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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)

FORMATION OF A JOINT VENTURE COMPANY

This announcement is made by the Company on a voluntary basis to keep the Shareholders informed about the updated business development of the Company.

THE JV AGREEMENT

The Board announces that on 16 August 2011, after trading hours of the Stock Exchange, the Company entered into the JV Agreement with seven other parties for the formation of the JV Company which is proposed to be principally engaged in provision of rapid and nimble small loans, discount of bills, assignment of loans, consultation services in connection with small loans, and clearing in connection with loans in Tianjin City, the PRC.

The registered capital of the JV Company will be RMB100,000,000, of which the Company will subscribe for 10% of equity interests of the JV Company for a cash consideration of RMB10,000,000 and the other joint venture partners thereto will subscribe, in aggregate, for 90% of equity interests of the JV Company for cash consideration of RMB90,000,000. The subscription money of RMB10,000,000 in cash payable by the Company will be funded by the Company's internal resources.

The JV Company will be treated as 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.

This announcement is made by the Company on a voluntary basis to keep the Shareholders informed about the updated business development of the Company.

THE JV AGREEMENT

Date: 16 August 2011

- Parties:
- (i) the Company;
 - (ii) Tianjin International;
 - (iii) Tianjin Jinxin Real Estate;
 - (iv) Tianjin He Rong;
 - (v) Jiangxi Hanchen;
 - (vi) Shenzhen Xinyu Tianfan;
 - (vii) Tianjin City Wanbo; and
 - (viii) Tianjin Jinxin Property.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the principal business activities of each of the counterparties to the JV Agreement are as follows:

- (i) Tianjin International is principally engaged in asset management and investment holding;
- (ii) Tianjin Jinxin Real Estate is principally engaged in land and housing development;
- (iii) Tianjin He Rong is principally engaged in asset management;
- (iv) Jiangxi Hanchen is principally engaged in investment holding;
- (v) Shenzhen Xinyu Tianfan is principally engaged in development and sale of minerals; establishment of enterprises or projects; investment consultation; export and import business operations;
- (vi) Tianjin City Wanbo is principally engaged in investment, financing and corporate restructuring plan of information consultation for the enterprises; and
- (vii) Tianjin Jinxin Property is principally engaged in property management.

To the best of the Directors' knowledge, information, belief and having made all reasonable enquiries, save for (i) Tianjin International, Tianjin Jinxin Real Estate, Tianjin He Rong, Jiangxi Hanchen, Shenzhen Xinyu Tianfan entered into a joint venture agreement with the Company in respect of formation of joint venture company in Tianjin City, the PRC as announced by the Company on 1 August 2011; and (ii) Jiangxi Hanchen and Shenzhen Xinyu Tianfan which have also entered into other joint venture agreements with the Company in respect of formation of joint venture companies in other areas of the PRC, each of the counterparties and its ultimate beneficial owners are Independent Third Parties.

The JV Company

The JV Company will be a company incorporated under the laws of the PRC with limited liability.

Registered capital and shareholding of the JV Company

The registered capital of the JV Company will be RMB100,000,000, of which the Company will subscribe for 10% of equity interests of the JV Company for a cash consideration of RMB10,000,000 and the other joint venture partners will subscribe, in aggregate, for 90% of equity interests of the JV Company for cash consideration of RMB90,000,000. The subscription money of RMB10,000,000 in cash payable by the Company will be funded by the Company's internal resources.

The JV Company will be treated as pure 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.

Principal business of the JV Company

The JV Company which is proposed to be principally engaged in provision of rapid and nimble small loans, discount of bills, assignment of loans, consultation services in connection with small loans, and clearing in connection with loans in Tianjin City, the PRC.

REASONS FOR ENTERING INTO THE JV AGREEMENT

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.

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 Board takes the view that the economy in the PRC will continuously grow in a rapid pace, the demand for the financial services such as small loan and related loan

business will continue to grow quickly and will have good profit margin. Since late 2010, the Company has commenced its investment in small loan and related loan business in the PRC. The formation of the JV Company is in line with the Company's investment strategy.

The Board is of the view that the investments in Tianjin City will generate good return. According to the introduction of the provincial government of Tianjin City, the PRC, Tianjin City is one of most important economic centers and one of the four municipalities directly under the central government. Tianjin City is developing as a habitat area of finance sector and model region for outsourcing service sector.

The Board believes the potential economic development in Tianjin City will be promising, and that demand for small loan services and financial consultation services will grow rapidly in the Tianjin City and the formation of the JV Company will be a profitable investment.

The Board further considers that the terms and conditions of the JV Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

DEFINITIONS

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

“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 Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and 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

“Jiangxi Hanchen”	Jiangxi Hanchen Investment Group Company Limited Shareholder (江西漢辰投資集團有限公司 [#]), a company incorporated in the PRC with limited liability and the controlling shareholder of Jiangxi Hanchen Guarantee Company Limited (江西漢辰擔保有限公司 [#]), which the Company has agreed to subscribe for 30% of equity interest in it; a joint venture partner of the Company in certain joint ventures of the Company which are treated as investments in the financial statement of the Company
“JV Agreement”	an agreement dated 16 August 2011 and entered into among the Company and seven other joint venture partners in relation to the formation of the JV Company
“JV Company”	a joint venture company to be incorporated in the PRC with limited liability and the proposed name of which will be TIIC Rongshun Micro-Loan Company Limited (天津國投融順小額貸款有限公司) as to 10% of the entire issued capital of which will be owned by the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	The People’s Republic of China, which for the purposes of this announcement, excluding Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Shareholders”	holders of the issued Shares
“Shenzhen Xinyu Tianfan”	Shenzhen Xinyu Tianfan Mining Development Company Limited (深圳市新宇天帆礦業開發有限公司 [#]), a company incorporated in the PRC with limited liability, one of the counterparties to the joint ventures of the Company which are treated as investments in the financial statement of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tianjin City Wanbo”	Tianjin City Wanbo Consultant Company Limited (天津萬博諮詢有限公司 [#]), a company incorporated in the PRC with limited liability and is indirectly wholly owned by Tianjin International
“Tianjin He Rong”	Tianjin He Rong Assets Management Company Limited (天津和融資產管理有限公司 [#]), a company incorporated in the PRC with limited liability
“Tianjin International”	Tianjin International Investment Company Limited (天津國際投資有限公司 [#]), a company incorporated in the PRC with limited liability
“Tianjin Jinxin Real Estate”	Tianjin Jinxin Real Estate Construction and Development Company Limited (天津津信房地產建設開發公司 [#]), a company incorporated in the PRC with limited liability and is directly wholly owned by Tianjin International
“Tianjin Jinxin Property”	Tianjin Jinxin Property Development Limited (天津津信物業發展公司 [#]), a company incorporated in the PRC with limited liability and is directly wholly owned by Tianjin Real Estate
“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 executive Director

Hong Kong, 16 August 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 and Mr. Ma Jie and the independent non-executive Directors are Dr. Cheung Wai Bun Charles, Mr. Wan Hongchun and Mr. Zeng Xianggao.