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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)**

### **FURTHER AMENDMENTS TO US\$40,000,000 SECURED CONVERTIBLE BONDS AND EARLY REDEMPTION OF CONVERTIBLE BONDS**

#### **FURTHER AMENDMENTS TO THE CONVERTIBLE BONDS**

Reference is made to the announcement of the Company dated 7 December 2016 (the “**Announcement**”) regarding the Second Supplemental Deed. Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

The Board is pleased to announce that (i) the Listing Committee of the Stock Exchange has granted approval of the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange and (ii) all other conditions precedent under the Second Supplemental Deed have been satisfied on 15 December 2016 and amendments to the Convertible Bonds have taken effect on the same date accordingly.

#### **EARLY REDEMPTION**

On 4 January 2017, the Company has issued a redemption notice to a Bondholder exercising its redemption right to redeem the Convertible Bonds in the principal amount of US\$20,000,000 at the Applicable Redemption Amount (the “**2017 Redemption**”).

The 2017 Redemption was funded by the internal resources of the Group.

Completion of the 2017 Redemption has taken place on 5 January 2017.

The Company has partially redeemed the Convertible Bonds in the principal sum of US\$10,000,000 on 17 October 2016. Save for the aforesaid, none of the Convertible Bonds has been converted, redeemed repurchased or cancelled.

Based on the initial Conversion Price of HK\$0.72, a maximum number of 108,888,888 Conversion Shares may fall to be allotted and issued upon exercise of the Conversion Rights attaching to the remaining outstanding principal of the Convertible Bonds (i.e. US\$10,000,000) (the “**Remaining Convertible Bonds**”) in full.

## EFFECT ON SHAREHOLDING OF THE COMPANY

As at the date of this announcement, the Company had 19,188,648,437 Shares in issue. For illustration purpose only, the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after full conversion of the Remaining Convertible Bonds at the initial Conversion Price (assuming that there is no other change in the existing shareholding of the Company); and (iii) immediately after full conversion of the Remaining Convertible Bonds at the initial Conversion Price, full conversion of the convertible bonds issued by the Company on 24 December 2015 at the initial conversion price of HK\$0.72 and full conversion of the convertible bonds issued by the Company on 28 October 2015 at the initial conversion price of HK\$0.68 (collectively, the “**Three Series of Convertible Bonds**”) (assuming that there is no other change in the existing shareholding of the Company) are as follows:

Shareholders	As at the date of this announcement		Immediately after full conversion of the Remaining Convertible Bonds (assuming that there is no other change in the existing shareholding of the Company)		Immediately after full conversion of the Three Series of Convertible Bonds at their respective initial conversion price (assuming that there is no other change in the existing shareholding of the Company)	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
山東高速集團有限公司 (Shandong Hi-Speed Group Co. Limited) (Note 1)	5,459,648,350	28.45	5,459,648,350	28.29	5,459,648,350	26.89
Li Shao Yu (Note 2)	3,547,689,650	18.49	3,547,689,650	18.38	3,547,689,650	17.47
Huang Rulun (Note 3)	1,320,000,000	6.88	1,320,000,000	6.84	1,320,000,000	6.50
Ji Kewei (Note 4)	1,089,156,146	5.68	1,089,156,146	5.64	1,089,156,146	5.36
Wang Zi Yi	1,083,538,169	5.65	1,083,538,169	5.61	1,083,538,169	5.34
Other public shareholders	6,688,616,122	34.86	6,688,616,122	34.66	6,688,616,122	32.94
Holders of convertible bonds issued on 28 October 2015					573,529,411	2.82
Holders of convertible bonds issued on 24 December 2015					433,333,333	2.13
The Subscriber			108,888,888	0.56	108,888,888	0.54
<b>Total</b>	<b>19,188,648,437</b>	<b>100</b>	<b>19,297,537,325</b>	<b>100</b>	<b>20,304,400,069</b>	<b>100</b>

### Notes:

- 山東高速集團有限公司 (Shandong Hi-Speed Group Co. Limited) is deemed to be interested in 5,459,648,350 Shares held by Shandong Hi-Speed (Hong Kong) International Capital Limited pursuant to the Securities and Futures Ordinance (“SFO”) by virtue of Shandong Hi-Speed (Hong Kong) International Capital Limited being a subsidiary of Shandong Hi-Speed (BVI) Capital Management Limited, which in turn is a subsidiary of Shandong International (Hong Kong) Limited. Shandong International (Hong Kong) Limited is in turn a subsidiary of 山東省農村經濟開發投資公司, which is wholly-owned by 山東高速集團有限公司 (Shandong Hi-Speed Group Co. Limited).

2. Ms. Li Shao Yu 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 is a subsidiary of Hao Tian Development Group Limited, which in turn is a subsidiary of Asia Link Capital Investment Holdings Limited, in which Ms. Li Shao Yu holds 100% beneficial interest. In addition, Ms. Li Shao Yu is deemed to be interested in the 44,130,000 Shares held by Asia Link Capital Investment Holdings Limited pursuant to the SFO by virtue of her 100% beneficial interest in Asia Link Capital Investment Holdings Limited.
3. 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.
4. Mr. Ji Kewei is deemed to be interested in 1,083,538,169 Shares held by Chinanet Consultancy Limited pursuant to the SFO by virtue of Chinanet Consultancy Limited being wholly-owned by its executive director, Mr. Ji Kewei. Mr. Ji Kewei is also beneficially interested in 5,617,977 Shares.

The Company will ensure that it will comply with the requirements on public float under the Listing Rules from time to time.

### **REASONS FOR 2017 REDEMPTION**

The 2017 Redemption will enable the Company to better manage its capital structure with more flexibility, reduces the Company's future financial expenses and lowers its financial gearing level.

The Directors (including the independent non-executive Directors) are of the view that it is in the interests of the Company and its shareholders as a whole to make the 2017 Redemption.

By order of the Board  
**China Innovative Finance Group Limited**  
**Li Hang**  
*Chairman*

Hong Kong, 5 January 2017

*As at the date of this announcement, the Company has four executive directors, being Ms. Cheng Yan, Mr. Wang Zhenjiang, Mr. Yau Wai Lung and Mr. Ma Chao; two non-executive directors, being Mr. Li Hang and Mr. Qiu Jianyang; and three independent non-executive directors, being Mr. To Shing Chuen, Mr. Chung Yuk Lun and Mr. Cheung Wing Ping.*