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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)

HOLDING ANNOUNCEMENT

Reference is made to the announcement of China Innovative Finance Group Limited (the “**Company**”) dated 14 March 2016 in relation to the trading halt in the shares of the Company (the “**Shares**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) with effect from 9:00 a.m. on 14 March 2016 pending the release of an announcement.

This announcement is made by the Company pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The directors of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that on 14 March 2016, the Company entered into a sale and purchase agreement (the “**Sale & Purchase Agreement**”) with an independent third party for the acquisition of a target company engaging in the business of provision of financial consultancy business in the People’s Republic of China (the “**Acquisition**”). The total consideration for the Acquisition will be satisfied, among others, by cash consideration and issue and allotment of new Shares. The Acquisition will be carried out in accordance with the terms and subject to the conditions under the Sale & Purchase Agreement.

The Acquisition may constitute a very substantial acquisition of the Company under Chapter 14 of the Listing Rules and an announcement setting out, among other things, the details of the Sale & Purchase Agreement and the Acquisition (the “**Acquisition Announcement**”) is being reviewed by the Stock Exchange as at the date of this announcement and will be issued by the Company in due course. The trading in the Shares on the Stock Exchange remains suspended pending the publication of the Acquisition Announcement.

WARNING

The Acquisition and the transactions contemplated thereunder are subject to the fulfilment or waiver (as the case may be) of a number of conditions precedent under the Sale & Purchase Agreement. As such, the Acquisition and the transactions contemplated thereunder may or may not proceed. Shareholders and potential investors of the Company are therefore advised to refer to the Acquisition Announcement for full details regarding the Sale & Purchase Agreement and the Acquisition. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 18 March 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.