

Edgar Filing: eFuture Information Technology Inc. - Form SC 13G

eFuture Information Technology Inc.
Form SC 13G
March 23, 2007

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 13G

Under the Securities Exchange Act of 1934

E-Future Information Technology Inc.
(Name of Issuer)

Common Stock, \$0.0756 par value per share
(Title of Class of Securities)

G29438101
(CUSIP Number)

March 13, 2007
(Date of Event Which Requires Filing of this statement)

Check the appropriate box to designate the rule pursuant to which this Schedule is filed:

- Rule 13d-1(b)
- Rule 13d-1(c)
- Rule 13d-1(d)

*The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Capital Ventures International

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)

(a)

(b)

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF (5) SOLE VOTING POWER

SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER **

OWNED BY 200,080***

EACH (7) SOLE DISPOSITIVE POWER

REPORTING 0

PERSON WITH: (8) SHARED DISPOSITIVE POWER **

200,080***

(9) AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

200,080***

(10) CHECK BOX IF THE AGGREGATE AMOUNT
IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS)

[]

(11) PERCENT OF CLASS REPRESENTED
BY AMOUNT IN ROW (9)

7.1%

(12) TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)

CO

** Heights Capital Management, Inc. is the investment adviser to Capital Ventures International and as such may exercise voting and dispositive power over these shares.

***Issuable upon conversion of \$5,000,000 principal amount of Senior Convertible Notes due March 12, 2012.

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(1) NAMES OF REPORTING PERSONS
I.R.S. IDENTIFICATION NO. OF ABOVE PERSONS (ENTITIES ONLY)

Heights Capital Management, Inc.

(2) CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (SEE INSTRUCTIONS)
(a)
(b)

(3) SEC USE ONLY

(4) CITIZENSHIP OR PLACE OF ORGANIZATION

Cayman Islands

NUMBER OF (5) SOLE VOTING POWER
SHARES 0

BENEFICIALLY (6) SHARED VOTING POWER **
OWNED BY 200,080***

EACH (7) SOLE DISPOSITIVE POWER
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PERSON WITH: (8) SHARED DISPOSITIVE POWER **
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(9) AGGREGATE AMOUNT BENEFICIALLY OWNED
BY EACH REPORTING PERSON

200,080***

(10) CHECK BOX IF THE AGGREGATE AMOUNT
IN ROW (9) EXCLUDES CERTAIN SHARES (SEE INSTRUCTIONS) []

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BY AMOUNT IN ROW (9)
7.1%

(12) TYPE OF REPORTING PERSON (SEE INSTRUCTIONS)
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Item 1.

(a) Name of Issuer

e-Future Information Technology Inc., a Cayman Islands corporation (the "Company").

(b) Address of Issuer's Principal Executive Offices

No. 10 Building, BUT Software Park
No.1 Disheng North Street, BDA
Yizhuang District, Beijing 100176, People's Republic of China

Item 2(a). Name of Person Filing

This statement is filed by the entities listed below, who are collectively referred to herein as "Reporting Persons," with respect to the shares of Common Stock of the Company, \$0.0756 par value per share issued upon conversion of the senior convertible notes to the Reporting Persons (the "Shares").

(i) Capital Ventures International

(ii) Heights Capital Management, Inc.

Item 2(b). Address of Principal Business Office or, if none, Residence

The address of the principal business office of Capital Ventures International is:

One Capitol Place
P.O Box 1787 GT
Grand Cayman, Cayman Islands
British West Indies

The address of the principal business office of Heights Capital Management, Inc. is:

101 California Street, Suite 3250
San Francisco, California 94111

Item 2(c). Citizenship

Citizenship is set forth in Row 4 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each such Reporting Person.

Item 2(d) Title of Class of Securities

Common Stock, \$0.0756 par value per share

Item 2(e) CUSIP Number

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Item 3. If this statement is filed pursuant to ss.ss.240.13d-1(b) or 240.13d-2(b) or (c), check whether the person filing is a:

- (a) Broker or dealer registered under Section 15 of the Act (15 U.S.C. 78o).
- (b) Bank as defined in Section 3(a)(6) of the Act (15 U.S.C. 78c).
- (c) Insurance company as defined in Section 3(a)(19) of the Act (15 U.S.C. 78c).
- (d) Investment company registered under Section 8 of the Investment Company Act of 1940 (15 U.S.C. 80a-8).
- (e) An investment adviser in accordance with ss.240.13d-1(b)(1)(ii)(E);
- (f) An employee benefit plan or endowment fund in accordance with Section 240.13d-1(b)(1)(ii)(F);
- (g) A parent holding company or control person in accordance with Section 240.13d-1(b)(1)(ii)(G);
- (h) A savings association as defined in Section 3(b) of the Federal Deposit Insurance Act (12 U.S.C. 1813);
- (i) A church plan that is excluded from the definition of an investment company under Section 3(c)(14) of the Investment Company Act of 1940 (15 U.S.C. 80a-3);
- (j) Group, in accordance with Rule 13d-1(b)(1)(ii)(J).

Item 4. Ownership

Provide the following information regarding the aggregate number and percentage of the class of securities of the issuer identified in Item 1.

The information required by Items 4(a) - (c) is set forth in Rows 5 - 11 of the cover page for each Reporting Person hereto and is incorporated herein by reference for each such Reporting Person. Based upon the Securities Purchase Agreement dated March 13, 2007 by and among the Company and the investors listed on the Schedule of Buyers attached thereto, which was filed as exhibit 99.1 of the report on Form 6-K/A of the Company filed on March 15, 2007, the total number of outstanding shares of Common Stock as of March 13, 2007 is 2,633,500. In calculating the percentage of Shares held by the Reporting Persons, we assumed the conversion of the referenced senior convertible notes. In addition to the 200,080 Shares issuable to Capital Ventures International upon conversion of the senior convertible notes, the Reporting Persons beneficially own (i) Series A Warrants to purchase 92,038 shares of Common Stock and (ii) Series B Warrants to purchase 115,048 shares of Common Stock, which are all held by Capital Ventures International. However, pursuant to the terms of the relevant instruments, the Reporting Persons cannot exercise any of these warrants before September 9, 2007.

Heights Capital Management, Inc., which serves as the investment manager to Capital Ventures International, may be deemed to be the beneficial owner of all Shares owned by Capital Ventures International. Each of the Reporting Persons hereby disclaims any beneficial ownership

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of any such Shares, except for their pecuniary interest therein.

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Item 5. Ownership of Five Percent or Less of a Class

If this statement is being filed to report the fact that as of the date hereof the reporting person has ceased to be the beneficial owner of more than five percent of the class of securities, check the following: []

Item 6. Ownership of More than Five Percent on Behalf of Another Person

Not applicable.

Item 7. Identification and Classification of the Subsidiary Which Acquired the Security Being Reported on by the Parent Holding Company

Not applicable.

Item 8. Identification and Classification of Members of the Group

Not Applicable

Item 9. Notice of Dissolution of Group

Not applicable.

Item 10. Certification

By signing below each of the undersigned certifies that, to the best of its knowledge and belief, the securities referred to above were not acquired and are not held for the purpose of or with the effect of changing or influencing the control of the issuer of the securities and were not acquired and are not held in connection with or as a participant in any transaction having that purpose or effect.

Exhibits:

Exhibit I: Joint Filing Agreement, dated as of March 23, 2007, by and among Capital Ventures International and Heights Capital Management, Inc.

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SIGNATURES

After reasonable inquiry and to the best of its knowledge and belief, each of the undersigned certifies that the information with respect to it set forth in this statement is true, complete, and correct.

Dated: March 23, 2007

CAPITAL VENTURES INTERNATIONAL
By: Heights Capital Management, Inc.

HEIGHTS CAPITAL MANAGEMENT, INC.
By: /s/ Todd Silverberg

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pursuant to a Limited Power of
Attorney, a copy of which is filed as
Exhibit A thereto

Name: Todd Silverberg
Title Secretary

By: /s/ Todd Silverberg

Name: Todd Silverberg
Title Secretary

The Limited Power of Attorney executed by Capital Ventures International, authorizing Heights Capital Management, Inc. to sign and file this Schedule 13G on its behalf, which was filed with the Schedule 13G filed with the Securities and Exchange Commission on December 1, 2006 by Capital Ventures International and Heights Capital Management, Inc. with respect to the common stock of Discovery Laboratories, Inc., is hereby incorporated by reference.

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EXHIBIT I

JOINT FILING AGREEMENT

This will confirm the agreement by and among the undersigned that the Schedule 13G filed with the Securities and Exchange Commission on or about the date hereof with respect to the beneficial ownership by the undersigned of the Shares is being filed, and all amendments thereto will be filed, on behalf of each of the persons and entities named below in accordance with Rule 13d-1(k) under the Securities Exchange Act of 1934, as amended. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

Dated as of March 23, 2007

CAPITAL VENTURES INTERNATIONAL
By: Heights Capital Management, Inc.
pursuant to a Limited Power of
Attorney, a copy of which is filed as
Exhibit A thereto

HEIGHTS CAPITAL MANAGEMENT, INC.
By: /s/ Todd Silverberg

Name: Todd Silverberg
Title Secretary

By: /s/ Todd Silverberg

Name: Todd Silverberg
Title Secretary