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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 WUHAN, THE PRC**

**WUHAN COOPERATION AGREEMENT**

On 23 August 2021, the Company, together with its subsidiaries, namely Wuhan Changzhuo, Wuhan Dekangxing and Wuhan Project Company entered into the Wuhan Cooperation Agreement with Henderson China Properties and Wuhan Xufa, an indirect wholly-owned subsidiary of Henderson China Properties, for the formation of joint venture to develop the Wuhan Site located in Wuhan, the PRC. As at the date of this announcement, Wuhan Project Company is wholly-owned by Wuhan Dekangxing, which is in turn wholly-owned by Wuhan Changzhuo.

Pursuant to the Wuhan Cooperation Agreement, Wuhan Xufa proposes to acquire 50% of equity interest in Wuhan Dekangxing by way of capital increase. Upon the completion of the capital increase, Wuhan Project Company will be indirectly owned as to 50% by the Company (through Wuhan Changzhuo) and 50% by Henderson China Properties (through Wuhan Xufa). Wuhan Dekangxing and Wuhan Project Company will be consolidated into the financial statements of the Group and Wuhan Project Company will undertake the development of the Wuhan Site.

The capital commitment currently intended to be payable by the Group for the transactions contemplated under the Wuhan Cooperation Agreement is estimated to be RMB950 million.

## 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 Properties is an indirect wholly-owned subsidiary of Henderson Land. Accordingly, Henderson China Properties is an associate of Henderson Land and a connected person of the Company at its subsidiary level. The transactions contemplated under the Wuhan Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Wuhan Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Wuhan 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 Wuhan Cooperation Agreement is on normal commercial terms, and the terms and conditions thereof, 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 Wuhan Cooperation Agreement exceeds 1% but is less than 5%. As Henderson China Properties is a connected person of the Company only because of its connection with certain subsidiaries of the Company, the transactions contemplated under the Wuhan 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.

## WUHAN COOPERATION AGREEMENT

**Date:** 23 August 2021

**Parties:**

- (i) the Company
- (ii) Wuhan Changzhuo, being an onshore subsidiary controlled by the Company
- (iii) Wuhan Dekangxing, being a direct wholly-owned subsidiary of Wuhan Changzhuo as at the date of this announcement
- (iv) Wuhan Project Company, being a direct wholly-owned subsidiary of Wuhan Dekangxing as at the date of this announcement
- (v) Henderson China Properties, being an indirect wholly-owned subsidiary of Henderson Land
- (vi) Wuhan Xufa, being an indirect wholly-owned subsidiary of Henderson China Properties

## **Subject Matter**

As at the date of this announcement, Wuhan Changzhuo, being an onshore subsidiary controlled by the Company, directly wholly owns the entire issued share capital of Wuhan Dekangxing. Wuhan Dekangxing succeeded in the bidding of the land use rights in respect of the Wuhan Site offered for sale by the Natural Resources and Planning Bureau of Dongxihu District, Wuhan (武漢市東西湖區自然資源和規劃局) in June 2021 and the State-owned Construction Land Use Rights Grant Contract in respect of the Wuhan Site has been entered into. Wuhan Project Company was set up on 7 July 2021 in the PRC as a subsidiary wholly-owned by Wuhan Dekangxing for the purpose of holding the Wuhan Site directly and the development thereof. Other than holding the interest in the Wuhan Site, Wuhan Dekangxing and Wuhan 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 Properties as contemplated under the Wuhan Cooperation Agreement will be RMB950 million. Such contribution will be applied to increase the registered capital of Wuhan Dekangxing, as a result of which Wuhan Dekangxing will be owned as to 50% by Wuhan Changzhuo and 50% by Wuhan Xufa and the contributed capital will be partly 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 Wuhan Cooperation Agreement would be financed by internal resources of the Group. Upon completion of the aforesaid capital increase in Wuhan Dekangxing, onshore joint venture will be formed through Wuhan Dekangxing. The Wuhan Project Company will be indirectly owned as to 50% by the Company (through Wuhan Changzhuo) and 50% by Henderson China Properties (through Wuhan Xufa).

The capital commitment was determined after arm's length negotiation between the parties to the Wuhan 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 Wuhan Site.

## **Information of Wuhan Dekangxing**

Since Wuhan Dekangxing is an investment holding company and does not own any assets nor conduct any business operation other than holding the interest in the Wuhan 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 Wuhan Site**

Site location:	the east side of Second Jinnan Road and the north side of North Yuanboyuan Road, Dongxihu District, Wuhan, Hubei Province, the PRC* (中國湖北省武漢市東西湖區金南二路以東、園博園北路以北)
Site area:	44,892.76 sq.m
Planned gross floor area:	130,000 sq.m.
Term of land use rights:	70 years for residential use, 40 years for commercial use
Land premium:	RMB1,777,300,000

## **Composition of the board of directors of Wuhan Dekangxing and Wuhan Project Company**

Each of the board of directors of Wuhan Dekangxing and Wuhan 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 Properties. While each of the Group and Henderson China Properties shall be entitled to nominate 1 supervisor in both Wuhan Dekangxing and Wuhan Project Company, the Group has the right to nominate 1 general manager in both companies. The board of the directors of Wuhan Dekangxing and Wuhan Project Company shall decide on all matters by simple majority.

## **Profit and loss sharing**

The Company and Henderson China Properties will be entitled to share the profit or bear the loss of Wuhan Dekangxing and Wuhan 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 Wuhan Dekangxing and Wuhan Project Company will still be accounted for as subsidiaries of the Group and it is agreed among the parties to the Wuhan Cooperation Agreement that the accounts of Wuhan Dekangxing and Wuhan Project Company will still be consolidated into the financial statements of the Group.

## **INFORMATION OF HENDERSON CHINA PROPERTIES AND WUHAN XUFA**

Henderson China Properties 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, Wuhan Xufa is a company established in the PRC with limited liability. Wuhan Xufa is an indirect wholly-owned subsidiary of Henderson China Properties as at the date of this announcement and is principally engaged in property development.

## **REASONS FOR AND BENEFIT OF THE WUHAN 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 Properties is a trusted and long-term strategic partner of the Group.

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

The Directors consider that the Wuhan 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.

## **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 Properties is an indirect wholly-owned subsidiary of Henderson Land. Accordingly, Henderson China Properties is an associate of Henderson Land and a connected person of the Company at its subsidiary level. The transactions contemplated under the Wuhan Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Wuhan Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Wuhan 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 Wuhan Cooperation Agreement is on normal commercial terms, and the terms and conditions thereof, 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 Wuhan Cooperation Agreement exceeds 1% but is less than 5%. As Henderson China Properties is a connected person of the Company only because of its connection with certain subsidiaries of the Company, the transactions contemplated under the Wuhan 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.

## 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
“Group”	the Company and its subsidiaries
“Henderson China Properties”	Henderson China Properties Limited (恒基中國地產有限公司), 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
“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
“Wuhan Changzhuo”	Wuhan Changzhuo Enterprise Management Consultancy Co., Ltd.* (武漢昌卓企業管理諮詢有限責任公司), a company established in the PRC with limited liability and an onshore subsidiary controlled by the Company
“Wuhan Cooperation Agreement”	the cooperation agreement dated 23 August 2021 entered into between the Company, Wuhan Changzhuo, Wuhan Dekangxing, Wuhan Project Company, Henderson China Properties and Wuhan Xufa
“Wuhan Dekangxing”	Wuhan Dekangxing Enterprise Management Consultancy Co., Ltd.* (武漢德康興企業管理諮詢有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Wuhan Changzhuo as at the date of this announcement and will be owned as to 50% by Wuhan Changzhuo and 50% by Wuhan Xufa upon completion of the capital increase contemplated under the Wuhan Cooperation Agreement
“Wuhan Project Company”	Wuhan Xuchuang Real Estate Co., Ltd.* (武漢旭創置業有限公司), a company established in the PRC with limited liability and wholly-owned by Wuhan Dekangxing for the development of the Wuhan Site

“Wuhan Site”	a site located at the east side of Second Jinnan Road and the north side of North Yuanboyuan Road, Dongxihu District, Wuhan, Hubei Province, the PRC* (中國湖北省武漢市東西湖區金南二路以東、園博園北路以北)
“Wuhan Xufa”	Wuhan Xufa Enterprise Management Consultancy Co., Ltd.* (武漢旭發企業管理諮詢有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Henderson China Properties
“%”	per cent.

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

Hong Kong, 23 August 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