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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)

COMPLETION OF (1) MAJOR AND CONNECTED TRANSACTION IN RELATION TO THE ACQUISITION OF 40% EQUITY INTEREST IN THE TARGET COMPANY AND (2) APPLICATION FOR WHITEWASH WAIVER

The Board is pleased to announce that the Completion took place on 13 October 2017.

Reference is made to the announcement of China Innovative Finance Group Limited (the “**Company**”) dated 25 April 2017 and the circular of the Company dated 27 July 2017 (the “**Circular**”) in relation to, among other things, the Acquisition and the Whitewash Waiver and the announcement of the Company dated 18 August 2017 in relation to, among other things, the poll results of the SGM. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

COMPLETION OF THE ACQUISITION

The Board is pleased to announce that the Completion took place on 13 October 2017 and 5,000,000,000 Consideration Shares were issued by the Company to the Seller pursuant to the Agreement.

The following table illustrates the shareholding structure of the Company (i) immediately before the issue of the Consideration Shares; and (ii) immediately upon Completion of the Acquisition:

	Immediately before the issue of the Consideration Shares		Immediately upon Completion of the Acquisition	
	Number of Shares held	Approximate percentage of total issued Shares	Number of Shares held	Approximate percentage of total issued Shares
Shareholders				
<i>The Seller and its concert parties</i>				
Shandong Hi-Speed Group Co. Limited (山東高速集團有限公司) (Note 1)	<u>5,459,648,350</u>	<u>28.5%</u>	<u>10,459,648,350</u>	<u>43.2%</u>
Sub-total	<u>5,459,648,350</u>	<u>28.5%</u>	<u>10,459,648,350</u>	<u>43.2%</u>
<i>Other substantial Shareholders</i>				
Li Shao Yu and her concert parties (Note 2, 5)	<u>3,547,689,650</u>	<u>18.5%</u>	<u>3,547,689,650</u>	<u>14.7%</u>
Sub-total	<u>3,547,689,650</u>	<u>18.5%</u>	<u>3,547,689,650</u>	<u>14.7%</u>
<i>Public Shareholders</i>				
Huang Rulun and his concert parties (Note 3, 5)	1,320,000,000	6.9%	1,320,000,000	5.5%
Ji Kewei and his concert parties (Note 4, 5)	1,089,156,146	5.7%	1,089,156,146	4.5%
Wang Zi Yi (Note 5)	1,083,538,169	5.7%	1,083,538,169	4.5%
Other Public Shareholders	<u>6,688,616,122</u>	<u>34.7%</u>	<u>6,688,616,122</u>	<u>27.6%</u>
Sub-total	<u>10,181,310,437</u>	<u>53.0%</u>	<u>10,181,310,437</u>	<u>42.1%</u>
Total	<u><u>19,188,648,437</u></u>	<u><u>100%</u></u>	<u><u>24,188,648,437</u></u>	<u><u>100%</u></u>

Notes:

- Shandong Hi-Speed Group Co., Ltd. is deemed to be interested in the 5,459,648,350 Shares held by Shandong Hi-Speed (Hong Kong) International Capital Limited pursuant to the SFO by virtue of Shandong Hi-Speed (Hong Kong) International Capital Limited, a company incorporated in Hong Kong with limited liability, being a subsidiary of Shandong Hi-Speed (BVI) Capital Management Limited, a company incorporated in the British Virgin Islands with limited liability, which in turn is a subsidiary of Shandong Hi-Speed Group Co., Ltd., a company incorporated in the PRC with limited liability. In addition, Shandong Hi-Speed Group Co., Ltd. is also deemed to be interested in the 5,000,000,000 Consideration Shares to be issued to the Seller pursuant to the SFO by virtue of the Seller being a subsidiary of Shandong Rural, which in turn is a subsidiary of Shandong Hi-Speed Group Co., Ltd..
- 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 in turn 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 TRXY Development (HK) Limited pursuant to the SFO by virtue of TRXY Development (HK) Limited being owned as to 90% and 9%, respectively, by Hao Tian Integrated Group Development Limited and Hao Tian Group Holdings Limited, both of which are wholly-owned by Ms. Li Shao Yu.

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 1,083,539,169 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.
5. As at the date of this announcement, each of Ms. Li Shao Yu, Mr. Huang Rulun, Mr. Ji Kewei and Ms. Wang Zi Yi is not a Director of the Company and nor is any one of them a concert party of the Seller.

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

Hong Kong, 13 October 2017

As at the date of this announcement, the Company has three executive directors, being 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.

All the Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.