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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 THREE JOINT VENTURE COMPANIES

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 I

The Board announces that on 26 December 2011, the Company entered into the JV Agreement I with other six parties relating to the formation of the JV Company I which is proposed to be principally engaged in provision of rapid and nimble small loans, financial guarantee, and enterprise development, management and financial consultation services to small and medium enterprises, sole proprietors and rural sectors (farmers, villages and agricultural industry) in Ziyang City, Sichuan Province, the PRC.

The authorised share capital of the JV Company I will be RMB200,000,000 divided into 200,000,000 shares of RMB1.00 each. Pursuant to which the Company will subscribe for 30% of entire share capital of the JV Company I for a cash consideration of RMB60,000,000 and the other six parties will subscribe for 70%, in aggregate, of the entire share capital of the JV Company I for cash consideration of RMB140,000,000. The subscription money of RMB60,000,000 in cash payable by the Company will be funded by the Company's internal resources.

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

THE JV AGREEMENT II

The Board announces that on 27 December 2011, the Company entered into the JV Agreement II with other eight parties for the formation of the JV Company II 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 to small and medium enterprises, sole proprietors, private enterprises and rural sectors (farmers villages and agricultural industry) in Dongli District, Tianjin City, especially Dongli District, the PRC.

The registered capital of the JV Company II will be RMB100,000,000, of which the Company will subscribe for 10% of equity interests of the JV Company II for a cash consideration of RMB10,000,000 and the other eight joint venture partners thereto will subscribe, in aggregate, for 90% of equity interests of the JV Company II 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 II 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 II will be used as initial working capital of the JV Company II.

THE JV AGREEMENT III

The Board announces that on 26 December 2011, the Company entered into the JV Agreement III with other three parties for the formation of the JV Company III 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 to small and medium enterprises in technology industry and rural sectors (farmers, village and agricultural industry) in Tianjin City, especially Wuqing District, the PRC.

The authorised share capital of the JV Company III will be RMB100,000,000 divided into 100,000,000 shares of RMB1.00 each. Pursuant to which the Company will subscribe for 30% of entire share capital of the JV Company III for a cash consideration of RMB30,000,000 and the other three joint venture partners will subscribe for 70%, in aggregate, of entire share capital of the JV Company III for cash consideration of RMB70,000,000. The subscription money of RMB30,000,000 in cash payable by the Company will be funded by the Company's internal resources.

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

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

On 28 December 2011, the Board was notified by the PRC officers of the Company that the Company entered into the JV Agreements on 26 December 2011 and 27 December 2011 respectively in relation to the formation of the JV Companies, which are principally engaged in the provision of small loans in the PRC. Details of the JV Agreements are as follows:

THE JV AGREEMENT I

The JV Agreement I

Date: 26 December 2011

- Parties:
- (i) The Company;
 - (ii) Jiangxi Hanchen;
 - (iii) Sichuan Province Rouyu Food Industry Company Limited (四川省若愚糧業有限公司#) (“**Rouyu Food**”);
 - (iv) Shenzhen Xinyu Tianfan;
 - (v) Sichuan Province Ziyang City Rouyu Road and Bridge Construction Engineering Company Limited (四川省資陽市若愚路橋建築工程有限公司#) (“**Rouyu Construction**”);
 - (vi) Chongqing Qiangfa Industrial Group Company Limited (重慶強發實業集團有限公司) (“**Qiangfa**”); and
 - (vii) Ziyang City Yangguang Jiari Culture Company Limited (“**Yangguang Jiari**”) (資陽市陽光假日文化有限公司#).

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 I are as follows:

- (i) Jiangxi Hanchen is principally engaged in investment holding;
- (ii) Rouyu Food is principally engaged in the trading of food;
- (iii) Shenzhen Xinyu Tianfan is principally engaged in development and sale of minerals; establishment of enterprises or projects; investment consultation; export and import business operations;
- (iv) Rouyu Construction is principally engaged in road, bridge and real estate construction;
- (v) Qiangfa is principally engaged in sales, rental services and development of real estates; and

- (vi) Yangguang Jiari is principally engaged in operation of restaurant and cultural and art creation activities.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the fact that Jiangxi Hanchen and Shenxuzhen Xinyu Tianfan, which also entered into other joint venture agreements with the Company in respect of formation of small loan companies in other areas of the PRC, each of the counterparties and its ultimate beneficial owners are Independent Third Parties.

The JV Company I

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

Share Capital and shareholding of the JV Company I

The authorised share capital of the JV Company I will be RMB200,000,000 divided into 200,000,000 shares of RMB1.00 each. Pursuant to the JV Agreement I, the Company will subscribe for 30% of the entire share capital of the JV Company I for a cash consideration of RMB60,000,000 and other six parties will subscribe for 70%, in aggregate, of the entire share capital of the JV Company I for cash consideration of RMB140,000,000. The subscription money of RMB60,000,000 in cash payable by the Company will be funded by the Company's internal resources.

The JV Company I 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 I.

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

Principal business of the JV Company I

The JV Company I which is proposed to be primarily engaged in provision of rapid and nimble small loans, and enterprise development, management and financial consultation services to small and medium enterprises, sole proprietors and rural sectors (farmers, villages and agricultural industry) in Ziyang City, Sichuan Province, the PRC.

THE JOINT VENTURE AGREEMENT II

The JV Agreement II

Date: 27 December 2011

Parties: (i) The Company;

(ii) Tianjin Binhai Liantou Holdings Company Limited (天津濱海聯投控股有限公司#) (“**Binhai Liantou**”);

- (iii) Tianjin Yingda Investment Group Company Limited (天津應大投資集團有限公司#) (“**Yingda**”);
- (iv) Tianjin Wante Shengau Commercial Building Company Limited (天津萬特聖奧商廈有限公司#) (“**Wante Shengau**”);
- (v) Tianjin Xinhua Investment Group Company Limited (天津新華投資集團有限公司#) (“**Tianjin Xinhua**”);
- (vi) Che Zhejun (車澤軍);
- (vii) Ying Lianghung (應良洪);
- (viii) Chen Zhongmin (陳宗敏); and
- (ix) So Jianmin (蘇建民)

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 II are as follows:

- (i) Binhai Liantou is principally engaged in investment in land and construction of infrastructure;
- (ii) Yingda is principally engaged in investment holding;
- (iii) Wante Shengau is principally engaged in operation of shopping arcade; and
- (iv) Tianjing Xinhua is principally engaged in investment holding.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, each of the counterparties and its ultimate beneficial owners are Independent Third Parties.

The JV Company II

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

Registered capital and shareholding of the JV Company II

The registered capital of the JV Company II will be RMB100,000,000. Pursuant to the JV Agreement II, the Company will subscribe for 10% of equity interests of the JV Company II for a cash consideration of RMB10,000,000 and the other eight joint venture partners will subscribe for 90%, in aggregate, of equity interests of the JV Company II 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 II 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 II.

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

Principal business of the JV Company II

The JV Company II 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 to small and medium enterprises, sole proprietors, private enterprises and rural sectors (farmers, villages and agricultural industry) in Tianjin City, especially Dongli District, the PRC.

THE JOINT VENTURE AGREEMENT III

The JV Agreement III

Date: 26 December 2011

Parties: (i) The Company;

(ii) Tianjin City Rongjian Investment and Guarantee Company Limited (天津市融建投資擔保有限公司#) (“**Rongjian**”);

(iii) Tianjin New Technology Industry Park Wuqing Development District Head Company (天津新技術產業園區武清開發區總公司#) (“**Tianjin NTIP**”); and

(iv) Jiangxi Hanchen.

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 III are as follows:

- (i) Rongjian is principally engaged in the provision of guarantee services to small and medium enterprises and economic contracts, and investment management consultation;
- (ii) Tianjin NITP is principally engaged in technological and real estate development and sales; and
- (iii) Jiangxi Hanchen is principally engaged in investment holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for Jiangxi Hanchen which has also entered into other joint venture agreements with the Company in respect of formation of small loan companies in other area of the PRC, each of the counterparties and its ultimate beneficial owners are Independent Third Parties.

The JV Company III

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

Share Capital and shareholding of the JV Company III

The authorized share capital of the JV Company III will be RMB100,000,000 divided into 100,000,000 shares of RMB1.00 each. Pursuant to which, the Company will subscribe for 30% of entire share capital of the JV Company III for a cash consideration of RMB30,000,000 and the other three joint venture partners will subscribe for 70%, in aggregate, of the entire share capital of the JV Company III for cash consideration of RMB70,000,000. The subscription money of RMB30,000,000 in cash payable by the Company will be funded by the Company's internal resources.

The JV Company III 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 III.

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

Principal business of the JV Company III

The JV Company III 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 to small and medium enterprises in technology industry and rural sectors (farmers, villages and agricultural industry) in Tianjin City, especially Wuqing District, the PRC.

REASONS FOR ENTERING INTO THE JV AGREEMENTS

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 guarantee 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 guarantee business in the PRC. The formations of the JV Companies are in line with the Company's investment strategy.

The Board is of the view that the investments in Tianjin City would generate good returns. According to the introduction of the provincial government of Tianjin City, the PRC, Tianjin City is an 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 II and the JV Company III will be a profitable investment.

The Board is also of the view that the investment in Ziyang City, Sichuan Province, the PRC will generate a good return. According to the local government of Ziyang City, Ziyang City has an area of about 7,962.56 square kilometers and approximately 5 million population. Ziyang City is situate at west of Chengdu, Meishan, east Chongqing, Deyang, north, Suining, south Neijiang, Sichuan Province and within the 1 hour economic circle of Chengdu. Ziyang City falls into the economic development zone and formed the Metropolitan of Chengdu under the "Eleventh Five-Year Plan" of Sichuan Government. The local government targets to promote the economic development of various industries in Ziyang City, including manufacturing, agricultural production and tourism, together with the advatange of being one of the most famous areas for tourism and productive agricultural area, the Board considers the economic growth of Ziyang City is in a rapid pace and demand for small loan services and financial consultation services will grow rapidly in the Ziyang City and the formation of the JV Company I will be a profitable investment.

The Directors further consider that the terms and conditions of each of the JV Agreements 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 statements of the Company
“JV Agreement I”	the agreement dated 26 December 2011 and entered into among the Company and other six parties in relation to the formation of the JV Company I
“JV Agreement II”	the agreement dated 27 December 2011 and entered into among the Company and other eight parties in relation to the formation of the JV Company II
“JV Agreement III”	the agreement dated 26 December 2011 and entered into among the Company and other joint three venture parties in relation to the formation of the JV Company III

“JV Agreements”	together, JV Agreement I, JV Agreement II and JV Agreement III
“JV Company I”	a joint venture to be incorporated in the PRC with limited liability and the proposed name of which will be Ziyang City Yanjiang Zhongjin Guoxin Small Loan Company Limited (資陽市雁江中金國信小額貸款股份有限公司 [#]) as to 30% of the entire issued share capital of which will be owned by the Company
“JV Company II”	a joint venture to be incorporated in the PRC with limited liability and the proposed name of which will be Tianjin City Binlian Small Loan Company Limited (天津市濱聯小額貸款有限責任公司 [#]) as to 10% of the registered capital of which will be owned by the Company
“JV Company III”	a joint venture company to be incorporated in the PRC with limited liability and the proposed name of which will be Tianjin Rongyang Small Loan Company Limited (天津融陽小額貸款股份有限公司) as to 30% of the entire issued capital of which will be owned by the Company
“JV Companies”	together, JV Company I, JV Company II and JV Company III
“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
“Shares”	ordinary shares of HK\$0.01 each in the share capital of the Company
“Shenzhen Xinyu Tianfan”	Shenzhen Xinyu Tianfan Mineral 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, a joint venture partner of the Company in certain joint ventures of the Company which are treated as investments in the financial statements of the Company

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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, 29 December 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.