33,732)
Profit before tax			40,267
Income tax expense			(3,342)
Profit for the year			36,925

Segment results represents (loss)/gain on disposal of listed securities and unlisted investments, fair value (loss)/gain on financial assets at FVTPL and the corresponding interest income and dividend income earned from financial assets at FVTPL without allocation of central administration expenses and fees to the investment managers.

Segment assets

The following is an analysis of the Group's assets by reportable segment:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Available-for-sale financial assets	334,027	311,349
Financial assets at FVTPL	440,931	300,561
	<hr/>	<hr/>
Total segment assets	774,958	611,910
Unallocated assets	135,358	209,846
	<hr/>	<hr/>
	910,316	821,756
	<hr/> <hr/>	<hr/> <hr/>

For the purpose of monitoring segment performances and allocating resources between segments, all assets are allocated to reportable segments other than property, plant and equipment, an interest in an associate, a loan receivable, prepayments, deposits and other receivables, a consideration receivable from disposal of an investment, a deposit paid for an investment and bank balances.

All liabilities as at 30 June 2012 and 30 June 2011 are unallocated liabilities.

Given that the nature of the Group's operation is investment holding, there was no information regarding major customers as determined by the Group.

3. REVENUE AND OTHER INCOME

An analysis of revenue and other income is as follows:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Revenue		
Dividend income from listed securities	2,336	5,727
Dividend income from unlisted investments, net withholding tax	6,801	–
	<u>9,137</u>	<u>5,727</u>
Other income		
Bank interest income	14	8
Interest income from convertible bonds	–	158
Interest income from a loan receivable	2,407	–
Compensation received in respect of termination of investments	–	2,000
Miscellaneous	37	60
	<u>2,458</u>	<u>2,226</u>

The Group's turnover comprises of sales proceeds from disposal of investments amounting to HK\$222,376,000 (2011: HK\$290,283,000) and dividend income of HK\$9,137,000 (2011: HK\$5,727,000) for the year.

4. NET CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Net realised (loss)/gain on financial assets at fair value through profit or loss	(7,428)	3,574
Net unrealised (loss)/gain on financial assets at fair value through profit or loss	(29,611)	20,497
	<u>(37,039)</u>	<u>24,071</u>

5. (LOSS)/PROFIT BEFORE TAX

The Group's (loss)/profit before tax is arrived at after charging:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Auditors' remuneration		
– audit services	434	368
– non-audit services	166	70
Custodian fees	178	214
Depreciation	1,789	704
Investment management fees	1,305	2,657
Minimum operating lease payments in respect of properties	3,353	1,933
Loss on disposal of property, plant and equipment	–	16
Employee benefit expenses (excluding directors' remuneration)		
Salaries, wages and bonuses	9,715	2,690
Equity-settled share option expenses	1,401	2,424
Pension scheme contributions	47	27
Foreign exchange differences, net	176	509
	<u> </u>	<u> </u>

6. INCOME TAX EXPENSE

(a) Income tax in the financial statements represents:

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Current tax - Hong Kong Profits Tax		
– Overprovision in prior years	–	(1,010)
Current tax - PRC Enterprise Income Tax		
– Underprovision in prior years	104	–
– Provision for the year	125	4,352
Deferred tax	503	–
	<u> </u>	<u> </u>
Total tax charge for the year	<u>732</u>	<u>3,342</u>

Hong Kong Profits Tax is calculated at 16.5% (2011: 16.5%) of the estimated assessable profits for the year. No provision for Hong Kong Profits Tax has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax for both years.

The provision for the PRC Enterprise Income Tax for the Group's subsidiaries in the PRC is based on a statutory rate of 25% (2011: 25%) of the assessable profit as determined in accordance with the relevant tax rules and regulations of the People's Republic of China (the "PRC").

7. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss for the year attributable to equity holders of the Company of HK\$63,659,000 (2011: profit of HK\$36,925,000) and the weighted average number of 4,246,804,000 (2011: 3,270,647,000) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2012	2011
	Number	Number
	of shares	of shares
	'000	'000
Issued ordinary shares	4,109,384	2,485,134
Effect of exercise of share options	1,237	46,581
Effect of share placing	136,183	738,932
	<hr/>	<hr/>
Weighted average number of ordinary shares	4,246,804	3,270,647
	<hr/> <hr/>	<hr/> <hr/>

(b) Diluted (loss)/earnings per share

No adjustment has been made to the basic loss per share amounts presented for the year ended 30 June 2012 in respect of a dilution as the share options granted under the share option scheme outstanding had an anti-dilutive effect on the basic loss per share amount presented.

For the year ended 30 June 2011, the calculation of diluted earnings per share is based on the profit of HK\$36,925,000. The weighted average number of ordinary shares used in the calculation is 3,270,647,000 ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 11,374,000 assumed to have been issued at no consideration on the deemed exercise or conversion of all dilutive potential ordinary shares into ordinary shares.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Financial assets held-for-trading:		
Listed securities	224,041	300,561
Derivative contract	3,309	–
	<u>227,350</u>	<u>300,561</u>
Financial assets designated at FVTPL:		
Unlisted investments	213,581	–

9. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Current portion:		
Prepayments	251	556
Deposits	738	742
Dividends receivable	6,801	9,267
Interest receivable	106	–
Loan to an investee	40,606	43,605
Due from a shareholder	–	19
Receivable on partial disposal of equity interest in Globe Capital Resources Investment Limited (“Globe Capital”)	4,199	32,000
Other receivables	374	206
	<u>53,075</u>	<u>86,395</u>
Non-current portion:		
Deposit paid for an investment	10,000	–

None of the above assets are either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

10. OTHER PAYABLES AND ACCRUALS

	2012 <i>HK\$'000</i>	2011 <i>HK\$'000</i>
Accruals	350	376
Other payables	814	44
	<u>1,164</u>	<u>420</u>

Other payables are non-interest-bearing and have an average term of less than three months.

11. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets of the Group as at 30 June 2012 of HK\$900,412,000 (2011: HK\$812,490,000) and on 4,417,834,000 ordinary shares being in issue as at 30 June 2012 (2011: 4,109,384,000 ordinary shares).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group was principally engaged in the investments in the listed securities for short term and unlisted investments for medium and long term during the Year.

During the Year, a net loss for the Year attributable to ordinary equity shareholders (the “**Shareholders**”) of the Company amounted to HK\$63.66 million as compared to the profit of HK\$36.93 million in last year, representing a 272.38% decrease, such loss was primarily attributable to (i) realised losses on disposal of listed securities at market value; (ii) unrealised losses on listed securities at fair value through profit or loss; and (iii) the increment in administrative expenses resulting from the strategic increase in investment in financing service industry. The basic loss per share was HK1.499 cents (2011: basic earnings per share of HK1.129 cents).

The Group’s turnover comprised of (i) the sales proceeds from disposal of investments amounting to HK\$222.38 million this year as compared to HK\$290.28 million in last year, representing a 23.39% decrease, and (ii) the dividend income of investments amounting to HK\$9.14 million this year as compared to HK\$5.73 million in last year, representing a 59.51% increase. The other income which comprised of interest income and miscellaneous was HK\$2.46 million, representing an increase of 10.31% as compared to HK\$2.23 million in last year. Administrative expenses increased 11.53% from HK\$33.73 million in last year to HK\$37.62 million this year resulting from the strategic increase in investments in financing service industry.

LISTED INVESTMENTS REVIEW

The euro zone debt crisis and slow global economic growth have contributed to uncertainties in the securities markets. Under such volatile conditions and the adverse change in global financial markets during the Year, the market value of the Group’s listed securities portfolio had declined and the loss on listed securities recorded as HK\$45.38 million (2011: gain of HK\$24.07 million). In addition, the dividend income from listed investments decreased by 59.16% to HK\$2.34 million from HK\$5.73 million as compared with last year.

During the Year, all the listed securities were listed on the Stock Exchange. As at 30 June 2012, the market value of the listed securities amounted to HK\$224.04 million (30 June 2011: HK\$300.56 million).

Listed Securities Portfolio

Name of listed securities	Nature of business	Number of shares held	% of equity interest	Market value at 30 June 2012 HK\$'000	Dividend income HK\$'000
VODone Limited	Tele-media, lottery-related and mobile games business in the PRC	11,944,000	0.38	7,525	1,259
Hidili Industry International Development Limited	Coal mining, manufacture and sale of coke and clean coal and provision of transportation	15,009,000	0.73	31,969	–
China Water Property Group Limited	Property development and property investment businesses in the PRC	194,259,429	10.74	184,547	–
Other listed securities				–	1,077
				<u>224,041</u>	<u>2,336</u>

UNLISTED INVESTMENTS REVIEW

Our investments in small loan companies have covered various provinces and cities in the PRC within one to two years which has made us to become one of the top brand for small loan investment chains in China. This was benefited from the Group's advantages in platform, resources, capital and team, and also attributable to market opportunities and government support in the PRC and the support and cooperation from many strategic partners.

For the year ended 30 June 2012, the change in fair value of the Group's unlisted investments portfolio was appreciated by HK\$19.87 million as compared to HK\$13.00 million in last year, representing a 52.85% increase, which was mainly attributable to the increase in fair value of small loan companies and a guarantee company. During the Year, the dividend income from the unlisted investments in small loan companies recorded as HK\$6.80 million (30 June 2011: nil).

As at 30 June 2012, the fair value of the Group's unlisted investments, amounted to HK\$550.92 million (30 June 2011: HK\$311.35 million).

Unlisted Investments Portfolio

Name of company	Location	Business nature	Cost HK\$'000	Fair value changes in prior year HK\$'000	Fair value changes during the Year HK\$'000	Fair value of investments at 30 June 2012 HK\$'000	Dividend income HK\$'000
Micro-loan service							
1	Jingdezhen CFI Guosen Microfinance Co., Ltd.	Jingdezhen, Jiangxi Province	140,000	–	6,545	146,545	4,583
2	TianJin XEDA Microfinance Co., Ltd	Tianjin	72,450	–	3,825	76,275	–
3	Tianjin Rongshun Microfinance Limited	Tianjin	36,606	–	1,215	37,821	–
4	THIC RongShun Micro-Loan Company Limited	Tianjin	12,189	–	408	12,597	–
5	Zhengzhou Economic Technological Development Mingyang Micro-loan Limited	Zhengzhou, Henan Province	35,549	–	3,309	38,858	2,218
6	Harbin Zhongjinguoxin Microfinance Co., Ltd.	Harbin, Heilongjiang Province	36,693	–	1,625	38,318	–
7	Nanchang Donghu Zhongjincaixin Microfinance Co., Ltd.	Donghu District, Nanchang, Jiangxi Province	36,901	–	1,170	38,071	–
8	Tianjin Binlian Microfinance Limited	Tianjin	12,271	–	46	12,317	–
9	Nanjing NingGangRongTong Technology Microfinance Co.,Ltd	Nanjing, Jiangsu Province	36,870	–	567	37,437	–
10	Ezhou Zhongjinguotou Microfinance Limited	Ezhou, Hubei Province	37,020	–	–	37,020	–
		Sub-total:	456,549	–	18,710	475,259	6,801
Guarantee service							
11	Jiangxi Zhongjin Hanchen Guarantee Company Limited	Nanchang, Jiangxi Province	43,150	–	5,139	48,289	–
			499,699	–	23,849	523,548	6,801
Consultation service							
12	Shenzhen Zhongtoujinxin Asset Management Company Limited	Shenzhen, Guangdong Province	18,350	–	(4,923)	13,427	–
Information system service and mining							
13	Globe Capital Resources Investment Limited	British Virgin Islands	–	13,000	942	13,942	–
		Total:	518,049	13,000	19,868	550,917	6,801

Micro-loan service

- (1) The Company invested in 23.33% equity interest of Jingdezhen CFI Guosen Microfinance Co., Ltd. (“**Jingdezhen CFI Guosen**”). Jingdezhen CFI Guosen is principally engaged in the provision of rapid and nimble small loan and credits to small and medium enterprises (the “SMEs”), rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses and also in the provision of the management and financial consultation services for the development of local enterprises in Jingdezhen, Jiangxi Province, the PRC.
- (2) The Company invested in 30% equity interest of TianJin XEDA Microfinance Co., Ltd. (“**TianJin XEDA**”). Tianjin XEDA is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC.
- (3) The Company invested in 30% equity interest of Tianjin Rongshun Microfinance Limited (“**Tianjin Rongshun**”). Tianjin Rongshun is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC.
- (4) The Company invested in 10% equity interest of TIIC RongShun Micro-Loan Company Limited (“**TIIC RongShun**”). It is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC.
- (5) The Group entered into a sales and purchase agreement to acquire 30% equity interest of 鄭州經濟技術開發區明陽小額貸款有限公司 (transliterated as Zhengzhou Economic Technological Development Mingyang Micro-loan Limited, “**Zhengzhou Mingyang**”). It is principally engaged in the provision of rapid and nimble small loan and financial consultation services in Zhengzhou Economic Technical Development Zone, Henan Province, the PRC.

On 21 February 2011, the Group settled the full considerations. The completion of this acquisition is conditional upon approval of relevant government authorities in Henan Province, the PRC. According to the sales and purchase agreement and having sought advice from the Company’s PRC legal advisers, the directors are of the opinion that the Group has beneficial interests on these 30% equity interest of Zhengzhou Mingyang upon settlement of the full considerations. The Group anticipates completion of the acquisition within 2 year.

- (6) The Company invested in 30% equity interest of Harbin Zhongjinguoxin Microfinance Co., Ltd. (“**Harbin Zhongjinguoxin**”). Harbin Zhongjinguoxin is principally engaged in the provision of rapid and nimble small loan service in Harbin, Heilongjiang Province, the PRC.

- (7) The Company invested in 30% equity interest of Nanchang Donghu Zhongjincaixin Microfinance Co., Limited (“**Nanchang Donghu**”). It is principally engaged in the provision of rapid and nimble small loans, and enterprise development, management and financial consultation services to SMEs, rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses in Donghu District, Nanchang, Jiangxi Province, the PRC.
- (8) The Company invested in 10% equity interest of Tianjin Binlian Microfinance Limited (“**Tianjin Binlian**”). It is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC.
- (9) The Company invested in 30% equity interest of Nanjing NingGangRongTong Technology Microfinance Co., Ltd. (“**NingGangRongTong**”). It is principally engaged in provision of (i) rapid and nimble small loans and enterprise development, management and financial consultation services; (ii) financial guarantee to technology enterprises, small and medium enterprises and sole proprietors; and (iii) investing in equity interest of (up to 30% of the total amount of authorised registered capital of Nanjing NingGangRongTong) small and medium technology enterprises in Jiangning district (mainly focusing on Nanjing Jiangning Economic Technical Development Zone (南京江寧經濟技術開發區)), Nanjing, Jiangsu Province, the PRC, which is state-level economic development zone.
- (10) The Company invested in 30% equity interest of 鄂州市中金國投小額貸款有限責任公司 (transliterated as Ezhou Zhongjinguotou Microfinance Limited, “**Ezhou Zhongjinguotou**”). It is principally engaged in the provision of rapid and nimble small loan services to SMEs, rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses in Ezhou, Hubei Province, the PRC.

Guarantee service

- (11) The Company made an investment to acquire 30% equity interest of 江西中金漢辰擔保有限公司 (transliterated as Jiangxi Zhongjin Hanchen Guarantee Company Limited). It is principally engaged in the provision of guarantees to SMEs and assists such enterprises in obtaining loans from financial institutions in Jiangxi Province, the PRC.

Consultation service

- (12) The Company invested in 30% equity interest of 深圳市中投金信資產管理有限公司 (transliterated as Shenzhen Zhongtougjinxin Asset Management Company Limited, “**Zhongtougjinxin**”). Zhongtougjinxin is principally engaged in the consultation services on project investment, enterprise management and economic information and corporate image planning.

Information system service and mining

- (13) The Company held 30% equity interest in Globe Capital. Globe Capital is principally engaged in investment holding which had two investments with 29% equity interest in 江西九三三科技發展有限責任公司 (transliterated as Jiangxi 933 Technology Development Company Limited, “**Jiangxi 933**”) and with 25% equity interest in 贛縣長鑫礦業有限責任公司 (transliterated as Gan County Changxin Mining Company Limited, “**Changxin Mining**”) respectively. Jiangxi 933 is principally engaged in the provision of information system service while Changxin Mining is principally engaged in exploitation of metal mines.

Investment Agreements

Starting from the end of 2010, the Group has centered on the strategy formulated by the Board which is extending its investment direction to the micro finance service industry (including small loan, guarantee firms, etc.) in the PRC. During the Year, the Group entered the following legally binding agreements in respect of investments in micro finance services in the PRC:

Joint Venture Agreements

- (1) On 18 July 2011, a joint venture company was formed with the name of Nanchang Donghu Zhongjincaixin Microfinance Co., Limited. The Company agreed to invest in 30% equity interest of Nanchang Donghu for a consideration of RMB30 million. It is principally engaged in the provision of rapid and nimble small loans, as well as enterprise development, management and financial consultation services to SMEs, the rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses in Donghu District, Nanchang, Jiangxi Province, the PRC. The transaction was completed during the Year.
- (2) On 18 July 2011, a joint venture company was formed with the proposed name of 新余市渝水區中金國信新能源科技小額貸款股份有限公司 (transliterated as Xinyu Yushui District Zhongjinguoxin New Energy Technological Micro-loan Limited, “**Xinyu Yushui District Zhongjinguoxin**”). The Company agreed to invest in 30% equity interest of Xinyu Yushui District Zhongjinguoxin for a consideration of RMB75 million. It is principally engaged in the provision of rapid and nimble small loans, and enterprise development, management and financial consultation services to SMEs, rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses in Yushui District, Xinyu, Jiangxi Province, the PRC. As certain conditions precedent have not been fulfilled as at the date hereof, the transaction is expected to be completed by the end of 2013.

- (3) On 1 August 2011, a joint venture company was formed with the name of Tianjin Rongshun Microfinance Limited. The Company agreed to invest in 30% equity interest of Tianjin Rongshun for a consideration of RMB30 million. Tianjin Rongshun is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC. The transaction was completed during the Year.
- (4) On 16 August 2011, a joint venture company was formed with the name of TIIC RongShun Micro-Loan Company Limited. The Company agreed to invest in 10% equity interest of TIIC Rongshun for a consideration of RMB10 million. It is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC. The transaction was completed during the Year.
- (5) On 22 November 2011, a joint venture company was formed with a proposed name of 南京高淳中金明陽科技小額貸款有限公司 (transliterated as Nanjing Gaochun Zhongjin Mingyang Technology Small Loan Limited, “**Nanjing Gaochunzhongjin**”). The Company agreed to invest in 30% equity interest of Nanjing Gaochunzhongjin for a consideration of RMB60 million. It is principally engaged in the provision of rapid and nimble small loans and enterprises development, management and financial consultation services to technology enterprises, sole proprietors and SMEs in Gaochun County, Nanjing, Jiangsu Province, the PRC. As certain conditions precedent have not been fulfilled as at the date hereof, the transaction is expected to be completed by the end of 2013.
- (6) On 22 November 2011, a joint venture company was formed with a proposed name of 南京中金國信科技小額貸款股份有限公司 (transliterated as Nanjing Zhongjinguoxin Technology Small Loan Limited, “**Nanjing Zhongjinguoxin**”). The Company agreed to invest in 30% equity interest of Nanjing Zhongjinguoxin for a consideration of RMB60 million. It is principally engaged in the provision of rapid and nimble small loans and enterprise development, management and financial consultation services to technology enterprises, sole proprietors and SMEs in Lishui County, Nanjing, Jiangsu Province, the PRC. As certain conditions precedent have not been fulfilled as at the date hereof, the transaction is expected to be completed by the end of 2013.
- (7) On 26 December 2011, a joint venture company was formed with the name of Ziyang Yanjiang CFI GuoSen Microfinance Co., Ltd. The Company agreed to invest in 30% equity interest of Ziyang Yanjiang for a consideration of RMB60 million. It is principally engaged in the provision of rapid and nimble small loans, and related consultation services to SMEs, sole proprietors and rural sectors (farmers, villages and agricultural industry) in Ziyang, Sichuan Province, the PRC. The transaction was completed in August 2012.

- (8) On 26 December 2011, a joint venture company was formed with the name of Tianjin Rongyang Micro-Loan Limited, (“**Tianjin Rongyang**”). The Company agreed to invest in 30% equity interest of Tianjin Rongyang for a consideration of RMB30 million. It is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC. the transaction was completed in September 2012.
- (9) On 27 December 2011, a joint venture company was formed with the name of Tianjin Binlian Microfinance Limited. The Company agreed to invest in 10% equity interest of Tianjin Binlian for a consideration of RMB10 million. It is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC. The transaction was completed during the Year.
- (10) On 2 February 2012, a joint venture company was formed with the name of Tianjin Zhongjinxinke Microfinance Limited, (“**Tianjin Zhongjinxinke**”). The Company agreed to invest in 30% equity interest of Tianjin Zhongjin Xinke for a consideration of RMB30 million. It is principally engaged in the provision of rapid and nimble small loan, discount of bills, assignment of loans, consultation services on small loan and settlement services on loans in Tianjin, the PRC. The transaction was completed in September 2012.
- (11) On 2 February 2012, a joint venture company was formed with the name of Ezhou Zhongjinguotou Microfinance Limited. The Company respectively agreed to invest in 30% equity interest of Ezhou Zhongjinguotou for a total consideration of RMB150 million and the initial payment of RMB30 million was made during the Year. It is principally engaged in the provision of rapid and nimble small loan services to SMEs, rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses in Ezhou, Hubei Province, the PRC.

Acquisition Agreements

The following acquisition agreements are expected to be completed after certain conditions precedent have been fulfilled:

- (12) On 20 June 2012, China Financial International Investments (Jiangxi) Limited (“**CFI Jiangxi**”), a wholly owned subsidiary of the Company, entered into an acquisition agreement with an independent third party and agreed to acquire 30% equity interest of 玉山縣盈安小額貸款股份有限公司 (transliterated as Yushan County Yingan Small Loan Co., Limited, “**Yushan County Yingan**”) for a total cash consideration of RMB30 million. Yushan County Yingan is principally engaged in the provision of rapid, nimble and easy small loan service in Yushan County, Shangrao City, Jiangxi Province, the PRC.

The total consideration shall be payable within 180 days upon approval of the agreement and the transfer of 30% equity interest of Yushan County Yingan by the supervising government monetary and foreign investment authorities. Yushan County Yingan shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

- (13) On 20 June 2012, CFI Jiangxi entered into an acquisition agreement with independent third parties and agreed to acquire 30% equity interest of 廣豐縣仁恒小額貸款股份有限公司 (transliterated as Guangfeng County Renheng Small Loan Co., Limited, “**Guangfeng County Renheng**”) for a total cash consideration of RMB15 million. Guangfeng County Renheng is principally engaged in the provision of rapid, nimble and easy small loan, small business development management and financial advisory services in Guangfeng County, Shangrao City, Jiangxi Province, the PRC.

The total consideration shall be payable within 180 days upon approval of the agreement and the transfer of 30% equity interest of Guangfeng County Renheng by the supervising government monetary and foreign investment authorities. Guangfeng County Renheng shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

- (14) On 20 June 2012, CFI Jiangxi entered into an acquisition agreement with independent third parties and agreed to acquire 30% equity interest of 鄱陽縣華源小額貸款股份有限公司 (transliterated as Poyang County Huayuan Small Loan Co., Limited, “**Poyang County Huayuan**”) for a total cash consideration of RMB18 million. Poyang County Huayuan is principally engaged in the provision of rapid, nimble and easy small loan service in Poyang County, Shangrao City, Jiangxi Province, the PRC.

The total consideration shall be payable within 180 days upon approval of the agreement and the transfer of 30% equity interest of Poyang County Huayuan by the supervising government monetary and foreign investment authorities. Poyang County Huayuan shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

- (15) On 20 June 2012, CFI Jiangxi entered into an acquisition agreement with independent third parties and agreed to acquire 30% equity interest of 婺源縣國昌小額貸款股份有限公司 (transliterated as Wuyuan County Guochang Small Loan Co., Limited, “**Wuyuan County Guochang**”) for a total cash consideration of RMB18 million. Wuyuan County Guochang is principally engaged in the provision of rapid, nimble and easy small loan services in Wuyuan County, Shangrao, Jiangxi Province, the PRC.

The total consideration shall be payable within 180 days upon approval of the agreement and the transfer of 30% equity interest of Wuyuan County Guochang by the supervising government monetary and foreign investment authorities. Wuyuan County Guochang shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

- (16) On 20 June 2012, CFI Jiangxi entered into an acquisition agreement with independent third parties and agreed to acquire 30% equity interest of 上饒市信州區鴻業小額貸款有限公司 (transliterated as Shangrao City Xinzhou District Small Loan Co., Limited, “**Shangrao City Xinzhou**”) for a total cash consideration of RMB30 million. Shangrao City Xinzhou is principally engaged in the provision of rapid, nimble and easy small loan services in Xinzhou District, Shangrao, Jiangxi Province, the PRC.

The total consideration shall be payable within 180 days upon approval of the agreement and the transfer of 30% equity interest of Shangrao City Xinzhou by the supervising government monetary and foreign investment authorities. Shangrao City Xinzhou shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

- (17) On 20 June 2012, CFI Jiangxi entered into an acquisition agreement with independent third parties and agreed to acquire 30% equity interest of 上饒市經濟開發區國昌小額貸款有限公司 (transliterated as Shangrao City Economic Development Zone Guochang Small Loan Co., Limited, “**Shangrao City Economic Development Zone**”) for a total cash consideration of RMB24 million. Shangrao City Economic Development Zone is principally engaged in the provision of rapid, nimble and easy small loan services in Economic Development Zone, Shangrao, Jiangxi Province, the PRC.

The total consideration shall be payable within 180 days upon approval of the agreement and the transfer of 30% equity interest of Shangrao City Economic Development Zone by the supervising government monetary and foreign investment authorities. Shangrao City Economic Development Zone shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

- (18) On 20 June 2012, the Company entered into an acquisition agreement with an independent third party and agreed to acquire 30% equity interest of 巴林右旗巴林石小額貸款有限責任公司 (transliterated as Balin Youqi Balinshi Small Loan Co., Limited, “**Balin Youqi Balinshi**”) for a total cash consideration of RMB18.36 million. Balin Youqi Balinshi is principally engaged in the provision of rapid, nimble and easy small loan service in Chifeng City, Nei Monggol, the PRC.

The total consideration shall be payable within 180 days upon approval of the agreement and the transfer of 30% equity interest of Balin Youqi Balinshi by the supervising government monetary and foreign investment authorities. Balin Youqi Balinshi shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

- (19) On 20 June 2012, the Company entered into an acquisition agreement with independent third parties and agreed to acquire 30% equity interest of 土默特右旗小額貸款股份有限公司 (transliterated as Tumote Youqi Small Loan Co., Limited, “**Tumote Youqi**”) for a total cash consideration of RMB30 million. Tumote Youqi is principally engaged in the provision of rapid, nimble and easy small loan services in Baotou City, Nei Monggol, the PRC.

The total consideration shall be payable within 180 days upon approval of the agreement and the transfer of 30% equity interest of Tumote Youqi by the supervising government monetary and foreign investment authorities. Tumote Youqi shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

- (20) On 20 June 2012, the Company entered into an acquisition agreement with an independent third party and agreed to acquire 20% equity interest of 大連保稅區聯信睿盈小額貸款有限公司 (transliterated as Dalian Free Trade Zone Lianxin Moying Small Loan Co., Limited, “**Dalian Free Trade Zone**”) for a total cash consideration of RMB10 million. Dalian Free Trade Zone is principally engaged in the provision of rapid, nimble and easy small loan service in Free Trade Zone, Dalian City, the PRC.

The total consideration shall be payable within 180 days upon approval of the agreement and the transfer of 20% equity interest of Dalian Free Trade Zone by the supervising government monetary and foreign investment authorities. Dalian Free Trade Zone shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

- (21) On 20 June 2012, the Company entered into an acquisition agreement with an independent third party and agreed to acquire 20% equity interest of 江陰市豐源農村小額貸款有限公司 (transliterated as Jiangyin City Fengyuan Village Small Loan Co., Limited, “**Jiangyin City Fengyuan**”) for a total cash consideration of RMB40 million. Jiangyin City Fengyuan is principally engaged in the provision of rapid, nimble and easy small loan service in Jiangyin City, Jiangsu Province, the PRC.

The total consideration shall be payable within 30 days upon approval of the agreement and the transfer of 20% equity interest of Jiangyin City Fengyuan by the supervising government monetary and foreign investment authorities. Jiangyin City Fengyuan shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

(22) On 20 June 2012, the Company entered into an acquisition agreement with independent third parties and agreed to acquire 20% equity interest of 上海浦東新區鑫隆小額貸款股份有限公司 (transliterated as Shanghai Pudong New District Xinlong Small Loan Co., Limited, “**Shanghai Xinlong**”) for a total cash consideration of RMB20 million. Shanghai Xinlong is principally engaged in the provision of rapid, nimble and easy small loan and related consultation services in Shanghai, the PRC.

The total consideration shall be payable within 90 days upon approval of the agreement and the transfer of 20% equity interest of Shanghai Xinlong by the supervising government monetary and foreign investment authorities. Shanghai Xinlong shall be changed from a domestic enterprise to a sino-foreign joint venture enterprise after the transfer.

PROSPECT

The year ahead is undoubtedly going to be extremely challenging, the deteriorating euro zone debt crisis continues to drag down the global economic recovery. In face of complex market situations, the Group will remain vigilant and prepare itself for any challenges. The Group has a clear direction and growth strategies. To strive for long term return to Shareholders, the Group remains optimistic about the prospect of micro finance service industry in the PRC. The Board believes that our investment values in small loan companies are built on the growth and success of business operation. We have all along been adhering to the micro finance service industry intrinsic value as our core of investment philosophy, emphasizing on the precise selection and focusing on investing in target enterprises with higher growth potential. The Group is well positioned to be an investor, a planner, a resource accumulator and an integrator in the new finance in the PRC. The Group has also implemented a diversified strategy aimed at identifying suitable investment opportunities and expanding involvement in new technology, new energy and new industries, in order to bring about better return for the Shareholders. We remain excited about the prospect and the opportunities that lie ahead and are confident that the Group is well positioned to meet future challenges and move closer to its vision to become a profitable and well diversified company.

LIQUIDITY, FINANCIAL RESOURCES AND GEARING

As at 30 June 2012, the Group had cash and cash equivalents of HK\$32.11 million (30 June 2011: HK\$81.79 million). Majority of the cash and bank balance denominated in Hong Kong dollar and Renminbi which placed with banks in Hong Kong and the PRC. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 30 June 2012 was approximately 5,397% (30 June 2011: 5,884%), gearing ratio (calculated as the long term loan to the total shareholders' equity) of the Group as at 30 June 2012 was zero (30 June 2011: zero).

The Group did not have any bank borrowing as at 30 June 2012 (30 June 2011: nil).

FINAL DIVIDEND

The Directors do not recommend the payment of a final dividend for the Year (2011: nil).

CHARGES ON THE GROUP'S ASSET AND CONTINGENT LIABILITIES

As at 30 June 2012, there were no charges on the Group's assets and the Group did not have any significant contingent liabilities (30 June 2011: nil).

CAPITAL STRUCTURE

The Company has raised approximately HK\$137 million by a subscription of a total number of 304,950,000 ordinary shares at the subscription price of HK\$0.45 per subscription share on 20 January 2012.

The Company issued 3,500,000 ordinary shares with par value of HK\$0.01 each at an exercise price of HK\$0.13 per share upon the exercise of the share options during the Year.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Hong Kong dollars and Renminbi are the main currencies of the Group to carry out its business transactions, the Board considers that the Group's exposure to fluctuation in exchange rates was insignificant.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2012, the Group had 26 employees (including Directors). The total staff cost (including Directors' remuneration) of the Group for the Year was HK\$23.34 million (2011: HK\$18.62 million). The remuneration package of the employees is determined by various factors including the employees' experience and performance, the market condition, industry practice and applicable employment law.

PURCHASES, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the Year.

AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") is principally responsible for reviewing and supervising the Group's financial reporting process and internal control system and providing advice and recommendations to the Board of the Company. The Audit Committee comprises three independent non-executive Directors. The Audit Committee has met with the external auditors of the Group to review the accounting principles and practices adopted by the Group and discussed auditing, internal control and financial reporting matters including the review of this announcement and financial statements of the Group for the year ended 30 June 2012.

CORPORATE GOVERNANCE REPORT

The Board is committed to maintain good corporate governance standard and procedures to ensure the integrity, transparency and quality of disclosure in order to enhance the Shareholders' value.

The Company has applied the principles and complied with all the applicable code provisions set out in the Code on Corporate Governance Practices (effective until 31 March 2012) during the period from 1 July 2011 to 31 March 2012 and the Corporate Governance Code (effective from 1 April 2012) during the period from 1 April 2012 to 30 June 2012 contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") (the "**Code**"), save for the deviations discussed below:

- (1) Under Code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election. One existing non-executive Director and one independent non-executive Director of the Company are not appointed for a specific term. However, they are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the provision of the Bye-laws of the Company. Moreover, the Company has complied with this Code provision by entering into the letters of appointment with specific term with such Directors on 20 March 2012. The Company considers that sufficient measures have been taken to ensure that the Company's corporate governance practices are no less exacting than those in the Code; and
- (2) Under Code provision A.4.3, if an independent non-executive Director serves more than 9 years, his further appointment should be subject to a separate resolution to be approved by shareholders. Professor Dr. Cheung Wai Bun Charles has served as an independent non-executive Director for more than 9 years, he will retire voluntarily at the forthcoming annual general meeting of the Company and, being eligible, offer himself for re-election.

The Board will continuously review and improve the corporate governance practices and standards of the Company to ensure that business activities and decision making processes are regulated in a proper and prudent manner.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted the model code for securities transactions by directors of listed issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding directors' securities transactions. Having made specific enquiry of all directors of the Company, the Directors have confirmed that they have fully complied with the required standard as set out in the Model Code throughout the year ended 30 June 2012.

CONFIRMATION OF INDEPENDENCE

The Company has received written annual confirmation from each independent non-executive Director of their independence pursuant to the requirements of Rule 3.13 of the Listing Rules and considers all independent non-executive Directors to be independent.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of its Directors, as at the date of this announcement, there is a public float of more than 25% of the issued capital of the Company.

EVENTS AFTER REPORTING PERIOD

- (a) Pursuant to subscription agreements dated 18 July 2012 in relation to the proposed subscription of 240,000,000 ordinary shares at the subscription price of HK\$0.45 per subscription share to the subscribers, the subscription was completed on 31 August 2012 and the Company has raised approximately HK\$107.8 million.
- (b) On 20 July 2012, the Company entered into a subscription agreement with five independent parties, pursuant to which the Company agreed to subscribe for 10% equity interest in an investment which is engaged in the provision of small loan and financial consultation services in the PRC for a cash consideration of RMB15 million.
- (c) On 20 July 2012, the Group entered into a sale and purchase agreement with an independent party to purchase 30% equity interest in a company which is engaged in the provision of small loan and financial consultation services in the PRC for a cash consideration of RMB30 million.
- (d) On 20 July 2012, the Group entered into a sale and purchase agreement with three independent parties to purchase 30% equity interest in a company which is engaged in the provision of small loan and financial consultation services in the PRC for a cash consideration of RMB36 million.
- (e) On 20 July 2012, the Group entered into a sale and purchase agreement with an independent party to purchase 10% equity interest in a company which is engaged in the provision of small loan and financial consultation services in the PRC for a cash consideration of RMB10 million.
- (f) On 20 July 2012, the Group entered into a sale and purchase agreement with two independent parties to purchase 30% equity interest in a company which is engaged in the provision of small loan and financial consultation services in the PRC for a cash consideration of RMB30 million.

- (g) On 20 July 2012, the Group entered into a sale and purchase agreement with an independent party to purchase 30% equity interest in a company which is engaged in the provision of small loan and financial consultation services in the PRC for a cash consideration of RMB30 million.
- (h) On 20 July 2012, the Group entered into a sale and purchase agreement with three independent parties to purchase 30% equity interest in a company which is engaged in the provision of small loan and financial consultation services in the PRC for a cash consideration of RMB45 million.
- (i) At the date of approval of this annual results, the Group paid a total of HK\$173.51 million to invest in four unlisted investments.

PUBLICATION OF ANNUAL RESULTS ON THE WEBSITES

This results announcement is published on the websites of the Company (<http://www.irasia.com/listco/hk/cfii/index.htm>) and the Stock Exchange (www.hkex.com.hk). The annual report will be dispatched to the Shareholders and made available on the above websites as soon as practicable.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my gratitude to all of our business partners, Shareholders, Directors and staff for their hard work and contributions during the Year.

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

Hong Kong, 28 September 2012

As at the date of this announcement, the executive Directors are Mr. Du Lin Dong, Mr. Liu Baorui and Mr. Pong Po Lam Paul, the non-executive Directors are Mr. Ma Jie and Mr. Ding Xiaobin, and the independent non-executive Directors are Professor Dr. Cheung Wai Bun Charles, Mr. Wan Hongchun and Mr. Zeng Xianggao.