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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
THE FORMATION OF JV COMPANY**

The Board is pleased to announce that on 11 May 2018 (after trading hours of the Stock Exchange), Keyi Shanghai, a wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partners in relation to the formation of the JV Company in Henan province, the PRC.

The parties to the JV Agreement agreed that the JV Company will be established to be principally engaged in the development of bioenergy and biochemical industry for improving the biorefinery industry.

The registered capital of the JV Company will be RMB300,000,000. Pursuant to the JV Agreement, Keyi Shanghai, the JV Partner A, the JV Partner B and the JV Partner C will subscribe for 30%, 25%, 24% and 21% of equity interests of the JV Company for a cash consideration of RMB90,000,000, RMB75,000,000, RMB72,000,000 and RMB63,000,000 respectively. The Company intends to finance the total capital contribution of RMB90,000,000 to be made by Keyi Shanghai to the JV Company by the internal resources of the Group.

The JV Company will be treated as an investment in the financial statements of the Company. The subscription money payable by each of the parties to the JV Agreement will be used as initial working capital of the JV Company.

The Board is pleased to announce that on 11 May 2018 (after trading hours of the Stock Exchange), Keyi Shanghai, a wholly-owned subsidiary of the Company, entered into the JV Agreement with the JV Partners in relation to the formation of the JV Company in Henan province, the PRC. The principal terms of the JV Agreement are set out below.

THE JV AGREEMENT

Date: 11 May 2018

Parties:

- (i) Keyi (Shanghai) Investments Limited
- (ii) Henan Tianguan Enterprise Group Company Limited
- (iii) Liaoyuan Jufeng Biochemistry Science and Technology Co., Limited; and
- (iv) Beijing Zhongcheng Infrastructure Construction Limited

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of the JV Partners and their respective ultimate beneficial owners is a third party independent of the Company and its connected persons.

Formation of the JV Company

The parties agreed that the JV Company will be established to develop bioenergy and biochemical industry for improving biorefinery industry.

It is intended that the JV Company shall be principally engaged in production and sales of denatured fuel ethanol, sales of acetone, butanol, polyols, production and sales of biodegradable plastics and biodiesel, sales of chemical products, wheat bran flour, feed sales, acetic acid and acetaldehyde production.

The JV Partner B has undertaken that within one year from the date of the JV Agreement, it shall either procure the change of its hazardous chemicals business license and food purchase license under the name of the JV Company or facilitate the obtaining the dangerous chemical business license and food purchase license by the JV Company.

The parties to the JV Agreement agreed to establish the JV Company in Nanyang city of Henan, the PRC for a term of 10 years from its establishment date.

Registered capital and shareholding of the JV Company

The registered capital of the JV Company will be RMB300,000,000. Pursuant to the JV Agreement, Keyi Shanghai, the JV Partner A, the JV Partner B and the JV Partner C will subscribe for 30%, 25%, 24% and 21% of equity interests of the JV Company for a cash consideration of RMB90,000,000, RMB75,000,000, RMB72,000,000 and RMB63,000,000 respectively.

The Company intends to finance the total capital contribution of RMB90,000,000 to be made by Keyi Shanghai to the JV Company by the internal resources of the Group.

The JV Company will be treated as an investment in the financial statements of the Company. The Company will not involve in the daily operation and management of the JV Company.

The subscription money payable by each of the parties to the JV Agreement will be used as initial working capital of the JV Company.

Information of the JV Partners

JV Partner A is principally engaged in the production and sales of denatured fuel ethanol, acetone, butanol and polyols. Sales of biodegradable plastics, biodiesel and chemical products, sales of cereal flour and feedstuffs, acetate, acetaldehyde production.

JV Partner B is principally engaged in the production and sales of ethanol, ethyl acetate, pentane, denatured fuel ethanol, edible alcohol); research and development, production and sales of dry alcoholic beverages.

JV Partner C is principally engaged in construction, real estate development, and corporate, engineering, technical, financial, and economic and trade management consultation.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE JV AGREEMENT

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.

The Company is actively exploring opportunities to expand its investment horizon and to enhance the investment return of the Company and the Shareholders as a whole. As disclosed in the circular of the Company dated 2 October 2015, the Company is always looking for the investment opportunities in clean energy industry. Bioenergy is a carbon-neutral and renewable energy source that reducing greenhouse gas emissions. Biofuels such as ethanol and biodiesel, are less toxic and are biodegradable. Using biomass can help build resilience in agricultural, timber and food-processing industries. Bioenergy provides a use for their waste streams, can help them reduce their energy costs. The investments in bioenergy industry is in line with the investment objective of the Company.

In view of the above, the Directors considered that the terms and conditions of the JV Agreement are fair and reasonable and the entering into of the JV Agreement is in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Board”	the board of Directors
“Company”	China Financial International Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed to it in the Rules Governing the Listing of Securities on the Stock Exchange
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“JV Agreement”	the JV Company agreement dated 11 May 2018 and entered into among Keyi Shanghai, a wholly-owned subsidiary of the Company, and the JV Partners in relation to the formation of the JV Company
“JV Company”	a joint venture to be established in the PRC with limited liability and the proposed name of which will be Henan Tianguan Energy and Biotechnology Company Limited (河南天冠能源生化科技有限公司#)
“JV Partner A”	Henan Tianguan Enterprise Group Company Limited (河南天冠企業集團有限公司#), a company established in Henan, the PRC, being one of the JV Partners
“JV Partner B”	Liaoyuan Jufeng Biochmistrty Science and Technology Co., Limited (遼源市巨峰生化科技有限責任公司#), a company established in Liaoyuan city, the PRC, being one of the JV Partners

“JV Partner C”	Beijing Zhongcheng Infrastructure Construction Development Company Limited (北京中城基建設發展有限公司 [#]), a company established in Beijing, the PRC, being one of the JV Partners
“JV Partners”	collectively, JV Partner A, JV Partner B and JV Partner C
“Keyi Shanghai”	Keyi (Shanghai) Investments Limited (科逸(上海)投資有限公司 [#]), a company established in Shanghai, the PRC, and wholly-owned by the Company, being a party to the JV Agreement
“PRC”	the People’s Republic of China, which for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholders”	holders of the issued ordinary shares of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

[#] *The English transliteration of the Chinese names in this announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.*

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

Hong Kong, 11 May 2018

As at the date of this announcement, the executive Directors are Mr. Du Lin Dong and Mr. Pong Po Lam, the non-executive Director is Mr. Ding Xiaobin and the independent non-executive Directors are Dr. Cheung Wai Bun Charles, JP, Mr. Zeng Xianggao and Mr. Li Cailin.