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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)

CONNECTED TRANSACTION
FORMATION OF JOINT VENTURE IN RELATION TO
A PROPERTY DEVELOPMENT PROJECT IN FOSHAN, THE PRC

FOSHAN COOPERATION AGREEMENT

On 15 July 2021, the Company, together with its subsidiaries, namely Guangzhou Xuhui, Foshan Shengxinhong and Foshan Project Company entered into the Foshan Cooperation Agreement with Henderson China Investment and Shanghai Hengchang, an indirect wholly-owned subsidiary of Henderson China Investment, for the formation of joint venture to develop the Foshan Site located in Foshan, the PRC. As at the date of this announcement, Foshan Project Company is wholly-owned by Foshan Shengxinhong, which is in turn wholly-owned by Guangzhou Xuhui.

Pursuant to the Foshan Cooperation Agreement, Shanghai Hengchang proposes to acquire 50% of equity interest in Foshan Shengxinhong by way of capital increase. Upon the completion of the capital increase, Foshan Project Company will be indirectly owned as to 50% by the Company (through Guangzhou Xuhui) and 50% by Henderson China Investment (through Shanghai Hengchang). Foshan Shengxinhong and Foshan Project Company will be consolidated into the financial statements of the Group and Foshan Project Company will undertake the development of the Foshan Site.

The capital commitment currently intended to be payable by the Group for the transactions contemplated under the Foshan Cooperation Agreement is estimated to be RMB719,435,000.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Henderson Land is a substantial shareholder of certain subsidiaries of the Company, which do not fall within the ambit of insignificant subsidiaries under Rule 14A.09(1) of the Listing Rules. Henderson China Investment is a wholly-owned subsidiary of Henderson Land. Accordingly, Henderson China Investment is an associate of Henderson Land and a connected person of the Company at its subsidiary level. The transactions contemplated under the Foshan Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Foshan Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Foshan Cooperation Agreement and as such no Directors have abstained from voting on the resolutions of the Board approving such transactions. The Directors (including the independent non-executive Directors) are of the view that the Foshan Cooperation Agreement is on normal commercial terms, and the terms and conditions therein, including the consideration thereof, are fair and reasonable and in the ordinary and usual course of business of the Company and that such transactions are in the interests of the Company and the Shareholders as a whole.

The highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Foshan Cooperation Agreement exceeds 1% but is less than 5%. As Henderson China Investment is a connected person of the Company only because of its connection with certain subsidiaries of the Company, the transactions contemplated under the Foshan Cooperation Agreement are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

FOSHAN COOPERATION AGREEMENT

Date: 15 July 2021

- Parties:**
- (i) the Company
 - (ii) Guangzhou Xuhui, being an onshore subsidiary controlled by the Company
 - (iii) Foshan Shengxinhong, being a direct wholly-owned subsidiary of Guangzhou Xuhui
 - (iv) Foshan Project Company, being a direct wholly-owned subsidiary of Foshan Shengxinhong
 - (v) Henderson China Investment
 - (vi) Shanghai Hengchang, being an indirect wholly-owned subsidiary of Henderson China Investment

Subject Matter

As at the date of this announcement, Guangzhou Xuhui, being an onshore subsidiary controlled by the Company, directly wholly owns the entire issued share capital of Foshan Shengxinhong. Foshan Shengxinhong succeeded in the bidding of the land use rights in respect of the Foshan Site offered for sale by the Natural Resources Bureau of Foshan City, Guangdong Province (廣東省佛山市自然資源局) in May 2021 and the State-owned Construction Land Use Rights Grant Contract in respect of the Foshan Site has been entered into. Foshan Project Company was set up on 27 May 2021 in the PRC as a subsidiary wholly-owned by Foshan Shengxinhong for the purpose of holding the Foshan Site directly and the development thereof. Other than holding the interest in the Foshan Site, Foshan Shengxinhong and Foshan Project Company have no other assets nor conducted any other business operation as at the date of this announcement.

The commitment of capital contribution by each of the Company and Henderson China Investment as contemplated under the Foshan Cooperation Agreement will be RMB719,435,000. Such contribution will be partly applied to increase the registered capital of Foshan Shengxinhong, as a result of which Foshan Shengxinhong will be owned as to 50% by Guangzhou Xuhui and 50% by Shanghai Hengchang and the contributed capital will be used for settlement of the land premium. Further funding requirement for project development will be preferentially satisfied, in principle, by external financing.

It is intended that the capital commitment payable by the Group under the Foshan Cooperation Agreement would be financed by internal resources of the Group. Upon completion of the aforesaid capital increase in Foshan Shengxinhong, onshore joint venture will be formed through Foshan Shengxinhong. The Foshan Project Company will be indirectly owned as to 50% by the Company (through Guangzhou Xuhui) and 50% by Henderson China Investment (through Shanghai Hengchang).

The capital commitment was determined after arm's length negotiation between the parties to the Foshan Cooperation Agreement with reference to the land premium payable and the development cost, interest, related government charges and expenses and possible loan facilities from banks in relation to the Foshan Site.

Information of Foshan Shengxinhong

Since Foshan Shengxinhong is an investment holding company and does not own any assets nor conduct any business operation other than holding the interest in the Foshan Site which is held for future development, it has not recorded any revenue or profit since its establishment up to the date of this announcement.

Information of the Foshan Site

Site location: the west side of Fokai Highway, both sides of Zhihui Road, Chancheng District, Foshan, Guangdong Province, the PRC* (中國廣東省佛山市禪城區佛開高速西側、智慧路兩側)

Site area: 47,151.69 sq.m.

Planned gross floor area:	117,879.225 sq.m.
Term of land use rights:	70 years for residential use, 40 years for commercial use, 50 years for traffic and transportation use
Land premium:	RMB1,438,870,000

Composition of the board of directors of Foshan Shengxinhong and Foshan Project Company

Each of the board of directors of Foshan Shengxinhong and Foshan Project Company will comprise 5 directors, 3 of whom will be nominated by the Group and the remaining 2 of whom will be nominated by Henderson China Investment. While each of the Group and Henderson China Investment shall be entitled to nominate 1 supervisor, the Group has the right to nominate 1 general manager in both Foshan Shengxinhong and Foshan Project Company. The board of the directors of Foshan Shengxinhong and Foshan Project Company shall decide on all matters by simple majority.

Profit and loss sharing

The Company and Henderson China Investment will be entitled to share the profit or bear the loss of Foshan Shengxinhong and Foshan Project Company in proportion to their respective equity interest subject to applicable adjustments with reference to investment return from the development project agreed among the parties.

It is intended that Foshan Shengxinhong and Foshan Project Company will still be accounted for as subsidiaries of the Group and it is agreed among the parties to the Foshan Cooperation Agreement that the accounts of Foshan Shengxinhong and Foshan Project Company will still be consolidated into the financial statements of the Group.

INFORMATION OF HENDERSON CHINA INVESTMENT AND SHANGHAI HENGCHANG

Henderson China Investment is a company incorporated in Hong Kong and indirectly wholly-owned by Henderson Land. Henderson Land is an investment holding company and its subsidiaries are principally engaged in the businesses of property development and investment, construction, finance, hotel operation, department store operation, project management, investment holding and property management.

To the best knowledge of the Company based on information available to it, Shanghai Hengchang is a company established in the PRC with limited liability. Shanghai Hengchang is an indirect wholly-owned subsidiary of Henderson China Investment as at the date of this announcement and is principally engaged in property investment.

REASONS FOR AND BENEFIT OF THE FOSHAN COOPERATION AGREEMENT

The Group is principally engaged in the property development and property investment in the PRC. It has been the strategy of the Group to cooperate with renowned property developers for development of particular project so as to achieve synergy and diversify its financial exposure. Henderson China Investment is a trusted and long-term strategic partner of the Group.

The Foshan Cooperation Agreement enables the Group to further strengthen its cooperation with Henderson China Investment and to enjoy the economic benefits of the property development project in Foshan, Guangdong Province, the PRC, by leveraging the synergies of the cooperation.

The Directors consider that the Foshan Cooperation Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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DEFINITIONS

In this announcement, the following expressions have the following meanings, unless the context requires otherwise:

“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	CIFI Holdings (Group) Co. Ltd. (旭輝控股(集團)有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Foshan Cooperation Agreement”	the cooperation agreement dated 15 July 2021 entered into between the Company, Guangzhou Xuhui, Foshan Shengxinhong, Foshan Project Company, Henderson China Investment and Shanghai Hengchang
“Foshan Project Company”	Foshan Zhuojing Real Estate Development Co., Ltd.* (佛山市卓涇房地產開發有限公司), a company established in the PRC with limited liability and wholly-owned by Foshan Shengxinhong for the development of the Foshan Site
“Foshan Shengxinhong”	Foshan Shengxinhong Real Estate Development Co., Ltd.* (佛山盛信鴻房地產開發有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Guangzhou Xuhui as at the date of this announcement and will be owned as to 50% by Guangzhou Xuhui and 50% by Shanghai Hengchang upon completion of the capital increase contemplated under the Foshan Cooperation Agreement
“Foshan Site”	a site located at the west side of Fokai Highway, both sides of Zhihui Road, Chancheng District, Foshan, Guangdong Province, the PRC* (中國廣東省佛山市禪城區佛開高速西側、智慧路兩側)
“Group”	the Company and its subsidiaries
“Guangzhou Xuhui”	Guangzhou Xuhui Enterprise Management Co., Ltd.* (廣州旭輝企業管理有限公司), a company established in the PRC with limited liability and an onshore subsidiary controlled by the Company

“Henderson China Investment”	Henderson (China) Investment Company Limited (恒基(中國)投資有限公司), a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by Henderson Land
“Henderson Land”	Henderson Land Development Company Limited (恒基兆業地產有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0012)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Hengchang”	Shanghai Hengchang Real Estate Development Co., Ltd.* (上海恒昌置業發展有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Henderson China Investment
“Shareholders”	holders of the ordinary share(s) of HK\$0.1 each of the Company
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 15 July 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.

* For identification purposes only