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**CIFI Holdings (Group) Co. Ltd.**

**旭輝控股（集團）有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 00884)**

## **ISSUANCE OF US\$419,000,000 4.375% SENIOR NOTES DUE 2027**

On 5 January 2021, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with the Initial Purchasers in connection with the Notes Issue.

The Company intends to use the net proceeds from the Notes Issue for refinancing its existing indebtedness. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

No PRIIPs key information document has been prepared as the Notes are not available to retail in EEA. No UK PRIIPs key information document has been prepared as the Notes are not available to retail in UK. The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The Board is pleased to announce that on 5 January 2021, the Company and the Subsidiary Guarantors entered into the Purchase Agreement with the Initial Purchasers in connection with the Notes Issue.

## **THE PURCHASE AGREEMENT**

Date: 5 January 2021

### **Parties to the Purchase Agreement**

- (a) the Company;
- (b) the Subsidiary Guarantors; and
- (c) the Initial Purchasers.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Initial Purchasers is an independent third party and not a connected person of the Company and its connected persons.

The Notes and the Subsidiary Guarantees have not been, and will not be, registered under the U.S. Securities Act. The Notes and the Subsidiary Guarantees will only be offered and sold by the Initial Purchasers to non-U.S. persons outside of the United States in compliance with Regulation S under the U.S. Securities Act, and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. None of the Notes and the Subsidiary Guarantees will be offered to the public in Hong Kong.

## **PROHIBITION OF SALES TO EEA RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of the Insurance Distribution Directive, as amended or superseded, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by the PRIIPs for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs.

## **PROHIBITION OF SALES TO UK RETAIL INVESTORS**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of EUWA; or (ii) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by UK PRIIPs Regulation for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

### **Principal terms of the Notes**

The following is a summary of certain provisions of the Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the Notes, the Subsidiary Guarantees and the JV Subsidiary Guarantees, if any.

### **Notes Offered**

Subject to certain conditions to completion, the Company will issue the Notes in the aggregate principal amount of US\$419,000,000. The Notes will mature on 12 April 2027, unless earlier redeemed in accordance with the terms thereof.

### *Offering Price*

The offering price of the Notes will be 99.847% of the principal amount of the Notes.

### *Interest and Interest Payment Dates*

The Notes will bear interest from (and including) 12 January 2021 at the rate of 4.375% per annum, with interest payment dates on 12 April and 12 October on each year payable semi-annually in arrear (except that the first interest payment will be made on 12 October 2021 with respect to the period from and including 12 January 2021 to but excluding 12 October 2021).

### *Ranking of the Notes*

The Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the Notes; (3) at least pari passu in right of payment with the 2017 Notes, the January 2018 Notes, the April 2018 Notes, the January 2019 Notes, the February 2019 Notes, the March 2019 Notes, the July 2019 Notes, the November 2019 Notes, the January 2020 Notes, the July 2020 Notes, the August 2020 Notes and the November 2020 Notes and all other unsecured and unsubordinated indebtedness of the Company (subject to any priority rights of such unsecured and unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to certain limitations; (5) effectively subordinated to the secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not providing guarantees under the Notes.

### *Events of default*

The events of default under the Notes include, among others: (1) default in the payment of principal of (or premium, if any, on) the Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise; (2) default in the payment of interest on any Note when the same becomes due and payable, and such default continues for a period of 30 consecutive days; (3) default in the performance or breach of the provisions of certain covenants under the Indenture relating to consolidation, merger and sale of assets, the failure by the Company to make or consummate an offer to purchase in the manner described in the Indenture; (4) the Company or certain of its subsidiaries defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the Notes (other than a default specified in clause (1), (2) or (3) above) and such default or breach continues for a period of 30 consecutive days after written notice by the trustee or the holders of 25% or more in aggregate principal amount of the Notes; (5) there occurs with respect to any indebtedness of the Company or certain of its subsidiaries having an outstanding principal amount of US\$30.0 million or more in the aggregate for such indebtedness (a) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to make a principal payment when due; (6) one or more final judgments or orders for the payment of money are rendered against the Company or certain of its subsidiaries and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$30.0 million (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect; (7) an involuntary case or other proceeding is commenced against the Company or any significant subsidiary (or any group of subsidiaries that together would constitute a significant subsidiary) with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any significant subsidiary (or any group of subsidiaries that together would constitute a significant subsidiary) or for any substantial part of the property and assets of the Company or any significant subsidiary (or any group of

subsidiaries that together would constitute a significant subsidiary) and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or any significant subsidiary (or any group of subsidiaries that together would constitute a significant subsidiary) under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect; (8) the Company or any significant subsidiary (or any group of subsidiaries that together would constitute a significant subsidiary) (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or any significant subsidiary (or any group of subsidiaries that together would constitute a significant subsidiary) or for all or substantially all of the property and assets of the Company or any significant subsidiary (or any group of subsidiaries that together would constitute a significant subsidiary) or (c) effects any general assignment for the benefit of creditors; or (9) any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in clause (7) or (8) above) occurs and is continuing under the Indenture, the trustee or the holders of at least 25% in aggregate principal amount of the Notes then outstanding, by written notice to the Company (and to the trustee if such notice is given by the holders), may, and the trustee at the written request of such holders shall, subject to receiving indemnity and/or security to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable. If an event of default specified in clause (7) or (8) above occurs with respect to the Company or any significant subsidiary (or any group of subsidiaries that together would constitute a significant subsidiary), the principal of, premium, if any, and accrued and unpaid interest on the Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the trustee or any holder.

## **Covenants**

The Notes, the Indenture and the Subsidiary Guarantees will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- (a) incur or guarantee additional indebtedness and issue disqualified or preferred stock;
- (b) declare dividends on their capital stock or purchase or redeem capital stock;
- (c) make investments or other specified restricted payments;
- (d) issue or sell capital stock of certain of its subsidiaries;

- (e) guarantee indebtedness of certain of its subsidiaries;
- (f) sell assets;
- (g) create liens;
- (h) enter into sale and leaseback transactions;
- (i) enter into agreements that restrict certain of its subsidiaries' ability to pay dividends, transfer assets or make intercompany loans;
- (j) enter into transactions with shareholders or affiliates; and
- (k) effect a consolidation, merger, restructuring or changes in shareholding in subsidiaries.

*Optional Redemption of the Notes*

The Notes may be redeemed in the following circumstances:

- (1) At any time and from time to time on or after 12 January 2025, the Company may redeem the Notes, in whole or in part, at a redemption price equal to the percentage of the principal amount of the Notes redeemed set forth below plus accrued and unpaid interest (if any) to (but not including) the redemption date, if redeemed during the twelve-month period beginning on 12 January of each year set forth below:

<b>Period</b>	<b>Redemption Price</b>
2025	102.1875%
2026	101.0%
2027	100.0%

- (2) At any time and from time to time prior to 12 January 2025, the Company may at its option redeem the Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the Notes plus the applicable premium as of, and accrued and unpaid interest, if any, to (but not including) the redemption date. Neither the trustee nor the principal paying and transfer agent is responsible for calculating or verifying the applicable premium.
- (3) At any time and from time to time prior to 12 January 2025, the Company may redeem up to 35% of the aggregate principal amount of the Notes with the net cash proceeds of one or more sales of common stock of the Company in an equity offering at a redemption price of 104.375% of the principal amount of the Notes redeemed, plus accrued and unpaid interest, if any, to (but not including) the redemption date; provided that at least 65% of the aggregate principal amount of the Notes originally issued on the original issue date remains outstanding after each such redemption and any such redemption takes place within 60 days after the closing of the related equity offering.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

## Reasons for the Notes Issue

The Company is headquartered in Shanghai and engaged in the development of properties in mainly first- and second-tier cities in the PRC. The Company's development projects cover various property types including residential, office and commercial complexes. The Company's residential property development projects are primarily focused on developing residential products that offer end-users comfortable living environments and proximity to good ancillary facilities and transportation links. The Company's commercial property development projects are primarily focused on developing offices and community commercial properties.

The Company intends to use the net proceeds of the Notes Issue for refinancing its existing indebtedness. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the net proceeds.

## Listing and rating

The Company will seek a listing of the Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the Notes has been received from the Stock Exchange for the listing of the Notes by way of debt issues to professional investors only as described in the offering memorandum. Admission of the Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the Notes.

The Notes are expected to be rated "Ba3" by Moody's Investors Service, "BB-" by Standard & Poor's Ratings Services and "BBB-" by Lianhe Ratings Global Limited.

## DEFINITIONS

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

"2017 Notes"	the 5.5% senior notes due 2022 issued on 23 January 2017 and 5 October 2018
"April 2018 Notes"	the 6.875% senior notes due 2021 issued on 23 April 2018
"August 2020 Notes"	The 5.85% senior notes due 2023 issued on 19 August 2020
"Board"	the board of Directors
"BOSC International"	BOSC International Company Limited
"China CITIC Bank International"	China CITIC Bank International Limited
"Company"	CIFI Holdings (Group) Co. Ltd. (旭輝控股(集團)有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the main board of the Stock Exchange

“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Directors”	the directors of the Company
“EEA”	the European Economic Area
“EUWA”	the European Union (Withdrawal) Act 2018
“February 2019 Notes”	the 7.625% senior notes due 2023 issued on 28 February 2019
“Group”	the Company and its subsidiaries
“Haitong International”	Haitong International Securities Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation Limited
“Indenture”	the written agreement entered into between the Company, the Subsidiary Guarantors as guarantors and China Construction Bank (Asia) Corporation Limited as trustee, that specifies the terms and conditions of the Notes including the covenants, events of default, interest rate of the Notes and the maturity date
“Initial Purchasers”	Credit Suisse, Haitong International, HSBC, J.P. Morgan, Standard Chartered Bank, The Bank of East Asia, Limited, BOSC International, China CITIC Bank International and Yue Xiu Securities
“Insurance Distribution Directive”	the Directive (EU) 2016/97
“J.P. Morgan”	J.P. Morgan Securities plc
“January 2018 Notes”	the 5.50% senior notes due 2023 issued on 23 January 2018
“January 2019 Notes”	the 7.625% senior notes due 2021 issued on 2 January 2019
“January 2020 Notes”	the 6.0% senior notes due 2025 issued on 16 January 2020
“July 2019 Notes”	the 6.70% senior notes due 2022 issued on 23 July 2019
“July 2020 Notes”	the 5.95% senior notes due 2025 issued on 20 July 2020 and 5 August 2020



“JV Subsidiary Guarantee”	limited recourse guarantees given by the JV Subsidiary Guarantors on the Notes
“JV Subsidiary Guarantor”	each subsidiary of the Company which in the future provides a JV Subsidiary Guarantee
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“March 2019 Notes”	the 6.55% senior notes due 2024 issued on 28 March 2019 and 15 July 2019
“MiFID II”	the Markets in Financial Instruments Directive (II) (2014/65/EU), as amended
“Notes”	the 4.375% senior notes due 2027 in the aggregate principal amount of US\$419,000,000 to be issued by the Company
“Notes Issue”	the issue of the Notes by the Company
“November 2019 Notes”	the 6.45% senior notes due 2024 issued on 7 November 2019 and 15 November 2019
“November 2020 Notes”	the 5.25% senior notes due 2026 issued on 13 November 2020
“PRC”	the People’s Republic of China, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement
“PRIIPs”	the Packaged Retail and Insurance-based Investment Products (as defined by Regulation (EU) No 1286/2014, as amended)
“Purchase Agreement”	the agreement dated 5 January 2021 entered into by and among the Initial Purchasers, the Company and the Subsidiary Guarantors in relation to the Notes Issue
“Standard Chartered Bank”	Standard Chartered Bank
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary Guarantees”	the guarantees provided by the Subsidiary Guarantors in respect of the Notes
“Subsidiary Guarantors”	certain subsidiaries of the Company that on the issue date of the Notes will provide guarantees to secure the Company’s obligations under the Notes

“The Bank of East Asia, Limited”	The Bank of East Asia, Limited
“U.S. Dollars” or “US\$”	United States dollar(s), the lawful currency of the United States
“UK”	the United Kingdom
“UK PRIIPs Regulation”	the Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA
“United States” or “U.S.”	the United States of America
“Yue Xiu Securities”	Yue Xiu Securities Company Limited
“%”	per cent.

By Order of the Board  
**CIFI Holdings (Group) Co. Ltd.**  
**LIN Zhong**  
*Chairman*

Hong Kong, 6 January 2021

*As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei, Mr. LIN Feng, Mr. CHEN Dongbiao and Mr. YANG Xin as executive Directors; Mr. WANG Wei as non-executive Director; and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as independent non-executive Directors.*