

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the high concentration of shareholding of the Company in the hands of a limited number of Shareholders as at 30 September 2016.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and therefore should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of shareholding of China Innovative Finance Group Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 30 September 2016.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement was published by the Securities and Futures Commission (the “**SFC**”) on 13 October 2016 (the “**SFC Announcement**”).

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings indicated that as at 30 September 2016, a group of 15 Shareholders held an aggregate of 4,317,870,800 shares of the Company (the “**Shares**”), representing approximately 22.50% of the issued Shares. Such shareholding, together with 14,118,232,315 Shares (representing 73.57% of the issued Shares) held by 5 substantial shareholders of the Company, represented 96.07% of the issued Shares as at 30 September 2016. Therefore, only 752,545,322 Shares (representing approximately 3.93% of the issued Shares) were held by other Shareholders.

As at 30 September 2016, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Shandong Hi-Speed (Hong Kong) International Capital Limited	5,459,648,350	28.45
Hao Tian Development Group Limited <i>(Note 1)</i>	3,503,559,650	18.26
Ji Kewei <i>(Note 2)</i>	2,172,694,315	11.32
NetMind Financial Holdings Limited <i>(Note 3)</i>	1,662,330,000	8.66
Huang Rulun <i>(Note 4)</i>	1,320,000,000	6.88
A group of 15 shareholders	4,317,870,800	22.50
Other shareholders	<u>752,545,322</u>	<u>3.93</u>
Total	<u>19,188,648,437</u>	<u>100.00</u>

Notes:

1. Hao Tian Development Group Limited (stock code: 474) is deemed to be interested in the 3,503,559,650 Shares held by Hao Tian Management (Hong Kong) Limited pursuant to the SFO by virtue of Hao Tian Management (Hong Kong) Limited being a subsidiary of Win Team Investments Limited, which in turn is a subsidiary of Hao Tian Development Group Limited.
2. Mr. Ji Kewei, an executive director of the Company, is deemed to be interested in the 2,167,076,338 Shares held by China Hover Dragon Group Limited pursuant to the SFO by virtue of Chinanet Consultancy Limited (wholly-owned by Mr. Ji Kewei) holding 50% issued shares of China Hover Dragon Group Limited. Mr. Ji Kewei is also personally interested in 5,617,977 Shares.
3. NetMind Financial Holdings Limited (stock code: 985) is deemed to be interested in the 1,662,330,000 Shares held by Skytop Technology Limited pursuant to the SFO by virtue of Skytop Technology Limited being a subsidiary of Perfect Touch Technology Inc., which in turn is a subsidiary of NetMind Financial Holdings Limited.
4. Mr. Huang Rulun is deemed to be interested in the 1,320,000,000 Shares held by Century Golden Resources Investment Co., Ltd. pursuant to the SFO by virtue of his controlling interest in Century Golden Resources Investment Co., Ltd.

The information above is extracted from the SFC Announcement and the board of directors (the “**Directors**”) of the Company has not independently verified such information (other than the shareholding of the Company held by the 5 substantial shareholders of the Company as set out in the above table which is based on disclosure of interests filings with the Company). Accordingly, the Directors are not in a position to comment on the accuracy of such information except the shareholding which is held by the 5 substantial shareholders of the Company as aforesaid. Please also refer to the SFC Announcement for other information.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Directors after making all reasonable enquiries, the Directors confirm that the group of 15 shareholders and other shareholders as referred in the above table are public shareholders and therefore not less than 25% of the issued Shares were held in public hands as at 30 September 2016 and the date of this announcement, and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on the Stock Exchange.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and therefore should exercise extreme caution when dealing in the Shares.

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

Hong Kong, 13 October 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.