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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)

**CONTINUING CONNECTED TRANSACTION:
APPOINTMENT OF INVESTMENT MANAGER**

The Board announces that on 29 April 2011, the Company entered into the Investment Management Agreement with CFIIM, whereby CFIIM has agreed to provide investment management services to the Company for a period of three-year effective from the date of the Investment Management Agreement and expiring on the third anniversary date thereof (both dates inclusive). The parties to the Investment Management Agreement are entitled to terminate the Agreement by one month notice in writing. The Investment Management Agreement is unconditional. Pursuant to the Investment Management Agreement, a management fee is payable monthly in arrears at the rate of 0.75% per annum of the market value of the portfolio on the last Business Day of each calendar month and CFIIM is also entitled to receive a performance-related fee of 5% of the appreciation in the market value of the portfolio above a 10% hurdle rate per annum.

CFIIM is an associate of the Company who is the beneficial owner of 29% of the entire issued shares in CFIIM as at the date of the Investment Manager Agreement. Further, pursuant to Rule 21.13 of the Listing Rules, any investment manager shall be regarded as a connected person of the Company. The annual management fee together with performance-related fee payable by the Company is expected to be less than HK\$6,000,000 per year under the Investment Manager Agreement. All the percentage ratios (other than the profits ratio) are less than 5% and the annual consideration is less than HK\$10,000,000, the transaction contemplated under the Investment Management Agreement is only subject to reporting and announcement requirements and is exempt from the independent Shareholders' approval requirements under Rule 14A.34 of the Listing Rules.

THE INVESTMENT MANAGEMENT AGREEMENT

Date: 29 April 2011

Parties: (1) The Company; and
(2) CFIIM

Terms of the Investment Management Agreement

Pursuant to the Investment Management Agreement, CFIIM was appointed as the investment manager of the Company to provide investment management services to the Company for a period of three-year effective from the date of the Investment Management Agreement and expiring on the third anniversary date thereof (both dates inclusive). The parties to the Investment Management Agreement are entitled to terminate the Agreement by one month notice in writing.

The Investment Management Agreement is unconditional. The appointment of CFIIM as the investment manager of the Company will be governed by the terms and conditions of the Investment Management Agreement. Pursuant to the Investment Management Agreement, a management fee is payable monthly in arrears at the rate of 0.75% per annum of the market value of the portfolio on the last Business Day of each calendar month and CFIIM is also entitled to receive a performance-related fee of 5% of the appreciation in the market value of the portfolio above a 10% hurdle rate per annum. The management fee is reached after arm's length negotiations between the Company and CFIIM and determined with reference to the prevailing market rates with reference to those charged by investment managers of other investment companies listed on the main board of the Stock Exchange.

The Directors (including the independent non-executive Directors) consider the Investment Management Agreement has been entered into on normal commercial terms and in the ordinary and usual course of business of the Company. The Directors believe that the terms of the Investment Management Agreement are fair and reasonable as far as the independent Shareholders are concerned.

Reasons for entering into the Investment Management Agreement

Currently, the Company has retained Atlantis as its investment manager pursuant to the Atlantis Agreement. The Atlantis Agreement shall expire on 12 May 2011. The Company was informed by Atlantis in early 2011 that Atlantis has a new policy requesting the Company to maintain a minimum amount of investment portfolios with it. As disclosed in recent announcements of the Company, 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. The Company is and will focus more of its investments in small loan and guarantee businesses in the PRC which is expected to continue to grow quickly and will have good profit margin. The Board considers the new policy of Atlantis will affect the flexibility of the Company in deciding its investment portfolios.

The Board believes that CFIIM being an associate of the Company will work closely with the Company and can bring a better return to the Shareholders of the Company. The Directors (including the independent non-executive Directors) believe that by entering into of the Investment Management Agreement, it will enable the Company to leverage the expertise of CFIIM in investing securities and equity in Hong Kong and the PRC markets. The Directors further believe that the appointment of CFIIM as investment manager will enable the Company to deploy more effectively in its investments in Hong Kong and the PRC markets.

INFORMATION ON THE GROUP

The Company is an investment holding company incorporated on 12 July 2000 in the Cayman Islands and continued in Bermuda as an exempted company with limited liability, and the issued Shares became listed on the Stock Exchange under Chapter 21 of the Listing Rules in 2001. The Company is an investment holding company and its principal subsidiaries are engaged in the holding of equity or equity-related investments in listed and unlisted companies in Hong Kong and the PRC.

INFORMATION ON CFIIM

CFIIM is a limited liability company incorporated in Hong Kong on 23 February 2010, and focuses on investment management in Hong Kong and the PRC. It has been licensed by the SFC since 8 September 2010 for type 9 regulated activity (asset management). As at the date of this announcement, CFIIM is owned as to 51% by CFAML, 29% by the Company and 20% by Goldlane Holding Limited. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CFAML, Goldlane Holding Limited and their respective ultimate beneficial owner are Independent Third Parties.

CFAML is a registered institution under SFC supervision to carry out the type 9 regulated activity in the scope of asset management services according to the SFO.

CFAML is regulated by SFC and is required to duly comply with all the regulations and guidelines set out within the ambit of SFO. The scope of asset management services, inter alia, includes management of funds and discretionary accounts.

CFAML was founded in 2007 and rendering various financial services for its clients with asset under management (“AUM”) of approximately USD40 million whose portfolios consist of equities, fixed income, and commodity derivatives.

The senior management of CFAML consists of experienced fund managers possessing over 20 years of fund industry experience.

Chan Wing Yau George – Chairman & Chief Executive Officer

Mr. Chan is the responsible officer and a director of CFIIM. Mr. Chan is also the Chairman and CEO of CFAML. Mr. Chan is responsible for establishing the corporate development and managing all sorts of company administration. He has over 25 years of experience in the fund management industry and has held senior position at a number of renowned financial institutions which including but not limited to Director of Jardine Fleming Management Limited, Executive Director of HSBC Asset Management Hong Kong Limited, Director of Peregrine Asset Management (HK) Limited, Director, General Manager and Chief Investment Officer of Dao Heng Fund Management Limited and Senior Director of Principal Asset Management Company (Asia) Limited.

Mr. Chan has also made great contribution to the financial sector and the pension fund market. Over the years, he has actively participated in various financial related public services, including but not limited to Member of the Sir Robert Black Trust Fund Committee, Chairman of the Ocean Park Investment Committee, member of Executive Committee of the Hong Kong Investment Funds Association and the Chairman of the China Sub-committee, Committee member of the Hong Kong Trade Development Council Financial Services Advisory Committee, Finance Committee member of Board of Management of the Chinese Permanent Cemeteries, Member of Investment Advisory Committee of Sir Maclehole Trust Fund and Compliance Officer of the Hong Kong Institute of Financial Analysis and Professional Commentators Ltd.

Ip Ka Tsun Anthony – Chief Investment Officer

Mr. Ip is the responsible officer of CFIIM. Mr. Ip is also the director and the Chief Investment Officer of CFAML who is responsible for managing the investment portfolio and index futures hedge. Mr. Ip has more than 10 years of experience in investing in the China and Hong Kong securities and futures market. Since 1998, he has been investing in growth stocks listed in Hong Kong and the PRC.

His strength lies on using the earnings growth model in stock selection to form the core of the long-term investment portfolio. In 2003, Mr. Ip founded the ANPA Investment Management Limited. Since then he has been actively managing Hong Kong and PRC equity portfolio and using derivatives for hedging to balance the risk of the portfolio. Mr. Ip is a Fellow Member of the Association of Chartered Certified Accountants (FCCA), and received an MBA degree from the Chinese University of Hong Kong and a Bachelor of Arts (First Class Hons) in Accountancy from the Hong Kong Polytechnic University.

CFAML has portfolios under managed cover a number of exchange markets around the world. The total AUM is approximately USD40 million, of which USD30 million invests in securities with China focus, USD5 million invests in Asia-Pacific Fixed Income, and USD5 million is managed commodities futures.

The Directors are of the opinion that with the profound experiences of Mr. Chan and Mr. Ip, CFIIM will be the appropriate investment manager to manage the Company's assets in these specialised stock markets.

CONTINUING CONNECTED TRANSACTIONS

CFIIM is an associate of the Company who is the beneficial owner of 29% of the entire issued shares in CFIIM as at the date of the Investment Manager Agreement. Further, pursuant to Rule 21.13 of the Listing Rules, any investment manager shall be regarded as a connected person of the Company. The annual management fee together with performance-related fee payable by the Company is expected to be less than HK\$6,000,000 per year under the Investment Manager Agreement. All the percentage ratios (other than the profits ratio) are less than 5% and the annual consideration is less than HK\$10,000,000, the transaction contemplated under the Investment Management Agreement is only subject to reporting, and announcement requirements and is exempt from the independent Shareholders' approval requirements under Rule 14A.34 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“associates”	has the meaning ascribed to this term in the Listing Rules
“Atlantis”	Atlantis Investment Management (Hong Kong) Limited, a company incorporated in Hong Kong with limited liability, is a subsidiary of Atlantis Investments Management Limited, a licensed corporation to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO

“Atlantis Agreement”	an investment management agreement dated 18 April 2008 and entered into between the Company and Atlantis in relation to appointment of Atlantis as the investment manager of the Company for a term of three years
“Board”	the board of Directors
“Business Day”	means any day (except Saturdays, Sundays or public holidays) on which banks and regulated stock exchanges and markets in Hong Kong are open for business
“CFAML”	Capital Focus Asset Management Limited, the holding company of CFIIM
“CFIIM ”	China Financial International Investments & Managements Limited, a company incorporated in Hong Kong with limited liability, a licensed corporation to carry out type 9 (asset management) regulated activity under the SFO
“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 person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and all its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected persons of the Company
“Investment Management Agreement”	the investment management agreement dated 29 April 2011 and entered into between the Company and CFIIM
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“Mr. Chan”	Mr. Chan Wing Yau George, the responsible officer and a director of CFIIM
“Mr. Ip”	Mr. Ip Ka Tsun Anthony, the responsible officer of CFIIM
“PRC”	People’s Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“SFC”	Securities and Future Commission
“SFO”	the Securities and Futures Ordinance of Hong Kong (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	the holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“USD”	United States dollars, the lawful currency of United States of America
“%”	per cent.

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

Hong Kong, 29 April 2011

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. 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.