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## **CHINA INNOVATIVE FINANCE GROUP LIMITED**

**中國新金融集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 412)**

### **COMPLETION OF ISSUE OF CONVERTIBLE BONDS**

The Board is pleased to announce that all conditions precedent under the Subscription Agreement have been fulfilled. Completion of the Subscription Agreement took place and the Convertible Bonds in the principal amount of US\$40,000,000 were issued to the Subscriber on 24 December 2015.

Reference is made to the announcement (the “**Announcement**”) issued by China Innovative Finance Group Limited (the “**Company**”) dated 15 December 2015 in relation to the proposed issue of US\$40 million 8% convertible bonds due 2018. Unless otherwise defined, capitalized items used herein shall have the same meanings as those defined in the Announcement.

### **COMPLETION OF ISSUE OF CONVERTIBLE BONDS**

The Board is pleased to announce that all conditions precedent under the Subscription Agreement have been fulfilled. Completion of the Subscription Agreement took place and the Convertible Bonds in the principal amount of US\$40,000,000 were issued to the Subscriber on 24 December 2015.

The approval for the listing of, and permission to deal in, the Conversion Shares upon conversion of the Convertible Bonds has been granted by the Listing Committee of the Stock Exchange.

The estimated net proceeds from the issue of the Convertible Bonds, after deducting related expenses, are estimated to be approximately HK\$293 million, which are intended to be used for business development and general working capital of the Group.

Based on the initial Conversion Price of HK\$0.72 per Conversion Share and on full conversion of the Convertible Bonds, a maximum number of 433,333,333 Conversion Shares will be allotted and issued by the Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner is a third party independent of and not a connected person of the Company.

## EFFECT ON SHAREHOLDING OF THE COMPANY

Upon exercise in full of the subscription rights attaching to the Convertible Bonds at the Conversion Price of HK\$0.72 (subject to adjustment), a maximum of 433,333,333 Conversion Shares shall be issued, representing (i) approximately 2.24% of the existing entire issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.20% of the entire issued share capital of the Company as enlarged by the issue of all the Conversion Shares.

As at the date of this announcement, the Company has 19,304,830,365 Shares in issue. For illustration purpose only, the shareholding structure of the Company (i) as at the date of this announcement; (ii) upon full conversion of the Convertible Bonds; and (iii) upon full conversion of the Convertible Bonds and exercise of share options of the Company:

Shareholders	As at the date of this announcement		Upon full conversion of the Convertible Bonds		Upon full conversion of the Convertible Bonds and exercise of share options of the Company	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Hao Tian Development Group Limited ( <i>Note 1</i> )	5,241,500,000	27.15	5,241,500,000	26.56	5,241,500,000	26.33
Yau Wai Lung ( <i>Note 2</i> )	3,526,708,000	18.27	3,526,708,000	17.87	3,696,108,000	18.57
Huang Rulun ( <i>Note 3</i> )	2,320,000,000	12.02	2,320,000,000	11.75	2,320,000,000	11.65
Ji Kewei ( <i>Note 4</i> )	2,284,947,214	11.84	2,284,947,214	11.58	2,284,947,214	11.48
Other public Shareholders	5,931,675,151	30.73	5,931,675,151	30.05	5,931,675,151	29.80
The Subscriber	—	—	433,333,333	2.20	433,333,333	2.18
Total	<u>19,304,830,365</u>	<u>100</u>	<u>19,738,163,698</u>	<u>100</u>	<u>19,907,563,698</u>	<u>100</u>

### Notes:

- Hao Tian Development Group Limited is deemed to be interested in the 5,241,500,000 Shares held by Hao Tian Management (Hong Kong) Limited pursuant to the Securities and Futures Ordinance (the "SFO") by virtue of Hao Tian Management (Hong Kong) Limited being a subsidiary of Win Team Investments Limited, which in turn is a subsidiary of Hao Tian Development Group Limited.
- Mr. Yau Wai Lung, the Director, is deemed to be interested in the 3,526,708,000 Shares held by Leading Fortune International Group Limited pursuant to the SFO by virtue of his 100% beneficial interest in Leading Fortune International Group Limited. 169,400,000 share options were granted to Mr. Yau Wai Lung by the Company under the share option scheme adopted on 18 August 2014.
- Mr. Huang Rulun is deemed to be interested in the 2,320,000,000 Shares held by Century Golden Resources Investment Co. Ltd. pursuant to the SFO by virtue of his controlling interest in Century Golden Resources Investment Co. Ltd.
- Mr. Ji Kewei, the Director, is deemed to be interested in the 2,284,947,214 Shares held by China Hover Dragon Group Limited pursuant to the SFO by virtue of Chinanet Consultancy Limited (wholly-owned by Mr. Ji Kewei) holding 50% issued shares of China Hover Dragon Group Limited.

By Order of the Board of  
China Innovative Finance Group Limited  
Ji Kewei  
Deputy Chairman

Hong Kong, 24 December 2015

*As at the date of this announcement, the Company has three executive directors, being Mr. Ji Kewei, Mr. Yau Wai Lung and Mr. Ma Chao; one non-executive director, being Mr. Qiu Jianyang; and three independent non-executive directors, being Mr. To Shing Chuen, Mr. Chung Yuk Lun and Mr. Cheung Wing Ping.*