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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)**

**BUSINESS UPDATE**  
**PROPOSED COOPERATION IN RELATION TO**  
**PROPERTY PROJECTS IN THE GUANGXI**  
**ZHUANG AUTONOMOUS REGION, THE PRC**

This announcement is made by CIFI Holdings (Group) Co. Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) to keep the shareholders of the Company and the public investors informed of the latest business development of the Group.

The board of directors of the Company (the “**Board**”) is pleased to announce that the Group intends to expand its commercial and residential property development business in the Guangxi Zhuang Autonomous Region (“**Guangxi**”) of The People’s Republic of China (the “**PRC**”) through forming a 65:35 joint venture with the Cooperating Parties (as defined below). The Cooperating Parties currently own and/or control various companies, interests in joint venture and property projects through the Platform Company (as defined below). On the other hand, Guangxi Xuhui Enterprise Management Co. Limited\* (廣西旭輝企業管理有限公司) (“**Guangxi Xuhui**”), a wholly-owned subsidiary of the Company, currently holds interests in various companies and projects also in Guangxi. It is the intention of the Group and the Cooperating Parties that the said joint venture will be formed through the Platform Company and Guangxi Xuhui and parties will agree on the property projects to be included in the joint venture after conducting audit, valuation and due diligence. Interests in companies, joint ventures and property projects which parties have agreed to exclude will be disposed of by the Platform Company or Guangxi Xuhui, while projects which parties have agreed to include will be so acquired by the Platform Company or Guangxi Xuhui.

To implement the above cooperation initiatives, CIFI Group Co., Ltd.\* (旭輝集團股份有限公司) (“**CIFI (PRC)**”), a wholly-owned subsidiary of the Company established in the PRC, entered into a cooperation framework agreement with the Cooperating Parties, details of which are set out below.

On 7 January 2021, CIFI (PRC) entered into a cooperation framework agreement (the “**Cooperation Framework Agreement**”) with (i) Zhang Tai Holdings (Hong Kong) Co., Limited (彰泰控股(香港)有限公司) (“**Zhangtai HK**”), which currently owns 80% equity interest in Guilin Zhangtai Enterprise Group Limited\* (桂林彰泰實業集團有限公司) (“**Platform Company**”); (ii) Guilin Hechuang Construction Investment Limited\* (桂林合創建設投資有限公司) (“**Guilin Hechuang**”), which currently owns 20% equity interest in the Platform Company; and (iii) Huang Haitao (黃海濤) and Wang Chunling (汪春玲), being the actual controllers of the Platform Company (together with Zhangtai HK and Guilin Hechuang are collectively referred to as the “**Cooperating Parties**”), pursuant to which CIFI (PRC) and the Cooperating Parties (collectively, the “**Parties**”) shall cooperate in development of property projects in Guangxi by forming a 65:35 joint venture through the Platform Company and Guangxi Xuhui exclusively. It is a term in the Cooperation Framework Agreement that CIFI (PRC) shall acquire 65% equity interest in the Platform Company from Zhangtai HK and Guilin Hechuang (“**Potential Acquisition**”). The Platform Company currently owns various companies, interests in joint ventures and property projects which are principally engaged in the business of property development in Guangxi, including projects which are saleable (可售項目), projects in reserve (儲備項目) and construction projects for third parties (代建項目) and other related companies. Subject to negotiation by the Parties on the valuation and manner of cooperation upon completion of relevant due diligence by CIFI (PRC), the Parties shall agree on the specific projects and the relevant percentage of interests which will be included in the Platform Company. Hence as at signing of the Cooperation Framework Agreement, the specific companies, interests in joint ventures and property projects to be included in the Platform Company are not yet finalized.

On the date of the Cooperation Framework Agreement taking effect, Guilin Hechuang shall pledge its 20% equity interest in the Platform Company in favour of CIFI (PRC) and submit filing application relating to the said pledge, and a deposit of RMB800,000,000 (the “**Deposit**”) shall be paid to secure the performance of CIFI (PRC)’s obligations under the Cooperation Framework Agreement.

The consideration of the Potential Acquisition will be determined with reference to the consolidated audited financial statements of the Platform Company as at 31 December 2020 (the “**Basis Date**”), and it is contemplated that the consideration will be subject to adjustments including inter-companies accounts receivables/payables, sales amounts to-be-recognised etc. However, as specific companies, joint ventures and interests to be included in the Platform Company are not yet finalized as at signing of the Cooperation Framework Agreement, in respect of the Potential Acquisition, it is impossible for the Company to determine the size of the Potential Acquisition and whether or not it constitutes a notifiable transaction of the Company under Chapter 14 of The Rules Governing the Listing on the Stock Exchange of Hong Kong Limited (“**Listing Rules**”).

Guangxi Xuhui currently holds interests in various companies and projects in Guangxi which include saleable projects (可售項目) and remaining projects (尾盤項目). It is a term under the Cooperation Framework Agreement that CIFI (PRC) and the Cooperating Parties shall effect a 65:35 joint venture in respect of Guangxi Xuhui by way of increase of capital (“**Potential Disposal**”). Similarly, subject to valuation, audit and due diligence, the Parties shall agree on the specific companies and projects to be included in Guangxi Xuhui and Guangxi Xuhui shall dispose specific companies and projects to be excluded, and acquire those which are to be so included, and hence the specific companies and projects to be included in Guangxi Xuhui are not yet finalized as at signing of the Cooperation Framework Agreement.

The consideration of the Potential Disposal will be determined with reference to the consolidated audited financial statements of Guangxi Xuhui as at the Basis Date, and it is contemplated that the consideration will be subject to adjustments including inter-companies accounts receivables/payables, sales amounts to-be-recognised etc. However, as companies and projects to be included in Guangxi Xuhui are not yet finalized as at signing of the Cooperation Framework Agreement, in respect of the Potential Disposal, it is impossible for the Company to determine the size of the Potential Disposal and whether or not it constitutes a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

On the date of the Cooperation Framework Agreement taking effect, CIFI (PRC) shall pledge its 20% equity interest in Guangxi Xuhui in favour of Guilin Hechuang and submit filing application relating to the said pledge, and Cooperating Parties shall also pay CIFI (PRC) a deposit in the amount of RMB100,000,000 to secure the performance of the obligations of the Cooperating Parties under the Cooperation Framework Agreement.

### **Due Diligence and Definitive Agreements**

Pursuant to the Cooperation Framework Agreement, the Parties shall perform due diligence of the companies, joint ventures and projects to be included in the Platform Company and Guangxi Xuhui within 60 days from the date of payment of the Deposit, or such longer date as the Parties may agree should any special circumstance occurs. If the Parties agree on the outcome of the said due diligence, relevant parties shall enter into definitive agreements relating to the Potential Acquisition and/or the Potential Disposal (“**Definitive Agreements**”) within three months from the date of the Cooperation Framework Agreement to specify detailed scope and manner of cooperation, adjusted amount of consideration, terms regarding profit sharing and other ancillary matters etc.

To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, each of the Cooperating Parties are third parties independent of the Company and its connected persons as defined in the Listing Rules.

Upon signing of the Definitive Agreements, the transactions contemplated thereunder may constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules. In such circumstances, the Company will make further announcement as and when appropriate pursuant to the Listing Rules. Shareholders of the Company and potential investors should exercise caution when dealing in the shares of the Company.

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

Hong Kong, 7 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 Directors, and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as independent non-executive Directors.*

\* *For identification purposes only*