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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)

TERMINATION OF

**(1) MAJOR TRANSACTION IN RELATION TO THE PROPOSED
ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF
CHARM BEST DEVELOPMENT LIMITED**

AND

**(2) PROPOSED GRANT OF SPECIFIC MANDATE TO ISSUE AND ALLOT
CONVERTIBLE PREFERENCE SHARES AND CONVERSION SHARES**

Reference is made to the announcements of China Innovative Finance Group Limited (the “**Company**”) dated 17 April 2015, 10 June 2015, 30 June 2015, 31 July 2015, 28 August 2015, 18 September 2015 and 20 September 2015 in relation to the Acquisition which constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and the announcements of the Company dated 30 November 2015 and 29 January 2016 in relation to the delay in despatch of the circular in relation to the Acquisition. Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as those defined in the announcement of the Company dated 18 September 2015 (the “**Announcement**”).

As disclosed in the Announcement, completion of the Acquisition is conditional on the fulfilment of the Conditions in the Sale and Purchase Agreement. The Board announces that, as one or more of the Conditions in the Sale and Purchase Agreement were not fulfilled, which included but not limited to the Buyer being satisfied with the results of due diligence, the Sale and Purchase Agreement was agreed in writing to terminate by the Buyer and the Sellers and would cease to have effect according to its terms. As a result, the Acquisition would not proceed and no circular will be despatched to the Shareholders by 29 February 2016.

The Board are of the view that the termination of the Acquisition will not have any material adverse impact to the business, operation and the financial position of the Group.

By order of the Board
China Innovative Finance Group Limited
Ji Kwei
Deputy Chairman

Hong Kong, 29 February 2016

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