

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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 FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2011

RESULTS

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 audited consolidated results of the Company and its subsidiary companies (the “**Group**”) for the year ended 30 June 2011 (the “**Year**”) as follows:

Consolidated Income Statement

For the year ended 30 June 2011

	<i>Note</i>	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Turnover	4	<u>296,010</u>	<u>151,477</u>
Revenue	5	51,293	19,178
Other revenue and income	5	2,226	2,163
Fair value gain on financial assets at fair value through profit or loss		20,497	26,501
Administrative expenses		(33,732)	(16,177)
Share of results of an associate		(17)	(4)
Profit before taxation	6	40,267	31,661
Income tax	7	(3,342)	(4,030)
Profit for the year attributable to equity shareholders of the Company		<u>36,925</u>	<u>27,631</u>
Earnings per share			
Basic	9(a)	<u>1.129 cents</u>	<u>1.112 cents</u>
Diluted	9(b)	<u>1.125 cents</u>	<u>1.101 cents</u>

Consolidated Statement of Comprehensive Income
For the year ended 30 June 2011

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Profit for the year	36,925	27,631
Other comprehensive income for the year:		
– Exchange differences on translation of financial statements of overseas subsidiaries, net of nil tax	421	–
– Change in fair value of available-for-sale financial assets, net of deferred tax	53,692	–
– Release upon derecognition of a subsidiary	(41,992)	–
	<hr/>	<hr/>
Total comprehensive income for the year attributable to equity shareholders of the Company	49,046	27,631
	<hr/> <hr/>	<hr/> <hr/>

Consolidated Statement of Financial Position

As at 30 June 2011

	<i>Note</i>	2011 HK\$'000	2010 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		5,499	75
Interest in an associate		269	286
Available-for-sale financial assets		311,349	15,911
Loan receivable		35,894	–
		<u>353,011</u>	<u>16,272</u>
Current assets			
Financial assets at fair value through profit or loss		300,561	258,628
Amount due from a shareholder		19	19
Prepayments, deposits and other receivables	10	86,376	3,661
Cash and cash equivalents		81,789	34,779
		<u>468,745</u>	<u>297,087</u>
Current liabilities			
Other payables and accruals	11	420	5,031
Amounts due to related companies		1,233	611
Amount due to an associate		320	–
Current taxation		5,993	4,030
		<u>7,966</u>	<u>9,672</u>
Net current assets		<u>460,779</u>	<u>287,415</u>
Total assets less current liabilities		<u>813,790</u>	<u>303,687</u>
Non-current liabilities			
Deferred tax liabilities		1,300	–
Net assets		<u>812,490</u>	<u>303,687</u>
Capital and reserves			
Share capital		41,094	24,851
Reserves		771,396	278,836
Total equity		<u>812,490</u>	<u>303,687</u>
Net asset value per share	12	<u>19.8 cents</u>	<u>12.2 cents</u>

1. BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. The consolidated financial statements have been prepared under the historical cost convention except for revaluation of certain of available-for-sale financial assets and financial assets at fair value through profit or loss that are stated at their fair values.

2. APPLICATION OF NEW AND REVISED HKFRSs

In the current year, the Group has applied the following new and revised Standards, Amendments and interpretations (“new and revised HKFRSs”) issued by the HKICPA.

HKFRSs (Amendments)	Improvements to HKFRSs issued in 2009
HKFRSs (Amendments)	Improvements to HKFRSs issued in 2010
HK-INT 5	Presentation of financial statements – Classification by the borrower of a term loan that contains a repayment on demand clause
HK(IFRIC) 19	Extinguishing financial liabilities with equity instruments

The HK-Int 5 has had no material impact on the Group’s financial statements as they were consistent with policies already adopted by the Group, HK (IFRIC) 19 has not yet had a material impact on the Group’s financial statements as these changes will first be effective as and when the Group enters a relevant transaction (for example, a debt for equity swap).

The remaining developments related to primarily to clarification of certain disclosure requirements applicable to the Group’s financial statements. These developments have had no material impact on the contents of these financial statements.

The Group has not early applied any of the following new and revised Standards, Amendments and Interpretations which have been issued but are not yet effective for annual periods beginning on 1 July 2010:

HKFRS 1 (Amendments)	First-time adoption of HKFRS-Severe hyperinflation and removal of fixed dates of first-time adopters ¹
HKFRS 7 (Amendments)	Disclosures-Transfers of financial assets ²
HKFRS 9	Financial instruments ⁵
HKFRS 10	Consolidated financial statements ⁵
HKFRS 11	Joint arrangements ⁵
HKFRS 12	Disclosure of interests in other entities ⁵
HKFRS 13	Fair value measurement ⁵

HKAS 1 (Amendments)	Presentation of items of other comprehensive income ⁴
HKAS 12 (Amendments)	Deferred tax: Recovery of underlying assets ³
HKAS 19 (as revised in 2011)	Employee benefits ⁵
HKAS 24 (as revised)	Related party disclosures ¹
HKAS 27 (as revised in 2011)	Separate financial statements ⁵
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures ⁵
HK(IFRIC) – INT 14 (Amendments)	Prepayments of a minimum funding requirement ¹

¹ Effective for annual periods beginning on or after 1 January 2011

² Effective for annual periods beginning on or after 1 July 2011

³ Effective for annual periods beginning on or after 1 January 2012

⁴ Effective for annual periods beginning on or after 1 July 2012

⁵ Effective for annual periods beginning on or after 1 January 2013

The directors of the Company anticipate that the application of these new and revised standards, amendments or interpretations will have no material impact on the financial statements.

3. SEGMENT INFORMATION

Information reported to the executive directors, the chief operating decision makers of the Group, is focused on the categories of investments. The Group's operating and reportable segments under HKFRS 8 are as follows:

Available-for-sale-investments	Investments in unlisted securities
Financial assets at fair value through profit or loss ("FVTPL")	Investments in trading securities listed on The Stock Exchange of Hong Kong Limited and redeemable convertible bonds at FVTPL

Segment revenues and results

Year ended 30 June 2011

	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>
Segment result	<u>41,992</u>	<u>29,956</u>	71,948
Share of results of an associate			(17)
Unallocated income			2,068
Unallocated expenses			<u>(33,732)</u>
Profit before taxation			<u>40,267</u>

Year ended 30 June 2010

	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>
Segment result	–	46,174	46,174
Share of results of an associate			(4)
Unallocated income			1,668
Unallocated expenses			(16,177)
Profit before taxation			<u>31,661</u>

Segment result represent gain on sale of investments in listed and unlisted securities, fair value 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:

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Available-for-sale investments	311,349	15,911
Financial assets at FVTPL	300,561	258,628
Total segment assets	611,910	274,539
Unallocated assets	209,846	38,820
	<u>821,756</u>	<u>313,359</u>

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

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

4. TURNOVER

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Sale proceeds from disposal of financial assets	290,283	146,343
Dividend income from listed securities	5,727	5,134
	<hr/>	<hr/>
	296,010	151,477
	<hr/> <hr/>	<hr/> <hr/>

5. REVENUE, OTHER REVENUE AND INCOME

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Revenue		
Dividend income from listed securities	5,727	5,134
Gain on disposal of listed securities	3,574	14,044
Gain on disposal of interest in available-for-sale financial assets	41,992	–
	<hr/>	<hr/>
	51,293	19,178
	<hr/> <hr/>	<hr/> <hr/>
Other revenue and income		
Bank interest income	8	4
Interest income from convertible bonds	158	495
Other interest income	–	1,664
Compensation received in respect of termination of investment	2,000	–
Sundry income	60	–
	<hr/>	<hr/>
	2,226	2,163
	<hr/> <hr/>	<hr/> <hr/>

6. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging:

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Auditor's remuneration		
– audit services	368	200
– non-audit services	70	80
Custodian fees	214	226
Depreciation	704	74
Investment management fees	2,657	2,267
Operating leases charges in respect of properties	1,933	865
Loss on disposal of property, plant and equipment	16	–
Staff costs		
Salaries, wages and bonuses	10,852	6,955
Contributions to retirement benefits schemes	77	48
Equity settled share-based payment expenses	7,694	1,853
	18,623	8,856

7. INCOME TAX

(a) Income tax in the consolidated income statement represents:

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Current tax-Hong Kong Profits Tax		
– Provision for the year	–	4,030
– Overprovision in prior years	(1,010)	–
Current tax- PRC Enterprise Income Tax (“EIT”)		
– Provision for the year	4,352	–
	3,342	4,030

Hong Kong Profits Tax is calculated at 16.5% (2010: 16.5%) of the estimated assessable profits for the year. No provisions for Hong Kong Profits Tax has been made as the Group did not have assessable profits subject to Hong Kong Profits Tax for the year.

The provision for the PRC Enterprise Income Tax (“EIT”) for the Group’s subsidiary in the PRC is based on a statutory rate of 25% (2010: 25%) of the assessable profit as determined in accordance with the relevant tax rules and regulations of the PRC. No provision for PRC income tax for the year ended 30 June 2010 was made in the financial statements, as the Group did not have any income which was subject to the PRC for the year then ended.

According to the Circular on the State Administration of Taxation on Strengthening the Management of EIT Collection of Proceeds from Equity Transfers by Non-Resident Enterprises (Guoshuihan 2009 No. 698) (“Circular No. 698”), a non-PRC Tax Resident Enterprise is subject to the PRC EIT on the gain arising from a sale or transfer of any intermediate offshore company directly or indirectly holds an interest, including any assets, subsidiaries or other forms of business operations, in the PRC at a rate of 10%, or otherwise stipulated in an applicable tax treaty or arrangement, Circular 698 applies to all such transactions conducted on or after 1 January 2008.

Included in the PRC EIT for the year ended 30 June 2011 is an amount of HK\$4,199,000 for the tax on the gain on disposal of certain investments in the PRC through partial disposal of interest in an intermediate offshore company.

(b) Recognition between tax expense and accounting profit at applicable tax rates:

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Profit before taxation	40,267	31,661
Tax at Hong Kong Profits Tax rate of 16.5% (2010: 16.5%)	6,644	5,225
Tax effect of non-deductible expenses	3,423	633
Tax effect of non-taxable income	(6,870)	(1,122)
Tax effect of temporary differences not recognised	480	9
Effect of different tax rates of subsidiaries operating in other jurisdiction	(2,730)	–
Tax effect of utilization of unused tax losses	–	(724)
Tax effect of unused tax losses not recognised	3,405	9
Over-provision in prior years	(1,010)	–
Actual tax expense	3,342	4,030

8. DIVIDENDS

	2011 <i>HK\$'000</i>	2010 <i>HK\$'000</i>
Interim dividend – HK0.50 cent per ordinary share	–	12,426

The directors do not recommend the payment of a dividend for the year ended 30 June 2011.

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\$36,925,000 (2010: HK\$27,631,000) and the weighted average number of 3,270,647,000 (2010: 2,483,840,000) ordinary shares in issue during the year, calculated as follows:

Weighted average number of ordinary shares

	2011 Number of shares '000	2010 Number of shares '000
Issued ordinary shares	2,485,134	2,483,834
Effect of exercise of share options (<i>note 30 (a)</i>)	46,581	6
Effect of share placing (<i>note 30 (b)</i>)	738,932	–
Weighted average number of ordinary shares	3,270,647	2,483,840

(b) Diluted earnings per share

During year ended 30 June 2011, the diluted earnings per share was based on the profit attributable to equity shareholders of the Company of HK\$36,925,000 (2010: HK\$27,631,000) and the weighted average number of 3,282,021,000 (2010: 2,510,417,000) ordinary shares adjusted by the potential dilutive effect caused by the outstanding share options granted under the share option scheme of the Company.

10. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2011	2010
	HK\$'000	HK\$'000
Prepayments	556	145
Deposits	742	343
Dividends receivable	9,267	528
Bonus shares receivable	–	2,383
Interest on convertible bonds	–	121
Loan to an investee (<i>note (a)</i>)	43,605	–
Receivable on partial disposal of interest in Globe Capital (<i>note (b)</i>)	32,000	–
Other receivables	206	141
	<hr/>	<hr/>
	86,376	3,661
	<hr/> <hr/>	<hr/> <hr/>

Notes:

- (a) Loan to an investee is unsecured, interest free and repayable within one year.
- (b) This represented the unsettled balance from the partial disposal of 70% equity interest in a subsidiary, Globe Capital. HK\$10,000,000 and HK\$22,000,000 will be settled in October 2011 and February 2012 respectively.

11. OTHER PAYABLES AND ACCRUALS

	2011	2010
	HK\$'000	HK\$'000
Accruals	420	486
Other payables	–	4,545
	<hr/>	<hr/>
	420	5,031
	<hr/> <hr/>	<hr/> <hr/>

12. NET ASSET VALUE PER SHARE

The calculation of net asset value per share is based on the net assets attributable to the equity holders of the Company of HK\$812,490,000 (2010: HK\$303,687,000) and 4,109,384,000 (2010: 2,485,134,000) ordinary shares in issue as at 30 June 2011.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

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

Profit for the year attributable to equity Shareholders (the “**Shareholders**”) of the Company amounted to HK\$36.93 million as compared to HK\$27.63 million last year, representing a 33.66% increase which showed a satisfactory performance. The basic earnings per share was HK1.129 cents (2010: HK1.112 cents).

Turnover recognized by the Group during the Year was the sale proceeds and dividend income from listed investments of HK\$296.01 million as compared to HK\$151.48 million last year, representing a 95.41% increase. After taking into account of dividend income and net realized gain on disposal of listed securities, the Group recorded revenue of HK\$51.29 million as compared to HK\$19.18 million in last year, representing an increase of 167.41% over the last year. The other revenue and income which comprised of interest income and other income was HK\$2.23 million, representing an increase of 3.24% as compared to HK\$2.16 million last year. General and administrative expenses increased 108.47% from HK\$16.18 million reported last year to HK\$33.73 million this Year being in line with the strategic shift to invest in service financing industry and the increase in operating activities for investments at earlier stages.

Listed Investments

The Group recorded a fair value gain on financial assets at fair value through profit or loss of HK\$20.50 million (2010: HK\$26.50 million). The main grounds were analyzed as follows:

Despite the United States economy was still not recovered and augmented by the challenges of the European debt crisis, with active proactive investment strategy adopted by the management and investment managers, the Group recorded a respectable unrealised gain of HK\$20.35 million on fair value on listed trading securities (2010: HK\$9.41 million).

During the Year, the Company did not convert the convertible bonds (the “**Convertible Bonds**”) issued by China Water Property Group Limited, which shares are listed on the Main Board of the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) Stock code: 2349 (2010: gain of HK\$14.47 million). As of the end of the Year, as the Company did not hold any Convertible Bonds, it did not record an unrealised gain on change in fair value of Convertible Bonds (2010: an unrealised gain of HK\$2.62 million). During the Year, the Company recorded a gain of HK\$0.15 million on the redemption of Convertible Bonds at maturity (2010: nil).

Unlisted Investments and Disposals

During the Year, the Company actively explored opportunities to expand its investment horizon and to enhance the investment return of the Company and the Shareholders as a whole. The Company has embarked on its investment in small loan business and financing guarantee business in the PRC. As at the date of this announcement, the Company has commenced its investment in small loan business and financing guarantee business in Jingdezhen City, Nanchang City, Xinyu City, Tianjin City, Harbin City, Shenzhen City, Zhengzhou City and Nanjing City in the PRC.

Jingdezhen City, Nanchang City, Xinyu City

The Board is of the view that the investments in Jingdezhen City, Nanchang City and Xinyu City of Jiangxi Province will generate a good return to the Group. Jiangxi Province is currently one of the most important areas for agricultural industry in the PRC, Jiangxi Province is strong in its agricultural productivity and it has been one of the only 2 provinces which are capable of supplying food and agricultural products to the entire country on an annual basis since the establishment of the PRC. The provincial municipal government is planning to further its agricultural production development by focusing on the promotion of eco-friendly agriculture and a variety of agricultural technological development in Jiangxi Province, the PRC. Apart from that, the provincial municipal government also encourages the development of various high technological and resource industries, such as aerospace technology, mineral exploitation, metallurgy, medicine and biochemical products, etc. in Jiangxi Province, the PRC. On the other hand, Jingdezhen City has rich minerals, especially Kaolin which has far-reaching impact on the international ceramics industry. Nanchang City, being the capital city of Jiangxi Province, is always the economic and industrial hub of the province while Xinyu City is the fastest urbanising and industrialising city with a potential mineral reserve of more than 30 types of minerals. The Board believes that the potential economic development in the cities in Jiangxi Province will be promising, and that demand for small loan services, financing guarantee service, and enterprise development, management and financial consultation services will grow rapidly in the cities in Jiangxi Province. Therefore, the investment and the formation of the joint venture companies in Jingdezhen City, Nanchang City and Xinyu City in Jiangxi Province, the PRC will be a profitable investment.

Commencing 1 July 2010 and up to the date of this announcement, the Group entered into the following legally binding agreements (the “**Agreement(s)**”) in respect of its investments in Jingdezhen City, Nanchang City and Xinyu City, Jiangxi Province, the PRC.

Completed investments

On 12 July 2010, Globe Capital Resources Investment Limited (“**Globe Capital Resources**”), a wholly-owned subsidiary of the Company as at the date of the Agreement, made an investment of RMB11.39 million to acquire 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**”). On 23 February 2011, pursuant to the capital contribution agreement of Jiangxi 933, the Group enlarged its investment by RMB9.22 million, which represented a total investment of RMB20.61 million, and the equity interest held was increased to 30%. Jiangxi 933 is principally engaged in the provision of information system service. The Company disposed of 70% equity interest in Globe Capital to an independent third party on 16 June 2011.

On 1 December 2010, the Group made an investment of RMB36 million to acquire 30% registered capital of 江西中金漢辰擔保有限公司 (transliterated as Jiangxi Zhongjin Hanchen Guarantee Company Limited, “**Jiangxi Zhongjin Hanchen**”) (formerly known as 江西漢辰擔保有限公司, transliterated as Jiangxi Hanchen Guarantee Company Limited). Jiangxi Zhongjin Hanchen 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. The investment was the first transaction for the Group to engage in guarantee and small loan businesses.

On 24 March 2011, a joint venture company was formed with the name as Jingdezhen CFI Guosen Microfinance Co., Ltd., (“**Jingdezhen CFI Guosen**”). The Company subscribed for 23.33% registered capital of Jingdezhen CFI Guosen for a consideration of RMB116.67 million. Jingdezhen CFI Guosen is principally engaged in the provision of rapid and nimble small loan and credits to 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 City, Jiangxi Province, the PRC.

Investments upon completion

On 18 July 2011, a joint venture company was formed and the proposed name of which will be 南昌市東湖區中金財信小額貸款股份有限公司 (transliterated as Nanchang City Donghu District Zhongjin Caixin Micro-loan Limited, “**Nanchang City Donghu District Zhongjin Caixin**”). The Company subscribed for 30% registered capital of Nanchang City Donghu District Zhongjin Caixin for a consideration of RMB30 million. It is principally engaged in the provision of rapid and nimble small loan, 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 City, Jiangxi Province, the PRC. As certain conditions precedent has not been fulfilled as at the date hereof, the transaction is expected to be completed by the end of 2011.

On 18 July 2011, a joint venture company was formed and the proposed name of which will be 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 City Yushui District Zhongjin Guoxin New Energy Technological Micro-loan Limited, “**Xinyu City Yushui District Zhongjin Guoxin**”). The Company subscribed for 30% registered capital of Xinyu City Yushui District Zhongjin Guoxin for a consideration of RMB75 million. It is principally engaged in the provision of rapid and nimble small loan, 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 City, Jiangxi Province, the PRC. As certain conditions precedent has not been fulfilled as at the date hereof, the transaction is expected to be completed by the end of 2011.

Tianjin City

The Board is of the view that the investments in Tianjin City will generate a good return to the Group. According to the introduction by the municipal 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 financial center and a model region for financial service sector. The Board believes that 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. Therefore, the formation of the joint venture company in Tianjin City, the PRC will be a profitable investment.

Commencing 1 July 2010 and up to the date of this announcement, the Group entered into the following legally binding agreements in respect of its investments in Tianjin City, the PRC.

Completed investments

On 4 April 2011, a joint venture company was formed with the name as TianJin XEDA Microfinance Co., Ltd. (“**Tianjin XEDA**”). The Company subscribed for 30% registered capital of Tianjin XEDA for a consideration of RMB60 million. Tianjin XEDA is principally engaged in the provision of rapid and nimble small loan, small loan settlement services and consultation services in Tianjin City, the PRC.

On 1 August 2011, a joint venture company was formed with the names as Tianjin Rongshun Microfinance Limited (“**Tianjin Rongshun**”). The Company subscribed for 30% registered capital 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 City, the PRC. The transaction was completed on 24 August 2011.

On 16 August 2011, a joint venture company was formed with the name as TIIC RongShun Micro-Loan Company Limited (“**TIIC Rongshun**”). The Company subscribed for 10% registered capital 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 City, the PRC. The transaction was completed on 2 September 2011.

Harbin City

The Board is of the view that the investments in Harbin City will generate a plentiful return to the Group. Harbin City, located at the center of Northeast Asian economic ring, is the important hub of New Eurasian Land Bridge and the sky walk. It possesses geographical and economic advantages at international level. Harbin City is a gifted land with great ecological environment. It is a vital commodity grain production base and energy industrial base. There are a lot of state-level, province-level, city-level and district-level of industrial zones in Harbin City, covering industries like automobile, food, medicine, petrochemicals, aviation and aerospace, food processing, construction materials and specialized equipment, etc., which provides a strong investment guarantee. The Board believes that the demand for small loan services, financing guarantee and development, management and financial consultation services will grow rapidly in Harbin City by the virtue of a prosperous economy and the support to SMEs financing by the local government. Therefore, the Board believes that the formation of the joint venture company in Harbin City, Heilongjiang, the PRC will be a profitable investment.

Commencing 1 July 2010 and up to the date of this announcement, the Group entered into the following legally binding agreement in respect of its investment in Harbin City, Heilongjiang, the PRC.

Completed investment

On 31 March 2011, a joint venture company was formed with the name as Harbin Daowaiqu Zhongjinguoxin Microfinance Co., Ltd. (“**Harbin Daowaiqu Zhongjinguoxin**”). The Company subscribed for 30% registered capital of Harbin Daowaiqu Zhongjinguoxin for a consideration of RMB30 million. Harbin Daowaiqu Zhongjinguoxin is principally engaged in the provision of rapid and nimble small loan service in Harbin City, Heilongjiang, the PRC. The transaction was completed on 28 August 2011.

Shenzhen City

The Board is of the view that the investments in Shenzhen City will generate a good return to the Group. Shenzhen is an important international gateway in the PRC and one of the fastest developing and most prosperous cities in the world. Shenzhen City is a vital transport hub along the coast of South China and holds a key position among new high technology industry, financial services, foreign trading and exports, marine transport, innovation culture and other aspects. Shenzhen City shoulders the important

mission of testing and demonstrating various aspects such as system reform and further opening. Meanwhile, Shenzhen City Municipal Government urges to expedite the financial reform and financial service innovation so as to perfect the SMEs financing guarantee system. The Board believes that the economic development of Shenzhen City is strong, and that the demand for small loan service, enterprise development, management and financial consultation services, economic information consultation and corporate image planning will grow rapidly. Therefore, the formation of the joint venture companies in Shenzhen City, Guangdong Province, the PRC will be a profitable investment.

Commencing 1 July 2010 and up to the date of this announcement, the Group entered into the following legally binding agreements in respect of its investments in Shenzhen City, Guangdong Province, the PRC.

Completed investment

On 1 March 2011, a joint venture company was formed with the name as 深圳市中投金信資產管理有限公司 (transliterated as Shenzhen City Zhongtou Jinxin Asset Management Limited, “**Shenzhen Zhongtou Jinxin**”). The Company subscribed for 30% registered capital of Shenzhen Zhongtou Jinxin for a consideration of RMB15 million. The first contribution of RMB6 million had been made by the Company and the second contribution of RMB9 million will be made within two years from the date of business license which was granted to Shenzhen Zhongtou Jinxin. Shenzhen Zhongtou Jinxin is principally engaged in the consultation on project investment, enterprise management and economic information and corporate image planning. Besides, it is also engaged in product appearance design, graphic design, cartoons and animation design and the assignment of self-designed technologies.

Investment upon completion

On 31 March 2011, a joint venture company was formed and the proposed name of which will be 深圳市中金國信小額貸款股份有限公司 (transliterated as Shenzhen City Zhongjin Guoxin Micro-loan Limited, “**Shenzhen City Zhongjin Guoxin**”). The Company subscribed for 30% registered capital of Shenzhen City Zhongjin Guoxin for a consideration of RMB60 million. It is principally engaged in the provision of rapid and nimble small loan and financial consultation services in Shenzhen, Guangdong Province, the PRC. As certain conditions precedent has not been fulfilled as at 30 June 2011, the transaction is expected to be completed in early 2012.

Zhengzhou City

The Board is of the view that the investments in Zhengzhou City will generate a good return to the Group. To the best of the director’s knowledge, information and belief, Zhengzhou City is considered to be important of linking the east and west and connecting the south and north in the economic development in the PRC. Zhengzhou possesses a better industrial system, which stays in a competitive position in the industry. It takes leading position in various industries, including automobile, coal-

electricity-aluminum, equipment manufacturing, food, textile, and acts as a vital industrial base for nonferrous metallurgy, food, bus manufacturing, coal, construction and fireproof materials and textile. Under the blooming economic condition, the directors believes that the demand for small loan service, financing guarantee, enterprise development, management and financial consultation services will grow rapidly in Zhengzhou City. Therefore, the investments in Zhengzhou City, Henan Province, the PRC will be a profitable investment.

Commencing 1 July 2010 and up to the date of this announcement, the Group entered into the following legally binding agreement in respect of its investment in Zhengzhou City, Henan Province, the PRC.

Investment upon completion

On 20 February 2011, the Group acquired 30% registered capital 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) for a consideration of RMB30 million. It is principally engaged in the provision of rapid and nimble small loan and financial consultation services in Zhengzhou City, Henan Province, the PRC. As certain conditions precedent has not been fulfilled as at 30 June 2011, the transaction is expected to be completed in middle of 2012.

Nanjing City

The Board is of the view that the investments in Jiangning District of Nanjing City will generate a good return to the Group. To the best of the director's knowledge, information and belief, Jiangning District is the most developed district in Nanjing City, Jiangsu Province, the PRC. The local government in Jiangning District of Nanjing City, focuses on the development of various industries in the district, including telecommunication, automobile, component manufacturing, substitute energy production, development of computer software, etc. Under the blooming economic condition and the encouragement of the development of various industries by the local government, the directors believes that the demand for small loan service, financing guarantee, enterprise development, management and financial consultation services will grow rapidly in Jiangning District of Nanjing City. Therefore, the formation of the joint venture company in Jiangning District, Nanjing City, Jiangsu Province, the PRC will be a profitable investment.

Commencing 1 July 2010 and up to the date of this announcement, the Group entered into the following legally binding agreements in respect of its investments in Jiangning District, Nanjing City, Jiangsu Province, the PRC.

Investments upon completion

On 29 June 2011, a joint venture company was formed and the proposed name of which will be 南京江寧中投金盛農村小額貸款有限公司 (transliterated as Nanjing Jiangning Zhongtou Jinsheng Village Micro-loan Limited, “**Nanjing Jiangning Zhongtou Jinsheng**”). The Company subscribed for 30% registered capital of Nanjing Jiangning Zhongtou Jinsheng for a consideration of RMB30 million. It is principally engaged in the provision of rapid and nimble small loan, enterprise development, management and financial consultation services to SMEs, rural sector (farmers, villages and agricultural industry) and privately or individually-owned businesses, in Jiangning District, Nanjing, Jiangsu Province, the PRC. As certain conditions precedent has not been fulfilled as at 30 June 2011, the transaction is expected to be completed by the end of 2011.

On 29 June 2011, a joint venture company was formed and the proposed name of which will be 南京江寧中投明陽科技小額貸款有限公司 (transliterated as Nanjing Jiangning Zhongtou Mingyang Technology Micro-loan Limited, “**Nanjing Jiangning Zhongtou Mingyang**”). The Company subscribed for 30% registered capital of Nanjing Jiangning Zhongtou Mingyang for a consideration of RMB60 million. It is principally engaged in the provision of (i) rapid and nimble small loan, enterprise development, management and financial consultation services to technology enterprises, SMEs and privately or individually-owned businesses; (ii) financing guarantee; and (iii) special-purpose loan for capital injection (up to 30% of the total amount of authorised registered capital of a company) to small and medium technology enterprises (mainly focusing on Nanjing Jiangning Economic and Technology Development Zone, which is a state-level economic development zone) in Jiangning District, Nanjing, Jiangsu Province, the PRC. As certain conditions precedent has not been fulfilled as at 30 June 2011, the transaction is expected to be completed by the end of 2011.

Disposed investments

On 16 June 2011, the Company disposed its 70% equity interest in Globe Capital to an independent third party for HK\$42 million and the gain on disposal of HK\$41.99 million was accounted in the consolidated income statement for the year ended 30 June 2011. The gain on disposal leads to an increase in cash flow of the Group, which allows the Group to capture more valuable opportunities for investment and bring about high-yield return for Shareholders in the medium and long run.

PROSPECT

Looking forward, affected by financial deficit, debt crisis, inflation, monetary policy, trade friction, global economy will recover in a slow and complicated way inevitably. However, due to the stable political situation in the PRC, continuously growing domestic market and optimization of industrial structure, the PRC remains as one of the countries that enjoys the most favorable economy in the world. The Group is confident about the prospect of the PRC market and will continue to identify and advance its investment in financial sector in the PRC in order to bring about returns for Shareholders as a whole.

To support the strategies implemented by the Group, the management will optimize the investment portfolio and increase gains on investments in 2012 and the coming three years. It will make investments in different domains, optimize the investment portfolio and identify investment opportunities with potential of asset appreciation as well as with sustainable income stream to enhance returns to the Group and Shareholders.

As service finance in the PRC will be able to capture opportunities for the development, the Group will continue to expand its investment to financial sector in the PRC, which will have greater potential returns. In terms of investment strategy, the Group will invest in various projects operated by independent parties and form an investment network through scale and diversified investment after taking into consideration the local preferential policy, cooperation partners, investment risks, capital return, etc. This network platform will enjoy preferential policies and possess risk-resistant capability which no single investment project is able to compete with, hence increasing gains on investment.

CHANGE OF COMPANY NAME

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.

LIQUIDITY AND FINANCIAL RESOURCES

As at 30 June 2011, the Group had cash and bank balance of HK\$81.79 million (30 June 2010: HK\$34.78 million). 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 30 June 2011 was approximately 5,884% (30 June 2010: 3,072%), gearing ratio (calculated as the long term loan to the total shareholders' equity) of the Group as at 30 June 2011 was zero (30 June 2010: zero). The Group maintained a strong working capital position during the Year.

The Group had shareholders' funds of HK\$812.49 million as at 30 June 2011 compared to HK\$303.69 million as at 30 June 2010, representing an increase of 167.54% over the last year.

CAPITAL STRUCTURE

The Company has raised approximately HK\$438 million by subscriptions of a total number of 496,700,000 shares at the subscription price of HK\$0.15 per subscription share on 16 November 2010, 596,960,000 shares at the subscription price of HK\$0.25 per subscription share on 10 December 2010, 370,000,000 shares at the subscription price of HK\$0.50 per subscription share on 29 March 2011 and 60,000,000 shares at the subscription price of HK\$0.50 per subscription share on 20 May 2011 respectively during the Year.

The Company issued 29,400,000 shares with par value of HK\$0.01 each at an exercise price of HK\$0.16 per share; 7,430,000 shares with par value of HK\$0.01 each at an exercise price of HK\$0.05 per share; 38,930,000 shares with par value of HK\$0.01 each at an exercise price of HK\$0.13 per share and 24,830,000 shares with par value of HK\$0.01 each at an exercise price of HK\$0.135 per share upon the exercise of the share options during the Year.

DIVIDEND

No interim dividend (31 December 2009: HK0.5 cents per share) was paid during the Year.

The Board does not recommend the payment of a final dividend for the year ended 30 June 2011 (2010: nil).

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.

EXPOSURE TO FLUCTUATIONS IN EXCHANGE RATES

Since the Group mainly uses Hong Kong dollars and Renminbi to carry out its business transactions, the Board considered that the Group's exposure to fluctuation in exchange rates was insignificant.

CHARGES ON THE GROUP'S ASSET AND CONTINGENT LIABILITIES

As at 30 June 2011, there were no charges on the Group's asset and the Group did not have any significant contingent liabilities.

EMPLOYEES AND REMUNERATION POLICY

As at 30 June 2011, the Group had 19 employees, including Directors. The total staff cost of the Group for the Year was HK\$18.62 million (2010: HK\$8.86 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.

CORPORATE GOVERNANCE

The Board of Directors recognises the importance of corporate governance to the Group's healthy growth and is dedicated to maintaining good standards of corporate governance so as to enhance corporate transparency and protect the interests of Shareholders. The Company believes that good corporate governance will bring long term benefits to its Shareholders.

The Group has complied with the Code on Corporate Governance Practices (the "**Code**") as set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the Year, except for 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 (the "**Bye-laws**").

AUDIT COMMITTEE

The Company has an audit committee (the "**Audit Committee**") which was established with written terms of reference, in compliance with the Code. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee comprises three independent non-executive Directors. The audited financial statements for the Year have been reviewed by the Audit Committee.

EVENTS AFTER THE PERIOD END

- (i) On 18 July 2011, the Company entered into two joint venture agreements for the formation of two joint venture companies with the name as Nanchang City Donghu District Zhongjin Caixin and Xinyu City Yushui District Zhongjin Guoxin respectively. Nanchang City Donghu District Zhongjin Caixin is principally engaged in the provision of rapid and nimble small loan, 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 City, Jiangxi Province, the PRC, while Xinyu City Yushui District Zhongjin Guoxin is principally engaged in the provision of rapid and nimble small loan, 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 City, Jiangxi Province, the PRC. The Company would subscribe for 30% registered capital of each joint venture company for an aggregate cash consideration of RMB105 million. As certain conditions precedent has not been fulfilled as at the date hereof, the transaction is expected to be completed by the end of 2011.

- (ii) On 1 August 2011, the Company entered into a joint venture agreement for the formation of a joint venture company with the name as Tianjin Rongshun, which 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 City, the PRC. The Company would subscribe for 30% registered capital of Tianjin Rongshun for a cash consideration of RMB30 million. The transaction was completed on 24 August 2011.
- (iii) On 16 August 2011, the Company entered into a joint venture agreement for the formation of a joint venture company with the name as THIC RongShun, which 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 City, the PRC. The Company would subscribe for 10% registered capital of THIC Rongshun for a cash consideration of RMB10 million. The transaction was completed on 2 September 2011.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) set out in Appendix 10 of the Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standards as set out in the Model Code during the Year.

PUBLICATION OF FINAL RESULTS ON THE WEBSITES

This results announcement is published on the websites of the Company (www.finance.thestandard.com.hk/en/comp_announcement.asp?code=0721) 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 of Directors, 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, 26 September 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. Ma Jie and Mr. Ding Xiaobin, and the independent non-executive Directors are Dr. Cheung Wai Bun Charles, Mr. Wan Hongchun and Mr. Zeng Xianggao.