

THIS PROSPECTUS IS IMPORTANT AND REQUESTS YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in CIFI Holdings (Group) Co. Ltd., you should at once hand the Prospectus Documents to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

A copy of each of the Prospectus Documents, together with the documents specified in the paragraph headed "12. Documents Registered by the Registrar of Companies in Hong Kong" in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (WUMP) Ordinance. Neither the SFC, nor the Stock Exchange nor the Registrar of Companies takes any responsibility as to the contents of any of these documents.

Shareholders with registered addresses in any jurisdiction other than Hong Kong and Shareholders and Beneficial Owners who are resident in any jurisdiction other than Hong Kong (other than the PRC Southbound Trading Investors) should refer to the important information set out in "Letter from the Board — Terms of the Rights Issue — Rights of the Overseas Shareholders". For the entitlement of the PRC Southbound Trading Investors in participation of the Rights Issue, please refer to the section headed "Letter from the Board — Terms of the Rights Issue — Rights of PRC Southbound Trading Investors" in this prospectus.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited, HKSCC, the Registrar of Companies in Hong Kong and Securities and Futures Commission of Hong Kong take no responsibility for the contents of any of the Prospectus Documents, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of any of the Prospectus Documents.

Distribution of this prospectus into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of this prospectus should acquaint themselves with and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

This prospectus is not an invitation or offer of securities for sale in the United States and neither this prospectus nor any copy thereof may be released or distributed in the United States or any other jurisdiction where such release might be unlawful or to any US persons. The securities have not been and will not be registered under the U.S. Securities Act or laws of any state or jurisdiction of the United States and may not be offered or sold, pledged or transferred in the United States absent registration or an exemption from registration under the U.S. Securities Act. There will be no public offering of securities in the United States.



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)

RIGHTS ISSUE  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY TWENTY (20) EXISTING SHARES HELD ON THE RECORD DATE  
ON A NON-UNDERWRITTEN BASIS

Sole Global Coordinator



The Hongkong and Shanghai Banking Corporation Limited

The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 20 December 2021. The procedure for acceptance and payment for the Rights Shares are set out in the paragraph headed "Letter from the Board — Terms of the Rights Issue — Procedures for acceptance and payment or transfer" of this prospectus.

Subject to the fulfilment of the conditions of the Rights Issue, **the Rights Issue will proceed on a non-underwritten basis** irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an undersubscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed. Pursuant to the Company's constitutional document, the Companies Act, the Companies (WUMP) Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue.

The Shares have been dealt in on an ex-rights basis since Thursday, 25 November 2021. Dealings in the Rights Shares in their nil-paid form will take place from Wednesday, 8 December 2021 to Wednesday, 15 December 2021 (both dates inclusive). Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the date when the conditions of the Rights Issue are fulfilled or waived (as applicable) (which is expected to be at 4:00 p.m. on Tuesday, 21 December 2021) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed.

## NOTICES

**EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS, BENEFICIAL OWNERS OR INVESTORS IN THE EXCLUDED JURISDICTIONS.** This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or the fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or the fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this prospectus, the PAL or the EAF will be registered or filed under the applicable securities or equivalent legislation of any jurisdiction other than Hong Kong and the PRC (in accordance with the CSRC Notice) and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this prospectus, the PAL and the EAF qualify for distribution under any of the relevant securities laws of any jurisdiction other than Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company).

No action has been taken to permit a public offering of the nil-paid Rights Shares or the fully-paid Rights Shares, other than in Hong Kong, or the distribution of this prospectus in any jurisdiction other than Hong Kong, except for the distribution to the PRC Southbound Trading Investors. Accordingly, this prospectus may not be used for the purpose of, and does not constitute, an offer or invitation in any jurisdiction or in any circumstances in which such an offer or invitation is not authorised or to any person to whom it is unlawful to make such an offer or invitation. The distribution of this prospectus and the offering of the nil-paid Rights Shares or the fully-paid Rights Shares in other jurisdictions are subject to restrictions and may not be made except as permitted under the applicable securities laws of such jurisdictions pursuant to registration with or authorisation by the relevant securities regulatory authorities or an exemption therefrom.

Each person acquiring the nil-paid Rights Shares or the fully-paid Rights Shares under the Rights Issue will be required to confirm, or be deemed by his/her/its acquisition of the nil-paid Rights Shares or the fully-paid Rights Shares to confirm, that he/she/it is aware of the restrictions on offers and sales of the nil-paid Rights Shares or the fully-paid Rights Shares described in this prospectus.

Shareholders with registered addresses in any jurisdiction other than Hong Kong and Shareholders and Beneficial Owners who are residents of jurisdiction other than Hong Kong are referred to the sections headed “Letter from the Board — Terms of the Rights Issue — Rights of the Overseas Shareholders” in this prospectus.

### **NOTICE TO THE PRC SOUTHBOUND TRADING INVESTORS**

The PRC Southbound Trading Investors can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe (in full or in part) for their pro rata entitlement in respect of Shares held on the Rights Issue Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. However, ChinaClear will not support applications by such PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through China Connect. The PRC Southbound Trading Investors (or the

## NOTICES

relevant ChinaClear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under China Connect but could not purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors. The PRC Southbound Trading Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the CSRC in accordance with the CSRC Notice.

### NOTICE TO INVESTORS IN SINGAPORE

The offer of nil-paid Rights Shares and the fully-paid Rights Shares by the Company is made only to and directed at, and the nil-paid Rights Shares and fully-paid Rights Shares are only available to, persons in Singapore who are existing members of the Company. This prospectus has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, the Prospectus Documents and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the nil-paid Rights Shares and fully-paid Rights Shares may not be circulated or distributed, nor may the nil-paid Rights Shares and fully-paid Rights Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) existing members of the Company under Section 273(1)(cd)(i) of the Securities and Futures Act (Chapter 289) of Singapore (the “SFA”); and (ii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

This prospectus has been given to you on the basis that you are an existing registered Shareholder. In the event that you are not an existing registered Shareholder, please return this prospectus immediately.

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## DEFINITIONS

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

|                               |  |
|-------------------------------|--|
| “Announcement”                | the announcement of the Company dated 9 November 2021 in relation to, among other things, the Rights Issue   |
| “Beneficial Owner(s)”         | any beneficial owner(s) of Shares whose Shares are registered in the name of a Registered Owner  |
| “Board”                       | the board of directors of the Company  |
| “Business Day”                | a day (excluding Saturday and any day on which a tropical cyclone warning number 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business |
| “CCASS”                       | the Central Clearing and Settlement System established and operated by HKSCC   |
| “CCASS Clearing Participant”  | a person admitted by HKSCC to participate in CCASS as a direct clearing participant or general clearing participant  |
| “CCASS Custodian Participant” | a person admitted by HKSCC to participate in CCASS as a custodian participant  |
| “CCASS Investor Participant”  | a person admitted to participate in CCASS as an investor participant who may be an individual or joint individuals or a corporation  |
| “CCASS Participant”           | a CCASS Clearing Participant or a CCASS Custodian Participant or a CCASS Investor Participant  |
| “ChinaClear”                  | China Securities Depository and Clearing Corporation Limited   |
| “China Connect”               | Shanghai-Hong Kong Stock Connect or Shenzhen-Hong Kong Stock Connect, a securities trading and clearing platform under which PRC domestic investors may trade in the Stock Exchange via ChinaClear   |

## DEFINITIONS

|                               |   |
|-------------------------------|---|
| “CIFI Ever Sunshine Services” | CIFI Ever Sunshine Services Group Limited (formerly known as Ever Sunshine Lifestyle Services Group Limited), a company incorporated in Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 01995) |
| “Companies Act”               | the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of Cayman Islands   |
| “Companies (WUMP) Ordinance”  | Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)   |
| “Company”                     | CIFI Holdings (Group) Co. Ltd., a company incorporated in Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 00884)   |
| “controlling shareholders”    | has the same meaning ascribed to it under the Listing Rules   |
| “CSRC”                        | China Securities Regulatory Commission  |
| “CSRC Notice”                 | the notice of the CSRC “Filing Requirements for Hong Kong Listed Issuers Making Rights Issues to Mainland Shareholders through Mainland-Hong Kong Stock Connect” (Announcement [2016] No. 21)   |
| “Ding Chang”                  | Ding Chang Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly held by Sun Success Trust, which is a family trust set up by Mr. LIN Zhong, being an executive Director, as settlor  |
| “Director(s)”                 | the director(s) of the Company  |
| “EAF(s)”                      | the excess application form(s) for use by the Qualifying Shareholders (other than the PRC Southbound Trading Investors) who wish to apply for Rights Shares in excess of their entitlements under the Rights Issue  |
| “Eminent Talent”              | Eminent Talent Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly held by a family trust set up by Mr. LIN Wei, being an executive Director, as settlor  |

## DEFINITIONS

|                            |  |
|----------------------------|--|
| “Excluded Shareholder(s)”  | Overseas Shareholder(s) whom the Board, based on legal advice provided by legal advisers, considers it necessary or expedient not to offer the Rights Shares to such Shareholders on account of either legal restrictions under the laws of relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| “Group”                    | the Company and its subsidiaries   |
| “HKSCC”                    | Hong Kong Securities Clearing Company Limited  |
| “HK\$”                     | Hong Kong dollars, the lawful currency of Hong Kong  |
| “Hong Kong”                | the Hong Kong Special Administrative Region of the PRC   |
| “Intermediary(ies)”        | in relation to a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the Beneficial Owner’s broker, custodian, nominee or other relevant person who is a CCASS Participant or who has deposited the Beneficial Owner’s Shares with a CCASS Participant                            |
| “Irrevocable Undertakings” | the letters of irrevocable undertaking dated 9 November 2021 executed by Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong, Mr. LIN Feng in favour of the Company, the principal terms of which are disclosed in the section headed “The Irrevocable Undertaking” in this document  |
| “Last Trading Day”         | 8 November 2021, being the last trading day of the Shares on the Stock Exchange preceding the date of the Announcement   |
| “Latest Practicable Date”  | 29 November 2021, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information for inclusion in this prospectus   |

## DEFINITIONS

|                                      |  |
|--------------------------------------|--|
| “Laws”                               | any national, central, federal, provincial, state, regional, municipal, local or foreign laws, statutes, ordinances, legal codes, regulations or rules, including without limitation, common law or case law and any rules, regulations, guidelines, circulars (in each case, to the extent mandatory or, if not complied with, the basis for legal, administrative or regulatory consequences), judgements or rulings |
| “Listing Rules”                      | the Rules Governing the Listing of Securities on the Stock Exchange  |
| “Overseas Shareholder(s)”            | Shareholder(s) with registered addresses (as shown in the register of members of the Company on the Record Date) which are outside Hong Kong   |
| “PAL(s)”                             | the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue  |
| “Posting Date”                       | 6 December 2021 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders  |
| “PRC”                                | the People’s Republic of China   |
| “PRC Southbound Trading Investor(s)” | the PRC southbound trading investor(s) through China Connect who hold(s) the Share(s) through ChinaClear and/or HKSCC Nominees Limited as nominee(s)   |
| “Prospectus Documents”               | this prospectus, the PAL and the EAF   |
| “Qualifying Shareholders”            | Shareholders whose names appear on the register of members of the Company on the Record Date, other than the Excluded Shareholder  |
| “Rain-Mountain”                      | Rain-Mountain Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly held by Sun-Mountain Trust, which is a family trust set up by Mr. LIN Feng, being an executive Director, as settlor  |
| “Record Date”                        | 3 December 2021  |



## DEFINITIONS

|                       |  |
|-----------------------|--|
| “Registered Owner”    | in respect of a Beneficial Owner, means a nominee, trustee, depositary or any other authorised custodian or third party which is the registered holder in the Company’s register of members of the Shares in which the Beneficial Owner is beneficially interested   |
| “Registrar”           | Computershare Hong Kong Investor Services Limited, the Company’s Hong Kong branch share registrar and transfer office  |
| “Rights Issue”        | the proposed issue of the Rights Shares at the Subscription Price on the basis of one (1) Rights Share for every twenty (20) existing Shares, payable in full upon acceptance  |
| “Rights Share(s)”     | a maximum of 418,913,796 Rights Shares (assuming no change in the number of Shares in issue other than the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date) new Shares to be allotted and issued by way of rights to the Qualifying Shareholders under the Rights Issue |
| “Rosy Fortune”        | Rose Fortune Investments Limited, a company incorporated in the British Virgin Islands with limited liability, is wholly held by LIN’s Family Trust, which is a family trust jointly set up by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, being the executive Directors, as settlors. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are brothers and founders of the Group                       |
| “SFC”                 | the Securities and Futures Commission in Hong Kong   |
| “SFO”                 | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)  |
| “Share(s)”            | the ordinary share(s) with par value of HK\$0.10 each in the issued share capital of the Company   |
| “Share Option(s)”     | the total of 156,494,500 outstanding share options to subscribe for 156,494,500 Shares granted under the Share Option Scheme   |
| “Share Option Scheme” | the existing share option scheme adopted by the Company on 27 April 2016   |

## DEFINITIONS

|                           |   |
|---------------------------|---|
| “Shareholder(s)”          | holder(s) of Share(s) from time to time   |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |
| “Subscription Price”      | the subscription price of HK\$4.00 per Rights Share under the Rights Issue  |
| “Takeovers Code”          | the Hong Kong Code on Takeovers and Mergers   |
| “U.S.” or “United States” | the United States of America  |
| “U.S. Securities Act”     | the U.S. Securities Act of 1933   |
| “Vested Share Options”    | Share Options which have been validly vested to the holders entitling them to subscribe for Shares on or before the Record Date (being Share Options in respect of 13,494,500 Shares as at the Latest Practicable Date) |
| “%”                       | per cent  |

*In this prospectus, unless otherwise specified, conversion of HK\$ into RMB, is based on the exchange rate of HK\$1.2166 equal to RMB1.00, for information purpose only. Such conversion should not be construed as a representation that the relevant amounts have been, could have been, or could be converted at that or any other rate or at all.*

## EXPECTED TIMETABLE

*The expected timetable for the Rights Issue and the associated trading arrangement is set out below.*

| <b>Event</b>  | <b>Time and Date</b>                       |
|---|--|
| First day of dealings in nil-paid Rights Shares .....   | 9:00 a.m. on<br>Wednesday, 8 December 2021 |
| Latest time for splitting of nil-paid Rights Shares .....   | 4:30 p.m. on<br>Friday, 10 December 2021   |
| Last day of dealings in nil-paid Rights Shares .....  | Wednesday, 15 December 2021                |
| Latest time for acceptance of and payment for<br>the Rights Shares and for application and<br>payment for excess Rights Shares .....          | 4:00 p.m. on<br>Monday, 20 December 2021   |
| Rights Issue expected to become unconditional .....   | 4:00 p.m. on<br>Tuesday, 21 December 2021  |
| Announcement of results of the Rights Issue .....   | Tuesday, 28 December 2021                  |
| Despatch of certificates for the fully-paid<br>Rights Shares .....  | Wednesday, 29 December 2021                |
| Despatch of refund cheques, if any, for wholly or<br>partially unsuccessful excess applications or<br>if the Rights Issue is terminated ..... | Wednesday, 29 December 2021                |
| Dealings in the fully-paid Rights Shares<br>expected to commence .....  | Thursday, 30 December 2021                 |
| Designated broker starts to stand in the market to<br>provide matching services for odd lots of Shares .....                                  | 9:00 a.m. on<br>Thursday, 30 December 2021 |
| Designated broker ceases to provide matching services<br>for odd lots of Shares .....   | 4:00 p.m. on<br>Friday, 21 January 2022    |

All times and dates stated in this prospectus refer to Hong Kong local times and dates. Dates or deadlines specified in the expected timetable above are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders as and when appropriate.

## EXPECTED TIMETABLE

### EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, “extreme conditions” caused by super typhoons as announced by the government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 20 December 2021. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 20 December 2021. Instead, the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance does not take place on Monday, 20 December 2021, the dates mentioned herein may be affected. The Company will notify the Shareholders by way of announcement(s) on any change to the expected timetable as soon as practicable.



**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)**

*Executive Directors*

Mr. LIN Zhong (*Chairman*)  
Mr. LIN Wei (*Vice-chairman*)  
Mr. LIN Feng (*Chief Executive Officer*)  
Mr. CHEN Dongbiao  
Mr. YANG Xin (*Chief Financial Officer*)

*Non-Executive Director*

Mr. WANG Wei

*Independent Non-Executive Directors*

Mr. GU Yunchang  
Mr. ZHANG Yongyue  
Mr. TAN Wee Seng

*Registered Office:*

P.O. Box 309  
Ugland House,  
Grand Cayman KY1-1104,  
Cayman Islands

*Principal Place of Business  
in Hong Kong:*

22/F., One Hennessy,  
No. 1 Hennessy Road,  
Wan Chai, Hong Kong

6 December 2021

*To the Qualifying Shareholders and, for information purpose only, the Excluded Shareholders*

Dear Sir/Madam

**RIGHTS ISSUE  
ON THE BASIS OF ONE (1) RIGHTS SHARE  
FOR EVERY TWENTY (20) EXISTING SHARES  
HELD ON THE RECORD DATE  
ON A NON-UNDERWRITTEN BASIS**

**INTRODUCTION**

Reference is made to the Announcement, pursuant to which the Board announced that the Company proposed to raise up to (i) approximately HK\$1,673 million before expenses, by issuing 418,239,071 Rights Shares to the Qualifying Shareholders by way of the Rights Issue on the basis of 1 Rights Share for every 20 Existing Shares (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$1,676 million before expenses by way of the issue of 418,913,796 Rights Shares (assuming no change in the number of Shares in issue other than the full exercise of outstanding Share Options and the holders of such Share Options are registered as holders of such Shares on or before the Record Date), at the Subscription Price of HK\$4.00 per Rights Share. The Rights Issue is only available to the Qualifying Shareholders.

## LETTER FROM THE BOARD

The purpose of this prospectus is to provide you with, among other things, further information on the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you and application for excess Rights Shares, together with the financial and other information of the Company.

### TERMS OF THE RIGHTS ISSUE

#### Rights Issue statistics

|  |   |   |
|--|---|---|
| Basis of the Rights Issue  | : | One (1) Rights Share for every twenty (20) existing Shares in issue and held on the Record Date by the Qualifying Shareholders  |
| Number of Shares in issue as of the Latest Practicable Date                        | : | 8,364,781,432 Shares  |
| Number of Rights Shares  | : | Up to 418,239,071 Rights Shares (assuming there is no change in the issued share capital of the Company on or before the Record Date) and up to 418,913,796 Rights Shares (assuming no change in the number of Shares in issue other than the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date)   |
| Subscription Price   | : | HK\$4.00 per Rights Share   |
| Number of Shares in issue immediately following the completion of the Rights Issue | : | Up to 8,783,020,503 Shares (assuming there is no other change in the issued share capital of the Company from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue) and up to 8,797,189,728 Shares (assuming there is no other change in the issued share capital of the Company from the date of the Announcement up to and including the completion of the Rights Issue other than the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and the Rights Issue) |

## LETTER FROM THE BOARD

- Aggregate nominal value of the Rights Shares : Up to HK\$41,823,907.10 (assuming there is no other change in the issued share capital of the Company from the date of the Announcement up to and including the completion of the Rights Issue other than the Rights Issue) and up to HK\$41,891,379.60 (assuming there is no other change in the issued share capital of the Company from the date of the Announcement up to and including the completion of the Rights Issue other than the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and the Rights Issue)
- Amount to be raised : Up to approximately HK\$1,673 million before expenses (assuming there is no other change in the issued share capital of the Company from the date of this announcement up to and including the completion of the Rights Issue other than the Rights Issue) and up to approximately HK\$1,676 million before expenses (assuming there is no other change in the issued share capital of the Company from the date of this announcement up to and including the completion of the Rights Issue other than the full exercise of the Vested outstanding Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and the Rights Issue)

As at the Latest Practicable Date, there are 156,494,500 outstanding Share Options granted by the Company, of which 13,494,500 are Vested Share Options. Assuming the full exercise of the subscription rights attached to the Vested Share Options by their holders and such holders are registered as holders of the Shares allotted and issued on or before the Record Date, a total of 13,494,500 new Shares would fall to be allotted and issued, which would result in the issue of 674,725 additional Rights Shares. Save for the foregoing, as at the date of Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 418,239,071 Rights Shares proposed to be issued pursuant to the Rights Issue represents approximately 4.75% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

## LETTER FROM THE BOARD

Assuming no change in the number of issued Shares on or before the Record Date other than the full exercise of outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 418,913,796 Rights Shares proposed to be issued pursuant to the Rights Issue represents approximately 4.76% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Share.

### **The Subscription Price**

The Subscription Price is HK\$4.00 per Rights Share and is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares applies for the relevant Rights Shares.

The Subscription Price represents:

- (a) a discount of 8.05% to the closing price of HK\$4.35 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (b) a discount of 2.91% to the closing price of HK\$4.12 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (c) a discount of approximately 4.12% to the average closing price of HK\$4.172 per Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including the Last Trading Day;
- (d) a discount of approximately 7.98% to the average closing price of HK\$4.347 per Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including the Last Trading Day;
- (e) a discount of 2.77% to the theoretical ex-rights price of HK\$4.114 based on the closing price of HK\$4.12 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (f) a discount of approximately 8.79% to the net asset value of approximately HK\$4.39 per Share based on the audited net asset value attributable to owners of the Company of approximately HK\$36,052 million as at 31 December 2020 and 8,220,467,065 Shares.

The Subscription Price was determined by the Directors with reference to, among other things, the recent market price of the Shares and the prevailing market conditions.

The Board considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the relevant provisional allotment of Rights Shares will be approximately HK\$3.98 (assuming no change in the



## LETTER FROM THE BOARD

number of Shares in issue on or before the Record Date) and approximately HK\$3.98 (assuming no change in the number of Shares in issue other than the full exercise of outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date).

### **Basis of provisional allotments**

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every twenty (20) existing Shares in issue and held by the Qualifying Shareholders on the Record Date. Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing the PAL in accordance with the instructions printed thereon and lodging the same with a remittance for the Rights Shares being applied for. Please refer to the paragraph headed "Procedures for the full amount payable on acceptance and payment or transfer" below for further details. Any holdings (or balance of holdings) of less than twenty (20) Shares will not entitle their holders to be provisionally allotted a Rights Share. Please refer to the arrangement as referred to in the paragraph headed "Fractional entitlements" below.

If a Qualifying Shareholder wishes to accept only part of, or transfer a part of, his/her/its Rights Shares provisionally allotted to him/her/it under the PAL or to transfer his/her/its rights to more than one person, please refer to the sub-paragraphs headed "Transfers and "splitting" of nil-paid Rights Shares" under the paragraph headed "Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of Rights Shares" below.

### **Fractional entitlements**

The Company will not provisionally allot and will not accept applications for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and all nil-paid Rights Shares arising from such aggregation will be sold in the market and the proceeds will be retained by the Company for its own benefit, if a premium (net of expenses and stamp duty) can be obtained. Any such unsold aggregated fractions of nil-paid Rights Shares will be made available for excess application by the Qualifying Shareholders (other than the PRC Southbound Trading Investors).

### **Odd lot matching services**

Upon completion of the Rights Issue, the board lots of the Company will remain as 2,000 Shares. In order to facilitate the trading of odd lots of Shares which will arise upon the Rights Issue, the Company has appointed the Registrar whose address is at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as an agent to provide matching service, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Shares to make up a full board lot, or to dispose of their holding of odd lots of the Shares. Shareholders who wish to take advantage of this service may make an appointment in advance by dialling the telephone number of the Registrar at telephone number (852) 2862 8555 during office hours (i.e. 9:00 a.m. to 6:00 p.m.) during the period (other than public holidays) from 9:00 a.m. on Thursday, 30 December 2021 to 4:00 p.m. on Friday, 21 January 2022 (both days inclusive).

## LETTER FROM THE BOARD

Holders of Shares in odd lots should note that the matching services mentioned above are on a “best effort” basis only and successful matching of the sale and purchase of odd lots of Shares is not guaranteed and will depend on there being adequate amount of odd lots of Shares available for matching. Any Shareholder who is in any doubt about the odd lots arrangements is recommended to consult his/her/its own professional advisers.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully-paid) will rank pari passu in all respects with the then existing Shares in issue. Holders of the fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid in respect thereof on or after the date of allotment and issue of such Rights Shares in their fully-paid form.

### **Qualifying Shareholders**

The Rights Issue will only be available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders, and this prospectus will only be sent to the Excluded Shareholders for their information only if the Company reasonably considers it practicable to do so. Please take special note that the Company will send the PAL and EAF to the Qualifying Shareholders only.

To qualify for the Rights Issue, a Shareholder must: (i) be registered as a member of the Company at the close of business on the Record Date; and (ii) not be an Excluded Shareholder.

For the entitlement of Overseas Shareholders (excluding the PRC Southbound Trading Investors), in participation of the Rights Issue, please refer to “Rights of the Overseas Shareholders” below. For the entitlement of the PRC Southbound Trading Investors in participation of the Rights Issue, please refer to “Rights of PRC Southbound Trading Investors” below.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up his/her/its/their entitlement in full under the Rights Issue, his/her/its/their proportionate shareholding in the Company may be diluted.

### **Rights of PRC Southbound Trading Investors**

According to the “Stock Connect Southbound Shareholding Search” available on the Stock Exchange’s website, as at 27 November 2021, ChinaClear held 449,279,559 Shares, representing approximately 5.36% of the total number of the issued Shares.

## LETTER FROM THE BOARD

The Directors have made the relevant enquiries and they were advised that the PRC Southbound Trading Investors who hold Shares through ChinaClear as nominee under China Connect can participate in the Rights Issue through ChinaClear. ChinaClear will provide nominee services for the PRC Southbound Trading Investors to (i) sell (in full or in part) their nil-paid Rights Shares on the Stock Exchange; and/or (ii) subscribe for the Rights Shares (in full or in part) for their pro rata entitlement in respect of Shares held on the Record Date at the Subscription Price under the Rights Issue in accordance with the relevant laws and regulations. In addition, according to the PRC legal adviser of the Company, the PRC Southbound Trading Investors (or the relevant ChinaClear participants as the case may be) whose stock accounts are credited with nil-paid Rights Shares could only sell those nil-paid Rights Shares on the Stock Exchange under China Connect but could not purchase any other nil-paid Rights Shares nor transfer any nil-paid Rights Shares to other PRC Southbound Trading Investors. The PRC Southbound Trading Investors cannot sell or subscribe for Rights Shares until after the Company completes its filing with the CSRC.

**The PRC Southbound Trading Investors should seek advice from their intermediary (including broker, custodian, nominee or ChinaClear participant) and/or other professional advisers for details of the logistical arrangements as required by ChinaClear, and provide instructions for such intermediary in relation to the acceptance and/or sale of the nil-paid Rights Shares. Such instructions should be given in advance of the latest time for acceptance of and payment for the Rights Shares (4:00 p.m. on Monday, 20 December 2021) or last day of dealing in nil-paid Rights Shares (Wednesday, 15 December 2021) and otherwise in accordance with the requirements of the intermediary of the PRC Southbound Trading Investors and/or ChinaClear in order to allow sufficient time to ensure that such instructions are given effect.**

According to the PRC legal adviser of the Company, as the Prospectus Documents have not been and are not intended to be filed with or approved by the CSRC other than in accordance with the relevant requirements of China Connect, the Rights Shares in nil-paid or fully-paid forms issued to the PRC Southbound Trading Investors shall not be offered and may not be offered or sold directly or indirectly in the PRC to any person or entity, unless through China Connect, or the person or entity has otherwise been exempt by or has obtained the necessary and appropriate approvals from the relevant PRC authorities in accordance with the applicable PRC laws and regulations.

The Prospectus Documents may not be distributed in or forwarded to the PRC or used in connection with any offer for subscription or sale of the Rights Shares (in nil-paid and fully-paid forms) in the PRC, except that the same may be despatched to ChinaClear or to the extent in compliance with applicable PRC laws and regulations, and the Prospectus Documents may not be made publicly available in the PRC.

### **Rights of the Overseas Shareholders**

The Prospectus Documents are not expected to be registered under the applicable securities legislation of any jurisdiction other than (i) Hong Kong and (ii) the PRC, in accordance with the CSRC Notice after the approval from the Stock Exchange for the listing of the Rights Shares (in nil-paid and fully-paid forms) has been obtained.

## LETTER FROM THE BOARD

If at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may or may not be eligible to take part in the Rights Issue. If, based on the advice provided by the legal advisers to the Company pursuant to the Company's enquiries in compliance with Rule 13.36(2)(a) of the Listing Rules and make enquiries regarding the feasibility of extending the offer of the Rights Shares to the Overseas Shareholders (if any), the Directors consider that it is necessary or expedient not to offer the Rights Shares to any Overseas Shareholders on account of either the legal restrictions under the laws of the place(s) of their registered address(es) or the requirements of the relevant regulatory body(ies) or stock exchange(s) in such place(s), the Rights Issue will not be extended to such Overseas Shareholders.

Based on the register of members of the Company as at the Latest Practicable Date, there were one Overseas Shareholder with registered address in Singapore, who held 10,000 Shares (representing approximately 0.0001% of the total number of issued Shares).

### *Excluded Shareholders*

Excluded Shareholders are (i) those Overseas Shareholders; and (ii) those Shareholders and Beneficial Owners who are known by the Company to be residents of places outside Hong Kong (other than the PRC Southbound Trading Investors), in respect of whom the Directors, based on relevant enquiries, consider it is necessary or expedient not to offer the Rights Shares on account either of the legal restrictions under the Laws of the relevant place in which the Shareholder or Beneficial Owner (as the case maybe) is located or any requirement of the relevant regulatory body or stock exchange in that place.

The Board has made due enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the legal restrictions under the laws of Singapore and the requirements of the relevant regulatory body or stock exchange in respect of the Rights Issue in Singapore. The Board has been advised that the Prospectus Documents would not be required to be registered with any regulatory body or stock exchange in Singapore and may be despatched to the Overseas Shareholder with registered address in Singapore.

As at the Latest Practicable Date, there were no Excluded Shareholders.

Notwithstanding any other provision in this prospectus or the PAL or the EAF, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

Receipt of this prospectus and/or a PAL and/or an EAF or the crediting of Rights Share(s) in nil-paid form to a stock account in CCASS does not and will not constitute an offer in those jurisdictions in which it would be illegal to make an offer and, in those circumstances, this prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed.

## LETTER FROM THE BOARD

With respect to Excluded Shareholders who hold interests in Shares through CCASS, their nominees, custodians or other Intermediaries may sell, on such Excluded Shareholders' behalf, their entitlements to the nil-paid Rights Shares in compliance with applicable securities laws and distribute the proceeds thereof as appropriate.

The Company will send this prospectus only (without PAL and EAF) to the Excluded Shareholders (if any) for their information. Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, above HK\$100 will be distributed by the Company to the relevant Excluded Shareholders pro rata to their shareholdings on the Record Date (but rounded down to the nearest cent) in Hong Kong dollars. The Company will retain individual amounts of HK\$100 or less for the benefit of the Company. Any unsold nil-paid Rights Shares of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

The Company reserves the right to treat as invalid any acceptance of or application for the nil-paid Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, Overseas Shareholders and Beneficial Owners who are residing outside Hong Kong should exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

### **Procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares**

#### *General*

Any person (including, without limitation, agents, nominees and trustees) wishing to take up his/her/its rights under the Rights Issue must satisfy himself/herself/itself as to full observance of the applicable Laws of any relevant territories including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such territories. The attention of Shareholders with registered addresses in, and Shareholders or Beneficial Owners who are otherwise residing in, any jurisdiction other than Hong Kong (other than the PRC Southbound Trading Investors) and persons holding Shares on behalf of persons with such addresses or residences is drawn to the sections above headed "Rights of the Overseas Shareholders".

## LETTER FROM THE BOARD

Each purchaser of nil-paid Rights Shares or subscriber of Rights Shares will be deemed (by accepting delivery of this prospectus) to have given each of the following representations and warranties to the Company, unless in their sole discretion the Company waives such requirement:

- He/she/it was a Shareholder on the Record Date, or he/she/it lawfully acquired or may lawfully acquire the rights, directly or indirectly, from such a person;
- He/she/it may lawfully be offered, take up, obtain, subscribe for and receive the rights and/or the Rights Shares in the jurisdiction in which he/she/it resides or is currently located;
- He/she/it is not resident or located in, or a citizen of, the U.S.;
- He/she/it is not accepting an offer to acquire or take up the rights or Rights Shares on a non-discretionary basis for a person or for the account of a person who is resident or located in, or a citizen of, the U.S. at the time the instruction to accept was given;
- He/she/it is acquiring the rights and/or the Rights Shares in an “offshore transaction” as defined in Regulation S under the U.S. Securities Act;
- He/she/it has not been offered the Rights Shares by means of any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act;
- He/she/it is not acquiring rights or Rights Shares or subscribing for or accepting Rights Shares with a view to the offer, sale, renouncement, transfer, delivery or distribution, directly or indirectly, of such rights or Rights Shares into the U.S.; and
- He/she/it understands that neither the rights nor the Rights Shares have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state, territories, or possession of the U.S. and the rights and Rights Shares are being distributed and offered only outside the U.S. in reliance on Regulation S under the U.S. Securities Act. Consequently he/she/it understands the rights or Rights Shares may not be offered, sold, renounced, pledged or otherwise transferred in or into the U.S., except in reliance on an exemption from, or in transactions not subject to, the registration requirements of the U.S. Securities Act.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to any of the representations and warranties above.

## LETTER FROM THE BOARD

### *Action to be taken by Qualifying Shareholders*

#### *Subscription for all Rights Shares provisionally allotted*

For each Qualifying Shareholder, a PAL is enclosed with this prospectus which entitles the Qualifying Shareholder to subscribe for the number of Rights Shares shown therein. If you are a Qualifying Shareholder and wish to exercise your right to take up the Rights Shares specified in the enclosed PAL, you must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Monday, 20 December 2021. All remittances must be made in Hong Kong dollars and cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**CIFI HOLDINGS (GROUP) CO. LTD. — RIGHTS ISSUE ACCOUNT**" and crossed "**Account Payee Only**".

A PAL can be lodged from Tuesday, 7 December 2021 to Monday, 20 December 2021 (both days inclusive) at these times:

|  |                             |
|--|-----------------------------|
| Monday to Friday:                                      | 9:00 a.m. to 4:30 p.m.; and |
| Last day for acceptance<br>(Monday, 20 December 2021): | 9:00 a.m. to 4:00 p.m.      |

It should be noted that unless the PAL, together with the appropriate remittance, has been lodged with the Registrar by 4:00 p.m. on Monday, 20 December 2021 whether by the original allottee or any person to whom the rights have been validly transferred, the relevant provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

The PAL contains further information regarding the procedures to be followed for acceptance of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques and cashier's orders accompanying completed PALs will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. Completion and return of PAL together with a cheque or cashier's order in payment for the Rights Shares accepted will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. If the Rights Issue does not proceed, the monies received in respect of the relevant provisional allotments will be refunded to the Qualifying Shareholders or such other person to whom the Rights Shares in their nil-paid form have been validly renounced or transferred or, in the case of

## LETTER FROM THE BOARD

joint acceptances, to the first-named person, without interest and by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders or such other persons to their registered addresses by the Registrar on or before Wednesday, 29 December 2021.

No receipt will be given in respect of any application monies received.

You must pay the exact amount payable upon application for the Rights Shares by cheque or cashier's order. Underpaid applications will be rejected. In the event of overpaid application, a refund cheque will be made out to you only if the overpaid amount is HK\$100 or above.

### *Transfers and "splitting" of nil-paid Rights Shares*

The nil-paid Rights Shares can be traded on the Stock Exchange. A Qualifying Shareholder can accept all of his/her/its provisional allotment of Rights Shares, or sell all of his/her/its provisional allotment on the Stock Exchange or accept only part of his/her/its provisional allotment and sell the remaining part on the Stock Exchange.

If a Qualifying Shareholder wishes to accept only part of, or to renounce or to transfer a part of, his/her/its Rights Shares provisionally allotted to him/her/it under the PAL or to renounce or to transfer part/all of his/her/its rights to more than one person, the entire PAL must be surrendered and lodged for cancellation together with a covering letter stating clearly the number of split PALs required and the number of nil-paid Rights Shares to be comprised in each split PAL (which, in aggregate, should be equal to the number of Rights Shares provisionally allotted to such holder as stated in Box B of the original PAL), no later than 4:30 p.m. on Friday, 10 December 2021 to the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, which will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at the above address after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly known as "splitting" the nil-paid Rights Shares.

Having "split" the nil-paid Rights Shares, a Qualifying Shareholder who wishes to accept the provisional allotment of Rights Shares represented by a new PAL should do so in accordance with the instructions given in the paragraph headed "Subscription for all Rights Shares provisionally allotted".

If a Qualifying Shareholder wishes to renounce or transfer all of his/her/its nil-paid Rights Shares under a PAL (or a split PAL, as the case may be) to another person, he/she/it should complete and sign the "Form of Transfer and Nomination" (Form B) in the PAL and hand the PAL to the person to or through whom he/she/it is transferring his/her/its nil-paid Rights Shares. The transferee must then complete and sign the same "Registration Application Form" (Form C) in the PAL and lodge the PAL intact together with a remittance for the full amount payable on acceptance with the Registrar no later than 4:00 p.m. on Monday, 20 December 2021.

It should be noted that Hong Kong stamp duty is payable in connection with the transfer of nil-paid Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.



## LETTER FROM THE BOARD

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

***Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS)***

*Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares*

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to subscribe for the Rights Shares provisionally allotted to such Registered Owner in respect of your Shares, or sell the nil-paid Rights Shares or “split” the nil-paid Rights Shares and accept part of the provisional allotment and sell the remaining part, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” and otherwise in accordance with the requirements of the Registered Owner in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

***Action to be taken by Beneficial Owners holding interests in Shares through CCASS***

*Subscription for Rights Shares provisionally allotted and transfers and “splitting” of nil-paid Rights Shares*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to subscribe for the Rights Shares provisionally allotted to you, or sell your nil-paid Rights Shares or “split” your nil-paid Rights Shares and accept part of your provisional allotment and sell the remaining part, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted in respect of the Shares in which you are beneficially interested.

Such instructions and/or arrangements should be given or made in advance of the relevant dates stated in the section headed “Expected Timetable” and otherwise in accordance with the requirements of your Intermediary in order to allow your Intermediary sufficient time to ensure that your instructions are given effect. The procedure for acceptance, transfer and/or “splitting” by CCASS Participants of the Rights Shares provisionally allotted to CCASS stock accounts in respect of the Shares registered in the name of HKSCC Nominees Limited shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

## LETTER FROM THE BOARD

Beneficial Owners who are CCASS Investor Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to the manner in which such Beneficial Owners' interests in Rights Shares should be dealt with. The procedures for acceptance, transfer and/or "splitting" of Rights Shares provisionally allotted to Beneficial Owners who have been admitted to participate in CCASS as CCASS Investor Participants shall be in accordance with "An Operating Guide for Investor Participants" and any other requirements of CCASS.

### **Application for excess Rights Shares**

Qualifying Shareholders (other than the PRC Southbound Trading Investors) may apply, by way of excess application, for (i) any unsold entitlements of the Excluded Shareholders; (ii) any Rights Shares provisionally allotted but not accepted; and (iii) any unsold Rights Shares arising out of the aggregation of fractional entitlements.

Application for excess Rights Shares can be made only by Qualifying Shareholders (other than the PRC Southbound Trading Investors) and only by duly completing and signing the EAF (in accordance with the instructions printed therein) and lodging the same with a separate cheque or banker's cashier order for the sum payable for such excess Rights Shares with the Registrar at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:00 p.m. on Monday, 20 December 2021. All remittances must be made in Hong Kong dollars, and cheques must be drawn on an account with, and cashier's orders must be issued by, a licensed bank in Hong Kong and made payable to "**CIFI HOLDINGS (GROUP) CO. LTD. — EXCESS APPLICATION ACCOUNT**" and crossed "**Account Payee Only**".

An EAF can be lodged from Tuesday, 7 December 2021 to Monday, 20 December 2021 (both days inclusive) at the following times:

|  |                             |
|--|-----------------------------|
| Monday to Friday:                                      | 9:00 a.m. to 4:30 p.m.; and |
| Last day for acceptance<br>(Monday, 20 December 2021): | 9:00 a.m. to 4:00 p.m.      |

The Directors will allocate the excess Rights Shares (if any) at their discretion on a fair and equitable basis and on a pro rata basis in proportion to the number of excess Rights Shares being applied for under each application. No reference will be made to Rights Shares subscribed through applications by PAL(s) or the existing number of Shares held by Qualifying Shareholders. If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders under PAL(s) is greater than the aggregate number of excess Rights Shares applied for through EAF(s), the Directors will allocate in full to each Qualifying Shareholder (other than the PRC Southbound Trading Investors) the number of excess Rights Shares applied for under the EAF(s).

In applying the above principles, reference will only be made to the number of excess Rights Shares being applied for. No preference will be given to topping up odd lots to whole board lots.

## LETTER FROM THE BOARD

If no excess Rights Shares are allotted and issued to a Qualifying Shareholder (other than the PRC Southbound Trading Investors), the amount tendered on application is expected to be refunded to that Qualifying Shareholder in full without any interest by means of cheque(s) despatched by ordinary post and at the risk of such Shareholder to his/her/its registered address on or before Wednesday, 29 December 2021. If the number of excess Rights Shares allotted and issued to a Qualifying Shareholder (other than the PRC Southbound Trading Investors) is less than that applied for, the surplus application monies are also expected to be refunded to such Qualifying Shareholder without any interest by means of cheque(s) despatched by ordinary post to his/her/its registered address and at the risk of such Shareholder on or before Wednesday, 29 December 2021.

If the Rights Issue does not proceed, the monies received in respect of relevant applications for excess Rights Shares will be refunded to the relevant persons without interest, by means of cheque(s) to be despatched by ordinary post to his/her/its registered address at the risk of such persons on or before Wednesday, 29 December 2021.

All cheques and cashier's orders will be presented for payment following receipt and all interest earned on such monies will be retained for the benefit of the Company. Any EAF in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected. Completion and return of an EAF together with a cheque or cashier's order in payment for the excess Rights Shares will constitute a warranty by the applicant(s) that the cheque or cashier's order will be honoured on first presentation. The EAF is for use only by the person(s) to whom it is addressed and is not transferable. All documents, including cheques or cashier's orders for amounts due, will be sent at the risk of the persons entitled thereto to their registered addresses by the Registrar. The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if not completed in accordance with the relevant instructions.

*Action to be taken by Beneficial Owners whose Shares are held by a Registered Owner (other than Shares deposited in CCASS) who wish to apply for excess Rights Shares*

*Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are registered in the name of a Registered Owner and you wish to apply for excess Rights Shares, you should contact the Registered Owner and provide the Registered Owner with instructions or make arrangements with the Registered Owner in relation to such application. Such instructions and/or arrangements should be given or made in advance of the latest time for application and payment for excess Rights Shares stated in the section headed "Expected Timetable" and otherwise in accordance with the requirements of the Registered Owner, in order to allow the Registered Owner sufficient time to ensure that your instructions are given effect.

## LETTER FROM THE BOARD

*Action to be taken by Beneficial Owners holding interest in Shares through CCASS who wish to apply for excess Rights Shares*

*Excess Rights Shares application procedures*

If you are a Beneficial Owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, and you wish to apply for excess Rights Shares, you should (unless you are a CCASS Investor Participant) contact your Intermediary and provide your Intermediary with instructions or make arrangements with your Intermediary in relation to the application for excess Rights Shares. Such instructions and/or arrangements should be given or made in advance of the date stated in the section headed “Expected Timetable” as the latest time for application and payment for excess Rights Shares and otherwise in accordance with the requirements of your Intermediary, in order to allow your Intermediary sufficient time to ensure that your instructions are given effect.

Beneficial Owners who are CCASS Participants should contact CCASS and provide CCASS with instructions or make arrangements with CCASS in relation to any applications for excess Rights Shares. HKSCC Nominees Limited will allocate the excess Rights Shares it receives to the relevant CCASS Participants pro rata to the number of excess Rights Shares each has applied for, or in such other manner as HKSCC Nominees Limited considers fair and appropriate which is pursuant to the allocation basis stipulated in Rule 8.10.4(ix) of the “CCASS Operational Procedures”. The procedures for application for excess Rights Shares shall be in accordance with the “General Rules of CCASS”, the “CCASS Operational Procedures” and any other requirements of CCASS.

For the avoidance of doubt, ChinaClear, a CCASS Participant, will not support applications by the PRC Southbound Trading Investors for excess Rights Shares under the Rights Issue through China Connect.

*Important notice to Beneficial Owners*

Beneficial Owners with their Shares held by a Registered Owner, or which are held in CCASS, should note that the Registered Owner (including HKSCC Nominees Limited) is registered as a single Shareholder according to the register of members of the Company. Accordingly, Beneficial Owners whose Shares are registered in the name of a Registered Owner, or which are held in CCASS, should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to them individually.

**Certificates and refund cheques for the Rights Issue**

Subject to fulfilment of the conditions of the Rights Issue, share certificates for the fully-paid Rights Shares are expected to be despatched by ordinary post on or before Wednesday, 29 December 2021 to those persons who have validly accepted and paid for the Rights Shares and those successful applicants for the excess Rights Shares to the registered address or, in case of joint applicants, to the registered address of the applicant whose name first appears in the register of members of the Company in Hong Kong or, as the case may be, the transfer form, at their own risk. Refund cheques in respect of wholly

## LETTER FROM THE BOARD

or partially unsuccessful applications for excess Rights Shares (if any) will be despatched on or before Wednesday, 29 December 2021 by ordinary post to the registered addresses as aforesaid at the respective applicants' own risks. One share certificate will be issued for all the Rights Shares a shareholder is entitled to.

### **Distribution of the Prospectus Documents**

The Rights Issue will only be available to the Qualifying Shareholders. The Company will despatch the Prospectus Documents to the Qualifying Shareholders. Distribution of this prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, Shareholders and Beneficial Owners, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or Beneficial Owners who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

Receipt of this prospectus and/or a PAL and/or an EAF or the crediting of nil-paid Rights Share(s) to a stock account in CCASS does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with nil-paid Rights Share(s) should not, in connection with the Rights Issue, distribute in or send the same in, into or from, or transfer the nil-paid Rights Shares to any person in, into or from, any such jurisdiction. If a PAL or an EAF or a credit of nil-paid Rights Shares in a stock account in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the nil-paid Rights Shares in CCASS unless the Company determines that such actions would not violate any applicable legal or regulatory requirements. Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this prospectus or a PAL or an EAF in, into or from any such jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Company. Beneficial Owners who reside outside Hong Kong should note that the Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

## LETTER FROM THE BOARD

It is the responsibility of the relevant beneficial owners and/or their respective agents, custodians, nominees or trustees wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

This prospectus will only be sent to the Excluded Shareholders for their information if the Company reasonably considers it practicable to do so.

### **Application for listing**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares will be traded in board lots of 2,000 Shares.

No part of the Shares for which listing or permission to deal is being or is proposed to be sought, is listed, or dealt in on any other stock exchange.

Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Rights Shares will be eligible for admission into CCASS**

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange, the Rights Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the "General Rules of CCASS" and "CCASS Operational Procedures" in effect from time to time.

Shareholders should seek advice from their stockbroker or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests if they are in any doubt.

## LETTER FROM THE BOARD

### **Stamp duty and other applicable fees and charges**

Dealings in the Rights Shares in both their nil-paid and fully-paid forms, which are registered in the Registrar, will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

### **Taxation**

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising their rights in, disposing of or dealing in the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding the Excluded Shareholders, their receipt of the net proceeds, if any, from sale of the nil-paid Rights Shares on their behalf. It is emphasised that none of the Company, its Directors or any other parties involved in the Rights Issue accepts responsibility for any tax effects or liabilities of any person resulting from the purchase, holding or disposal of, or dealing in, the Rights Shares in both their nil-paid and fully-paid forms.

### **Rights Issue on a non-underwritten basis**

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that there is an under-subscription of the Rights Issue, the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

Besides, any Shareholder who applies to take up all or part of his/her/its entitlement under the PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his/her/its entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

## LETTER FROM THE BOARD

### Conditions of the Rights Issue

The Rights Issue is conditional upon each of the following conditions being fulfilled:

- (a) the delivery to the Stock Exchange for authorisation and registration with the Registrar of Companies in Hong Kong respectively one copy of each of the Prospectus Documents duly signed by two Directors (or by their agents duly authorised in writing) as having been approved by resolution of the Board (and all other documents required to be attached thereto) no later than the Posting Date and otherwise in compliance with the Listing Rules and the Companies (WUMP) Ordinance;
- (b) the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date; and
- (c) the Listing Committee of the Stock Exchange granting, or agreeing to grant (subject to allotment), the listing of and permission to deal in the Rights Shares in their nil-paid and fully-paid forms, either unconditionally or subject to such conditions as the Company may accept.

None of the above conditions can be waived. If any of the conditions referred to above are not fulfilled at or before 4:00 p.m. on Tuesday, 21 December 2021, the Rights Issue will not proceed.

**As the proposed Rights Issue is subject to the above conditions, it may or may not proceed accordingly.**

### Irrevocable Undertakings

As at the Latest Practicable Date, Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong, Mr. LIN Feng, being the controlling Shareholders, hold 2,482,674,853 Shares, 1,248,859,250 Shares, 461,952,559 Shares, 217,918,580 Shares, 7,873,591 Shares and 14,690,600 Shares, representing approximately 29.68%, 14.93%, 5.52%, 2.61%, 0.09% and 0.18%, respectively, of the issued share capital of the Company.



## LETTER FROM THE BOARD

On 9 November 2021, the Company received from Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong, Mr. LIN Feng the Irrevocable Undertaking, pursuant to which:

- (i) Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong, Mr. LIN Feng have irrevocably undertaken to the Company to subscribe for an aggregate of 221,698,469 Rights Shares (as to 124,133,742 Rights Shares, 62,442,962 Rights Shares, 23,097,627 Rights Shares, 10,895,929 Rights Shares, 393,679 Rights Shares and 734,530 Right Shares to be subscribed by Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong, Mr. LIN Feng, respectively) which will be provisionally allotted to it/him nil-paid in respect of the 4,433,969,433 Shares legally and beneficially owned by them in aggregate, pursuant to the terms of the Prospectus Documents; and
- (ii) Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong, Mr. LIN Feng have irrevocably undertaken to the Company to ensure that the 4,433,969,433 Shares currently beneficially owned by them will not be sold, disposed or transferred by them and will remain beneficially owned by them in aggregate on the Record Date.

Save for the Irrevocable Undertaking, the Company has not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

### INTENTION OF ROSY FORTUNE

The Board has been informed by Rosy Fortune that, in addition to its committed subscription, in accordance with the Irrevocable Undertaking, of the 124,133,742 Rights Share to be provisionally allotted to it pursuant to the terms of the Rights Issue, Rosy Fortune intends to apply, by way of excess application, for the maximum number of Rights Share allowed under Rule 7.21(3)(b) of the Listing Rules.

Rosy Fortune is wholly held by a family trust jointly set up by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, who are all executive Directors and controlling Shareholders. As at the Latest Practicable Date, Rosy Fortune, Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng together with their respective associates are interested in a total of 4,633,969,433 Shares. Other than 200,000,000 Shares held by a trustee for a family trust of which Mr. LIN Wei is a founder, the assured entitlements of the remaining 4,433,969,433 Shares, namely, 221,698,469 Rights Shares, will be taken up by Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong and Mr. LIN Feng pursuant to the Irrevocable Undertaking. Accordingly, the Board expects that the maximum number of Rights Share that Rosy Fortune will be able to apply for by way of excess application will be 197,215,327 Rights Shares. However, the actual number of Rights Share that will be able to be allocated (relating to the excess application) to Rosy Fortune will be subject to the level of subscription for the Rights Share by way of excess application by other Qualifying Shareholders.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full; and (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong, Mr. LIN Feng pursuant to the Irrevocable Undertaking) have taken up any entitlements of the Rights Shares:

- (a) assuming no outstanding Vested Share Options being exercised and there is no other change in the shareholding structure of the Company before completion of the Rights Issue:

| Shareholders  | As at the Latest Practicable Date |               | Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full) |               | Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders take up their respective entitlements to the Rights Shares except for Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong and Mr. LIN Feng who will take up the Rights Shares in accordance with the Irrevocable Undertaking) |               |
|---|-----------------------------------|---------------|--|---------------|---|---------------|
|   | No. of Shares                     | % (approx.)   | No. of Shares  | % (approx.)   | No. of Shares   | % (approx.)   |
| Rosy Fortune <sup>(Note 1)</sup>  | 2,482,674,853                     | 29.68         | 2,606,808,595  | 29.68         | 2,606,808,595   | 30.36         |
| Ding Chang <sup>(Note 2)</sup>  | 1,248,859,250                     | 14.93         | 1,311,302,212  | 14.93         | 1,311,302,212   | 15.27         |
| Eminent Talent <sup>(Note 3)</sup>  | 461,952,559                       | 5.52          | 485,050,186  | 5.52          | 485,050,186   | 5.65          |
| Rain-Mountain <sup>(Note 4)</sup>   | 217,918,580                       | 2.61          | 228,814,509  | 2.61          | 228,814,509   | 2.66          |
| Mr. LIN Zhong <sup>(Note 5)</sup>   | 7,873,591                         | 0.09          | 8,267,270  | 0.09          | 8,267,270   | 0.10          |
| Mr. LIN Feng <sup>(Note 6)</sup>  | 14,690,600                        | 0.18          | 15,425,130   | 0.18          | 15,425,130  | 0.18          |
| Trustee of a family trust <sup>(Note 7)</sup>   | 200,000,000                       | 2.39          | 210,000,000  | 2.39          | 200,000,000   | 2.33          |
| <b>Controlling Shareholders</b>   | <b>4,633,969,433</b>              | <b>55.40</b>  | <b>4,865,667,902</b>   | <b>55.40</b>  | <b>4,855,667,902</b>  | <b>56.55</b>  |
| <i>Directors (other than Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng) and their respective close associates</i> | 40,311,526                        | 0.48          | 42,327,102   | 0.48          | 40,311,526  | 0.47          |
| Public Shareholders   | 3,690,500,473                     | 44.12         | 3,875,025,499  | 44.12         | 3,690,500,473   | 42.98         |
| <b>Total</b>  | <b>8,364,781,432</b>              | <b>100.00</b> | <b>8,783,020,503</b>   | <b>100.00</b> | <b>8,586,479,901</b>  | <b>100.00</b> |

## LETTER FROM THE BOARD

*Notes:*

1. Rosy Fortune is wholly held by LIN's Family Trust, which is a family trust jointly set up by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, being the executive Directors, as settlors. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are brothers and founders of the Group.
2. Ding Chang is wholly held by Sun Success Trust, which is a family trust set up by Mr. LIN Zhong, being an executive Director, as settlor.
3. Eminent Talent is wholly held by a family trust set up by Mr. LIN Wei, being an executive Director, as settlor.
4. Rain-Mountain is wholly held by Sun-Mountain Trust, which is a family trust set up by Mr. LIN Feng, being an executive Director, as settlor.
5. These Shares are held by Mr. LIN Zhong, an executive Director, as beneficial owner.
6. These Shares are held by Mr. LIN Feng, an executive Director, as beneficial owner, and through his controlled corporation.
7. These Shares are held by a family trust, of which Mr. LIN Wei, an executive Director, is the founder.

## LETTER FROM THE BOARD

- (b) assuming all the outstanding Vested Share Options being exercised and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date and there is no other change in the shareholding structure of the Company before completion of the Rights Issue:

| Shareholders  | As at the Latest Practicable Date |               | Upon full exercise of the outstanding Vested Share Options on or before the Record Date |               | Immediately after completion of the Rights Issue (assuming all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full) |               | Immediately after completion of the Rights Issue (assuming none of the Qualifying Shareholders take up their respective entitlements to the Rights Shares except for Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong and Mr. LIN Feng who will take up the Rights Shares in accordance with the Irrevocable Undertaking) |               |
|---|-----------------------------------|---------------|---|---------------|--|---------------|---|---------------|
|   | No. of Shares                     | %             | No. of Shares   | %             | No. of Shares  | %             | No. of Shares   | %             |
|   | (approx.)                         |               | (approx.)   |               | (approx.)  |               | (approx.)   |               |
| Rosy Fortune <sup>(Note 1)</sup>  | 2,482,674,853                     | 29.68         | 2,482,674,853   | 29.63         | 2,606,808,595  | 29.63         | 2,606,808,595   | 30.31         |
| Ding Chang <sup>(Note 2)</sup>  | 1,248,859,250                     | 14.93         | 1,248,859,250   | 14.91         | 1,311,302,212  | 14.91         | 1,311,302,212   | 15.25         |
| Eminent Talent <sup>(Note 3)</sup>  | 461,952,559                       | 5.52          | 461,952,559   | 5.51          | 485,050,186  | 5.51          | 485,050,186   | 5.64          |
| Rain-Mountain <sup>(Note 4)</sup>   | 217,918,580                       | 2.61          | 217,918,580   | 2.60          | 228,814,509  | 2.60          | 228,814,509   | 2.66          |
| Mr. LIN Zhong <sup>(Note 5)</sup>   | 7,873,591                         | 0.09          | 7,873,591   | 0.09          | 8,267,270  | 0.09          | 8,267,270   | 0.10          |
| Mr. LIN Feng <sup>(Note 6)</sup>  | 14,690,600                        | 0.18          | 15,020,600  | 0.18          | 15,771,630   | 0.18          | 15,771,630  | 0.18          |
| Trustee of a family trust <sup>(Note 7)</sup>   | 200,000,000                       | 2.39          | 200,000,000   | 2.39          | 210,000,000  | 2.39          | 200,000,000   | 2.33          |
| <b>Controlling Shareholders</b>   | <b>4,633,969,433</b>              | <b>55.40</b>  | <b>4,634,299,433</b>  | <b>55.31</b>  | <b>4,866,014,402</b>   | <b>55.31</b>  | <b>4,856,014,402</b>  | <b>56.47</b>  |
| <i>Directors (other than Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng) and their respective close associates</i> | 40,311,526                        | 0.48          | 40,661,526  | 0.49          | 42,694,602   | 0.49          | 40,661,526  | 0.47          |
| <b>Public Shareholders</b>  | <b>3,690,500,473</b>              | <b>44.12</b>  | <b>3,703,314,973</b>  | <b>44.20</b>  | <b>3,888,480,724</b>   | <b>44.20</b>  | <b>3,703,314,973</b>  | <b>43.06</b>  |
| <b>Total</b>  | <b>8,364,781,432</b>              | <b>100.00</b> | <b>8,378,275,932</b>  | <b>100.00</b> | <b>8,797,189,728</b>   | <b>100.00</b> | <b>8,599,990,901</b>  | <b>100.00</b> |

## LETTER FROM THE BOARD

### *Notes:*

1. Rosy Fortune is wholly held by LIN's Family Trust, which is a family trust jointly set up by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, being the executive Directors, as settlors. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are brothers and founders of the Group.
2. Ding Chang is wholly held by Sun Success Trust, which is a family trust set up by Mr. LIN Zhong, being an executive Director, as settlor.
3. Eminent Talent is wholly held by a family trust set up by Mr. LIN Wei, being an executive Director, as settlor.
4. Rain-Mountain Limited is wholly held by Sun-Mountain Trust, which is a family trust set up by Mr. LIN Feng, being an executive Director, as settlor.
5. These Shares are held by Mr. LIN Zhong, an executive Director, as beneficial owner.
6. These Shares are held by Mr. LIN Feng, an executive Director, as beneficial owner, and through his controlled corporation.
7. These Shares are held by a family trust, of which Mr. LIN Wei, an executive Director, is the founder.

### **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Group is principally engaged in property development, property investment and property management services in the PRC.

In 2021, the financing environment continued to be tight for real estate developers in China due to the issue of the "Three Red Lines" policy and the enhancement of financing supervision. The impact of such shift in environment was further aggravated by recent increase in volatility in equity and bond market since the third quarter of 2021. The Board envisages that characteristics such as the cost of investment, cost of financing and liquidity management ability will be key differentiators for businesses in the sector. Upon considering various options, the Board deemed that equity financing, without incurring additional indebtedness and interest expenses, will be the most appropriate method for the Company to raise additional capital for further development, notwithstanding that the Company has abundant unrestricted bank balances and cash of approximately RMB52,304 million as at 30 June 2021. Further, despite that the challenges in operating environment of the real estate market has been aggravating since the third quarter of 2021 in the PRC, the Directors observe that the share price of Company have been relatively less volatile and thus it is considered to be an appropriate timing to conduct an equity fund raising. It is also considered that the Group may grasp opportunity to further enhance its overall market position by increasing its quality land bank amid this macro market adjustment. After taking into account of different factors including current economic environment, evolving development around the sector and financial market outlook, the Board considers it is in the interest of the Company to undertake the Right Issue before the end of 2021 financial year. The Rights Issue will offer Shareholders an opportunity to maintain their shareholding level without being diluted and thus is fairer to the Shareholders. The additional funds raised through the Rights Issue will strengthen the Group's capital structure and place the Group in a competitive position in capturing business development opportunities. With reference to the prevailing market conditions and the market price of comparable land pieces, the Company plans to use the majority of the proceeds raised from the Rights Issue for acquisition of land(s) within the Yangtze

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River Delta region, where the Group has gained long-term solid and extensive development experiences, for no less than RMB1,230 million (or approximately HK\$1,500 million) in the first half of 2022.

The expected gross proceeds, net proceeds and net price per Rights Share from the Rights Issue are set out below:

|                               | Assuming no change in the<br>number of Shares in issue<br>on or before the Record<br>Date and (i) none of the<br>Qualifying Shareholders<br>take up their respective<br>entitlements to the Rights<br>Shares except for Rosy<br>Fortune, Ding Chang,<br>Eminent Talent,<br>Rain-Mountain, Mr. LIN<br>Zhong and Mr. LIN Feng<br>who will take up the Rights<br>Shares in accordance with<br>the Irrevocable Undertaking<br>and (ii) no or excess Rights<br>Shares are applied by the<br>Qualifying Shareholders<br><i>HK\$ (approx.)</i> | Assuming no change in the<br>number of Shares in issue<br>on or before the Record<br>Date and all Qualifying<br>Shareholders take up their<br>respective entitlements to<br>the Rights Shares in full or<br>excess Rights Shares are<br>applied by the Qualifying<br>Shareholders<br><i>HK\$ (approx.)</i> | Assuming all the<br>outstanding Vested Share<br>Options being exercised and<br>the holders of such Vested<br>Share Options are registered<br>as holders of such Shares on<br>or before the Record Date<br>and all Qualifying<br>Shareholders take up their<br>respective entitlements to<br>the Rights Shares in full or<br>excess Rights Shares are<br>applied by the Qualifying<br>Shareholders<br><i>HK\$ (approx.)</i> |
|-------------------------------|---|--|--|
| Gross proceeds                | 887 million   | 1,673 million  | 1,676 million  |
| Net proceeds                  | 879 million   | 1,665 million  | 1,668 million  |
| Net price per Rights<br>Share | 3.96  | 3.98   | 3.98   |

If none of the Qualifying Shareholders take up their respective entitlements to the Rights Shares except for Rosy Fortune, Ding Chang, Eminent Talent, Rain-Mountain, Mr. LIN Zhong and Mr. LIN Feng who will take up the Rights Shares in accordance with the Irrevocable Undertaking and (ii) no excess application is made by the Qualifying Shareholders, at least approximately HK\$879 million of net proceeds will be raised under the Rights Issue. In this case, the entire amount will be used for aforesaid acquisition of land(s) in Yangtze River Delta area, or as capital reserve to capture similar business development opportunities.

In the case where all Qualifying Shareholders take up their respective entitlements to the Rights Shares in full or excess applications are made by the Qualifying Shareholders, the net proceeds will be approximately HK\$1,665 million (assuming no change in the number of Shares in issue on or before the Record Date) or HK\$1,667 million (assuming all the outstanding Vested Share Options being exercised and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date). Under these two scenarios, the Company will consider utilizing at least 90% of the

## LETTER FROM THE BOARD

net proceeds (i.e. approximately HK\$1,499 million (assuming no change in the number of Shares in issue on or before the Record Date) or approximately HK\$1,501 million (assuming all the outstanding Vested Share Options being exercised and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date)) for aforesaid acquisition of land(s) in the Yangtze River Delta area, or as capital reserve to capture similar business development opportunities and approximately 10% of the net proceeds (i.e. approximately HK\$166 million (assuming no change in the number of Shares in issue on or before the Record Date) or approximately HK\$167 million (assuming all the outstanding Vested Share Options being exercised and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date)) for general corporate purposes including marketing and sales promotion costs as well as administrative expenses.

The Qualifying Shareholders who elect not to participate in the Rights Issue will have the opportunity to sell the nil-paid Rights Shares in the market while the Qualifying Shareholders who wish to increase their shareholding in the Company through the Rights Issue will have the opportunity to acquire additional nil-paid Rights Shares in the market and/or through application for excess Rights Shares.

The Directors consider that the Rights Issue provides a good opportunity for the Group to strengthen its capital base without incurring debt financing cost and to enhance its financial position, while at the same time enabling the Shareholders to participate in the future development of the Group. Therefore, the Directors are of the view that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

The Group has considered fund raising by issuing debt securities or debt financing but the Board considers that any further debt financing or borrowings for the time being would increase the gearing ratio of the Group, leading to the Group incurring further interest expenses which is contrary to the Board's intention to reduce the gearing ratio and interest expenses of the Group to a more favourable level. Therefore, the Board has ruled out debt financing as a source for raising funds in this occasion.

The Board also considered the option of placing new Shares, but taking into account (i) the dilution of the interests of Shareholders without giving them the opportunity to take part in the exercise; and (ii) the engagement of a placing agent which would incur additional costs and expenses on the part of the Company, it was not considered by the Board to be the most suitable fund-raising method for the Company in this occasion. Further, the Board considered that a rights issue would be more favourable and attractive to the Shareholders than an open offer because it would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

In light of the above, the Board is of the view that the Rights Issue is the most appropriate fund-raising method in this occasion and that the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

The Company will make further announcement(s) in the future in accordance with the applicable requirements of the Listing Rules as and when appropriate if any other suitable fund-raising opportunities arise, having regard to the financing needs of the Group at the time.

## LETTER FROM THE BOARD

### PREVIOUS FUND RAISING EXERCISE OF THE COMPANY

There has been no equity fund raising activities carried out by the Company in the 12 months immediately preceding the Latest Practicable Date.

### GENERAL

The Prospectus Documents, containing further information on the Rights Issue will be despatched to the Qualified Shareholders on Monday, 6 December 2021. This prospectus will only be despatched to the Excluded Shareholders for their information only, if the Company reasonably considers it practicable to do so. Shareholders and potential investors should exercise caution in dealing in the Shares.

### LISTING RULES IMPLICATIONS

Pursuant to Rule 7.19A(1) of the Listing Rules, since the Rights Issue would not increase the issued share capital of the Company by more than 50% (on its own or when aggregated with any other rights issues or open offers announced by the Company (i) within the 12 month period immediately preceding the Announcement; or (ii) prior to such 12 month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12 month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues or open offers), the Rights Issue is not conditional upon approval by the Shareholders.

### WARNING OF THE RISKS OF DEALINGS IN SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Letter from the Board — Conditions of the Rights Issue" in this prospectus. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied, the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares. Shareholders should note that the Shares have been dealt in on an ex-rights basis commencing from Thursday, 25 November 2021. The Rights Shares are expected to be dealt with in their nil-paid form from Wednesday, 8 December 2021 to Wednesday, 15 December 2021 (both days inclusive). Any Shareholders or other persons dealing in the Shares from the date of this prospectus up to the date on which all the conditions of the Rights Issue are fulfilled or waiver (as appropriate) (which is expected to be at 4:00 p.m. on Tuesday, 21 December 2021), or any dealings in the Rights Shares in their nil-paid form from Wednesday, 8 December 2021 to Wednesday, 15 December 2021 (both days inclusive) will accordingly bear the risk that the Rights Issue cannot become



## LETTER FROM THE BOARD

unconditional and may not proceed. Any Shareholders or other persons who are in any doubt about their position or any action to be taken are recommended to consult their professional advisers. Shareholders and potential investors should exercise caution in dealing in the securities of the Company.

The register of members of the Company has been closed from Monday, 29 November 2021 to Friday, 3 December 2021 (both days inclusive) to determine the eligibility of the Qualifying Shareholders. No transfer of Shares has been registered during the book closure period. To qualify for the Rights Issue, a Qualifying Shareholder's name must appear on the register of members of the Company in Hong Kong at 5:00 p.m. on the Record Date, which was Friday, 3 December 2021. In order to be registered as a member of the Company in Hong Kong at 5:00 p.m. on the Record Date, any transfer of Shares (together with the relevant title documents) must be lodged with the Registrar for registration by 4:30 p.m. on Friday, 26 November 2021.

The contents of this prospectus are not to be construed as legal, business, financial or tax advice. None of the Company, Hongkong and Shanghai Banking Corporation Limited, any of their respective affiliates, or any of their respective representatives, is making any representation to any person regarding the legality of an investment in the Rights Shares by such person under the laws applicable to such person. Each prospective investor should consult his/her/its own legal adviser, business adviser, financial adviser or tax adviser for legal, financial, business or tax advice in connection with the Rights Issue or the purchase of the Rights Shares. In making an investment decision, each investor must rely on their own examination, analysis and enquiry of the Company and the terms of the Rights Issue, including the merits and risks involved.

Investors also acknowledge that: (i) they have not relied on Hongkong and Shanghai Banking Corporation Limited (or any of its affiliates) in connection with any investigation of the accuracy of any information contained in this prospectus or their investment decision; (ii) they have relied only on the information contained in this prospectus in making their relevant decision; and (iii) no person has been authorised to give any information or to make any representation concerning the Company or its subsidiaries or the Rights Issue (other than as contained in this prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or Hongkong and Shanghai Banking Corporation Limited (or any of their respective affiliates).

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully  
On behalf of the Board  
**CIFI Holdings (Group) Co. Ltd.**  
**Mr. LIN Zhong**  
*Chairman*

## 1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for the years ended 31 December 2018, 2019 and 2020 and for the six months ended 30 June 2021 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<https://www.cifi.com.cn>) and which can be accessed by the direct hyperlinks below:

- annual report of the Company for the year ended 31 December 2018 published on 9 April 2019 (pages 181 to 472):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0409/ltn20190409003.pdf>
- annual report of the Company for the year ended 31 December 2019 published on 29 April 2020 (pages 153 to 460):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/0429/2020042900129.pdf>
- annual report of the Company for the year ended 31 December 2020 published on 29 April 2021 (pages 165 to 412):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0429/2021042900535.pdf>
- interim report of the Company for the six months ended 30 June 2021 published on 27 September 2021 (pages 109 to 188):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0927/2021092700597.pdf>

## 2. STATEMENT OF INDEBTEDNESS

At the close of business on 31 October 2021, being the latest practicable date for the purpose of this indebtedness statement prior to the printing of this prospectus, the Group had the following indebtedness:

### Borrowings and debts

As at the close of business on 31 October 2021, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this prospectus, the Group had outstanding borrowings and debts of approximately RMB165,770 million, details of which are set out below:

|   | <i>RMB'000</i> |
|---|----------------|
| Bank and other borrowings   |                |
| Secured and unguaranteed  | 15,052,674     |
| Secured and guaranteed  | 30,385,250     |
| Unsecured and unguaranteed  | 17,697,653     |
| Unsecured and guaranteed  | 5,241,428      |
| Senior Notes, unsecured and unguaranteed  | 30,461,311     |
| Corporate Bonds, unsecured and unguaranteed   | 11,130,531     |
| Amounts due to joint ventures, associates and non-controlling interests, unsecured and unguaranteed | 55,801,595     |

The Group's secured bank and other borrowings were secured by the Group's investment properties, properties under development for sale, properties held for sale, restricted bank deposits, property, plant and equipment as well as the Group's equity interests in certain subsidiaries.

#### **Lease liabilities**

As at the close of business on 31 October 2021, the lease liabilities of approximately RMB215 million is unsecured and unguaranteed.

#### **Financial guarantees**

The Group has provided mortgage guarantees to PRC banks in respect of the mortgage loans provided by the PRC banks to the Group's customers. The Group's mortgage guarantees are issued from the dates of grant of the relevant mortgage loans and released upon the earlier of (i) the relevant property ownership certificates being obtained and the certificates of other interests with respect to the relevant properties being delivered to the mortgage banks, or (ii) the settlement of mortgage loans between the mortgage banks and the Group's customers. As at 31 October 2021, the Group provided mortgage guarantees in respect of mortgage loans provided by the PRC banks to the Group's customers amounting to RMB26,491 million.

The Company also provided guarantees on several basis covering its respective equity shares of outstanding obligations under the offshore and onshore bank loan incurred by the joint venture and associate companies developing their projects. As at 31 October 2021, the Group's aggregate shares of such guarantees provided in respective of loans borrowed by these joint ventures amounted to approximately RMB13,077 million and associates amounted to approximately RMB5,342 million.

#### **Disclaimer**

Save as aforesaid or as mentioned herein and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding, or authorised or otherwise created but unissued, other borrowings or indebtedness in the nature of borrowing including bank overdrafts and liabilities under acceptances (other than normal trade bills), acceptance credits, lease commitments, mortgages and charges, material contingent liabilities or guarantee outstanding as at close of business on 31 October 2021.

### **3. FINANCIAL AND TRADING PROSPECT**

Headquartered in Shanghai, the Group is principally engaged in the property development and property investment business in the PRC.

The Group principally focuses on developing high quality and end-users driven properties in first-, second- and robust third-tier cities in China. The development projects of the Group cover various properties types like residential, office and commercial complexes.

Leveraging the effective business model and strong execution capabilities, the Group is poised to continue our rapid growth and develop into a leading nationwide property developer. The Group has achieved a nationwide operating coverage and a strong presence in major first-, second- and third-tier cities in China. Currently, the Group has property projects in China and overseas, located in 85 cities in 4 regions: the Yangtze River Delta, the Pan Bohai Rim, the Central Western Region and the South China Region. As at 30 June 2021, the Group had land bank with total and attributable GFA of approximately 58.7 million sq.m. and 32.4 million sq.m. respectively.

In the first half of 2021, China's real estate market continued the sales momentum in the second half of last year. As the COVID-19 pandemic was under control in China, people's demand for asset reserves and quality asset has surged, contributing to the performance of property sales. Under the principle that "houses are built to be inhabited, not for speculation", detailed rules of various control measures have been continuously deepened, while the focus has been shifted to the supply end. Through continuously strengthening the supervision on real estate finance, the trend of excessive rise in housing prices in hotspot cities has been effectively curbed, and results of control have been shown in some cities. The investment in real estate development still demonstrated a growing trend, mainly benefiting from the growth of real estate market sales and the increase in collection of sale proceeds.

Benefiting from the nationwide business coverage and high-quality saleable resources primarily in high tier cities, for the six months ended 30 June 2021, the Group achieved contracted sales of RMB136.15 billion, representing a year-on-year increase of 68.6% from RMB80.73 billion in the corresponding period in 2020. Recognised revenue was RMB36,373.3 million for the six months ended 30 June 2021, representing a year-on-year increase of 58.0% over RMB23,022.4 million in the corresponding period in 2020. In the meantime, the Group achieved a cash collection ratio of over 90% from contracted sales for the same period, which demonstrated that the steady cash flow has facilitated the Group's operation with high stability under the challenging market environment.

The financing environment continued to be tight for real estate developers in China due to the issue of the "Three Red Lines" policy and the enhancement of financing supervision. The credit qualification of real estate developers was differentiated, and there was a rising trend in the concentration of financing end, as a result the financing cost advantage of quality enterprises was more obvious.

Looking forward to the second half of 2021, with the solid progress in the national systematic pandemic prevention and control and the development of economy and society, the resilience of economic development will continuously be shown. However, the global pandemic deteriorated due to new varieties of COVID-19, and the overall environment at home and abroad is still complex and severe. It is expected that the central government will adhere to prudent real estate financial management policies in order to prevent financial risks. Regulatory measures system at the supply end will be continuously improved and deepened, and irregular flow of funds into the real estate market will be strictly monitored to ensure the realisation of the goal of stabilising land prices, housing prices and the expectations.

Under the influence of tight liquidity environment of the real estate industry, the amount of new loans may be limited. It is expected that the sales growth of national commodity properties transactions will decline in the second half of the year, and control measures in cities of all tiers will progress forward with effects gradually being shown.

The Group expects the market performance of cities at different levels to diverge. Due to the influence of deepening regulation, the over-heated situation in first- and second-tier cities may be cooling down and market might stabilise; third- and fourth-tier cities, especially in the eastern Yangtze River Delta, still have elevated market sentiment and relatively large market scale, which may result in additional regulation and market might turn weaker. The real estate developers with nationwide projects can effectively avoid the problem of excessive concentration risks and benefit from the rotation of urban market and the timing difference of policy adjustments.

For the ten months ended 31 October 2021, the Group already achieved contracted sales of RMB209.25 billion, representing 79% of its 2021 full year contracted sales target. Thanks to the Group's proactive implementation and deepening of diversified channels to acquire lands, deep cultivation in advantageous regions and expansion in potential cities, its high-quality land bank has covered 85 cities in different geographical regions, over 90% of which was located at first-, second- and prosperous third-tier cities with sustained economic recovery. The Group expects the saleable resources in the second half of the year to be approximately RMB260 billion, and its management is confident of completing its 2021 contracted sales target.

Looking forward, the Company is still firmly optimistic about its principal business of property development, and is committed to incubating property related businesses to help development and to complement each other. Meanwhile, the management is also optimistic about the development of self-owned rental generating properties. The management will continue to explore the transformation from solely residential development to development + investment properties, and adheres to the commercial development route of "pursuing high quality in first- and second-tier cities and pursuing scale in third-tier cities".

#### **4. WORKING CAPITAL**

The Directors are of the opinion that, after taking into account of the Group's business prospects including the pre-sales of the Group's development projects and occupancy rate of the Group's investment properties, the presently available financial resources of the Group including internally generated funds, available facilities and other financial resources and the net cash proceeds from the Rights Issue upon its completion, the working capital available to the Group is sufficient for the Group's requirements for at least the next 12 months from the date of this prospectus.

#### **5. MATERIAL ADVERSE CHANGE**

Save as disclosed, the Directors confirmed that as at the Latest Practicable Date, there had not been any material adverse change in the financial or trading position or outlook of the Group since 31 December 2020, the date to which the latest audited consolidated financial statements of the Group were made up.

**APPENDIX II      UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**A.      UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS ATTRIBUTABLE TO EQUITY OWNERS OF THE COMPANY**

The following is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2021 (the “Unaudited Pro Forma Financial Information”) which has been prepared by the Directors in accordance with paragraph 4.29 of the Listing Rules to illustrate the effects of the Rights Issue on the consolidated net tangible assets of the Group attributable to equity owners of the Company as if the Rights Issue had taken place at 30 June 2021.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2021, as extracted from the published interim report for the six months ended 30 June 2021, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only, based on the judgments and assumptions of the Directors, and because of its hypothetical nature, may not give a true picture of the consolidated net tangible assets of the Group attributable to equity owners of the Company had the Rights Issue been completed as at 30 June 2021 or at any future date.

|  | Unaudited<br>consolidated<br>net tangible<br>assets of the<br>Group<br>attributable to<br>equity owners<br>of the<br>Company as at<br>30 June 2021<br><i>(Note 1)</i><br>RMB'000 | Estimated net<br>proceeds from<br>exercise of<br>outstanding<br>Vested Share<br>Options<br><i>(Note 2)</i><br>RMB'000 | Estimated net<br>proceeds from<br>the Rights<br>Issue<br><i>(Note 3)</i><br>RMB'000 | Unaudited pro<br>forma adjusted<br>consolidated net<br>tangible assets of<br>the Group<br>attributable to<br>equity owners of<br>the Company as at<br>30 June 2021 as<br>adjusted for the<br>Rights Issue<br>RMB'000 | Unaudited pro forma<br>adjusted<br>consolidated net<br>tangible assets of the<br>Group attributable<br>to equity owners of<br>the Company as at<br>30 June 2021 as<br>adjusted for the<br>Rights Issue<br>per share<br><i>(Note 4)</i><br>RMB |
|--|--|---|---|--|---|
| Based on 418,239,071 Rights Shares to be issued at the Subscription Price of HK\$4 per Rights Share  | 36,451,653   | -   | 1,368,935   | 37,820,588   | 4.31  |
| Based on 418,913,796 Rights Shares to be issued at the Subscription Price of HK\$4 per Rights Share, assuming full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date | 36,451,653   | 48,139  | 1,371,153   | 37,870,945   | 4.30  |

## APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION

*Notes:*

- 1 The amount of consolidated net tangible assets of the Group attributable to owners of the Company as at 30 June 2021 is based on the unaudited consolidated net assets of the Group attributable to equity owners of the Company of approximately RMB37,368,528,000, after deducting goodwill of approximately RMB706,659,000 and intangible assets of approximately RMB210,216,000 as at 30 June 2021, as extracted from the published interim report of the Group for the six months ended 30 June 2021.
- 2 The estimated net proceeds from exercise of all outstanding Vested Share Options as at the Latest Practicable Date of approximately RMB48,139,000 are based on 13,494,500 Shares to be issued at exercise price of HK\$4.34 each (equivalent to approximately RMB3.57) each.
- 3 The estimated net proceeds from the Rights Issue of approximately RMB1,368,935,000 is calculated based on 418,239,071 Rights Shares assuming to be issued on the completion of the Rights Issue (based on 8,364,781,432 Shares in issue as at the Latest Practicable Date) at the Subscription Price of HK\$4 per Rights Share and after deduction of estimated related expenses of approximately HK\$7,510,000 (equivalent to approximately RMB6,173,000).  
  
The estimated net proceeds from the Rights Issue of approximately RMB1,371,153,000 is calculated based on 418,913,796 Rights Shares assuming to be issued on the completion of the Rights Issue (based on 8,364,781,432 Shares in issue as at the Latest Practicable Date and assuming the full exercise of the outstanding Vested Shared Options into 13,494,500 new Shares) at the Subscription Price of HK\$4 per Rights Share and after deduction of estimated related expenses of approximately HK\$7,510,000 (equivalent to approximately RMB6,173,000).
- 4 The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 June 2021 as adjusted for the Rights Issue per share is calculated based on 8,783,020,503 shares which represents 8,364,781,432 shares in issue as at 30 June 2021 before the Rights Issue and number of Rights Shares of 418,239,071 to be issued.  
  
The unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to equity owners of the Company as at 30 June 2021 as adjusted for the Rights Issue per share is calculated based on 8,797,189,728 shares which represents 8,364,781,432 shares in issue as at 30 June 2021, exercise of the Vested Share Options into 13,494,500 new shares before the Rights Issue and number of Rights Shares of 418,913,796 to be issued.
- 5 No adjustments have been made to reflect any trading results or other transactions of the Group entered into subsequent to 30 June 2021.
- 6 For the purpose of the Unaudited Pro Forma Financial Information, translations of HK\$ into RMB or vice versa have been calculated by using an exchange rate of HK\$1.2166 equal to RMB1.00. No representation is made that HK\$ amounts have been, could have been or may be converted to RMB, or vice versa, at the applied rate or at any other rates, or at all.

**B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

*The following is the text of the assurance report received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, for the purpose of incorporation in this prospectus.*

**Deloitte.**

**德勤**

**INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL INFORMATION**

**To the Directors of CIFI Holdings (Group) Co. Ltd.**

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of CIFI Holdings (Group) Co. Ltd. (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") by the directors of the Company (the "Directors") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group as at 30 June 2021 and related notes as set out on pages II-1 to II-2 of the prospectus issued by the Company dated 6 December 2021 (the "Prospectus"). The applicable criteria on the basis of which the Directors have compiled the unaudited pro forma financial information are described on pages II-1 to II-2 of the Prospectus.

The unaudited pro forma financial information has been compiled by the Directors to illustrate the impact of the rights issue on the basis of one (1) rights share for every twenty (20) existing shares held on the Record Date (as defined in the Prospectus) on a non-underwritten basis (the "Rights Issue") on the Group's financial position as at 30 June 2021 as if the Rights Issue had taken place at 30 June 2021. As part of this process, information about the Group's financial position has been extracted by the Directors from the Group's financial statements for the six months ended 30 June 2021, on which a review report has been published.

**Directors' Responsibilities for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the unaudited pro forma financial information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").



### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### **Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the unaudited pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the unaudited pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the unaudited pro forma financial information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the unaudited pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the unaudited pro forma financial information.

The purpose of unaudited pro forma financial information included in an investment prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2021 would have been as presented.

A reasonable assurance engagement to report on whether the unaudited pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the unaudited pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the unaudited pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgment, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the unaudited pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the unaudited pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- (a) the unaudited pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the unaudited pro forma financial information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong  
6 December 2021

## 1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date and immediately following completion of the Rights Issue (assuming no further issue of Shares from the Latest Practicable Date to the completion of the Rights Issue) will be as follows:

### (a) As at the Latest Practicable Date

|                                 | <b>Number of<br/>Shares</b> | <b>Nominal<br/>value of<br/>Shares<br/>HK\$</b> |
|---------------------------------|-----------------------------|---|
| <i>Authorised:</i>              |                             |   |
| Ordinary shares of HK\$0.1 each | <u>20,000,000,000</u>       | <u>2,000,000,000</u>                            |
| <i>Issued and fully-paid:</i>   |                             |   |
| Ordinary shares of HK\$0.1 each | <u><u>8,364,781,432</u></u> | <u><u>836,478,143.2</u></u>                     |

**(b) Immediately after completion of the Rights Issue**

|  | <b>Nominal<br/>value of<br/>Shares<br/>HK\$</b> |
|--|---|
| <i>Rights Shares to be issued</i>  |   |
| 418,239,071 Shares (assuming no change in the number of Shares in issue on or before the Record Date)  | 41,823,907.1                                    |
| 418,913,796 Shares (assuming change in the number of Shares in issue on or before the Record Date other than the issue of Shares upon the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date )   | 41,891,379.6                                    |
| <i>Shares in issue upon completion of the Rights Issue</i>   |   |
| 8,783,020,503 Shares (assuming no change in the number of Shares in issue on or before the Record Date)  | 878,302,050.3                                   |
| 8,797,189,728 Shares (assuming change in the number of Shares in issue on or before the Record Date other than the issue of Shares upon the full exercise of the outstanding Vested Share Options and the holders of such Vested Share Options are registered as holders of such Shares on or before the Record Date ) | 879,718,972.8                                   |

The Rights Shares, when allotted and fully-paid, will rank pari passu in all respects, including the rights to dividends, voting and return of capital, with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, save for the outstanding Vested Share Options disclosed in this prospectus, the Company had no outstanding convertible securities, options, or warrants in issue which conferred any right to subscribe for, convert or exchange into Shares.

As at the Latest Practicable Date, save for the outstanding Vested Share Options disclosed in this prospectus, none of the capital of any member of the Group was under option, or agreed conditionally or unconditionally to be put under option. As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS

#### (a) Directors' and chief executive's interests and short positions in shares, shares stapled units, underlying shares, underlying share stapled units and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the Directors and the chief executives of the Company and their associates had the following interests and short positions in the shares, share stapled units, underlying shares, underlying share stapled units and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have pursuant to such provisions of the SFO); or (b) were recorded in the register required to be kept pursuant to Section 352 of the SFO; or (c) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules:

#### *Long positions in the shares and underlying shares*

The table below sets out the aggregate long positions in the shares and underlying shares held by the Directors and the chief executives of the Company as at the Latest Practicable Date:

| Name of Director | Name of Corporation   | Capacity/ Nature of Interest                           | Number of Shares/underlying Shares pursuant to share options | % Interest (Approximate) |
|------------------|---|--|--|--------------------------|
| Mr. LIN Zhong    | Company   | Founder of a discretionary trust<br><i>(Note 1)</i>    | 1,248,859,250  | 14.93%                   |
|                  | Company   | Co-founder of a discretionary trust<br><i>(Note 2)</i> | 2,482,674,853  | 29.68%                   |
|                  | Company   | Beneficial Owner <i>(Note 3)</i>                       | 7,873,591  | 0.09%                    |
|                  | LingYu International Group Co., Ltd. ("LingYu International") | Interest of controlled corporation <i>(Note 16)</i>    | 160,000  | 40%                      |

| Name of Director | Name of Corporation   | Capacity/ Nature of Interest                             | Number of Shares/underlying Shares pursuant to share options | % Interest (Approximate) |
|------------------|---|--|--|--------------------------|
| Mr. LIN Wei      | Shanghai Lvming Construction Technology Co., Ltd.* (“Lvming Construction Technology”) | Interest of controlled corporation <sup>(Note 17)</sup>  | 40,000,000   | 40%                      |
|                  | CIFI Ever Sunshine Services   | Interest of controlled corporation <sup>(Note 18)</sup>  | 363,180,000  | 20.71%                   |
|                  | CIFI Ever Sunshine Services   | Interest of controlled corporation <sup>(Note 19)</sup>  | 406,820,000  | 23.19%                   |
|                  | CIFI Ever Sunshine Services   | Co-founder of a discretionary trust <sup>(Note 20)</sup> | 1,000,000  | 0.06%                    |
|                  | CIFI Ever Sunshine Services   | Other <sup>(Note 21)</sup>                               | 153,689,750  | 8.76%                    |
|                  | Company   | Founder of a discretionary trust <sup>(Note 4)</sup>     | 461,952,559  | 5.52%                    |
|                  | Company   | Founder of a discretionary trust <sup>(Note 5)</sup>     | 200,000,000  | 2.39%                    |
|                  | Company   | Co-founder of a discretionary trust <sup>(Note 2)</sup>  | 2,482,674,853  | 29.68%                   |
|                  | LingYu International  | Interest of controlled corporation <sup>(Note 16)</sup>  | 160,000  | 40%                      |
|                  | CIFI Ever Sunshine Services   | Interest of controlled corporation <sup>(Note 19)</sup>  | 406,820,000  | 23.19%                   |
| Mr. LIN Feng     | CIFI Ever Sunshine Services   | Co-founder of a discretionary trust <sup>(Note 20)</sup> | 1,000,000  | 0.06%                    |
|                  | CIFI Ever Sunshine Services   | Other <sup>(Note 22)</sup>                               | 516,869,750  | 29.47%                   |
|                  | Company   | Founder of a discretionary trust <sup>(Note 6)</sup>     | 217,918,580  | 2.61%                    |
|                  | Company   | Co-founder of a discretionary trust <sup>(Note 2)</sup>  | 2,482,674,853  | 29.68%                   |
|                  | Company   | Interest of controlled corporation <sup>(Note 7)</sup>   | 8,835,600  | 0.11%                    |
|                  | Company   | Beneficial Owner <sup>(Note 8)</sup>                     | 5,855,000  | 0.07%                    |
|                  | Company   | Beneficial Owner <sup>(Note 9)</sup>                     | 1,045,000  | 0.01%                    |

| Name of Director            | Name of Corporation         | Capacity/ Nature of Interest                             | Number of Shares/underlying Shares pursuant to share options     | % Interest (Approximate) |         |
|-----------------------------|-----------------------------|--|--|--------------------------|---------|
| Mr. CHEN Dongbiao           | LingYu International        | Interest of controlled corporation <sup>(Note 16)</sup>  | 160,000  | 40%                      |         |
|                             | CIFI Ever Sunshine Services | Interest of controlled corporation <sup>(Note 23)</sup>  | 153,689,750  | 8.76%                    |         |
|                             | CIFI Ever Sunshine Services | Interest of controlled corporation <sup>(Note 19)</sup>  | 406,820,000  | 23.19%                   |         |
|                             | CIFI Ever Sunshine Services | Co-founder of a discretionary trust <sup>(Note 20)</sup> | 1,000,000  | 0.06%                    |         |
|                             | CIFI Ever Sunshine Services | Other <sup>(Note 24)</sup>                               | 363,180,000  | 20.71%                   |         |
|                             | Company                     | Beneficial Owner <sup>(Note 10)</sup>                    | 21,983,000   | 0.26%                    |         |
|                             | Company                     | Beneficial Owner <sup>(Note 9)</sup>                     | 4,875,000  | 0.06%                    |         |
|                             | CIFI Ever Sunshine Services | Beneficial Owner <sup>(Note 25)</sup>                    | 1,870,000  | 0.11%                    |         |
|                             | Mr. YANG Xin                | Company  | Beneficial Owner <sup>(Note 11)</sup>                            | 12,842,654               | 0.15%   |
|                             |                             | Company  | Beneficial Owner and Interest of his Spouse <sup>(Note 12)</sup> | 50,288                   | 0.0006% |
| Company                     |                             | Beneficial Owner <sup>(Note 9)</sup>                     | 3,900,000  | 0.05%                    |         |
| CIFI Ever Sunshine Services |                             | Beneficial Owner <sup>(Note 26)</sup>                    | 800,000  | 0.05%                    |         |
| Mr. GU Yunchang             | Company                     | Beneficial Owner <sup>(Note 13)</sup>                    | 2,204,636  | 0.03%                    |         |
|                             | Company                     | Beneficial Owner <sup>(Note 9)</sup>                     | 300,000  | 0.004%                   |         |
| Mr. ZHANG Yongyue           | Company                     | Beneficial Owner <sup>(Note 14)</sup>                    | 1,735,890  | 0.02%                    |         |
|                             | Company                     | Beneficial Owner <sup>(Note 9)</sup>                     | 300,000  | 0.004%                   |         |
| Mr. TAN Wee Seng            | Company                     | Beneficial Owner <sup>(Note 15)</sup>                    | 1,495,058  | 0.02%                    |         |
|                             | Company                     | Beneficial Owner <sup>(Note 9)</sup>                     | 400,000  | 0.005%                   |         |

Pursuant to the Announcement, the Company announced a proposed Rights Issue which involved the issue of 418,239,071 new Shares of the Company at the Subscription Price of HK\$4.00 per Rights Share on the basis of one (1) Rights Share for every twenty (20) existing Shares then held. The total number of Shares in issue will be enlarged by the allotment and issue of the Rights Shares on completion.

*Notes:*

1. These Shares are held by Ding Chang. The entire issued share capital of Ding Chang is wholly owned by Eternally Success International Limited (“Eternally Success”), the entire issued share capital of which is in turn held by Standard Chartered Trust (Singapore) Limited (“Standard Chartered Trust”) as the trustee of the Sun Success Trust via SCTS Capital Pte. Ltd. (“SCTS Capital”). The Sun Success Trust is a discretionary trust set up by Mr. LIN Zhong as settlor and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Sun Success Trust include certain family members of Mr. LIN Zhong. Mr. LIN Zhong as founder of the Sun Success Trust is taken to be interested in the 1,248,859,250 Shares held by Ding Chang pursuant to Part XV of the SFO.
2. These Shares are held by Rosy Fortune. The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty Assets Limited (“Gentle Beauty”), the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the LIN’s Family Trust via SCTS Capital. The LIN’s Family Trust is a discretionary trust set up jointly by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the LIN’s Family Trust include certain family members of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng. Each of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as a co-founder of the LIN’s Family Trust is taken to be interested in the 2,482,674,853 Shares held by Rosy Fortune pursuant to Part XV of the SFO.
3. These Shares are directly held by Mr. LIN Zhong.
4. These Shares are held by Eminent Talent. The entire issued share capital of Eminent Talent is wholly owned by LW Asset Holdings Limited (“LW Asset”), the entire issued share capital of which is in turn held by a discretionary trust set up by Mr. LIN Wei as settlor and Credit Suisse Trust Limited (“Credit Suisse Trust”) as the trustee in 2018. The beneficiary objects of the said trust include certain family members of Mr. LIN Wei. Mr. LIN Wei as founder of the said trust is taken to be interested in the 461,952,559 Shares held by Eminent Talent pursuant to Part XV of the SFO.
5. These Shares are held by a family trust of which Mr. LIN Wei is the founder within the meaning of Part XV of the SFO. Therefore, Mr. LIN Wei is deemed to be interested in these 200,000,000 Shares pursuant to Part XV of the SFO.
6. These Shares are held by Rain-Mountain. The entire issued share capital of Rain-Mountain is wholly owned by Beauty Fountain Holdings Limited (“Beauty Fountain”), the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Sun-Mountain Trust via SCTS Capital. The Sun-Mountain Trust is a discretionary trust set up by Mr. LIN Feng as settlor and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Sun-Mountain Trust include certain family members of Mr. LIN Feng. Mr. LIN Feng as founder of the Sun-Mountain Trust is taken to be interested in the 217,918,580 Shares held by Rain-Mountain pursuant to Part XV of the SFO.
7. These Shares are held by Towin Resources Limited (“Towin Resources”). The entire issued share capital of Towin Resources is wholly owned by Mr. LIN Feng.
8. These Shares are directly held by Mr. LIN Feng.
9. The relevant Directors were granted options to subscribe for such number of Shares under the Share Option Scheme.
10. These Shares are directly held by Mr. CHEN Dongbiao.
11. These Shares are directly held by Mr. YANG Xin.
12. These Shares are directly held by Mr. YANG Xin and his spouse.
13. These Shares are directly held by Mr. GU Yunchang.



14. These Shares are directly held by Mr. ZHANG Yongyue.
15. These Shares are directly held by Mr. TAN Wee Seng.
16. These shares of LingYu International include 100,000 shares held by Smart City Assets Limited and 60,000 shares held by Loyal Most Enterprises Limited, of which Mr. LIN Zhong, together with Mr. LIN Wei and Mr. LIN Feng, are regarded to have control by virtue of the SFO.
17. These shares of Lvming Construction Technology are held by Shanghai Xuhui Enterprise Development Co., Ltd.\* (上海旭輝企業發展有限公司) of which Mr. LIN Zhong is regarded to have control by virtue of the SFO.
18. These shares of CIFI Ever Sunshine Services are held by Elite Force Development Limited (“Elite Force Development”). The entire issued share capital of Elite Force Development is owned as to 50% by Mr. LIN Zhong, 25% by Mr. LIN Wei and 25% by Mr. LIN Feng. Therefore, Mr. LIN Zhong is regarded to have control in these 363,180,000 shares of CIFI Ever Sunshine Services held by Elite Force Development by virtue of the SFO. With effect from 30 June 2020, Elite Force Development has entrusted Spectron Enterprises Limited (“Spectron Enterprises”) to exercise voting rights of these 363,180,000 shares of CIFI Ever Sunshine Services. Elite Force Development continues to own these 363,180,000 shares of CIFI Ever Sunshine Services as the beneficial owner and be entitled to the dividends, distributions and all other rights and benefits attaching to such shares.
19. These shares of CIFI Ever Sunshine Services are held by Spectron Enterprises, the entire issued share capital of which is in turn held by Xu Sheng Limited which is a direct wholly-owned subsidiary of the Company. Therefore, each of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng is taken to be interested in the 406,820,000 shares of CIFI Ever Sunshine Services held by Spectron Enterprises pursuant to Part XV of the SFO. Regarding the entrusted voting arrangement, please refer to note 18 above.
20. These shares of CIFI Ever Sunshine Services are held by Rosy Fortune. The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the LIN’s Family Trust via SCTS Capital. The LIN’s Family Trust is a discretionary trust set up jointly by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the LIN’s Family Trust include certain family members of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng. Each of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as a co-founder of the LIN’s Family Trust is taken to be interested in these 1,000,000 shares of CIFI Ever Sunshine Services held by Rosy Fortune pursuant to Part XV of the SFO.
21. These shares of CIFI Ever Sunshine Services are held by Best Legend Development (PTC) Limited (formerly known as Best Legend Development Limited, “Best Legend”), a private trust company limited by shares incorporated in the British Virgin Islands on 20 April 2018 and wholly owned by Mr. LIN Feng. Best Legend was set up as a special purpose vehicle to hold shares of CIFI Ever Sunshine Services as the trustee of Best Legend Trust (“Best Legend Trust”), which is a trust established on 19 October 2018, with Best Legend appointed as its trustee, for the purpose of a share incentive scheme to be adopted by CIFI Ever Sunshine Services at least six months after its listing. Thereafter, a share award scheme was adopted by Best Legend on 18 June 2019 as a means to recognise the contribution of, and to motivate and incentivise, the key management of CIFI Ever Sunshine Services and its subsidiaries (the “CIFI Ever Sunshine Group”), including directors, senior management, employees, and persons who made special contribution to CIFI Ever Sunshine Group. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng signed an acting in concert deed on 6 August 2018. By virtue of the SFO, Mr. LIN Zhong is deemed to be interested in the 153,689,750 shares of CIFI Ever Sunshine Services held by Best Legend.

22. These shares of CIFI Ever Sunshine Services are held by Best Legend and Elite Force Development. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng signed an acting in concert deed on 6 August 2018. By virtue of the SFO, Mr. LIN Wei is deemed to be interested in the 363,180,000 shares of CIFI Ever Sunshine Services held by Elite Force Development and the 153,689,750 shares of CIFI Ever Sunshine Services held by Best Legend. With effect from 30 June 2020, Elite Force Development has entrusted Spectron Enterprises to exercise voting rights of these 363,180,000 shares of CIFI Ever Sunshine Services. Elite Force Development continues to own these 363,180,000 shares of CIFI Ever Sunshine Services as the beneficial owner and be entitled to the dividends, distributions and all other rights and benefits attaching to such shares.
23. These shares of CIFI Ever Sunshine Services are held by Best Legend. As stated in note 21 above, Mr. LIN Feng is deemed to be interested in the 153,689,750 shares of CIFI Ever Sunshine Services held by Best Legend pursuant to Part XV of the SFO.
24. These shares of CIFI Ever Sunshine Services are held by Elite Force Development. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng signed an acting in concert deed on 6 August 2018. By virtue of the SFO, Mr. LIN Feng is taken to be interested in the 363,180,000 shares of CIFI Ever Sunshine Services held by Elite Force Development which is controlled by Mr. LIN Zhong (as stated in note 18 above). With effect from 30 June 2020, Elite Force Development has entrusted Spectron Enterprises to exercise voting rights of these 363,180,000 shares of CIFI Ever Sunshine Services. Elite Force Development continues to own these 363,180,000 shares of CIFI Ever Sunshine Services as the beneficial owner and be entitled to the dividends, distributions and all other rights and benefits attaching to such shares.
25. These shares of CIFI Ever Sunshine Services are directly held by Mr. CHEN Dongbiao.
26. These shares of CIFI Ever Sunshine Services are directly held by Mr. YANG Xin.

*Interests in the debentures of the Company*

The table below sets out the aggregate interests in the debentures held by the Directors and the chief executives of the Company as at the Latest Practicable Date:

| Name of Director | Name of Corporation | Capacity/Nature of interest                                    | Principal amount of relevant debentures held | Approximate percentage of the aggregate principal amount of the relevant debenture issued (%) |
|------------------|---------------------|--|--|---|
| Mr. LIN Zhong    | Company             | Co-founder of a discretionary trust<br><i>(Note 1 &amp; 2)</i> | US\$1 million                                | 0.18%   |
| Mr. LIN Wei      | Company             | Co-founder of a discretionary trust<br><i>(Note 1 &amp; 2)</i> | US\$1 million                                | 0.18%   |
| Mr. LIN Feng     | Company             | Co-founder of a discretionary trust<br><i>(Note 1 &amp; 2)</i> | US\$1 million                                | 0.18%   |
|                  | Company             | Interest of controlled corporation<br><i>(Note 3 &amp; 4)</i>  | US\$15 million                               | 5%  |
|                  | Company             | Founder of a discretionary trust<br><i>(Note 3 &amp; 5)</i>    | US\$1 million                                | 0.33%   |
| Mr. YANG Xin     | Company             | Beneficial Owner<br><i>(Note 6)</i>                            | US\$1.2 million                              | 0.24%   |

*Notes:*

- The 6.0% senior notes due 2025 with the aggregate principal amount of US\$567 million were issued by the Company in January 2020 ("2020 January USD Senior Notes"), which are listed on the Stock Exchange.
- Rosy Fortune owned the principal amount of US\$1 million of 2020 January USD Senior Notes. The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the LIN's Family Trust via SCTS Capital. The LIN's Family Trust is a discretionary trust set up jointly by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the LIN's Family Trust include certain family members of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng. Each of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as a co-founder of the LIN's Family Trust is taken to be interested in this principal amount of 2020 January USD Senior Notes held by Rosy Fortune pursuant to Part XV of the SFO.
- The senior perpetual capital securities were issued by the Company in August 2017 with the aggregate principal amount of US\$300 million at a distribution rate of 5.375% per annum ("2017 August Perpetual Securities") which are listed on the Stock Exchange.
- Towin Resources owned the principal amount of US\$15 million of 2017 August Perpetual Securities. The entire issued share capital of Towin Resources is owned by Mr. LIN Feng.

5. Rain-Mountain owned the principal amount of US\$1 million of 2017 August Perpetual Securities. The entire issued share capital of Rain-Mountain is wholly owned by Beauty Fountain, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Sun-Mountain Trust via SCTS Capital. The Sun-Mountain Trust is a discretionary trust set up by Mr. LIN Feng as settlor and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Sun-Mountain Trust include certain family members of Mr. LIN Feng. Mr. LIN Feng as founder of the Sun-Mountain Trust is taken to be interested in this principal amount of 2017 August Perpetual Securities held by Rain-Mountain pursuant to Part XV of the SFO.
6. The 5.5% senior notes due 2022 with the aggregate original principal amount of US\$585 million were issued by the Company in January 2017 and October 2018, which are listed on the Stock Exchange and are with an outstanding principal amount of US\$509 million.

**(b) Interests and short positions in Shares and underlying Shares of substantial shareholders**

As at the Latest Practicable Date, the following persons (other than the Directors or the chief executives of the Company) had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered into the register required to be kept pursuant to Section 336 of the SFO:

| Name of substantial shareholder | Capacity/Nature of interest  | Number of shares | Approximate percentage of the issued shares of the Company (%) |
|---------------------------------|--|------------------|--|
| Gentle Beauty                   | Interest of controlled corporation <sup>(Note 1)</sup>             | 2,482,674,853    | 29.68  |
| Rosy Fortune                    | Beneficial owner <sup>(Note 1)</sup>                               | 2,482,674,853    | 29.68  |
| Eternally Success               | Interest of controlled corporation <sup>(Note 2)</sup>             | 1,248,859,250    | 14.93  |
| Ding Chang                      | Beneficial owner <sup>(Note 2)</sup>                               | 1,248,859,250    | 14.93  |
| Standard Chartered Trust        | Trustee <sup>(Notes 1, 2 &amp; 3)</sup>                            | 3,949,452,683    | 47.22  |
| SCTS Capital                    | Interest of controlled corporation <sup>(Notes 1, 2 &amp; 3)</sup> | 3,949,452,683    | 47.22  |
| LW Asset                        | Interest of controlled corporation <sup>(Note 4)</sup>             | 461,952,559      | 5.52   |
| Eminent Talent                  | Beneficial owner <sup>(Note 4)</sup>                               | 461,952,559      | 5.52   |
| Credit Suisse Trust             | Trustee <sup>(Note 4)</sup>  | 461,952,559      | 5.52   |

| Name of substantial shareholder                  | Capacity/Nature of interest                            | Number of shares | Approximate percentage of the issued shares of the Company (%) |
|--|--|------------------|--|
| Ping An Insurance (Group) Company of China, Ltd. | Interest in controlled corporation <sup>(Note 5)</sup> | 546,866,577      | 6.54   |
| Ping An Life Insurance Company of China, Ltd.    | Beneficial owner <sup>(Note 6)</sup>                   | 545,000,000      | 6.52   |

## Notes:

- The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the LIN's Family Trust via SCTS Capital. The LIN's Family Trust is a discretionary trust set up jointly by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the LIN's Family Trust include certain family members of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng.
- The entire issued share capital of Ding Chang is wholly owned by Eternally Success, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Sun Success Trust via SCTS Capital. The Sun Success Trust is a discretionary trust set up by Mr. LIN Zhong as settlor and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Sun Success Trust include certain family members of Mr. LIN Zhong.
- These include 2,482,674,853 Shares held by Rosy Fortune, 1,248,859,250 Shares held by Ding Chang and 217,918,580 Shares held by Rain-Mountain. The entire issued share capital of Rain-Mountain is wholly owned by Beauty Fountain, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Sun-Mountain Trust via SCTS Capital. The Sun-Mountain Trust is a discretionary trust set up by Mr. LIN Feng as settlor and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Sun-Mountain Trust include certain family members of Mr. LIN Feng.
- The entire issued share capital of Eminent Talent is wholly owned by LW Asset, the entire issued share capital of which is in turn held by a discretionary trust set up by Mr. LIN Wei as settlor and Credit Suisse Trust as trustee in 2018. The beneficiary objects of the said trust include certain family members of Mr. LIN Wei.
- These Shares are held by Ping An of China Asset Management (Hong Kong) Company Limited ("Ping An HK Asset Management") on behalf of certain clients (including but not limited to Ping An Life Insurance Company of China, Ltd. ("Ping An Life Insurance")) as investment manager as at the Latest Practicable Date. Ping An HK Asset Management is a wholly-owned subsidiary of China Ping An Insurance Overseas (Holdings) Limited ("Ping An Overseas Holdings"), which is a wholly-owned subsidiary of Ping An Insurance (Group) Company of China, Ltd. ("Ping An Group"). Accordingly, Ping An HK Asset Management and Ping An Overseas Holdings are exempt from disclosure of interest under the SFO. Furthermore, Ping An Asset Management Co., Ltd. ("Ping An Asset Management"), a subsidiary of Ping An Group, also holds interest on behalf of certain clients (including but not limited to Ping An Life Insurance) as investment manager but not yet constituted to notifiable interest. Ping An Asset Management could exercise the

voting rights of such Shares at its full discretion and exercise its rights on investment, operation and management independently and also entirely independent from Ping An Group as investment manager on behalf of its clients. Accordingly, Ping An Group has adopted a non-aggregating approach and is regarded to be exempted from disclosure of interest in such Shares as a holding company.

6. These Shares are held by Ping An HK Asset Management as investment manager on behalf of Ping An Life Insurance as of the Latest Practicable Date. Ping An Life Insurance is a wholly-owned subsidiary of Ping An Group. Accordingly, Ping An Group is deemed to be interested in such Shares.

Save as disclosed above, as at the Latest Practicable Date, the Company had not been notified of any other persons who had an interests or a short position in the Shares and underlying Shares, which would fall to be disclosed to the Company pursuant to the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were required to be entered into in the register required to be kept by the Company pursuant to Section 336 of the SFO.

#### 4. DIRECTORS' INTEREST IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors (not being the independent non-executive directors) had an interest in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group.

#### 5. INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

Save as disclosed in the following paragraphs headed "Connected Transaction and "Continuing Connected Transactions", as at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have been, since 31 December 2020 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or which are proposed to be acquired or disposed of by or leased to any member of the Group and there were no contracts or arrangements in which a Director was materially interested and significant in relation to the business of the Group.

##### Connected Transaction

- (i) a sale and purchase agreement dated 2 September 2021 entered into between Shanghai Changyu Real Estate Co., Ltd.\* (上海昌煜置業有限公司) (as the "Vendor"), Shanghai Jiadi Hotel Management Co., Ltd.\* (上海家迪酒店管理有限公司) (as purchaser), Ping An Real Estate Co., Ltd.\* (平安不動產有限公司), and Shanghai Anbiao Management Consultancy Co., Ltd.\* (上海安標管理諮詢有限公司) (the "Target Company") in relation to (i) the sale and purchase of 30% equity interest in the Target Company and (ii) the assignment of a loan due, owing or payable to the Vendor by the Target Company for a consideration of RMB212,961,682.72 (subject to adjustments), details of which are set out in the announcement of the Company dated 2 September 2021.

**Continuing Connected Transactions**

- (i) The Company and CIFI Ever Sunshine Services entered into a property management services master agreement on 11 November 2019 in relation to provision of property management services by CIFI Ever Sunshine Services Group to the Group for a further term of three years, which has commenced from 1 January 2020 to 31 December 2022 (both days inclusive).

Further details of this continuing connected transaction are set out on pages 155-157 of 2020 Annual Report of the Company;

- (ii) On 13 December 2019, the Group renewed the continuing connected transactions under the prefabricated construction materials master supply agreement dated 18 January 2017 in relation to the supply of prefabricated construction materials and the provision of related installation and technical services to the Group for another three years commencing from 1 January 2020 to 31 December 2022 by way of executing a renewal agreement of prefabricated construction materials supply master agreement between CIFI Group Co., Ltd.\* (旭輝集團股份有限公司) and Lvming Construction Technology.

Further details of this transaction are set out on pages 157-158 of 2020 Annual Report of the Company;

- (iii) CIFI Ever Sunshine Services has entered into a property management services master agreement dated 25 September 2020 (the “**2020 Property Management Services Master Agreement**”) with Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng (collectively, the “**Ultimate Controlling Shareholders**”) to renew the transactions contemplated under the property management services master agreement dated 22 November 2018, pursuant to which the CIFI Ever Sunshine Services Group agreed to provide property management services, including but not limited to (a) property management services for unsold properties, car parking lots and the properties held by the Ultimate Controlling Shareholders and their associates (excluding the Group); (b) onsite securing, cleaning, greening, as well as customer services to property sales offices; (c) preliminary planning and design consultancy services; and (d) cleaning and house inspection services to the property projects developed by the associates of the Ultimate Controlling Shareholders (excluding the Group) upon completion of construction and before delivery of the same to homeowners, properties owned by the Ultimate Controlling Shareholders and other value-added services. CIFI Ever Sunshine Services has further entered into a supplemental agreement dated 5 November 2020 with the Ultimate Controlling Shareholders to provide a breakdown of the annual caps originally set out in the 2020 Property Management Services Master Agreement.

Further details of this transaction are set out on pages 159-162 of 2020 Annual Report of the Company; and

- (iv) On 22 April 2021, the Company entered into the Merchandise Procurement Framework Agreement with CIFI Ever Sunshine Services, pursuant to which the Group agrees to purchase from CIFI Ever Sunshine Services Group, and CIFI Ever Sunshine Services Group agrees to procure for the Group, the relevant goods needed from time to time in the ordinary course of property development of the Group and for the property projects of the Group for a term commencing from 22 April 2021 to 31 December 2023 (both days inclusive).

Further details of this transaction are set out in the announcement of the Company dated 22 April 2021 and 3 June 2021.

## 6. SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered or proposed to enter into a service contract with any member of the Group which is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

## 7. LITIGATION

As at the Latest Practicable Date, to the best of the knowledge of the Company, the Group was not engaged in any litigation or claim of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

## 8. PARTICULARS OF DIRECTORS AND SENIOR MANAGEMENT

### Directors

#### *Executive Directors*

#### **Mr. LIN Zhong**

*Chairman*

Mr. Lin, aged 52, our founder, is the executive Director and Chairman of the Company. Mr. Lin Zhong has about 30 years of experience in the real estate business. He was appointed as Director on 20 May 2011, and is the chairman of the Nomination Committee and a member of the Remuneration Committee of the Company and is also a substantial shareholder of the Company and a director of certain subsidiaries of the Group. Mr. Lin Zhong is also an executive director, the chairman of the board of directors, the chairman of the nomination committee, the chairman of the strategy committee and a member of remuneration committee of CIFI Ever Sunshine Services since 17 December 2018. Mr. Lin Zhong was appointed as the vice chairman of Shanghai Population Welfare Foundation in 2013, the deputy chief council member of the Eighth Term of Council of Shanghai Real Estate Association and the rotating chairman of Shanghai Entrepreneur Association in



2014, the honorary chairman of Fujian Chamber of Commerce in Shanghai and the chairman of Xiamen Chamber of Commerce in Shanghai in 2016, the vice chairman of the China Real Estate Association in 2018, an adjunct professor at School of Business Administration of East China Normal University and the chairman of the fourth council of Oriental Real Estate Research Institute of East China Normal University in 2019, and the rotating chairman of China Urban Realty Association (CURA) and the rotating chairman of Fukien Chamber of Commerce in 2021. Mr. Lin Zhong graduated from Xiamen University with a bachelor's degree in economics. He further pursued and obtained an executive master of business administration degree from Cheung Kong Graduate School of Business. Mr. Lin Zhong is a brother of Mr. Lin Wei and Mr. Lin Feng. Mr. Lin Zhong is a director of Rosy Fortune and Ding Chang, substantial shareholders of the Company, whose interests in shares of the Company are disclosed in the section headed "3. DISCLOSURE OF INTERESTS" in this Appendix of this prospectus.

**Mr. LIN Wei**

*Vice-Chairman*

Mr. Lin, aged 48, is the executive Director and Vice-chairman of the Company. He was appointed as Director on 20 May 2011, and is also a substantial shareholder of the Company and a director of certain subsidiaries of the Group. Mr. Lin Wei has about 25 years of experience in the real estate business. He laid the foundation of our Group's development with Mr. Lin Zhong. Mr. Lin Wei is a brother of Mr. Lin Zhong and Mr. Lin Feng. Mr. Lin Wei is a director of Rosy Fortune and Eminent Talent, substantial shareholders of the Company, whose interests in shares of the Company are disclosed in the section headed "3. DISCLOSURE OF INTERESTS" in this Appendix of this prospectus.

**Mr. LIN Feng**

*Chief Executive Officer*

Mr. Lin, aged 45, is the executive Director and Chief Executive Officer of the Company. He is also a substantial shareholder of the Company and a director of certain subsidiaries of the Group. Mr. Lin Feng has about 21 years of experience in the real estate business. He joined our Group in 2001 and was appointed as Director on 20 May 2011. Mr. Lin Feng is also a non-executive director, the deputy chairman of the board of directors, a member of the audit committee and a member of the strategy committee of CIFI Ever Sunshine Services. Mr. Lin Feng is currently the vice chairman of China Real Estate Chamber of Commerce, a council member of All-China Youth Federation, executive council member of Shanghai Youth Federation, executive council member of Shanghai Federation of Industry and Commerce (Commerce Chamber), council member of Shanghai Changning District Association of Industry and Commerce (Commerce Chamber), executive council member of Shanghai Putuo District Youth Federation, rotating chairman of the executive council of China Urban Realty Association and director of CIFI Foundation. Mr. Lin Feng graduated from Xiamen University with a bachelor's degree in economics and further obtained a master of business administration degree from the University of Dundee. Mr. Lin Feng is a brother of Mr. Lin Zhong

and Mr. Lin Wei. Mr. Lin Feng is a director of Rosy Fortune, a substantial shareholder of the Company, whose interests in shares of the Company are disclosed in the section headed “3. DISCLOSURE OF INTERESTS” in this Appendix of this prospectus.

**Mr. CHEN Dongbiao**

Mr. Chen, aged 53, is the executive Director of the Company and Executive President of the Group, responsible for operation and management of residential segment. Mr. Chen joined the Group in August 2013, and was appointed as Director on 18 December 2017. He is currently a director of certain subsidiaries of the Group. Prior to joining the Group, Mr. Chen worked for China Vanke Co., Ltd., as the director of engineering and general manager and chairman of Shanghai Vanke Real Estate Co., Ltd. Mr. Chen was a representative of Shanghai Pudong New District People’s Congress from 1997 to 2002 and the rotating chairman of Shanghai Real Estate Trade Association from 2011 to 2012. Mr. Chen graduated from Shanghai City Construction Institute with a bachelor’s degree in engineering, and further obtained a master of business administration degree from China Europe International Business School.

**Mr. YANG Xin**

*Chief Financial Officer*

Mr. Yang, aged 47, is the executive Director of the Company and the Senior Vice President of the Group. Mr. Yang became the Chief Financial Officer of the Group since 30 March 2019. Mr. Yang joined the Group in July 2010, and was appointed as Director on 18 December 2017. He is currently a director of certain subsidiaries of the Group. He has experience in banking and finance. Prior to joining the Group, he worked in various management positions at Agricultural Bank of China Limited. Mr. Yang graduated from Shanghai Jiao Tong University with a bachelor’s degree in international finance and further obtained a master of business administration degree. He also obtained a master’s degree in accounting from Shanghai National Accounting Institute. Mr. Yang also holds the Senior International Finance Manager qualification issued by International Financial Management Association.

*Non-Executive Director***Mr. WANG Wei**

Mr. Wang, aged 52, is the non-executive Director of the Company. He was appointed as Director on 25 November 2018. Mr. Wang is the Managing Director of Strategic Investment with Group Asset Management (集團資產管控中心) at Ping An Group (together with its subsidiaries, “Ping An, 平安”), a substantial shareholder of the Company, whose interest in shares of the Company is disclosed in the section headed “3. DISCLOSURE OF INTERESTS” in this Appendix of this prospectus. Before being appointed to the said position in August 2018, he had been the Managing Director of Ping An Real Estate Capital Ltd. (平安不動產資本有限公司) since early 2013. Prior to joining Ping An, Mr. Wang was a Managing Director and China head for Forum Partners, a U.S. real estate private equity fund; a Vice President and the Chief Financial Officer of Sunshine 100 China, a real estate developer; a member of the China Management Committee, Managing Director and co-head of China Fixed Income & Derivatives at UBS Group in Hong Kong. Between 1994 and 2005, Mr. Wang was an Associate, Vice President and Senior Vice President in Fixed Income and Equity Capital Markets at JP Morgan in New York, Singapore and Hong Kong. From 1991 to 1994, Mr. Wang started his career in Treasury Department of the Bank of China, Head Office, in Beijing, and focused on international debt capital markets and derivatives. Mr. Wang owns a master’s degree in business administration (MBA) from Columbia Business School, and a bachelor’s degree in economics, majoring in international finance, from Fudan University. He is currently a director of China Fortune Land Development Co., Ltd. (SSE stock code: 600340), the shares of which are listed on the Shanghai Stock Exchange. He has been appointed as a non-executive director of China Jinmao Holdings Group Limited (SEHK stock code: 817), the shares of which are listed on the Stock Exchange, on 24 August 2020.

*Independent Non-Executive Directors***Mr. GU Yunchang**

Mr. Gu (former name: GU Yongchuang), aged 76, is the independent non-executive Director of the Company. He was appointed as Director on 9 October 2012, and is a member of the Audit Committee and Nomination Committee of the Company. Mr. Gu was the vice chairman of the China Real Estate Research Association from 2006 to May 2013 and had also been the vice chairman and secretary-general of the China Real Estate Association from 1998 to 2006. He is currently the chairman of National Real Estate Chamber of Commerce.

Mr. Gu formerly served at different positions in the Ministry of Construction of the PRC, including the deputy director at Policy Research Centre of Ministry of Construction from 1988 to 1998; the person-in-charge of the City and Township Residence Research Centre of Ministry of Construction from 1986 to 1988; and the deputy division head and division head at Urban Residence Bureau of Ministry of Construction from 1979 to 1986.

Mr. Gu specialises in theory and policy research, market research and analysis concerning China real estate industry. In the 1980s, he participated in the policy research and formulation of China's city and village residential construction techniques, carrying on a national key project "2000 China", and won the First Class National Science Technology Advance Award in China twice. After joining the China Real Estate Association in 1998, he has been involved in promoting the development of the China real estate industry as well as undertaking the research and analysis of the national real estate market. He is also the main organiser and writer of the China Real Estate Market Report, an annual analysis report issued by the China Real Estate Association. Mr. Gu is currently an independent non-executive director of Jiayuan International Group Limited (SEHK stock code: 2768), an independent non-executive director of Sunshine 100 China Holdings Ltd (SEHK stock code: 2608), the shares of all of which are listed on the Stock Exchange, and an independent director of Zhejiang Yasha Decoration Co., Ltd., a company listed on the Shenzhen Stock Exchange (SZSE stock code: 002375). He has been appointed as an independent non-executive director of Shimao Services Holdings Limited (SEHK stock code: 873) on 13 October 2020. Mr. Gu obtained a bachelor's degree in urban planning from Tongji University.

**Mr. ZHANG Yongyue**

Mr. Zhang, aged 66, is the independent non-executive Director of the Company. He was appointed as Director on 9 October 2012, and is the chairman of the Remuneration Committee and a member of the Audit Committee and Nomination Committee of the Company. Mr. Zhang obtained a bachelor's degree in economics from East China Normal University where he taught since his graduation and he had become a professor of the Business School at the same university since 1998 until he retired in 2017. He is currently a tenured professor at East China Normal University, and the Dean of Shanghai E-house China R&D Institute, concurrently as the vice president of the China Institute of Real Estate Appraisers and Agents, and the supervisor of Shanghai Real Estate Economy Society. Mr. Zhang is currently an independent director of Shanghai Industrial Development Co., Ltd. (SSE stock code: 600748) and an independent director of Shanghai Huitong Energy Co., Ltd. (SSE stock code: 600605), the shares of all of which are listed on the Shanghai Stock Exchange.

**Mr. TAN Wee Seng**

Mr. Tan, aged 65, is the independent non-executive Director of the Company. He was appointed as Director on 9 October 2012, and is the chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr. Tan is a professional in value and business management consultancy. He is currently an independent non-executive director of Xtep International Holdings Limited (SEHK stock code: 1368), an independent non-executive director of Sa Sa International Holdings Limited (SEHK stock code: 178), an independent non-executive director of Health and Happiness (H&H) International Holdings Limited (formerly known as Biostime International Holdings Limited) (SEHK stock code: 1112) and an independent non-executive director of Shineroad International Holdings Limited

(SEHK stock code: 1587), the shares of all of which are listed on the Main Board of the Stock Exchange, and an independent director of ReneSola Ltd (NYSE stock code: SOL), the shares of which are listed on the New York Stock Exchange. He is also a board member and the chairman of the finance and operation committee of Beijing City International School. Mr. Tan has over 37 years of financial management, corporate finance, merger and acquisition, business management and strategy development experience. He has also held various management and senior management positions in a number of multinational and Chinese corporations. From 2003 to 2008, he was an executive director, chief financial officer and company secretary of Li Ning Company Limited (SEHK stock code: 2331). From 1999 to 2002, he was the senior vice president of Reuters for China, Mongolia and North Korea regions, and the chief representative of Reuters in China. He has retired as an independent non-executive director of Sinopharm Group Co. Ltd. (SEHK stock code: 1099) on 18 September 2020. Mr. Tan is a fellow member of the Chartered Institute of Management Accountants in United Kingdom and a Chartered Global Management Accountant.

### **Senior Management**

#### **Ms. FAN Yiting**

*Vice President and General Manager of Products Center of the Group*

Ms. Fan, aged 48, is the Vice President and General Manager of Products Center of the Group. Ms. Fan joined the Group in October 2015. Prior to joining the Group, Ms. Fan worked for China Overseas Grand Oceans Group Limited as assistant president and vice chief architect from 2011 to 2015. She held the positions of director, design director (Eastern China), design director (Northern China), general manager of planning and design management center and deputy manager of Shenzhen branch for China Overseas Property Group Co., Ltd. from 2000 to 2011. Ms. Fan worked for Beijing Architectural Design Institute of China Construction as an architect from 1993 to 1997. Ms. Fan graduated from South China University of Technology with a master's degree in architecture and obtained a bachelor's degree in architecture from Chang'an University (formerly known as The Northwest Institute of Construction Engineering). She is also a certified architect with professional qualification.

#### **Mr. PAN Taoyuan**

*Vice President and General Manager of Investment Center of the Group*

Mr. Pan, aged 53, is the Vice President and General Manager of Investment Center of the Group. Mr. Pan joined the Group in February 2008 and was previously the General Manager of Sales and Marketing Center of the Group. Before joining our Group, Mr. Pan worked in Shanghai P & R Real Estate Consultant Co., Ltd as the deputy general manager from October 2004 to January 2007. Mr. Pan graduated from the National Taichung Institute of Technology majoring in Japanese language. He further obtained an executive master of business administration (EMBA) degree from China Europe International Business School in 2019.

**Mr. GE Ming**

*Vice President and the General Manager of Human Development Center of the Group*

Mr. Ge, aged 41, is the Vice President and the General Manager of Human Development Center of the Group. Mr. Ge joined the Group in April 2012 and have vast experience in human resources management. Prior to joining the Group, Mr. Ge worked at Oriental Cambridge Education Group as the director of human resources and a member of the executive committee. Prior to that, Mr. Ge worked at Shanghai Tuosheng Associates and Longfor Group. Mr. Ge graduated from Fudan University with a bachelor's degree in economics, majoring in international finance in 2002, and further obtained an executive master of business administration (EMBA) degree from China Europe International Business School in 2018.

**Mr. XU Bin**

*Vice President and Chief Digital Officer of the Group*

Mr. Xu, aged 46, is the Vice President and Chief Digital Officer of the Group. Mr. Xu joined the Group in May 2020. Prior to joining the Group, Mr. Xu worked as the chief information officer of the Country Garden Group\* (碧桂園集團), the chief information officer of Cedar Holdings Group\* (雪松控股集團), the chief information officer of the Shell China Group\* (殼牌(中國)集團), the chief information officer for Asia Pacific of Lubrizol Specialty Chemicals Group\* (路博潤特種化工集團), the chief information officer of retail business of the BP China Group\* (英國石油中國集團), the information technology manager of 7-Eleven China Group\* (7-Eleven中國集團), and the project manager of China Construction Bank Guangzhou Branch. Mr. Xu graduated from Nanjing University with a bachelor's degree in science, and further obtained a master degree in economics from Sun Yat-sen University.

**Mr. LEUNG Yuk Ming (Lawrence)**

*Head of Capital Markets and Investor Relations*

Mr. Leung, aged 46, is the Head of Capital Markets and Investor Relations since 30 March 2019. He has extensive experience in investor relations, investment banking, Listing Rules compliance and accounting. In his career, Mr. Leung worked for Powerlong Real Estate Holdings Limited, Macquarie Capital (Hong Kong) Limited, DBS Asia Capital Limited, the Listing Division of the Stock Exchange and Ernst & Young. Mr. Leung received his bachelor's degree in commerce and LLB from the University of Calgary and the University of London respectively. He is a holder of Chartered Financial Analyst, a member of Hong Kong Society of Financial Analysts and a member of the Hong Kong Institute of Certified Public Accountants. He joined the Group in June 2013.

**Mr. DING Zhaohui**

*Director of Legal and Risk Control of the Group*

Mr. Ding, aged 48, is the Director of Legal and Risk Control of the Group. Mr. Ding joined the Group in September 2014. Prior to joining the Group, Mr. Ding worked for China Vanke Co., Ltd. from October 2000 to September 2014 and held the

positions of deputy general manager and general manager of legal department of China Vanke Co., Ltd. Mr. Ding has been the deputy chief member of the professional committee for legal affairs of the China Real Estate Association since December 2018. Mr. Ding graduated from East China Normal University with a bachelor's degree in history and later obtained a master of laws degree from Renmin University of China.

**Mr. YAN Qiang**

*General Manager of Sales Center of the Group*

Mr. Yan, aged 39, is the General Manager of Sales Center of the Group. Mr. Yan joined the Group in March 2012. Prior to joining the Group, Mr. Yan worked for China Vanke Co., Ltd. as senior professional manager in its sale department. Mr. Yan graduated from Nankai University with a bachelor's degree in management, and further obtained a master's degree in management from Tianjin University.

**Mr. LI Su**

*General Manager of Audit and Supervision Department of the Group*

Mr. Li, aged 39, is the General Manager of Audit and Supervision Department of the Group. Mr. Li joined the Group in August 2019. Prior to joining the Group, Mr. Li worked as the general manager of risk management and compliance center of China Fortune Land Development Co., Ltd., director of audit of audit department in Longfor Group, general manager of audit department in Saiwei LDK Group, and also worked for risk assurance of PricewaterhouseCoopers as senior consultant. Mr. Li graduated from Beijing International Studies University with a bachelor's degree in economics, majoring in international finance.

**Mr. LO Tai On**

*Company Secretary*

Mr. Lo, aged 66, was appointed as our Company Secretary in October 2012. Mr. Lo is a member of the Hong Kong Institute of Certified Public Accountants. He has over 30 years of experience in the field of company secretarial services and is now a director of Fair Wind Secretarial Services Ltd., a secretarial company rendering secretarial services. Mr. Lo is also the company secretary of several companies listed on the Stock Exchange, including Pak Fah Yeow International Limited (SEHK stock code: 239), and Good Friend International Holdings Inc. (SEHK stock code: 2398).

The business address of all Directors and senior management of the Company is 22/F., One Hennessy, No. 1 Hennessy Road, Wan Chai, Hong Kong.

**9. MATERIAL CONTRACT**

The following contract (not being contracts entered into the ordinary course of business of the Group) had been entered into by members of Group within the two years immediately preceding the date of this prospectus which are or may be material:

- (i) The placing agreement entered into between the Company and Credit Suisse (Hong Kong) Limited dated 5 June 2020 in respect of the placing of the 185,000,000 new Shares by Credit Suisse (Hong Kong) Limited at HK\$6.28 per such new Share.

Save for the above, the Group did not enter into any contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this prospectus and are or may be material.

**10. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION**

|  |   |  |
|--|---|--|
| Registered Office                                    | : | P.O. Box 309<br>Ugland House<br>Grand Cayman KY1-1104<br>Cayman Islands  |
| Headquarter in PRC                                   | : | CIFI Center<br>Lane 1088, No. 39 Shenhong Road<br>Minhang District<br>Shanghai<br>PRC  |
| Principal place of business in Hong Kong             | : | 22/F., One Hennessy,<br>No. 1 Hennessy Road, Wan Chai, Hong Kong   |
| Authorised representatives                           | : | Mr. LIN Zhong<br>Mr. LIN Feng  |
| Company Secretary                                    | : | Mr. LO Tai On  |
| Principal share registrar and transfer agent         | : | Maples Fund Services (Cayman) Limited<br>P.O. Box 1093, Boundary Hall<br>Cricket Square<br>Grand Cayman KY1-1102<br>Cayman Islands             |
| Hong Kong branch share registrar and transfer office | : | Computershare Hong Kong Investor Services Limited<br>Shops 1712-1716, 17th Floor, Hopewell Centre<br>183 Queen's Road East, Wanchai, Hong Kong |



|   |   |
|---|---|
| Principal bankers                                 | : <b>Mainland China</b><br>Industrial and Commercial Bank of China Limited<br>Agricultural Bank of China Limited<br>Bank of China Limited<br>China Construction Bank Corporation<br>Bank of Communications Co., Ltd<br>China CITIC Bank Corporation Limited<br>China Merchants Bank Co., Ltd.<br>Ping An Bank Co., Ltd.<br>China Minsheng Banking Corp., Ltd.<br>Industrial Bank Co., Ltd.<br>China Everbright Bank Co., Ltd<br>Shanghai Pudong Development Bank Co., Ltd<br>Bank of Shanghai Co., Ltd.<br>China Bohai Bank Co., Ltd.<br>China Zheshang Bank Co., Ltd.  |
|   | <b>Hong Kong</b><br>The Hongkong and Shanghai Banking Corporation Limited<br>Standard Chartered Bank (Hong Kong) Limited<br>Hang Seng Bank Limited<br>Bank of Communications Co., Ltd Hong Kong Branch<br>Bank of China (Hong Kong) Limited<br>China Construction Bank (Asia) Corporation Limited<br>The Bank of East Asia, Limited<br>Wing Lung Bank Limited<br>China CITIC Bank International Limited<br>Tai Fung Bank Limited<br>Bank of Shanghai (Hong Kong) Limited<br>Nanyang Commercial Bank, Limited<br>Chong Hing Bank Limited<br>Shanghai Pudong Development Bank Co., Ltd Hong Kong Branch<br>United Overseas Bank Limited |
| Auditor   | : Deloitte Touche Tohmatsu<br>35/F One Pacific Place<br>88 Queensway  |
| Legal advisers to the Company as to Hong Kong Law | : CFN Lawyers<br>in association with Broad & Bright   |

**11. EXPERT'S QUALIFICATION AND CONSENT**

The following is the qualification of the expert who has provided its advice which is contained in this prospectus:

| <b>Name</b>              | <b>Address</b>                         | <b>Qualification</b>      |
|--------------------------|--|---------------------------|
| Deloitte Touche Tohmatsu | 35/F One Pacific Place<br>88 Queensway | Certified public accounts |

Deloitte Touche Tohmatsu has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letter and the reference to its name in the form and context in which they appear. As at the Latest Practicable Date, Deloitte Touche Tohmatsu was not interested beneficially or otherwise in any shares or securities in any member of the Group and did not have any right, whether legally enforceable or not, or option to subscribe for or to nominate persons to subscribe for any shares or securities in any member of the Group nor did they have any interest, either direct or indirect, in any assets which have been, since the date to which the latest published audited accounts of the Group were made up, acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

**12. DOCUMENTS REGISTERED BY THE REGISTRAR OR COMPANIES IN HONG KONG**

Copies of the Prospectus Documents and the written consent by Deloitte Touche Tohmatsu referred to in the paragraph headed "11. Expert's Qualification and Consent" in this Appendix III have been registered with the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance.

**13. EXPENSES**

The expenses in connection with the Rights Issue, including professional fees, printing, registration, translation, legal and accounting fees, are estimated to be approximately HK\$7.5 million in maximum, and are payable by the Company.

**14. LEGAL EFFECT**

This prospectus, the PAL and the EAF, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

**15. BINDING EFFECT**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (WUMP) Ordinance so far as applicable.

**16. DOCUMENTS AVAILABLE FOR INSPECTION**

The following documents are available on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company (<http://www.cifi.com.cn>) for a period of 14 days from the date of this prospectus:

- (i) the annual reports of the Company for each of the financial years ended 31 December 2018, 31 December 2019 and 31 December 2020 and the interim report of the Company for the six months ended 30 June 2021;
- (ii) the letter from Deloitte Touche Tohmatsu relating to the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this prospectus;
- (iii) the written consent referred to in the paragraph headed “11. Expert’s Qualification and Consent” in this Appendix III;
- (iv) copy of the material contract referred to in the section headed “9. Material Contracts” in this appendix; and
- (v) this prospectus.

**17. MISCELLANEOUS**

In case of inconsistency, the English text of this prospectus shall prevail over its Chinese text.

\* *For identification only*