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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
PROVISION OF FINANCIAL ASSISTANCE**

The Board is pleased to announce that on 29 June 2016, the Loan Agreements were entered into between C.I.F. Financial, an indirect subsidiary of the Company as lender, and the Borrower as borrower, pursuant to which, C.I.F. Financial has agreed to provide the Loans in the aggregate principal amount of HK\$100,000,000 to the Borrower for a term of ten months and the aggregate principal amount of HK\$50,000,000 to the Borrower for a term of three months after the Drawdown Date respectively.

According to Rule 14.22 of the Listing Rules, the Stock Exchange will aggregate a series of transactions and treat them as if they were one transaction if they are all completed within a 12-month period or are otherwise related. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the financial assistance given to the Borrower calculated on an aggregate basis was more than 5% but less than 25%, the Loans advanced under the Loan Agreements constitute discloseable transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

As the amount of the financial assistance advanced to the Borrower does not exceed 8% of the assets ratio as defined under Rule 13.13 of the Listing Rules, the grant of the Loan is not subject to the general disclosure obligations under Rule 13.15 of the Listing Rules.

PROVISION OF FINANCIAL ASSISTANCE

On 29 June 2016, C.I.F. Financial and the Borrower entered into:

- the Loan Agreement (1), pursuant to which C.I.F. Financial has agreed to provide the Loan (1) in the principal amount of HK\$100,000,000 for a term of ten months after the Drawdown Date; and
- the Loan Agreement (2), pursuant to which C.I.F. Financial has agreed to provide the Loan (2) in the principal amount of HK\$50,000,000 for a term of three months after the Drawdown Date.

Loan Agreement

The principal terms of the Loan Agreements are in general similar. Summarised below are the principal terms of the Loan Agreements.

Date: 29 June 2016

Parties

Lender: C.I.F. Financial

Borrower: The Borrower

Guarantors: The Guarantors

Principal: For Loan Agreement (1), HK\$100,000,000

For Loan Agreement (2), HK\$50,000,000

The Loans will be available for drawdown upon the satisfaction of certain conditions precedent as set out in the Loan Agreements. Pursuant to the Loan Agreements, the Borrower may within 7 days from the date of the Loan Agreements make a single drawing for the full amount of each of the Loans, unless the facility is cancelled or terminated pursuant to the Loan Agreements earlier.

Interest rate:	17% per annum, which shall be calculated on the actual number of days elapsed on the basis of 360-day year commencing from the Drawdown Date
Upfront fee:	1% of the Loans, which is payable on 1 July 2016
Term:	For Loan Agreement (1), 10-month period commencing from the Drawdown Date For Loan Agreement (2), 3-month period commencing from the Drawdown Date
Repayment:	The Borrower shall repay each of the Loans in full in one lump sum together with outstanding interest accrued thereon on the Maturity Date
Voluntary Prepayment:	The Borrower may repay all or part of the Loans (but if in part, being an amount in the multiple of HK\$1,000,000) together with interest accrued thereon any time prior to the Maturity Date

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Borrower and the Guarantors are third parties independent of the Company and connected persons of the Company.

Funding of the Loan

The Group will finance the Loans by the internal resources of the Group and banking facilities.

Information of the Group

The Company is an investment holding company. As at the date of this announcement, the Group is principally engaged in investment in listed securities, money lending and financial leasing. C.I.F. Financial, an indirect subsidiary of the Company, is a money lender licenced in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

“Business Day”	a day (other than a Saturday) on which commercial banks in Hong Kong are open for general banking transactions;
“C.I.F. Financial”	C.I.F. Financial Limited, a limited liability company incorporated in Hong Kong and an indirect subsidiary of the Company and a licensed money lender under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong);
“Company”	China Innovative Finance Group Limited, a company incorporated in the Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“Directors”	the directors of the Company;
“Drawdown Date”	the date on which the Loans is drawdown;
“Group”	the Company and its subsidiaries;
“Guarantors”	two individual businessmen, being the guarantors who agree to guarantee the liabilities of the Borrower under the Loan Agreement (1) and Loan Agreement (2);
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Loan (1)”	an unsecured loan in the principal amount of HK\$100,000,000 advanced by C.I.F. Financial to the Borrower;
“Loan (2)”	an unsecured loan in the principal amount of HK\$50,000,000 advanced by C.I.F. Financial to the Borrower;

“Loans”	collectively, the Loan (1) and the Loan (2);
“Loan Agreement (1)”	the loan agreement dated 29 June 2016 entered into between C.I.F. Financial and the Borrower in respect of the Loan (1);
“Loan Agreement (2)”	the loan agreement dated 29 June 2016 entered into between C.I.F. Financial and the Borrower in respect of the Loan (2);
“Loan Agreements”	collectively, the Loan Agreement (1) and the Loan Agreement (2);
“Maturity Date”	for Loan Agreement (1), the date falling on the expiry of ten-month period after the Drawdown Date; for Loan Agreement (2), the date falling on the expiry of three-month period after the Drawdown Date;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and
“%”	per cent.

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

Hong Kong, 29 June 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.