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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 INTERIM RESULTS FOR THE
SIX MONTHS ENDED 31 DECEMBER 2010**

The board (the “Board”) of directors (the “Directors”) of China Financial International Investments Limited (formerly known as Sunshine Capital Investments Group Limited) (the “Company”) is pleased to announce the unaudited condensed consolidated interim results of the Company and its subsidiaries (the “Group”) for the six months ended 31 December 2010 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the six months ended 31 December 2010

		Unaudited	
		Six months ended	
		31 December	
		2010	2009
	<i>Note</i>	<i>HK\$</i>	<i>HK\$</i>
Turnover	4	<u>121,380,640</u>	<u>90,202,297</u>
Revenue	5	7,760,141	10,006,749
Other revenue and income	5	160,660	1,883,287
Fair value gain on financial assets at fair value through profit or loss		8,623,299	75,804,758
Administrative expenses		(8,943,004)	(7,741,104)
Share of results of an associate		(29,436)	–
Profit before income tax	6	7,571,660	79,953,690
Income tax	7	(130,524)	(12,399,421)
Profit for the period		<u>7,441,136</u>	<u>67,554,269</u>
Other comprehensive income		–	–
Total comprehensive income for the period		<u>7,441,136</u>	<u>67,554,269</u>
Earnings per share			
Basic	9(a)	<u>0.28 cents</u>	<u>2.72 cents</u>
Diluted	9(b)	<u>0.27 cents</u>	<u>2.71 cents</u>

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2010

	Unaudited At 31 December 2010 <i>HK\$</i>	Audited At 30 June 2010 <i>HK\$</i>
Non-current assets		
Property, plant and equipment	2,510,895	74,834
Interest in an associate	256,339	285,775
Available-for-sale financial assets	29,011,675	15,911,675
	31,778,909	16,272,284
Current assets		
Financial assets at fair value through profit or loss	146,867,842	258,628,038
Amount due from a shareholder	19,110	19,110
Prepayments, deposits and other receivables	5,513,711	3,661,619
Cash and bank balances	359,564,936	34,778,781
	511,965,599	297,087,548
Current liabilities		
Other payables and accruals	557,919	5,031,599
Amount due to a related company	397,886	610,631
Tax payable	2,934,834	4,030,022
	3,890,639	9,672,252
Net current assets	508,074,960	287,415,296
Net assets	539,853,869	303,687,580
Capital and reserves		
Share capital	36,066,240	24,851,340
Reserves	503,787,629	278,836,240
	539,853,869	303,687,580
Net asset value per share	15.0 cents	12.2 cents

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 31 December 2010

1. BASIS OF PREPARATION

The unaudited interim financial statements for the six months ended 31 December 2010 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“HKAS”) 34, “Interim financial reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”).

2. PRINCIPAL ACCOUNTING POLICIES

The condensed consolidated financial statements have been prepared under the historic cost basis except for the certain financial instruments which are measured at fair value, as appropriate.

The accounting policies used in the condensed consolidated financial statements are consistent with those adopted in the preparation of the Group’s audited annual financial statements for the year ended 30 June 2010.

In the current interim period, the Group has adopted, for the first time, the following new and revised standards, amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA:

HKFRSs (Amendments)	Amendment to HKFRS 5 as part of Improvements to HKFRSs 2008
HKFRSs (Amendments)	Improvements to HKFRSs 2009
HKAS 32 (Amendment)	Classification of Rights Issue
HKFRS 1 (Amendment)	Additional Exemptions for First-time Adopters
HKFRS 1 (Amendment)	Limited Exemption from Comparative HKFRS 7 Disclosures for First-time Adopters
HKFRS 3 (Revised)	Business Combinations
HK(IFRIC) – Int 19	Extinguishing Financial Liabilities with Equity Instruments
HK Int 5	Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause

The adoption of the new and revised HKFRSs has had no material effect on the consolidated financial statements of the Group for the current and prior accounting periods.

The Group has not early applied the following new and revised HKFRSs that have been issued but not yet effective.

HKFRSs (Amendments)	Improvements to HKFRSs 2010 ¹
HKAS 12 (Amendments)	Deferred Tax: Recovery of Underlying Assets ²
HKAS 24 (Revised)	Related Party Disclosures ¹
HKFRS 1 (Amendments)	Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters ⁴
HKFRS 7 (Amendment)	Disclosures-Transfers of Financial Assets ⁴
HKFRS 9	Financial Instruments ⁴
HK(IFRIC)- Int 14 (Amendment)	Prepayments of a Minimum Funding Requirement ¹

- ¹ Effective for accounting periods beginning on or after 1 January 2011
² Effective for accounting periods beginning on or after 1 January 2012
³ Effective for accounting periods beginning on or after 1 July 2011
⁴ Effective for accounting periods beginning on or after 1 January 2013

3. SEGMENT INFORMATION

No analysis of the Group's turnover and contribution to operating profit for the current period and the prior period set out by principal activities and geographical markets is provided as the Group has only one single business segment, investment holding, and the consolidated turnover, consolidated results and assets of the Group are attributable from Hong Kong.

4. TURNOVER

	Unaudited	
	Six months ended 31 December	
	2010	2009
	HK\$	HK\$
Sale proceeds from sale of financial assets at fair value		
through profit or loss – listed securities	119,579,438	89,189,882
Dividend income from listed securities	1,801,202	1,012,415
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	121,380,640	90,202,297
	<hr/> <hr/>	<hr/> <hr/>

5. REVENUE, OTHER REVENUE AND INCOME

	Unaudited	
	Six months ended 31 December	
	2010	2009
	HK\$	HK\$
Revenue		
Dividend income from listed securities	1,801,202	1,012,415
Gain on disposal of listed securities	5,958,939	8,994,334
	<hr/>	<hr/>
	7,760,141	10,006,749
	<hr/> <hr/>	<hr/> <hr/>
Other revenue and income		
Bank interest income	160,660	1,883,274
Sundry income	–	13
	<hr/>	<hr/>
Other revenue and income	160,660	1,883,287
	<hr/> <hr/>	<hr/> <hr/>
Revenue, other revenue and income	7,920,801	11,890,036
	<hr/> <hr/>	<hr/> <hr/>

6. PROFIT BEFORE INCOME TAX

Profit before income tax is arrived at after charging/(crediting):

	Unaudited	
	Six months ended 31 December	
	2010	2009
	HK\$	HK\$
Custodian fee	71,170	102,331
Depreciation	86,757	36,608
Investment management fee	1,010,269	928,840
Exchange gain	(98,765)	(161)
Operating lease charges for premises	694,881	443,865
Share-based payments	–	594,539
Staff costs, including directors' remuneration		
Salaries and allowances	3,664,140	1,767,290
Contributions to retirement benefits schemes	36,979	24,000
Share-based payments	1,324,653	1,853,055
	5,025,772	3,644,345

7. INCOME TAX

	Unaudited	
	Six months ended 31 December	
	2010	2009
	HK\$	HK\$
Hong Kong Profits Tax		
– Provision for the current period	1,140,658	12,399,421
– Over provision in prior period	(1,010,134)	–
	130,524	12,399,421

Hong Kong Profits Tax was provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period.

No tax is payable for other jurisdictions as the subsidiaries did not derive any assessable profits for both periods.

8. INTERIM DIVIDEND

The directors do not recommend the payment of an interim dividend (2009: HK0.5 cents per share) for the six months ended 31 December 2010.

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$7,441,136 (2009: HK\$67,554,269) and the weighted average number of 2,685,711,313 (2009: 2,483,836,762) ordinary shares in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity shareholders of the Company of HK\$7,441,136 (2009: HK\$67,554,269) and the weighted average number of 2,702,778,289 (2009: 2,490,379,438) ordinary shares adjusted by the potential dilutive effect caused by the share options granted under the share option scheme of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The Group is principally engaged in the investments in the listed securities for short term and in the unlisted equities for medium and long term.

During the second half of 2010, notwithstanding the massive fiscal stimulus by the United States and European monetary authorities, the global market has been challenging. Ripples were felt in Asian markets in the form of asset bubbles and inflation. For the six months ended 31 December 2010 (the “**Period**”), the Group reported a profit of HK\$7,441,136 compared to a profit of HK\$67,554,269 during the same period in 2009. The basic earnings per share was approximately HK0.28 cents (2009: HK2.72 cents).

To better reflect the business operations of the Group, the Company changed its English name from “Sunshine Capital Investments Group Limited” to “China Financial International Investments Limited” and its Chinese secondary name from “明陽資本投資集團有限公司” to “中國金融國際投資有限公司” and a new logo was designed to turn a new leaf for the Group in November 2010.

Material Acquisition of investments

In July 2010, the Group made an investment of RMB11,397,000 to acquire a 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, the “**Jiangxi 933**”). Jiangxi 933 owns 90% of the total equity interest of 北京九三三軟件股份有限公司 (transliterated as Beijing 933 Software Share Company Limited, the “**Beijing 933**”). Both Jiangxi 933 and Beijing 933 are principally engaged in the provision of information system. Beijing 933 participates in information system construction in many Government departments in the People’s Republic of China (“**PRC**”). Beijing 933 is also the service provider for the PRC government Ministry of Finance procurement related management software. Jiangxi 933 and Beijing 933 devote to become the first class electronic commerce providers in the PRC.

On 1 December 2010, China Financial International Investments (Jiangxi) Limited (the “**CF Jiangxi**”), a wholly-owned subsidiary of the Company, entered into the subscription agreement with 江西漢辰擔保有限公司 (transliterated as Jiangxi Hanchen Guarantee Company Limited, the “**Jiangxi Hanchen**”) for acquisition of 30% equity interest in Jiangxi Hanchen for a cash consideration of RMB36,000,000. Jiangxi Hanchen is principally engaged in the provision of guarantees to small and medium enterprises in assisting such enterprises to obtain loans from financial institutions in Jiangxi Province, the PRC.

On 1 December 2010, CF Jiangxi entered into two joint venture agreements with couples of the PRC companies for the formation two joint ventures, (i) one of which is named as Zhongjin Guoxin Jiangxi Investment Small Credit Company Limited and principally engaged in the provision of rapid and nimble small loans to small and medium enterprises, sole proprietors and farmers in Nanchang City, Jiangxi Province, the PRC. Pursuant to the joint venture agreement, CF Jiangxi will subscribe for 30% of equity interest in Zhongjin Guoxin Jiangxi Investment Small Credit Company Limited for a consideration of RMB30,000,000; and (ii) another is named as Zhongjin Guoxin Jiangxi Investment Guarantee Company Limited and principally engaged in the provision of guarantees to small and medium enterprises in assisting such enterprises to obtain loans from financial institutions in Jiangxi Province, the PRC. Pursuant to the joint venture agreement, CF Jiangxi will subscribe for 30% of equity interest in Zhongjin Guoxin Jiangxi Investment Guarantee Company Limited for a consideration of RMB45,000,000.

As at 31 December 2010, certain precedent conditions of the above subscription agreement and two joint venture agreements have not yet been fulfilled. The transactions are expected to be completed in early 2011.

On 1 December 2010, China Financial International Investments (Wuhan) Limited, a wholly-owned subsidiary of the Company, entered into a non-legally binding framework agreement with 武漢信用擔保（集團）有限公司 (transliterated as Wuhan Credit Guarantee (Group) Company Limited, the “**Wuhan Credit**”), for the acquisition up to 24.81% equity interest in Wuhan Credit for a cash consideration of RMB330 million. Wuhan Credit is principally engaged in the provision of guarantees to small and medium enterprises in assisting such enterprises to obtain loans from financial institutions in Wuhan City, Hubei Province, the PRC. The formal agreement will be entered upon the satisfactory results of due diligence review conducted by the Group. As at 31 December 2010, the formal agreement has not yet been entered.

On 22 December 2010, Globe Capital Resources Investment Limited, a wholly-owned subsidiary of the Company, entered into the agreement with an independent third party, for the acquisition for 100% equity interest in Smart Sky Holdings Limited, a company established in the BVI and the principal activity of Smart Sky Holdings Limited is investment holding, for a consideration of HK\$10,000,000, out of which a deposit of HK\$4,000,000 has been paid during the period. The transaction is expected to be completed in May 2011.

Prospect

Looking ahead, the global economy remains volatile and uncertain, the United States implements second round of quantitative easing monetary policy to stimulate the economic in November 2010, but the economy of the United States is still fragile and the recovery pace is losing strength and slower than expected, the economy of Europe is also still weak under the impact of sovereign debt crisis. However, such issues are unlikely to cast major impacts on the PRC economy which is powered largely by rising domestic demand and infrastructural investment.

With the steady economic growth and political stability, the PRC will remain as one of the best economic environment countries. The Group is confident in the prospect of market in the PRC, and will continue to identify and intensify its investments in the financial sector in the PRC, such as the guarantee and small loan business. The Directors are optimistic about the expansion of the Group's investments in guarantee and small loan business which is believed that they will provide better business development and returns to the Group and its shareholders (the "Shareholders") as a whole. The Company believes that the expansion of the investments in the financial industry in the PRC will have greater potential returns. The management will also keep seeking more investment opportunities with potential of asset appreciation as well as with sustainable income stream across various sectors to enhance returns to the Group and Shareholders within the acceptable risk profile.

Interim Dividend

The Board of Directors does not recommend payment of interim dividend for the six months ended 31 December 2010 (2009: HK0.5 cents per share).

Liquidity and Financial Review

As at 31 December 2010, the Group had cash and bank balance of HK\$359,564,936 (30 June 2010: HK\$34,778,781). Most of the cash and bank balance were placed in Hong Kong dollar and Renminbi deposits with banks in Hong Kong and the PRC respectively. The current ratio (calculated as the current assets to the current liabilities) of the Group as at 31 December 2010 was approximately 13,159% (30 June 2010: 3,071%), gearing ratio (calculated as the long term loan to the total shareholders' equity) of the Group as at 31 December 2010 was zero (30 June 2010: zero). As at 31 December 2010, the Group had total equity of HK\$539,853,869 (30 June 2010: HK\$303,687,580).

Capital Structure

The Company has raised approximately HK\$220 million by subscriptions of the total number of 496,700,000 shares at the subscription price of HK\$0.15 per subscription share on 16 November 2010 and 596,960,000 shares at the subscription price of HK\$0.25 per subscription share on 10 December 2010 respectively.

The Company issued 6,430,000 shares with par value of HK\$0.01 each at an exercise price of HK\$0.05 per share; and 18,400,000 shares with par value of HK\$0.01 each at an exercise price of HK\$0.16 per share; and 3,000,000 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 Period.

Investment Portfolio

The Group's investment portfolio comprised of listed investments and unlisted investments. As at 31 December 2010, the Group held listed investments, at market value, of HK\$146,867,842 (30 June 2010: HK\$258,628,038).

As at 31 December 2010, the Group's unlisted investments, valued at cost less impairment, totaling HK\$29,011,675 (30 June 2010: HK\$15,911,675).

Exposure to Fluctuations in Exchange Rates

Since the Group mainly uses Hong Kong dollars and Renminbi 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 31 December 2010, the Group had 17 employees. The total staff cost of the Group for the Period was HK\$5,025,772 (2009: HK\$3,644,345). 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.

CHARGE ON ASSETS AND CONTINGENT LIABILITIES

As at 31 December 2010, there were no charges on the Group's assets or any significant contingent liabilities (30 June 2010: Nil).

AUDIT COMMITTEE

The audit committee (the "**Audit Committee**") of the Company comprises Dr. Cheung Wai Bun Charles (Chairman), Mr. Wan Hongchun (appointed on 22 December 2010) and Mr. Zeng Xianggao, all of whom are independent non-executive Directors. The Audit Committee has reviewed with the management of the Company, the accounting principles and practices adopted by the Group and discussed internal controls and financial reporting matters.

The Company's unaudited interim financial report for the six months ended 31 December 2010 has been reviewed by the Audit Committee and Messrs. CCIF CPA Limited, the auditor of the Company.

REMUNERATION COMMITTEE

The Company has established a remuneration committee (the “**Remuneration Committee**”) in accordance with Appendix 14 of the Listing Rules. The Remuneration Committee comprises one executive Director, namely Ms. Wang Wen Xia (Chairman) and two independent non-executive Directors, namely Dr. Cheung Wai Bun Charles and Mr. Wan Hongchun (appointed on 22 December 2010). Ms. Wang Wen Xia resigned while Mr. Du Lin Dong was appointed as Chairman and member of Remuneration Committee on 17 January 2011. The Remuneration Committee is principally responsible for formulating and making recommendation to the Board on the Group’s policy and structure for all remuneration of the Directors and senior management of the Group.

INTERNAL CONTROL

The Board has overall responsibilities for maintaining sound and effective internal control system in the Company. The Board has delegated to the management the implementation of such systems of internal controls as well as the review of relevant financial, operational and compliance controls and risk management procedures. The Audit Committee was established for conducting a review of the internal control of the Company which covers the material controls including financial, operational and compliance controls and risk management functions. Procedures have been set up, inter alia, for safeguarding assets against unauthorized use or disposition, controlling over capital expenditure, maintaining proper accounting records and ensuring the reliability of financial information used for business and publication. The management throughout the Company maintains and monitors the internal control system on an ongoing basis.

CODE ON CORPORATE GOVERNANCE PRACTICES

The Board is responsible for ensuring high standards of corporate governance are maintained and for accounting to Shareholders. The Company has applied the principles and complied with all the applicable code provisions of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules for the Period, except for that under the Code Provision A.4.1, non-executive Directors should be appointed for a specific term and subject to re-election. However, the non-executive Directors have not been appointed for specific terms but are subject to retirement by rotation and re-election at the general meetings of the Company in accordance with the Company’s bye-laws. At each annual general meeting, one-third of the Directors for the time being or, if their number is not three or a multiple of three, then the number nearest to one-third, shall retire from office by rotation provided that every director shall be subject to retirement at least once every three years.

COMPLIANCE WITH THE CODE FOR SECURITIES TRANSACTION

The Company has adopted the Model Code for Securities Transactions by Directors as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by the directors of the Company. Having made specific enquiry by the Company, all Directors confirmed that they had complied with the required standards as set out in the Model Code during the Period.

PURCHASE, SALE OR REDEMPTION OF SHARES

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during six months ended 31 December 2010.

On behalf of the Board
China Financial International Investments Limited
Du Lin Dong
Chairman

Hong Kong, 31 January 2011

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