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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)

ISSUE OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

On 15 December 2015 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, pursuant to which the Company has conditionally agreed to issue, and the Subscriber has conditionally agreed to subscribe in cash for the Convertible Bonds in the aggregate principal amount of US\$40,000,000. Completion is subject to the fulfilment of all conditions set out in the paragraph headed “Conditions Precedent” below. Detailed terms of the Convertible Bonds are set out in the paragraph headed “Principal Terms of the Convertible Bonds” below.

As at the date of this announcement, the Company has a total of 19,304,830,365 Shares in issue. Assuming there is no further issue or repurchase of the Shares, based on the initial Conversion Price of HK\$0.72 per Conversion Share and assuming full conversion of the Convertible Bonds at the initial Conversion Price, the Convertible Bonds will be convertible into 433,333,333 Conversion Shares, representing approximately 2.24% of the existing entire issued share capital of the Company as at the date of this announcement and approximately 2.20% of the entire issued share capital of the Company as enlarged by the issue of the Conversion Shares. The Conversion Shares will be allotted and issued pursuant to the General Mandate granted to the Directors at the annual general meeting of the Company held on 18 September 2015.

The estimated net proceeds from the issue of the Convertible Bonds, after deducting related expenses, are estimated to be approximately HK\$293 million, which are intended to be used for business development and general working capital of the Group.

No listing of the Convertible Bonds will be sought on the Stock Exchange or any other stock exchanges. The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares that may be issued in the event that the Subscriber elects to exercise the Conversion Rights.

Completion of the Subscription Agreement is subject to fulfilment of certain conditions. As the Subscription may or may not be proceed, Shareholders and prospective investors are reminded to exercise caution when dealing in the Shares.

On 15 December 2015 (after trading hours), the Company and the Subscriber entered into the Subscription Agreement, the principal terms of the Subscription Agreement are summarised below.

THE SUBSCRIPTION AGREEMENT

Date

15 December 2015

Parties

- (a) The Company as the issuer; and
- (b) Haitong International Investment Fund SPC acting on behalf of and for the account of Haitong International Investment Fund SPC — Fund I SP as the subscriber

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Subscriber and its ultimate beneficial owner(s) are third parties independent of and are not connected persons (as defined under the Listing Rules) of the Company.

Subscription

Subject to the fulfilment of the conditions precedent set out below, the Subscriber shall subscribe for, and the Company shall issue, the Convertible Bonds in the aggregate principal amount of US\$40,000,000.

Conditions Precedent

Completion of the Subscription of the Convertible Bonds shall be conditional upon:

- (a) all warranties made by the Company under the Subscription Agreement shall be true, correct and complete in all material respect when made, and remaining true, correct and complete in all material respects as of the Closing Date with the same force and effect as if they had been made on and as of such date;
- (b) the Company shall have performed and complied with in all respects all agreements, obligations and conditions contained in the Subscription Agreement and the other Transaction Documents that are required to be performed or complied with by it on or before the Closing Date and shall have obtained all approvals, consents and qualifications necessary to complete the transactions contemplated thereunder at Closing;
- (c) on or prior to the Closing, the Company shall have delivered to the Subscriber a counterpart of the Subscription Agreement and each of the other duly-executed Transaction Documents;
- (d) the Company shall have obtained, on or before the Closing Date, as the case may be, any and all approvals, consents and waivers necessary for consummation of the transactions contemplated by the Subscription Agreement and the other Transaction Documents;
- (e) after the date of the Subscription Agreement up to and at the Closing Date, there have not occurred any change (nor any development or event involving a prospective change), in the financial or business condition, prospects, results of operations or general affairs of

the Company and the Group taken as a whole, which, in the opinion of the Subscriber, is material and adverse in the context of the issue of the Convertible Bonds. The Company shall deliver an officer's certificate providing confirmation of the foregoing to the Subscriber on the Closing Date;

- (f) the Company shall have delivered an executed fee letter which shall set forth fee amounts payable by the Company and payment schedules related thereto in connection herewith or other financial advisory services to be performed by any of the Subscriber's affiliates payable to the Subscriber or such affiliate;
- (g) a legal opinion from the Company's Bermuda counsel opining on the due incorporation, existence and capacity of the Company, the Company's capacity in respect of the entry into the Subscription Agreement and the other Transaction Documents and the performance of its obligations hereunder and thereunder, addressed and acceptable to the Subscriber and dated the Closing Date; and
- (h) the Subscriber is satisfied with the results of its due diligence investigations with respect to the Company and the Group.

The Company shall use its best endeavours to procure the fulfilment of all the conditions abovementioned (i.e. items (a) to (h)) as soon as possible after the date of the Subscription Agreement.

Completion of the issue of the Convertible Bonds

Subject to the fulfilment of the conditions precedent, the Subscription of the Convertible Bonds shall be completed on the Closing Date. On the Closing Date, the Company shall issue to the Subscriber, the Convertible Bonds and the Subscriber shall make payment for the principal amounts of the Convertible Bonds being subscribed.

Termination

The Subscriber may, by notice to the Company given at any time prior to payment of the net subscription monies for the Convertible Bonds to the Company, terminate the Subscription Agreement in any of the following circumstances:

- (a) if there shall have come to the notice of the Subscriber any breach of, or any event rendering untrue or incorrect in any respect, any of the warranties and representations contained in the Subscription Agreement or any failure to perform any of the Company's undertakings or agreements in the Subscription Agreement;
- (b) if any of the conditions set out under "Conditions Precedent" above has not been satisfied or waived by the Subscriber on or prior to the Closing Date;
- (c) if, in the opinion of the Subscriber (after consultation with the Company to the extent reasonably practicable), there shall have occurred any of the following events: (i) a suspension or a material limitation in trading in securities generally on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded; (ii) a suspension for a period of five consecutive trading days (in Hong Kong) in the Company's securities on the Stock Exchange and/or any other stock exchange on which the Company's securities are traded, save for any suspension thereof required under the Listing Rules or any other listing rules of the foregoing other stock exchange, as applicable, for clearance of announcement or circular to be made by the Company; or (iii)

a general moratorium on commercial banking activities in the United States, the PRC, Hong Kong, Bermuda and/or Cayman Islands declared by the relevant authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States, the PRC, Hong Kong, Bermuda or Cayman Islands; or

- (d) if in the opinion of the Subscriber (after consultation with the Company to the extent reasonably practicable), there shall have been, since the date of the Subscription Agreement, any change in national monetary, financial, or economic conditions (including any disruption to trading generally, or trading in any securities of the Company on any stock exchange or in any over-the-counter market) or currency exchange rates such as would in its view be likely to prejudice materially the dealings in the Convertible Bonds in the secondary market, provided, however, that the Subscriber needs to provide evidence and analysis to the Company for consultation which must effectively demonstrate how the change in such conditions would be likely to cause such disruption or prejudice materially the dealings in the Convertible Bonds in the secondary market.

Upon the termination notice given by the Subscriber pursuant to the Subscription Agreement, the Subscription Agreement shall terminate and be of no further effect, and the Company and the Subscriber shall be under no liability to each other in respect of the Subscription Agreement (except for certain obligations as prescribed in the Subscription Agreement).

Principal Terms of the Convertible Bonds

The principal terms of the Convertible Bonds are summarized below:

- Principal Amount: An aggregate principal amount of US\$40,000,000.
- Maturity Date: The Interest Payment Date falling on or nearest to 22 December 2018.
- Status: The Convertible Bonds constitute direct, unsubordinated, unconditional and unsecured obligations of the Company and shall at all times rank pari passu and without any preference or priority among themselves.
- Interest: The Convertible Bonds bear interest from and including the Issue Date at 8% per annum payable every six months in arrears on 22 June and 22 December in each year (each, an “**Interest Payment Date**”) commencing from 22 June 2016.
- Conversion Price: HK\$0.72 per Conversion Share, subject to the adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds.

The conversion price of HK\$0.72 per Conversion Share represents:

- i. a discount of approximately 14.3% to the closing price of HK\$0.84 per Share as quoted on the Stock Exchange on 15 December 2015, being the date of the Subscription Agreement;
- ii. a discount of approximately 15.3% to the average closing price of approximately HK\$0.85 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately before the date of the Subscription Agreement; and

- iii. a discount of approximately 13.3% to the average closing price of approximately HK\$0.83 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately before the date of the Subscription Agreement.

Adjustment Events: The Conversion Price shall from time to time be subject to adjustment upon occurrence of certain events:

- i. consolidation, subdivision or reclassification;
- ii. capitalization of profits or reserves;
- iii. capital distribution;
- iv. rights issues of shares or options over shares;
- v. rights issues of other securities;
- vi. issues at less than current market price;
- vii. other issues at less than current market price;
- viii. modification of rights of conversion;
- ix. other offers to shareholders; and
- x. other events.

Conversion Shares: Based on the initial conversion price of HK\$0.72, a maximum number of 433,333,333 Conversion Shares shall be allotted and issued upon exercise in full of the conversion rights attaching to the Convertible Bonds, which represent:

- i. approximately 2.24% of the existing entire issued share capital of the Company; and
- ii. approximately 2.20% of the issued share capital of the Company as enlarged by the issues of the Conversion Shares upon exercise in full of the Conversion Rights.

The Conversion Shares shall be allotted and issued pursuant to the General Mandate.

Conversion Period: Any time on or after the Issue Date up to the close of business on the Maturity Date.

Conversion Rights: Subject to the terms and conditions of the Convertible Bonds, the Bondholder shall have the right to convert all or part of the Convertible Bonds held by it into Shares credited as fully paid at any time during the Conversion Period.

Negative Pledge:	So long as any Convertible Bond remains outstanding, the Company will not create or permit to subsist, and the Company will procure that no Subsidiary will create or permit to subsist any mortgage, charge, pledge, lien or other form of encumbrance or security interest upon the whole or any part of its undertaking, assets or revenues, present or future, to secure any Relevant Indebtedness or to secure any guarantee of or indemnity in respect of, any Relevant Indebtedness unless, at the same time or prior thereto, the Company's obligations under the Convertible Bonds (a) are secured equally and rateably therewith, or (b) have the benefit of such other security, guarantee, indemnity or other arrangement as the Bondholder in its absolute discretion shall deem to be not materially less beneficial to the Bondholder or as shall be approved by an extraordinary resolution of the Bondholder.
Redemption on Maturity Date:	<p>Unless redeemed, converted or purchased and cancelled as provided in the terms and conditions of the Convertible Bonds, the Company will redeem each Convertible Bond at the Redemption Amount on the Maturity Date.</p> <p>Redemption Amount = outstanding principal amount of such Convertible Bond being redeemed $(1.1)^N - AI$</p> <p>Where:</p> <p>“N” = a fraction the numerator of which is the number of calendar days between the Issue Date and the applicable date of redemption and the denominator of which is 360; and</p> <p>“AI” = Interest accrued and paid in respect of such Convertible Bond (excluding any default interest payable), prior to the applicable date of redemption.</p>
Redemption for Delisting, Suspension of Trading or Change of Control:	Each Bondholder will have the right, at such Bondholder's option, to require the Company to redeem all, but not some only, of such Bondholder's Convertible Bonds on the relevant event redemption date at a price equal to the principal amount together with interest accrued to the date fixed for redemption, in the event that (a) when the Shares cease to be listed or admitted to trading or suspended for a period equal to or exceeding ten consecutive trading days on the Stock Exchange or, if applicable, the alternative stock exchange; or (b) when there is a change of control of the Company pursuant to the terms of the Convertible Bonds.
Ranking of the Conversion Shares:	The Shares issued upon conversion of the Convertible Bonds will in all respects rank pari passu with the Shares in issue on the relevant registration date.
Transferability:	The Convertible Bonds may be transferred without the consent of the Company by delivery of the Bond Certificate issued in respect of that Convertible Bonds, with the form of transfer duly completed and signed.

- Application for Listing: No application will be made by the Company to the Stock Exchange for listing of the Convertible Bonds. Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Conversion Shares.
- Events of Default: The Bondholder may give written notice to the Company that the Convertible Bonds are, and they shall immediately become due and payable by the Company at the principal amount together with accrued and unpaid interest if any of the following events occurs and is continuing:
- i. there is a default in the payment of any principal or interest or premium due in respect of the Convertible Bonds on the due date for such payment and in the case of interest only, such default continues for a period of more than seven (7) Business Days;
 - ii. the Company does not perform or comply with one or more of its other warranties, covenants or obligations in the Convertible Bonds or the Bond Instrument which default is incapable of remedy in the opinion of the Bondholder or, if capable of remedy, is not remedied within thirty (30) days after written notice of such default;
 - iii. failure by the Company to deliver any Shares as and when such Shares are required to be delivered following conversion of a Convertible Bond;
 - iv. the Company is (or is, or could be, deemed by law or a court to be) insolvent or bankrupt or unable to pay its debts as they fall due, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its debts, proposes or makes any agreement for the deferral, rescheduling or other readjustment of all of (or all of a particular type of) its debts (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors in respect of any of such debts or a moratorium is agreed or declared in respect of or affecting all or any material part of the debts of the Company;
 - v. any other present or future indebtedness (whether actual or contingent) of the Company for or in respect of moneys borrowed or raised becomes due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (howsoever described), or (ii) any such indebtedness is not paid when due or, as the case may be, within any applicable grace period, provided that the aggregate amount of the relevant indebtedness in respect of which one or more of the events mentioned above in this item have occurred exceeds US\$5,000,000 or its equivalent in any other currency or currencies;

- vi. a distress, attachment, execution, seizure before judgment or other legal process is levied, enforced or sued out on or against any material part of the property, assets or revenues of the Company and is not discharged or stayed within thirty (30) days;
- vii. an order of any court of competent jurisdiction is made or an effective resolution is passed for the liquidation, winding-up or dissolution of the Company (other than a voluntary winding-up on a solvent basis), or the Company ceases or threatens to cease to carry on all or substantially all of its business or operations, except for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Bondholder;
- viii. an encumbrancer takes possession or an administrative or other receiver or an administrator or other similar officer is appointed of the whole or a material part of the property, assets or turnover of the Company or any of its subsidiaries (as the case may be) and is not discharged within thirty (30) days;
- ix. any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or substantially all of the assets of the Company or any of its subsidiaries;
- x. any action, condition or thing (including the obtaining or effecting of any necessary consent, approval, authorisation, exemption, filing, licence, order, recording or registration) at any time required to be taken, fulfilled or done in order (i) to enable the Company lawfully to enter into, exercise its rights and perform and comply with its obligations under the Convertible Bonds, (ii) to ensure that those obligations are legally binding and enforceable and (iii) to make the Convertible Bonds admissible in evidence in the courts of Hong Kong is not taken, fulfilled or done;
- xi. it is or will become unlawful for the Company to perform or comply with anyone or more of its obligations under the Convertible Bonds;
- xii. the Shares are suspended from trading for more than ten (10) continuous trading days save for any suspension thereof required under the Listing Rules for clearance of announcement or circular to be made by the Company;
- xiii. the Company or any of its Subsidiaries makes any false or misleading representation in respect of the Convertible Bonds;
- xiv. the Company or any of its Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business or operations;

- xv. Mr. Yau Wai Lung no longer directly or indirectly hold more than 10% of the Shares; or
- xvi. any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in any of the foregoing paragraphs.

INFORMATION ON THE SUBSCRIBER

The Subscriber is an open-ended exempted segregated portfolio company incorporated with limited liability under the laws of the Cayman Islands. The principal activity of the Subscriber is to invest in diversified portfolios.

The Subscriber is managed by Harveston Asset Management Pte. Ltd., a company incorporated with limited liability in Singapore.

Harveston Asset Management Pte. Ltd. carries on business in fund management and is a holder of a capital markets service licence for fund management under the Securities and Futures Act of Singapore. It has investment experience and is well versed in many kinds of investment products and services.

To the best of the knowledge, information and belief of the Directors, and having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner(s) are third parties independent of and are not connected persons (as defined under the Listing Rules) of the Company.

CHANGES IN THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below are (i) the shareholding structure of the Company as at the date of this announcement; and (ii) upon full conversion of the Convertible Bonds and (iii) upon full conversion of the Convertible Bonds and exercise of share options of the Company:

	As at the date of this announcement		Upon full conversion of the Convertible Bonds		Upon full conversion of the Convertible Bonds and exercise of share options of the Company	
	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>	<i>No. of Shares</i>	<i>Approximate %</i>
Shareholders						
Hao Tian Development Group Limited (<i>Note 1</i>)	4,941,500,000	25.60	4,941,500,000	25.04	4,941,500,000	24.82
Yau Wai Lung (<i>Note 2</i>)	3,218,708,000	16.67	3,218,708,000	16.31	3,388,108,000	17.02
Huang Rulun (<i>Note 3</i>)	2,320,000,000	12.02	2,320,000,000	11.75	2,320,000,000	11.65
Ji Kewei (<i>Note 4</i>)	2,284,947,214	11.84	2,284,947,214	11.58	2,284,947,214	11.48
Other public Shareholders	6,539,675,151	33.88	6,539,675,151	33.13	6,539,675,151	32.85
The Subscriber	—	—	433,333,333	2.20	433,333,333	2.18
Total	19,304,830,365	100	19,738,163,698	100	19,907,563,698	100

Notes:

- Hao Tian Development Group Limited is deemed to be interested in the 4,941,500,000 Shares held by Hao Tian Management (Hong Kong) Limited pursuant to the Securities and Futures Ordinance (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. Yau Wai Lung, the Director, is deemed to be interested in the 3,218,708,000 Shares held by Leading Fortune International Group Limited pursuant to the SFO by virtue of his 100% beneficial interest in Leading Fortune International Group Limited. 169,400,000 share options were granted to Mr. Yau Wai Lung by the Company under the share option scheme adopted on 18 August 2014.
3. Mr. Huang Rulun is deemed to be interested in the 2,320,000,000 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, the Director, is deemed to be interested in the 2,284,947,214 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.

Completion of the Subscription is subject to the satisfaction of the conditions precedent in the Subscription Agreement. As the Subscription may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR THE ISSUE OF CONVERTIBLE BONDS AND USE OF PROCEEDS

The Group is principally engaged in investments in securities, money lending and financial leasing.

The Directors have considered various ways of raising funds in the capital market and consider that the issue of the Convertible Bonds is an appropriate means of raising additional capital for the Company since (i) they will not have an immediate dilution effect on the shareholding of the existing Shareholders; and (ii) if the conversion rights attaching to the Convertible Bonds are exercised, the shareholder base of the Company will be enlarged and the financial position of the Group will be improved for establishing and strengthening the existing and future business of the Group. The Board considers that the terms of the Subscription are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Subscription, is estimated to be approximately HK\$293,000,000. On such basis, the net price received by the Company for each Conversion Share is approximately HK\$0.68. The Company intends to use the net proceeds as business development and general working capital of the Group.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY DURING THE PAST 12 MONTHS

The Company has carried out the following equity fund raising activities in the past 12 months immediately preceding the date of this announcement:

Date of Announcement	Event	Net Proceeds	Intended Use of Proceeds	Actual Use of Proceeds
13 October 2015 and 28 October 2015	Issue of convertible bonds in the aggregate principal amount of US\$50,000,000 at a conversion price of HK\$0.68 convertible into 573,529,411 conversion shares under a subscription agreement dated 13 October 2015	HK\$389 million	Enhancing the share capital and working capital of Hong Kong Leasing Limited	Fully utilised as intended

Save as disclosed above, the Company has not conducted any equity fund raising activities during the past twelve months immediately preceding the date of this announcement.

GENERAL MANDATE

Upon exercise in full of the conversion rights attaching to the Convertible Bonds, 433,333,333 Conversion Shares shall be allotted and issued under the General Mandate. The General Mandate entitles the Directors to allot, issue and deal with Shares not exceeding 20% of the entire issued share capital of the Company as at the date of the annual general meeting of the Company held on 18 September 2015 approving the General Mandate. The maximum number of Shares allowed to be allotted and issued under the General Mandate was 3,860,966,073 Shares. As at the date of this announcement, 573,529,411 Conversion Shares have been utilised by the Company under the General Mandate. Accordingly, the Subscription is not subject to the Shareholders' approval.

DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors
“Bond Certificate(s)”	certificate(s) issued in the name of the holder of one or more Convertible Bonds
“Bond Instrument”	a bond instrument to be executed by way of deed poll by the Company constituting the Convertible Bonds
“Bondholder”	a person whose name is for the time being entered in the register of Bondholders as the holder of a Convertible Bond
“Business Day(s)”	day(s) other than a Saturday or Sunday on which commercial banks are open for business in Hong Kong and, in the case of a surrender of a Bond Certificate, in the place where the Bond Certificate is surrendered
“Closing”	closing which shall take place on 22 December 2015 or at such other date, time and place as the Company and the Subscriber may mutually agree upon
“Closing Date”	22 December 2015 or such other date as the Company and the Subscriber may mutually agree upon
“Company”	China Innovative Finance Group Limited (formerly known as Heritage International Holdings Limited), a company incorporated in Bermuda with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Subscription in accordance with the terms and conditions of the Subscription Agreement
“connected person”	has the meaning ascribed to it under the Listing Rules

“Convertible Bond(s)”	the convertible bond(s) in the aggregate principal amount of up to US\$40,000,000 to be issued by the Company convertible to the Conversion Shares at the Conversion Price
“Conversion Period”	any time on or after the Issue Date up to the close of business on the Maturity Date
“Conversion Price”	HK\$0.72, subject to adjustments as set out and in accordance with the terms and conditions of the Convertible Bonds
“Conversion Rights”	the rights attached to the Convertible Bonds to convert the same or a part thereof into Conversion Shares
“Conversion Share(s)”	the new Share(s) to be allotted and issued by the Company upon exercise of the conversion rights attaching to the Convertible Bonds
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting of the Company held on 18 September 2015 to allot, issue and deal with up to 3,860,966,073 new Shares, being 20% of the entire issued share capital of the Company as at the date of the said annual general meeting
“Group”	the Company and any direct and indirect subsidiary of the Company
“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
“Issue Date”	the date of the Bond Instrument
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Maturity Date”	the Interest Payment Date falling on or nearest to 22 December 2018
“PRC”	the People’s Republic of China, which for purpose of this Agreement excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Relevant Indebtedness”	any present or future indebtedness in the form of, or represented by debentures, loan stock, bonds, notes, bear participation certificates, depositary receipts, certificates of deposit or other similar securities or instruments or by bills of exchange drawn or accepted for the purpose of raising money which are quoted, listed, ordinarily dealt in or traded on any stock exchange or over-the-counter or other securities market during the Conversion Period (whether or not initially distributed by way of private placement)

“Share(s)”	the ordinary share(s) of HK\$0.00025 each in the share capital of the Company
“Shareholder(s)”	holders of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Haitong International Investment Fund SPC, an open-ended exempted segregated portfolio company incorporated with limited liability under the laws of the Cayman Islands, acting on behalf of and for the account of Haitong International Investment Fund SPC — Fund I SP
“Subscription”	the subscription for the Convertible Bonds by the Subscriber pursuant to the Subscription Agreement
“Subsidiary(ies)”	person, any company or other business entity of which that person owns or controls (either directly or through one or more other Subsidiaries) more than 50% of the issued share capital or other ownership interest having ordinary voting power to elect directors, managers or trustees of such company or other business entity or any company or other business entity which at any time has its accounts consolidated with those of that person or which, under Hong Kong or Bermuda law, regulations or generally accepted accounting principles from time to time, should have its accounts consolidated with those of that person.
“Subscription Agreement”	the subscription agreement dated 15 December 2015 and entered into between the Company and the Subscriber in relation to the Subscription
“Transaction Documents”	collectively, the Subscription Agreement, the Bond Instrument, the Bond Certificate, and such other documents executed by the Company and the Subscriber in connection with any of the foregoing
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent.

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

Hong Kong, 15 December 2015

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.