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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 14 September 2017, the Loan Agreement was entered into between CIF Finance, an indirect wholly-owned subsidiary of the Company as lender, the Borrower as borrower, pursuant to which, CIF Finance has agreed to provide the Loan in the principal amount of HK\$220,000,000 to the Borrower for a term of 6 months after the Drawdown Date.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted to the Borrower is more than 5% but less than 25%, the Loan advanced under the Loan Agreement constitutes a discloseable transaction of 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 granted 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 14 September 2017, CIF Finance entered into the Loan Agreement with the Borrower, pursuant to which CIF Finance has agreed to provide the Loan in the principal amount of HK\$220,000,000 to the Borrower for a term of 6 months after the Drawdown Date.

#### **Loan Agreement**

Summarised below are the principal terms of the Loan Agreement.

Date: 14 September 2017

Lender: CIF Finance

Borrower: The Borrower

Effective interest rate: 19% per annum

Guarantor: The Guarantor

Principal: HK\$220,000,000

The Loan will be available for drawdown upon the satisfaction of certain conditions as set out in the Loan Agreement. Pursuant to the Loan Agreement, the Borrower may within 3 Business Days from the date of the Loan Agreement make a single drawing for the full amount of the Loan

Term: 6-month period commencing from the Drawdown Date

Security:

- (i) the personal guarantee from the Guarantor;
- (ii) the share charge over the shares of and in 51% of the Borrower's Company (1) executed by the Borrower in favour of CIF Finance;
- (iii) the share charge over the shares of and in 51% of the Borrower's Company (2) executed by the Borrower in favour of CIF Finance;
- (iv) the share charge over the shares of and in the Borrower's Company (3), a wholly-owned subsidiary of the Borrower's Company (1) executed by the Borrower's Company (1) in favour of CIF Finance;
- (v) the share charge over the shares of and in the Borrower's Company (4), a wholly-owned subsidiary of the Borrower's Company (2) executed by the Borrower's Company (2) in favour of CIF Finance; and
- (vi) the share charge over certain shares of and in a listed company executed in favour of CIF Finance.

Repayment: The Borrower shall repay the Loan in full in one lump sum on the Maturity Date (or if such day is not a Business Day, the immediately following Business Day) and repay the interest every three months

Voluntary Prepayment: The Borrower may repay all or part of the Loan (but if in part, being an amount in the multiple of HK\$1,000,000 each) together with interest accrued thereon any time prior to the Maturity Date by written notice of not less than 5 Business Days

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Borrower and the Guarantor are third parties independent of the Company and connected persons of the Company as at the date of this announcement.

### **Funding of the Loan**

The Group will finance the loan by the additional bank borrowing of the Group.

## **Information of the Group**

The Company is an investment holding company incorporated in Bermuda with limited liability and its subsidiaries are principally engaged in the provision of financial services, including (i) financial leasing; (ii) investment in listed and unlisted securities; (iii) money lending business; and (iv) operation of an asset trading platform. CIF Finance, an indirect wholly-owned subsidiary of the Company, is a money lender licensed in Hong Kong pursuant to the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong).

## **Reasons for, and benefits of, the provision of the Loan**

The terms of the Loan Agreement were negotiated on an arm's length basis between CIF Finance and the Borrower with reference to the prevailing market rate. The Directors are of the view that the terms of the Loan Agreement was entered into on a normal commercial terms.

Taking into account the satisfactory financial background of the Borrower, and that a revenue and cash flow from the interest income is expected, the Directors consider that the terms of the Loan Agreement and the entering into of the Loan Agreement are fair and reasonable and in the interest of the Company and its Shareholders as a whole. No Director of the Company has a material interest in the Loan Agreement, and accordingly no Director has abstained from voting on the board resolutions approving the Loan Agreement and the transactions contemplated thereunder.

## **LISTING RULES IMPLICATIONS**

The advance of the Loan constitutes financial assistance provided by the Company within the meaning of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the amount of financial assistance granted to the Borrower is more than 5% but less than 25%, the Loan advanced under the Loan Agreement constitutes a discloseable transaction of 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 granted 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.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the words and expressions below shall have the following meanings when used herein:

“Board”	the board of Directors;
“Borrower”	an individual businessman, the borrower under the Loan Agreement;
“Borrower’s Company (1)”	a corporate vehicle incorporated in the British Virgin Islands which is owned as to 51% by the Borrower and hold shares in another limited company incorporated in Hong Kong;

“Borrower’s Company (2)”	a corporate vehicle incorporated in the British Virgin Islands which is owned as to 51% by the Borrower and hold shares in another limited company incorporated in Hong Kong;
“Borrower’s Company (3)”	a corporate vehicle incorporated in Hong Kong which is wholly-owned by the Borrower’s Company (1);
“Borrower’s Company (4)”	a corporate vehicle incorporated in Hong Kong which is wholly-owned by the Borrower’s Company (2);
“Business Day”	a day (other than a Saturday) on which commercial banks in Hong Kong are open for general banking transactions;
“CIF Finance”	C.I.F. Financial Limited (中新金財務有限公司), a limited liability company incorporated in Hong Kong and an indirect wholly-owned 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 (中國新金融集團有限公司), a company incorporated in Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company;
“Drawdown Date”	the date on which the Loan is drawdown;
“Group”	the Company and its subsidiaries;
“Guarantor”	an individual businessman, the guarantor which agrees to guarantee the liabilities of the Borrower under the Loan Agreement;
“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”	a loan in the principal amount of HK\$220,000,000 advanced by CIF Finance to the Borrower;
“Loan Agreement”	the loan agreement dated 14 September 2017 entered into between CIF Finance and the Borrower in respect of the Loan;
“Maturity Date”	the date falling on the expiry of 6-month period after the Drawdown Date;
“Shareholders”	shareholders of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited; and

“%”

per cent.

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

Hong Kong, 15 September 2017

*As at the date of this announcement, the Company has three executive directors, namely Mr. Wang Zhenjiang, Mr. Yau Wai Lung and Mr. Ma Chao, two non-executive directors, namely 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.*