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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 DONGGUAN, THE PRC

DONGGUAN COOPERATION AGREEMENT

On 8 September 2021, the Company, together with its subsidiaries, namely Shenzhen Xuhui, Dongguan Xingji and Dongguan Project Company entered into the Dongguan Cooperation Agreement with Henderson China Properties and Green Charm, an indirect wholly-owned subsidiary of Henderson China Properties, for the formation of joint venture to develop the Dongguan Site located in Dongguan, Guangdong Province, the PRC. As at the date of this announcement, Dongguan Project Company is wholly-owned by Dongguan Xingji, which is in turn wholly-owned by Shenzhen Xuhui.

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

The capital commitment currently intended to be payable by the Group for the transactions contemplated under the Dongguan Cooperation Agreement is estimated to be RMB482,800,000.

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 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 Dongguan Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Dongguan Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Dongguan 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 Dongguan 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 Dongguan 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 Dongguan 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.

DONGGUAN COOPERATION AGREEMENT

Date: 8 September 2021

Parties:

- (i) the Company
- (ii) Shenzhen Xuhui, being an onshore subsidiary controlled by the Company
- (iii) Dongguan Xingji, being a direct wholly-owned subsidiary of Shenzhen Xuhui as at the date of this announcement
- (iv) Dongguan Project Company, being a direct wholly-owned subsidiary of Dongguan Xingji as at the date of this announcement
- (v) Henderson China Properties, being an indirect wholly-owned subsidiary of Henderson Land
- (vi) Green Charm, being an indirect wholly-owned subsidiary of Henderson China Properties

Subject Matter

As at the date of this announcement, Shenzhen Xuhui, being an onshore subsidiary controlled by the Company, directly wholly owns the entire issued share capital of Dongguan Xingji. Dongguan Xingji succeeded in the bidding of the land use rights in respect of the Dongguan Site offered for sale by the Natural Resources Bureau of Dongguan City, Guangdong Province (廣東省東莞市自然資源局) in July 2021 and the State-owned Construction Land Use Rights Grant Contract in respect of the Dongguan Site has been entered into. Dongguan Project Company was set up on 21 July 2021 in the PRC as a subsidiary wholly-owned by Dongguan Xingji for the purpose of holding the Dongguan Site directly and the development thereof. Other than holding the interest in the Dongguan Site, Dongguan Xingji and Dongguan 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 Dongguan Cooperation Agreement will be RMB482,800,000. Such contribution will be applied to increase the registered capital of Dongguan Xingji, as a result of which Dongguan Xingji will be owned as to 50% by Shenzhen Xuhui and 50% by Green Charm 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 Dongguan Cooperation Agreement would be financed by internal resources of the Group. Upon completion of the aforesaid capital increase in Dongguan Xingji, onshore joint venture will be formed through Dongguan Xingji. The Dongguan Project Company will be indirectly owned as to 50% by the Company (through Shenzhen Xuhui) and 50% by Henderson China Properties (through Green Charm).

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

Information of Dongguan Xingji

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

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| Site location: | the north side of Mingzhu Road and the west side of Jinxing Road, Shijie Town, Dongguan, Guangdong Province, the PRC* (中國廣東省東莞市石碣鎮明珠路以北、金星路以西) |
| Site area: | 26,148.32 sq.m |
| Planned gross floor area: | 78,444.96 sq.m. |
| Term of land use rights: | 70 years for residential use,40 years for commercial use |
| Land premium: | RMB935,230,000 |

Composition of the board of directors of Dongguan Xingji and Dongguan Project Company

Each of the board of directors of Dongguan Xingji and Dongguan 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, the Group has the right to nominate 1 general manager in both Dongguan Xingji and Dongguan Project Company. The board of the directors of Dongguan Xingji and Dongguan 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 Dongguan Xingji and Dongguan 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 Dongguan Xingji and Dongguan Project Company will still be accounted for as subsidiaries of the Group and it is agreed among the parties to the Dongguan Cooperation Agreement that the accounts of Dongguan Xingji and Dongguan Project Company will still be consolidated into the financial statements of the Group.

INFORMATION OF HENDERSON CHINA PROPERTIES AND GREEN CHARM

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, Green Charm is a company incorporated in Hong Kong with limited liability. Green Charm is an indirect wholly-owned subsidiary of Henderson China Properties as at the date of this announcement and is principally engaged in investment holding.

REASONS FOR AND BENEFIT OF THE DONGGUAN 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 Dongguan 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 Dongguan, Guangdong Province, the PRC, by leveraging the synergies of the cooperation.

The Directors consider that the Dongguan 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 Dongguan Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Dongguan Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Dongguan 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 Dongguan 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 Dongguan 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 Dongguan 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:

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| “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 |
| “Dongguan Cooperation Agreement” | the cooperation agreement dated 8 September 2021 entered into between the Company, Shenzhen Xuhui, Dongguan Xingji, Dongguan Project Company, Henderson China Properties and Green Charm |
| “Dongguan Project Company” | Dongguan Zhuoxin Real Estate Development Co., Ltd.* (東莞市卓信房地產開發有限公司), a company established in the PRC with limited liability and wholly-owned by Dongguan Xingji for the development of the Dongguan Site |
| “Dongguan Site” | a site located at the north side of Mingzhu Road and the west side of Jinxing Road, Shijie Town, Dongguan, Guangdong Province, the PRC* (中國廣東省東莞市石碣鎮明珠路以北、金星路以西) |
| “Dongguan Xingji” | Dongguan Xingji Business Consultancy Co., Ltd.* (東莞興際商務諮詢有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Shenzhen Xuhui as at the date of this announcement and will be owned as to 50% by Shenzhen Xuhui and 50% by Green Charm upon completion of the capital increase contemplated under the Dongguan Cooperation Agreement |
| “Green Charm” | Green Charm Investment Limited (菁翠投資有限公司), a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of Henderson China Properties |
| “Group” | the Company and its subsidiaries |

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| “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) |
| “Shenzhen Xuhui” | Shenzhen Xuhui Industrial Holdings Co., Ltd.* (深圳旭輝實業控股有限公司), a company established in the PRC with limited liability and an onshore subsidiary controlled by the Company |
| “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, 8 September 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