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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)

VOLUNTARY ANNOUNCEMENT

STRATEGIC COOPERATION AGREEMENT WITH TAIPING LEASING

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The Board is pleased to announce that on 8 April 2016 (after trading hours), the Company has entered into a non-legally binding Strategic Cooperation Agreement with Taiping Leasing.

WARNING

The Board wishes to emphasize that, except for certain provisions, the Strategic Cooperation Agreement is non-legally binding and may or may not lead to the entering into of a definitive agreement. The strategic cooperation is subject to, among other things, the entering into of a definitive agreement, the terms of which are yet to be finalized. There is no assurance as to whether and when the strategic cooperation will take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

If a definitive agreement is entered into, it is expected that the strategic cooperation may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

This announcement is made by China Innovative Finance Group Limited (the “**Company**” and, collectively with its subsidiaries, the “**Group**”) on a voluntary basis.

The board of directors (the “**Board**”) of the Company is pleased to announce that on 8 April 2016 (after trading hours), the Company has entered into a non-legally binding strategic cooperation agreement (the “**Strategic Cooperation Agreement**”) with 太平石化金融租賃有限公司 (Taiping Petrochemical Financial Leasing Co., Ltd.) (“**Taiping Leasing**”).

STRATEGIC COOPERATION AGREEMENT WITH TAIPING LEASING

Date: 8 April 2016

Parties: (1) the Company; and
(2) Taiping Leasing.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, each of Taiping Leasing and its direct and indirect controlling shareholders is a third party independent from and not related in any way to the Company and its connected persons (as defined under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**")).

Term of cooperation: 2 years from the date on which the Strategic Cooperation Agreement is executed. The term of cooperation will be automatically extended upon its conclusion unless either party disagrees.

SCOPE OF COOPERATION

Pursuant to the Strategic Cooperation Agreement, the strategic cooperation between the Company and Taiping Leasing will include, but not limited to, cooperation in the following areas:

(1) Cooperation in general credit facilities

Taiping Leasing will grant a general credit facilities for the leasing business of the Company and its financial leasing companies.

(2) Cooperation in leasing projects

The parties will commence their cooperation in the joint leasing business and sharing project earnings based on the source of business, the ratio of capital contributions and other factors, and will also actively refer quality leasing projects to the other party for development. The Company will provide international leasing business services to Taiping Leasing with reference to the specific requirements of the financial leasing projects. The parties have agreed that the acquisition and disposal of leasing assets will be conducted by way of listing on Shenzhen Asia-Pacific Leasing Assets Exchange Center Co., Ltd. (深圳亞太租賃資產交易中心有限公司) ("**LAECAP**"), a subsidiary of the Company.

(3) Cooperation in general financial services

The Company will give priority to Taiping Life Insurance Co., Ltd. to be the business partner in property insurance business for the Company's owned leasing projects.

Where customers seek to raise working capital through equity financing, debt issuance and asset securitisation, and where non-performing assets and interests might have occurred to customers served by the parties, the parties will give priority to LAECAP as a business partner.

In the course of developing the leasing business and other businesses, the parties will cooperate to provide funding support to each other in a reasonable manner whenever short-term financing arrangements are required in connection with the business structure, and will commence cooperation in equity investment if the conditions are appropriate.

BACKGROUND OF TAIPING LEASING

Taiping Leasing is a financial leasing company jointly established by Taiping Life Insurance Co., Ltd. (太平人壽保險有限公司), a subsidiary of China Taiping Insurance Holdings Company Limited (“**China Taiping**”), and China Petrochemical Corporation. It is positioned as a company focusing on the petroleum and petrochemical business chains, with special emphasis on the development of financial leasing services for the petrochemical, equipment manufacturing, transportation and energy conservation sectors. Leveraging on the strengths of China Taiping in the financial and insurance sectors, as well as the dominant position of Sinopec Group in the petroleum and petrochemical sectors, the Company is actively engaged in the exploration of corporate customer resources along the petroleum and petrochemical industry chains with a strong emphasis on enhancing product innovation and further improving its standards in specialised financial businesses with a view to providing customised services for its clients.

NON-LEGAL BINDING EFFECT AND NON-EXCLUSIVITY

The Strategic Cooperation Agreement represents the intention of the parties to cooperate only and does not have any legal effect, save for provisions on confidentiality or governing law.

The Strategic Cooperation Agreement is non-exclusive in nature.

REASONS FOR ENTERING INTO THE STRATEGIC COOPERATION AGREEMENT

Backed by its competitive strengths, the Group has successfully developed a number of business segments, including financial leasing, financial assets trading platform (i.e., LAECAP), investment in listed securities and financial lending. The Company is of the view that entering into the Strategic Cooperation Agreement will enable the Group to leverage on the extensive experience of Taiping Leasing in financial leasing and that of China Taiping in general financial services in the Group’s development of the financial leasing and general financial service businesses in both PRC and overseas markets. In addition, it will drive business cooperation between the Group and Taiping Leasing for the building of a sound and stable long-term partnership where both parties will benefit from resource-sharing and strengths complementary between each others. Hence, the Company is of the view that the terms of the Strategic Cooperation Agreement are in the interests of the Company and its shareholders as a whole.

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The Board wishes to emphasize that, except for certain provisions, the Strategic Cooperation Agreement is non-legally-binding and may or may not lead to the entering into of a definitive agreement. The strategic cooperation is subject to, among other things, the entering into of a definitive agreement, the terms of which are yet to be finalized. There is no assurance as to whether and when the strategic cooperation will take place. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

If a definitive agreement is entered into, it is expected that the strategic cooperation and/or transactions under the cooperation arrangement may constitute a notifiable transaction for the Company under the Listing Rules. Further announcement(s) will be made by the Company in accordance with the applicable requirements of the Listing Rules as and when appropriate.

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

Hong Kong, 12 April 2016

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.