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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 THE SALE & PURCHASE AGREEMENT AND RESUMPTION OF TRADING

Reference is made to the announcements of China Innovative Finance Group Limited (the “**Company**”) dated 14 March 2016, 18 March 2016 and 26 April 2016 (the “**Announcements**”) 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 in relation to the proposed acquisition by the Company of a target company engaging in the business of provision of financial consultancy business in the People’s Republic of China (the “**Acquisition**”). Capitalised terms herein shall bear the meaning as defined in the Announcements.

TERMINATION OF THE SALE & PURCHASE AGREEMENT

In the course of reviewing the draft announcement on the Acquisition which constitutes a major transaction of the Company, the Stock Exchange took the view that the Acquisition would constitute a reverse takeover under Rule 14.06(6) of the Listing Rules and would be treated as if it were a new listing applicant under Rule 14.54 of the Listing Rules if the Company proceeds with the Acquisition.

In view of the tremendous cost and time to be incurred for the compliance of listing requirements for being a new listing applicant under the relevant Listing Rules, the board of directors of the Company (the “**Board**”) considers that it is beneficial for the Company to terminate the Sale & Purchase Agreement.

Therefore, on 18 May 2016 (after trading hours), the parties to the Sale & Purchase Agreement entered into a termination agreement in relation to the Acquisition (the “**Termination Agreement**”), pursuant to which the parties thereto have agreed to terminate the Sale & Purchase Agreement with effect from the date thereof and each party shall be released and

discharged from all their obligations under the Sale & Purchase Agreement. The Company will continue to consult its professional advisors to explore possible arrangements for the acquisition of the target business in compliance with the relevant regulatory requirements.

The Board considers that the Termination Agreement has no material adverse impact on the operation and financial position of the Company and its subsidiaries.

RESUMPTION OF TRADING

Trading in the Shares on the Stock Exchange has been halted with effect from 9:00 a.m. on 14 March 2016. Application has been made by the Company to the Stock Exchange for the resumption of trading in the Shares with effect from 9:00 a.m. on 19 May 2016.

By order of the Board
China Innovative Finance Group Limited
Yau Wai Lung
Executive Director

Hong Kong, 18 May 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.