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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Financial International Investments Limited** (the “**Company**”), you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank manager, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, 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 circular.

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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)***PROPOSED REFRESHMENT OF GENERAL MANDATE  
TO ALLOT AND ISSUE SHARES  
AND  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS****Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders****Nuada Limited***Corporate Finance Advisory*

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A letter from an independent committee of the board of the Company (the “**Independent Board Committee**”) is set out on page 14 of this circular. A letter from the independent financial adviser to the Independent Board Committee and the independent shareholders of the Company, is set out on pages 15 to 21 of this circular.

A notice convening a special general meeting (the “**SGM**”) of the Company to be held at Suite 6305, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 3 March 2011 at 11:00 a.m. is set out on pages 22 to 24 of this circular. A form of proxy for use at the SGM is also enclosed with this circular.

Whether or not you are able to attend the SGM, you are advised to read the notice and to complete and return the enclosed form of proxy, in accordance with the instructions printed thereon, to the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. Completion and delivery of the form of proxy shall not preclude you from attending and voting in person at the SGM or any adjournment thereof should you so wish.

14 February 2011

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## DEFINITIONS

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*In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:*

“Acquisition Announcement”	the announcement of the Company dated 2 December 2010 in relation to the entering into the Three Agreements and the Framework Agreement
“AGM”	the annual general meeting of the Company held on 30 November 2010 in which the Shareholders had approved, among other matters, the Current General Mandate
“associates”	have the same meaning as ascribed in the Listing Rules
“Board”	the board of Directors, including all independent non-executive Directors
“Company”	China Financial International Investments Limited, a company incorporated in the Cayman Islands and continued in Bermuda with limited liability and the issued Shares are listed on the main board of the Stock Exchange
“Current General Mandate”	the general mandate approved at the AGM to grant to the Directors to allot and issue Shares of up to 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution, i.e. 30 November 2010
“Director(s)”	director(s) of the Company
“Framework Agreement”	a non-binding framework agreement in respect of the Possible Acquisition
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	an independent committee of the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders as to the fairness and reasonableness of the grant of the New General Mandate
“Independent Financial Adviser”	Nuada Limited, a licensed corporation to carry out type 6 (advising on corporate finance) regulated activity as defined under the SFO, being independent financial adviser to the Independent Board Committee and the Independent Shareholders

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## DEFINITIONS

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“Independent Shareholders”	Shareholder(s) other than the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates
“Investments”	the investments in three companies in the PRC pursuant to the Three Agreements
“Latest Practicable Date”	11 February 2011, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New General Mandate”	the general mandate proposed to be granted to the Directors at the SGM to allot, issue and otherwise deal with additional Shares not exceeding 20% of the share capital of the Company in issue on the date of the passing of the relevant ordinary resolution
“Possible Acquisition”	a possible acquisition of not more than 30% equity interest in a guarantee company in the PRC, details of which have been disclosed in the Acquisition Announcement
“PRC”	The People’s Republic of China, which for the purposes of this circular, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Proceeds”	funds raised from two sets of subscription agreements dated 16 November 2010 and 10 December 2010 respectively in the sum of approximately HK\$223 million
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“SGM”	the special general meeting of the Company to be convened and held at Suite 6305, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 3 March 2011 at 11:00 a.m. to consider and, if appropriate, to approve the ordinary resolutions contained in the notice of the meeting which are set out on pages 22 to 24 of this circular
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriptions”	the subscriptions by eleven subscribers (namely, Asia Unite Limited, Hanyang Investment Management (Hong Kong) Co., Limited, Yu Hing Fat International Trading Company Limited, Xing Yue Investments Limited, Peng Xinliang, Tang Chunmei, Xiao Baoping, Liu Wei Hong, Liu Zhong Xian, Su Guilin and Ding Xia) for an aggregate of 596,960,000 Shares pursuant to the eleven subscription agreements all dated 10 December 2010
“Subscription Announcement(s)”	together, the announcements of the Company dated 16 November 2010 and 12 December 2010 respectively, each the “Subscription Announcement”
“Three Agreements”	a subscription agreement dated 1 December 2010 and two joint venture agreements both dated 1 December 2010 in respect of the Investments, details of which have been disclosed in the Acquisition Announcement
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

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## LETTER FROM THE BOARD

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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)

*Executive Directors:*

Mr. Du Lin Dong (*Chairman*)

Mr. Liu Baorui

Mr. Pong Po Lam Paul

*Non-executive Directors:*

Mr. Ding Xiaobin

Mr. Fung Cheuk Nang Clement

Mr. Ma Jie

Mr. Li Chaobo

*Independent non-executive Directors:*

Dr. Cheung Wai Bun Charles *J.P.*

Mr. Wan Hongchun

Mr. Zeng Xianggao

*Registered office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Head office and principal place of  
business in Hong Kong:*

Suite 6305, 63/F

Central Plaza

18 Harbour Road

Wanchai, Hong Kong

14 February 2011

*To the Shareholders*

Dear Sirs or Madams,

**PROPOSED REFRESHMENT OF GENERAL MANDATE  
TO ALLOT AND ISSUE SHARES  
AND  
PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS**

#### INTRODUCTION

The purpose of this circular is to provide you with the information relating to (i) the proposed grant of the New General Mandate; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders on the proposed grant of the New General Mandate; (iii) the recommendation from the Independent Financial Adviser to the Independent Board Committee and the Independent

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## LETTER FROM THE BOARD

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Shareholders, on the proposed grant of the New General Mandate; (iv) the re-election of the retiring Directors; and (v) the notice of SGM, at which the necessary resolutions will be proposed to the Independent Shareholders and the Shareholders to consider and, if thought fit, approve the New General Mandate and re-election of retiring Directors respectively by way of poll.

### **CURRENT GENERAL MANDATE**

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to issue not more than 596,966,806 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company of 2,984,834,030 Shares as at the date of passing of the resolution.

During the period from the grant of the Current General Mandate to the Latest Practicable Date, 596,960,000 Shares out of the Current General Mandate have been or earmarked to be utilized by the Company for the Subscriptions. After such issue of Shares, the remaining number of Shares to be issued under the Current General Mandate have been reduced to 6,806.

Since the AGM and except for the proposed grant of the New General Mandate herein, the Company has not refreshed its general mandate granted at the AGM.

### **PROPOSED GRANT OF NEW GENERAL MANDATE**

At the SGM, ordinary resolutions will be proposed to the Independent Shareholders that:

- (i) the Directors be granted the New General Mandate to allot and issue Shares not exceeding 20% of the share capital of the Company in issue as at the date of passing the relevant ordinary resolution; and
- (ii) the New General Mandate be extended to Shares repurchased by the Company pursuant to the repurchase mandate granted to the Directors at the AGM.

The Company has not refreshed the Current General Mandate since the AGM.

As at the Latest Practicable Date, the Company had an aggregate of 3,648,054,030 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot and issue up to 729,610,806 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

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## LETTER FROM THE BOARD

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### REASONS FOR THE NEW GENERAL MANDATE

In order to maintain flexibility and provide discretion to the Directors to issue new Shares in the future which is necessary for the Group's funding needs and future business development, the Directors propose to the Independent Shareholders a resolution to grant the New General Mandate such that the Directors can exercise the power of the Company to issue new Shares up to 20% of the issued share capital of the Company as at the date of the SGM.

The Company has raised the Proceeds of approximately HK\$223 million from two sets of subscription agreements dated 16 November 2010 and 10 December 2010 respectively. As disclosed in the Subscription Announcements, such funds raised would be applied for potential investments in the PRC. Reference is also made to the Acquisition Announcement, as disclosed in the Acquisition Announcement, the Company is required to inject RMB111,000,000 (equivalent to approximately HK\$130,580,000) in respect of the Three Agreements. It is expected that if the Framework Agreement is materialised, the Company will further be required to inject up to approximately RMB330,000,000 (equivalent to approximately HK\$388,240,000).

As at the Latest Practicable Date, certain conditions of the Three Agreements have not yet fulfilled, the Proceeds has yet be used. It is expected that approximately HK\$131 million out of the Proceeds will be used as intended for the Investments in early 2011 when the conditions precedent of the Three Agreements will have been fulfilled. The remaining approximately HK\$93 million will be used for the Possible Acquisition if the Framework Agreement is materialised. In case the Framework Agreement is materialised, there will be a shortfall of approximately HK\$296 million. Though the Company considers to finance part of the Possible Acquisition by its internal resources, the Board also considers to have further fund raising in order to finance the Possible Acquisition.

As mentioned above that if the Framework Agreement is materialised, the Board considers that further fund raising is necessary in order to finance the Possible Acquisition. As disclosed in the Acquisition Announcement, the Directors are optimistic about the expansion of the Company's investments in guarantee and small loan business in the PRC which is believed will provide better business development and returns to the Company and its Shareholders as a whole. The Company believes that the embarkment on its investments in the financial industry in the PRC will have greater potential returns. The New General Mandate, which gives flexibility and ability to the Company for future equity fund raising, will enable to the Company to raise further fund, if in need, so as to capture future investment opportunities in the PRC, or otherwise, the Company may not be able to capture such opportunities when necessary.

Given that if the Framework Agreement materializes, the Company will be in need of the additional fund for such investment. Further, as the Company intends to intensify its investments in the financial sector, such as the guarantee or small loans business in the PRC, the Board often explore new fund raising opportunity, including but not limited to subscription or placing new Shares. However, the Board does not have specific investment plan and does not have any concrete fund raising plan as at the Latest Practicable Date.



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## LETTER FROM THE BOARD

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The Board has no reservation to seek specific mandate from Shareholders when appropriate. However, the Board takes the view that for some fund raising activities, the potential investors may prefer to obtain the Shares swiftly i.e. within few days or at most within a week. Some potential investors may not be willing to wait for the approval of the Shareholders which takes more than a month under specific mandate. If such long time is required, the potential investors may have hesitation to subscribe for the Shares and the Company will lose such fund raising opportunity. Whether the Shares are to be allotted and issued pursuant to the general mandate or specific mandate really depends on the potential investors' preference. The Board therefore considers that the refreshment of New General Mandate is necessary as it can facilitate the Company to quickly capture fund raising opportunity and respond to the potential investors' need. As at the Latest Practicable Date, the Company has not yet reached agreement with any potential investors, it is pre-mature for the Company to seek for any specific mandate.

It is the Board's intention to intensify and expand the Company's investments in the PRC this year. In anticipation of future investments of the Company, further fund may or may not be required. The Board has considered to finance those investments by way of equity fund raising (either utilize the New General Mandate or by other equity fund raising activities) or debt financing but yet concluded. The Board does not have any further plan to refresh the general mandate before next annual general meeting as at the Latest Practicable Date. Notwithstanding the aforesaid, if in future the Company has used up the New General Mandate before the next annual general meeting, for the sake of maintaining the Company's flexibility to raise further fund in swift manner, the Board cannot exclude any possibility that further refreshment of the general mandate may or may not be required before the next annual general meeting.

During material times, no conflict of interests arising between the Company and the Directors in respect of any investments of the Company in the equity of unlisted company in Hong Kong and the PRC. Nevertheless, to the best knowledge, information and belief, some of the Directors may sometimes hold immaterial interests in the shares of listed companies in Hong Kong which the Company has also invested in during material times. The Board considers such scenario will not result in any genuine conflict of interests as the Company has adopted stringent measures and controls in preventing any potential conflict of interests becoming genuine conflict of interests between the Directors' personal investments and the Company's investments. In accordance with the Company's policy, unlisted equity investments decision of the Company will be made by the executive committee, which contains solely the executive Directors while the listed securities transactions are made by the investment manager of the Company. The other Directors who are not a member of the executive committee usually do not take part in the investment decision of the Company. In the event that any conflict of interests arises from between a member of executive committee and the Company's investments, such member shall not only abstain from voting in any decision in relating to the Company's investments which he/she has conflict of interests, but also not participate in any meeting in discussion of such Company's investment. During the last three years, there is no genuine conflict of interests arising from between the Directors' and the Company's investments.

In view of the above, the Directors consider the grant of the New General Mandate, which may or may not be utilised, is in the best interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### INVESTMENTS OF THE COMPANY

(A) The following set out the top five investments made/bought by the Company from 1 July 2010 to the Latest Practicable Date:

- (1) HSBC Holdings plc. (listed shares);
- (2) PetroChina Company Limited (listed shares);
- (3) CNOOC Limited (listed – H shares).
- (4) Jiangxi 933 Technology Development Company Limited (unlisted equity); and
- (5) China Water Property Group Limited (listed shares).

Top-three realised investments gain during the period are:

- (1) China Water Property Group Limited (redemption of convertible bonds);
- (2) China Water Affairs Group Limited (listed shares); and
- (3) China COSCO Holdings Company Limited (listed – H shares).

Top-three realised investments loss during the period are:

- (1) HSBC Holdings plc. (listed shares);
- (2) China Minsheng Banking Corporation Limited (listed – H shares); and
- (3) Sinolink Worldwide Holdings Limited (listed shares).

(B) The following set out the top ten investments made/bought by the Company from 1 July 2009 to 30 June 2010:

- (1) HSBC Holdings plc. (listed shares);
- (2) PetroChina Company Limited (listed – H shares);
- (3) China Water Property Group Limited (listed shares);
- (4) China COSCO Holdings Company Limited (listed – H shares);
- (5) China Minsheng Banking Corporation Limited (listed – H shares);
- (6) Gan County Changxin Mining Company Limited (unlisted equity);
- (7) China Water Affairs Group Limited (listed shares);
- (8) Industrial and Commercial Bank of China Limited (listed – H shares);
- (9) Renhe Commercial Holdings Co. Limited (listed shares); and
- (10) Sinolink Worldwide Holdings Limited (listed shares).

Top-three realised investments gain during the year are:

- (1) China Water Property Group Limited (conversion of convertible bonds);
- (2) China COSCO Holdings Company Limited (listed – H shares); and
- (3) PetroChina Company Limited (listed – H shares).

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## LETTER FROM THE BOARD

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Top-three realised investments loss during the year are:

- (1) China Water Property Group Limited (listed shares);
- (2) Guangzhou Shipyard International Company Limited (listed – H shares); and
- (3) PICC Property and Casualty Company Limited (listed – H shares).

(C) The following set out the top ten investments made/bought by the Company from 1 July 2008 to 30 June 2009:

- (1) China Water Property Group Limited (unlisted convertible bonds);
- (2) HSBC Holdings plc. (listed shares);
- (3) China COSCO Holdings Company Limited (listed – H shares);
- (4) China Water Affairs Group Limited (listed shares);
- (5) PetroChina Company Limited (listed – H shares);
- (6) China Water Property Group Limited (listed shares);
- (7) Industrial and Commercial Bank of China Limited (listed – H shares);
- (8) Bank of China Limited (listed – H shares);
- (9) Renhe Commercial Holdings Company Limited (listed shares); and
- (10) Shui On Land Limited (listed shares).

Top-three realised investments gain during the year are:

- (1) CWIG Diaobingshan Windpower Company Limited (unlisted equity);
- (2) China Water Property Group Limited (conversion of convertible bonds); and
- (3) HSBC Holdings plc. (listed shares).

Top-three realised investments loss during the year are:

- (1) China COSCO Holdings Company Limited (listed – H shares);
- (2) China Link Investment Group Limited (unlisted equity); and
- (3) Zhongshan Chinese Standard Building Materials Company Limited (unlisted equity).

(D) The following set out the top ten investments made/bought by the Company from 1 July 2007 to 30 June 2008:

- (1) CWIG Diaobingshan Windpower Company Limited (unlisted equity);
- (2) China Railway Group Limited (listed – H shares);
- (3) China Water Affairs Group Limited (listed shares);
- (4) PetroChina Company Limited (listed – H shares);
- (5) China COSCO Holdings Company Limited (listed – H shares);
- (6) China Mobile Limited (listed shares);
- (7) China Communications Construction Co. Limited (listed – H shares);
- (8) Ping An Insurance (Group) Company of China Limited (listed – H shares);
- (9) Bosideng International Holdings Limited (listed shares); and
- (10) Kunlun Energy Co. Ltd. (formerly known As CNPC (Hong Kong) Limited) (listed Shares).

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## LETTER FROM THE BOARD

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Top-three realised investments gain during the year are:

- (1) China Railway Group Limited (listed – H shares);
- (2) KWG Property Holding Limited (listed shares) ; and
- (3) PetroChina Company Limited (listed – H shares).

Top-three realised investments loss during the year are:

- (1) China Petroleum & Chemical Corporation (listed – H shares) ;
- (2) China Life Insurance Company Limited (listed – H shares); and
- (3) China Flavors and Fragrances Company Limited (listed shares).

In view of the above, the Directors consider the grant of the New General Mandate, which may or may not be utilised, is in the best interests of the Company and the Shareholders as a whole.

### PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to the bye-laws of the Company, Mr. Liu Baorui (“**Mr. Liu**”) and Mr. Wan Hongchun (“**Mr. Wan**”), shall hold office until the SGM. Each of Mr. Liu and Mr. Wan, being eligible, will offer himself for re-election at the SGM. Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders’ approval at the relevant general meeting. The requisite details of Mr. Liu and Mr. Wan are set out below.

#### **Mr. Liu Baorui**

Mr. Liu, aged 53, is an executive Director and chief executive officer of the Company. He had been working in Shenzhen Development Bank (the “**Bank**”) from 1998 to December 2010. Mr. Liu was the vice president of the Bank when he left the Bank in 2010. Mr. Liu also held the position of executive director of the Bank from December 2007 to May 2010. During his time in the Bank, Mr. Liu had been in charge of the corporate banking and retail banking business over long period of time. Mr. Liu was also in charge of merchant banking business and responsible for the provision of services, including but not limited to the investment, asset management, financial consultation, corporate capital re-organization (such as introducing the strategic investors or financial investors) and initial public offering for medium and large corporations in the PRC.

During his services in the Bank, Mr. Liu also supervised and managed the finance management department. With the leadership of Mr. Liu, the Bank created its own investment products under the brand-name of “SDB Wealth Management” which managed the client’s asset value of approximately RMB70,000,000,000.

Before joining the Bank, Mr. Liu has been working with the People’s Bank of China and the Agricultural Bank of China. Mr. Liu is also a board member and expert committee member of Financial Planning Standards Council of China, a member of the board of supervisors of China Unionpay Co., Ltd. and a part-time visiting lecturer in Nankai University in the PRC. Mr. Liu also obtained his Executive Master degree in Business at Shanghai Jiaotong University in 2005.

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## LETTER FROM THE BOARD

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Save as disclosed above, Mr. Liu did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas over the last three years.

Mr. Liu has entered into a service agreement with the Company for a fixed term of three years. Pursuant to the service agreement, Mr. Liu is entitled to receive a fixed annual emolument of HK\$5,000,000, such emolument is determined by the remuneration committee of the Board with reference to his duties and responsibilities with the Company.

Mr. Liu is not connected with any Directors, senior management, substantial or controlling Shareholders, and does not have any interests in the shares of the Company within the meaning of Part XV of the SFO.

### **Mr. Wan Hongchun**

Mr. Wan, aged 50, an independent non-executive Director who is currently the president of Creat Fund Management Ltd. Mr. Wan has almost 30 years of experience in banking and finance sector in Hong Kong and the PRC, of which Mr. Wan had worked in the Agricultural Bank of China for more than 20 years. Mr. Wan has been the general manager of the Agricultural Bank of China, Hong Kong Branch and vice general manager of China Great Wall Asset Management Limited before he joined Creat Fund Management Ltd.

Mr. Wan graduated from the Harbin Institute of Technology with a master degree in Business in 1996. He also obtained a bachelor degree in Finance from Jiangxi Finance University in 1983 and a bachelor degree in Mathematics from Jiangxi Science and Technology of Normal University in 1981.

Save as disclosed above, Mr. Wan did not hold any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas over the last three years. Mr. Wan is also members of the audit committee and remuneration committee of the Company.

Mr. Wan has been appointed by way of a letter of appointment with an initial term of two years and renewable automatically for successive term of one year. He is subject to retirement by rotation and re-election by the Shareholders pursuant to the bye-laws of the Company. He is entitled to an annual emolument of HK\$60,000 which is determined by the Board with reference to his duties and responsibilities with the Company.

Mr. Wan is not connected with any Directors, senior management, substantial or controlling Shareholders, and does not have any interests in the Shares of the Company within the meaning of Part XV of the SFO.

Save as disclosed herein, there is no information relating to the re-election of Mr. Liu and Mr. Wan that is required to be disclosed pursuant to Rules 13.51(2)(h) to (v) of the Listing Rules. Save as disclosed above, there is no other matter in relation to the re-election of Mr. Liu and Mr. Wan that needs to be brought to the attention of the Shareholders.

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## LETTER FROM THE BOARD

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### SPECIAL GENERAL MEETING

Pursuant to the Listing Rules, the New General Mandate requires the approval of the Independent Shareholders at the SGM at which any of the controlling Shareholders and their associates or, where there are no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions. Since the Company has no controlling Shareholders, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolutions at the SGM.

As at the Latest Practicable Date, (i) Mr. Du Lin Dong (“**Mr. Du**”), the chairman and an executive Director, was deemed to be interested in 566,784,830 Shares held by Rightfirst Holdings Limited (“**Rightfirst**”) and personally holds 34,480,000 Shares; (ii) Mr. Pong Po Lam Paul (“**Mr. Pong**”), an executive Director, personally holds 1,200,000 Shares; (iii) Mr. Li Chaobo (“**Mr. Li**”), a non-executive Director, was deemed to be interested in 366,200,000 Shares held by Asia Unite Limited (“**Asia Unite**”), (iv) Mr. Ding Xiaobin (“**Mr. Ding**”), a non-executive Director, personally holds 500,000 Shares; (v) Mr. Fung Cheuk Nang Clement (“**Mr. Fung**”), a non-executive Director, personally holds 190,909,092 Shares; (vi) Mr. Ma Jie (“**Mr. Ma**”), a non-executive Director, personally holds 8,000,000 Shares and (vii) Dr. Cheung Wai Bun Charles (“**Dr. Cheung**”), an independent non-executive Director, personally holds 1,300,000 Shares.

Save as disclosed above, as at the Latest Practicable Date, none of the other Directors and the chief executive of the Company, and their respective associates have any Shares in the Company. Mr. Du, Rightfirst, Mr. Pong, Mr. Li, Asia Unite, Mr. Ding, Mr. Fung, Mr. Ma and Dr. Cheung and their respective associates will abstain from voting in relation to the resolutions to approve the refreshment of the New General Mandate at the SGM.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolutions in relation to the re-election of the retiring Directors to be approved at the SGM.

Any vote of the Independent Shareholders and the Shareholders (as the case may be) at the SGM will be taken by poll for resolutions in relation to the granting and extension of New General Mandate and the re-election of the retiring Directors respectively.

The notice convening the SGM is set out on pages 22 to 24 of this circular. At the SGM, ordinary resolutions will be proposed to approve (i) the proposed grant of the New General Mandate; and (ii) the re-election of the retiring Directors. A form of proxy for use at the SGM is also enclosed with this circular. To be valid, the enclosed form of proxy, together with any power of attorney or other authority under which it is signed must be completed in accordance with the instructions printed thereon and delivered to the Hong Kong branch share registrar and transfer office of the Company, Tricor Tengis Limited, at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the SGM or any adjourned meeting. The completion and return of the form of proxy will not preclude you from attending and voting at the SGM or any adjourned meeting in person if you so wish.

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## LETTER FROM THE BOARD

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### INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprises Dr. Cheung Wai Bun Charles, Mr. Wan Hongchun and Mr. Zeng Xianggao, all being independent non-executive Directors. It has been established to advise the Independent Shareholders on the grant of the New General Mandate.

Nuada Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the grant of the New General Mandate.

### RECOMMENDATIONS

The Directors consider the refreshment of the New General Mandate is in the interest of the Company and the Shareholders as a whole and accordingly recommend the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM for approving the grant of the New General Mandate.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the granting of the New General Mandate is fair and reasonable so far as the Shareholders are concerned and accordingly recommends the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM for approving the grant of the New General Mandate.

In addition, the Directors also recommend the Shareholders to vote in favour of the ordinary resolutions approving the re-election of the retiring Directors as set out in the notice of the SGM.

### GENERAL INFORMATION

Your attention is drawn to the letter of advice from the Independent Financial Adviser set out on pages 15 to 21 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders in connection with the grant of the New General Mandate and the letter from the Independent Board Committee set out on page 14 of this circular which contains its recommendation to the Independent Shareholders in relation to the grant of the New General Mandate.

### RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully  
For and on behalf of the Board  
**China Financial International Investments Limited**  
**Du Lin Dong**  
*Chairman*



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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of a letter from the Independent Board Committee setting out its recommendation to the Independent Shareholders in relation to the proposed refreshment of the New General Mandate:*



### 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)

14 February 2011

*To the Independent Shareholders*

Dear Sir or Madam,

#### **PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE SHARES**

We have been appointed as the Independent Board Committee to consider and advise you on in connection with the proposed refreshment of the New General Mandate, details of which are set out in the circular dated 14 February 2011 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms defined in the Circular will have the same meanings when used herein unless the context otherwise requires.

We wish to draw your attention to the letter from the Board and the letter of advice from Nuada Limited set out on pages 4 to 13 and pages 15 to 21 of the Circular respectively.

Having taken into account the principal factors and reasons considered by Nuada Limited, its conclusion and advice, we concur with the view of Nuada Limited and consider the terms of the refreshment of the New General Mandate are fair and reasonable so far as the Independent Shareholders are concerned and the New General Mandate is in the interests of the Company and the Shareholders as a whole.

Accordingly, we recommend you to vote in favour of the ordinary resolutions to be proposed at the SGM to approve the refreshment of the New General Mandate and the transactions contemplated thereunder.

Yours faithfully,

**Dr. Cheung Wai Bun Charles** *J.P.*

**Mr. Wan Hongchun**

**Mr. Zeng Xianggao**

*Independent Board Committee*



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the text of the letter of advice to the Independent Board Committee and the Independent Shareholders from Nuada Limited dated 14 February 2011 in relation to the grant of the New General Mandate for the purpose of this circular.*

**Nuada Limited**

*Corporate Finance Advisory*

17th Floor, BLINK, 111 Bonham Strand  
Sheung Wan, Hong Kong  
香港上環文咸東街111號BLINK 17字樓

14 February 2011

*To: the Independent Board Committee  
and the Independent Shareholders of  
China Financial International Investments Limited*

Dear Sirs,

### **PROPOSED REFRESHMENT OF GENERAL MANDATE TO ALLOT AND ISSUE NEW SHARES**

#### **INTRODUCTION**

We refer to the circular to the Shareholders dated 14 February 2011 (the “**Circular**”) issued by the Company in which this letter forms part and our appointment as independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed grant of New General Mandate, details of which are set out in the letter from the Board (the “**Board’s Letter**”) contained in the Circular. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

Pursuant to Rules 13.36(4) of the Listing Rules, the grant of the New General Mandate of the Company is subject to the approval of the Independent Shareholders by way of poll at the SGM with the controlling Shareholders of the Company and their associates or, where there are no controlling Shareholders, Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates abstain from voting in favour of the relevant resolutions.

The Independent Board Committee has been formed to advise the Independent Shareholders on whether the proposed grant of the New General Mandate is fair and reasonable so far as the Independent Shareholders are concerned and whether it is in the interests of the Company and the Shareholders as a whole.

#### **BASIS OF OUR OPINION**

In formulating our opinion, we have relied on the information, statements, opinions and representations supplied to us by the Company and the Directors and we have assumed that all such information, statements, opinions and representations contained or referred to in the Circular were true, accurate and complete at the time they were made and continue to be true, accurate and complete at the date of the Circular, and we have relied on the same. We have also assumed that all statements of belief,

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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opinion and intention of the Directors as set out in the Board's Letter were reasonably made after due and careful inquiry. We have also sought and obtained confirmation from the Company that no material facts have been omitted from the information provided and referred to in the Circular. We consider that we have been provided sufficient information to enable us to reach an informed view regarding the proposed grant of the New General Mandate, and to justify reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis of our opinions. We have no reason to suspect that any material facts or information (which is known to the Company) have been omitted or withheld from the information supplied or opinions expressed in the Circular nor to doubt the truth and accuracy of the information and facts, or the reasonableness of the opinions expressed by the Company and the Directors which have been provided to us. We have not, however, carried out any independent verification on the information provided to us by the Directors, nor have we conducted an independent in-depth investigation into the business and affairs of the Group.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the proposed grant of the New General Mandate, we have taken the following principal factors and reasons into consideration:

#### **Background**

At the AGM, Shareholders approved, among other things, an ordinary resolution to grant to the Directors the Current General Mandate to issue not more than 596,966,806 Shares, being 20% of the aggregate nominal amount of the issued share capital of the Company of 2,984,834,030 Shares as at the date of passing of the resolution. Since the AGM and except for the proposed grant of the New General Mandate herein, the Company has not refreshed its general mandate granted at the AGM.

During the period from the grant of the Current General Mandate to the Latest Practicable Date, 596,960,000 Shares out of the Current General Mandate have been or earmarked to be utilized by the Company for the Subscriptions. After such issue of Shares, the remaining number of Shares to be issued under the Current General Mandate have been reduced to 6,806. To maintain the financial flexibility necessary for the Group's future business development, the Directors therefore propose to seek the approval of the Independent Shareholders at the SGM for the granting of the New General Mandate.

As at the Latest Practicable Date, the Company had an aggregate of 3,648,054,030 Shares in issue. Subject to the passing of the ordinary resolutions for the approval of the New General Mandate and on the basis that no further Shares are issued and/or repurchased by the Company between the Latest Practicable Date and the date of the SGM, the Company would be allowed under the New General Mandate to allot and issue up to 729,610,806 Shares, being 20% of the total number of Shares in issue as at the Latest Practicable Date.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### **Reasons for the grant of the New General Mandate**

As advised by the Company, the Directors consider that equity financing to be an important avenue of resources to the Group since it does not create any interest paying obligations on the Group. Given the Current General Mandate has almost been fully utilized or earmarked to be utilized, the Board considers that the refreshment of the Current General Mandate is necessary so that should future funding needs arise or attractive terms for investment in Shares become available from potential investors, the Board will be able to respond to the market and such investment opportunities promptly. Accordingly, the Directors consider that the proposed grant of the New General Mandate is in the best interests of the Company and the Shareholders as a whole.

### *Business of the Group*

The Company is an investment holding company and its principal subsidiaries are engaged in the holding of equity or equity-related investments and the provision of management services to the investee companies.

For reference purpose, according to the annual report 2010 of the Company, turnover recognized by the Group for the financial year ended 30 June 2010 was the sale proceeds and dividend income from listed investments of approximately HK\$151.48 million, representing approximately 43% increase as compared to the previous financial year, and after taking into account of dividend income and net realized gain on disposal of listed securities, the Group recorded revenue of approximately HK\$19.18 million as compared to a loss of HK\$6.75 million for the previous financial year, while the other revenue and income which comprised of interest income and other income was approximately HK\$2.16 million. For the financial year ended 30 June 2010, the Group recorded net profit of approximately HK\$27.63 million, representing approximately 56% increase as compared to the previous financial year.

As advised by the Company, in view of recent strong economic growth in the PRC, the Company intends to strengthen investments in the PRC. The Company has entered into a couple of agreements in this aspect as disclosed in the Acquisition Announcement. Save as disclosed, there is no immediate funding need for the Group's current operations and that there is currently no concrete proposal presented by potential investors for investment in Shares.

As stated in the annual report 2010 of the Company, the Group considers the PRC to be a very important market and has already deployed resources actively exploring business opportunities in the PRC, and the Group is well equipped to capture investment opportunities for future growth and better return for Shareholders. Given that, should any investment opportunities arise that would require the issuance of new Shares and a specific mandate has to be sought, the Directors are uncertain as to whether the requisite approval from Shareholders could be obtained in a timely manner. In addition, the New General Mandate offers an opportunity for the Directors to capture a favourable equity market condition to raise funds by issuing new Shares. The Directors believe that the New General Mandate would offer the Group more flexibility to capture investment opportunities which may arise at any time and require prompt investment decision by the Group. The Directors also consider that the New General Mandate would provide the Company with the maximum flexibility to raise additional capital for any future investment or as working capital of the Group if necessary.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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For the past twelve months prior to the Latest Practicable Date, the Company had conducted the following fund raising activities:

Date of initial announcement	Description	Estimated net proceeds (approximately)	Intended use of proceeds	Actual use of proceeds as at the Latest Practicable Date
16 November 2010	Subscription of 496,700,000 Shares at the subscription price of HK\$0.15 per Share	HK\$74 million	For potential investments	Not yet utilised, but is expected to be used for potential investments pursuant to the Three Agreements
12 December 2010	The subscriptions of 596,960,000 Shares at the subscription price of HK\$0.25 per Share	HK\$149 million	For potential investments	Not yet utilised, but is expected to be used for potential investments pursuant to the Three Agreements and the Framework Agreement when materialised

Save for disclosed herein, the Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the Latest Practicable Date. Notwithstanding the Company has raised the Proceeds of approximately HK\$223 million from the above-mentioned fund raising activities which have not been utilised as at the Latest Practicable Date, such net proceeds are expected to be applied for potential investments pursuant to the Three Agreements and the Framework Agreement when materialised. As disclosed in the Acquisition Announcement, the Company is required to inject RMB111,000,000 (equivalent to approximately HK\$130,580,000) in respect of the Three Agreements. In addition, as disclosed in the Acquisition Announcement, a non-legal binding Framework Agreement was entered by the Company for the Possible Acquisition. If the Framework Agreement is materialised, it is expected that the Company will further be required to inject up to approximately RMB330,000,000 (equivalent to approximately HK\$388,240,000). Nevertheless, it is uncertain as to when and whether the Framework Agreement will be materialised. Accordingly, if and when the Framework Agreement or any other investment opportunities identified by the Group is/are materialised which may require equity financing, the Company is uncertain as to whether the requisite approval from Shareholders could be obtained in a timely manner, while the New General Mandate would represent a feasible financing alternative for the Group to capture any such possible investment opportunities in a timely manner. Although the above-mentioned fund raising activities have inevitably caused dilution impact on the shareholdings of the Company, such fund raising activities provide the Group with the funds for financing its potential investments, which is in line with the principal business and investment strategies of the Group.

Notwithstanding any utilisation of the New General Mandate would cause further dilution impact on the shareholdings of the Group, in light of (i) the principal activities of the Group in holding of equity or equity-related investments, which is capital intensive in nature; (ii) the net proceeds from the above-mentioned fund raising activities is expected to be applied for the potential investments, including the Three Agreements; and (iii) in case the Framework Agreement is materialised, the Company is required to inject additional capital as detailed above, we are of the opinion that the New General Mandate would

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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provide the Company with more flexibility essential for fulfilling any possible funding needs for future investment and investment decisions in a timely manner. As such, we are of the view that the grant of the New General Mandate will be in the interests of the Company and the Shareholders as a whole.

### *Other financing alternative*

The Board considers equity financing to be an important avenue of resources for the Group since it does not create any interest paying obligations on the Group. In appropriate circumstances, the Group may also consider other financing methods such as debt financing or internal cash resources to fund its future investment and/or business development. While sufficient for its present requirements, there is no certainty that such cash resources will be adequate or other financing alternatives will be available for appropriate investment that may be identified by the Company in the future. In addition, debt financing may incur interest burden on the Group and it may subject to lengthy due diligence and negotiations with the banks with reference to the Group's financial position, capital structure and the financial market condition at that time. The Directors consider that equity financing such as issuance of new Shares may be an appropriate means to fund such investments and/or acquisitions and provide additional working capital for future development and expansion of the Group.

We consider that the proposed grant of the New General Mandate will provide the Company with an additional alternative and it is reasonable for the Company to have the flexibility in deciding the financing methods for its future development, including equity financing. As such, we are of the view that the proposed grant of the New General Mandate will be in the interest of the Company and the Shareholders as a whole. We also consider it is prudent and reasonable for the Group to maintain a strong capital base while additional funding may be needed for investment and business expansion purposes from time to time. We are of the view that the New General Mandate could provide the Company with flexible financing option to raise additional capital for any future needs or as working capital of the Group and therefore is fair and reasonable.

## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

### POTENTIAL DILUTION TO EXISTING SHAREHOLDING OF THE COMPANY

Set out below is a table showing the shareholding structure of the Company as at the Latest Practicable Date, and, for illustrative purpose, the potential dilution effect upon full utilisation of the New General Mandate, assuming no other Shares are issued and/or repurchased by the Company prior to the date of the SGM:

Shareholders	As at the Latest Practicable Date		Upon full utilisation of the New General Mandate (assuming no other Shares are issued and/or repurchased by the Company from the Latest Practicable Date and up to the date of the SGM)	
	No. of Shares	Approximate %	No. of Shares	Approximate %
Rightfirst Holdings Limited (Note 1)	566,784,830	15.54	566,784,830	12.94
Du Lin Dong	34,480,000	0.95	34,480,000	0.79
Sub-total	601,264,830	16.49	601,264,830	13.73
Pong Po Lam Paul (Note 2)	1,200,000	0.03	1,200,000	0.03
Asia Unite Limited (Note 3)	366,200,000	10.04	366,200,000	8.37
Ding Xiaobin (Note 4)	500,000	0.01	500,000	0.01
Cheung Wai Bun Charles (Note 5)	1,300,000	0.04	1,300,000	0.03
Fung Cheuk Nang Clement (Note 6)	190,909,092	5.23	190,909,092	4.36
Ma Jie (Note 7)	8,000,000	0.22	8,000,000	0.18
Existing public Shareholders	2,478,680,108	67.94	2,478,680,108	56.62
Shares to be issued under the New General Mandate	–	–	729,610,806	16.67
<b>Total</b>	3,648,054,030	100.00	4,377,664,836	100.00

*Notes:*

- The entire issued capital of Rightfirst Holdings Limited is beneficially owned by Mr. Du Lin Dong, the chairman and an executive Director.
- Mr. Pong Po Lam Paul is an executive Director.
- Asia Unite Limited, a company incorporated in Hong Kong with limited liability, the entire issued share capital of which is beneficially owned by Mr. Li Chaobo, a non-executive Director.
- Mr. Ding Xiaobin is a non-executive Director.
- Dr. Cheung Wai Bun Charles is an independent non-executive Director.
- Mr. Fung Cheuk Nang Clement is a non-executive Director.
- Mr. Ma Jie is a non-executive Director.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As illustrated in the table above, the aggregate shareholding of the existing public Shareholders will decrease from approximately 67.94% as at the Latest Practicable Date to approximately 56.62% upon full utilisation of the New General Mandate, assuming no other Shares are issued and/or repurchased by the Company prior to the date of the SGM.

Taking into account the benefits of the New General Mandate as discussed above and the fact that the shareholdings of all Shareholders will be diluted proportionately, we consider such dilution or potential dilution effect of shareholdings of the Shareholders to be acceptable.

### RECOMMENDATIONS

Having considered the above principal factors and reasons, we are of the view that the proposed grant of the New General Mandate is fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we would recommend the Independent Shareholders and advise the Independent Board Committee to recommend to the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the SGM.

For and on behalf of  
**Nuada Limited**  
**Bernard Chan**  
*Executive Director*

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## NOTICE OF SGM

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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)

#### NOTICE OF SPECIAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that a special general meeting (the “**SGM**”) of China Financial International Investments Limited (the “**Company**”) will be held at Suite 6305, 63/F, Central Plaza, 18 Harbour Road, Wanchai, Hong Kong on Thursday, 3 March 2011 at 11:00 a.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company:

#### ORDINARY RESOLUTIONS

1. **“THAT**, to the extent not already exercised, the mandate to allot and issue shares of the Company given to the directors (the “**Directors**”) of the Company at the annual general meeting (the “**AGM**”) of the Company held on 30 November 2010 be and is hereby revoked and replaced by the mandate **THAT**:
  - (a) subject to paragraph (c) below, pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with unissued shares of the Company (the “**Shares**”) and to make or grant offers, agreements and options, including warrants to subscribe for Shares, which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
  - (b) the approval in paragraph (a) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the end of the Relevant Period;
  - (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined below); or (ii) the exercise of any options granted under the existing share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the bye-laws (the “**Bye-laws**”) of the



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## NOTICE OF SGM

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Company in force from time to time; or (iv) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

- (i) 20 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution; and
- (ii) (if the Directors are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of such resolution),

and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) for the purposes of this resolution:

“**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws, the Companies Act 1981 of Bermuda or any other applicable laws of Bermuda to be held; or
- (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the Directors by this resolution;

“**Rights Issue**” means an offer of Shares, or offer or issue of warrants, options or other securities giving rights to subscribe for Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of Shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements, or having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

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## NOTICE OF SGM

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2. **“THAT** conditional upon the passing of resolution no. 1 above, the mandate granted to the Directors at the AGM to extend the general mandate to allot and issue Shares to Shares repurchased by the Company be and is hereby revoked and replaced by the mandate **THAT** the Directors be and they are hereby authorised to exercise the authority referred to in paragraph (a) of resolution no. 1 above in respect of the share capital of the Company referred to in sub-paragraph (ii) of paragraph (c) of such resolution.”
3. **“THAT** Mr. Liu Baorui be and is hereby re-elected as an executive Director.”
4. **“THAT** Mr. Wan Hongchun be and is hereby re-elected as an independent executive Director.”

Yours faithfully,  
For and on behalf of the Board  
**China Financial International Investments Limited**  
**Du Lin Dong**  
*Chairman*

Hong Kong, 14 February 2011

*Registered Office:*  
Clarendon House  
2 Church Street  
Hamilton HM11  
Bermuda

*Head office and principal place of  
business in Hong Kong:*  
Suite 6305, 63/F  
Central Plaza  
18 Harbour Road  
Wanchai, Hong Kong

*Notes:*

1. Any member entitled to attend and vote at the SGM convened by the above notice is entitled to appoint one or more proxies to attend and, in the event of a poll, vote in his/her stead. A proxy need not be a member of the Company.
2. In order to be valid, the form of proxy must be duly lodged at the Company’s branch share registrar and transfer office in Hong Kong, Tricor Tengis Limited at 26/F., Tesbury Centre, 28 Queens Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is duly signed or a certified copy of that power of attorney or authority, not less than 48 hours before the time for holding the SGM or any adjourned meeting.
3. Completion and return of a form of proxy will not preclude a member from attending in person and voting at the SGM or any adjournment thereof, should he so wish, and in such event, the form of proxy shall be deemed to be revoked.