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**CIFI Holdings (Group) Co. Ltd.**  
**旭輝控股(集團)有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 00884)**

**CONNECTED TRANSACTION**  
**SALE OF THE PROPERTIES**

On 11 July 2022, Shanghai Fengxu (as vendor), an indirect non-wholly owned subsidiary of the Company, and Shanghai Lingai (as purchaser), an indirect wholly-owned subsidiary of Lingyu International, entered into the Sale and Purchase Agreement for the sale of the Properties at a consideration of RMB186,844,320.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Company indirectly owns 50% shareholding in Lingyu International which is not regarded as subsidiary of the Company. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng indirectly (through vehicles wholly-owned by them) hold an aggregate of approximately 40% shareholding in Lingyu International. Shanghai Lingai is an indirect wholly-owned subsidiary of Lingyu International.

Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are executive Directors and controlling shareholders of the Company. Lingyu International and Shanghai Lingai are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the sale of the Properties constitutes a connected transaction of the Company under the Listing Rules.

Since certain applicable percentage ratios for the sale of the Properties are above 0.1% but less than 5%, the sale of the Properties is only subject to reporting and announcement requirements and is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE SALE AND PURCHASE AGREEMENT**

**Date:** 11 July 2022

**Parties:** (i) Shanghai Fengxu, an indirect non-wholly owned subsidiary of the Company, as the vendor; and

(ii) Shanghai Lingai, an indirect wholly owned subsidiary of Lingyu International, as the purchaser.

### **Sale of the Properties**

The Properties are located at Block 6, Shanghai CIFI Pure Center\* (上海旭輝純真中心6號樓) at No.6, 178 Lane, Puhui Road, Jiuting Town, Songjiang District, Shanghai, PRC\* (中國上海松江區九亭鎮蒲匯路178弄6號) and have an aggregate gross floor area of approximately 11,677.77 sq.m..

### **Consideration**

The total consideration for the sale of the Properties is RMB186,844,320 which shall be payable in cash and settled in the following manner:

- (1) RMB37,368,864 shall be paid by Shanghai Lingai to Shanghai Fengxu before 15 July 2022; and
- (2) The remaining balance of RMB149,475,456 shall be paid by Shanghai Lingai to Shanghai Fengxu before 31 August 2022.

The consideration and payment terms in relation to the sale of the Properties are determined after arm's length negotiations between Shanghai Fengxu and Shanghai Lingai on normal commercial terms with reference to the recent sales of comparable properties and the location and condition of the Properties.

Shanghai Fengxu agreed to deliver the Properties to Shanghai Lingai before 31 August 2022.

### **INFORMATION ABOUT THE GROUP, SHANGHAI FENGXU AND SHANGHAI LINGAI**

The Group is principally engaged in the property development and property investment businesses in the PRC.

Shanghai Fengxu, an indirect non-wholly owned subsidiary of the Company, is principally engaged in property development in the PRC and it is the project company for the development of the Properties.

Lingyu International and Shanghai Lingai are principally engaged in operation management of leasing apartment, hospitality and related services in the PRC.

## **REASONS FOR AND BENEFITS OF THE SALE OF THE PROPERTIES**

The Properties were developed by the Group and has been held by the Group as investment properties for rental income after completion of the development. The Group has been leasing the Properties to Shanghai Jiadi with annual rental payable by Shanghai Jiadi to the Group determined with reference to the then prevailing market rental of comparable properties. Shanghai Jiadi has been operating the Properties as leasing apartments at which it has been providing operation management for the occupiers at the leasing apartments. The rental paid by Shanghai Jiadi to the Group in 2020 and 2021 amounted to approximately RMB9.24 million and RMB9.65 million respectively, the applicable percentage ratios of which fell within de minimis exemption under Rule 14A.76 of the Listing Rules. The sale of the Properties is conducted in the ordinary and usual course of business of the Group. The Board considers that the sale of the Properties gives the Group a good opportunity to realize its investment in the Properties under current market condition and to streamline its business operations. The Company's extensive experiences in property development and investment have been utilized. In addition, Lingyu International is renowned for providing operation management of leasing apartments in Shanghai. It is believed Lingyu International and Shanghai Lingai are experienced and well positioned to provide excellent services on the operation management of the Properties. The Company can therefore leverage the capabilities of Lingyu International, in which the Company has equity interest. The Board believes that the Properties held by Shanghai Lingai would be complimentary to the Group's core property development and investment business and have great synergies with the Group as "real estate plus" business.

Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, being executive Directors and controlling shareholders of the Company, are considered to have a material interest in the sale of the Properties and therefore have abstained from voting on the Board resolutions of the Company for approving the sale of the Properties. Save as disclosed above, none of the Directors has any material interest in the sale of the Properties nor is required to abstain from voting in respect of the relevant Board resolutions.

All the independent non-executive Directors, the non-executive Director and the executive Directors (in respect of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, who are the executive Directors, they have expressed their views although they have abstained from voting) are of the opinion that the sale of the Properties is on normal commercial terms in the ordinary and usual course of business of the Group, and the terms of the Sale and Purchase Agreement, including the consideration thereof, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **FINANCIAL EFFECTS OF THE SALE OF THE PROPERTIES**

It is estimated that a gain of approximately RMB10.85 million will be recorded as a result of the sale of Properties. The disposal proceeds are intended to be used as general working capital of the Group. Apart from the above, it is not expected to have immediate material impact on the financial position of the Group.

## LISTING RULES IMPLICATIONS

As at the date of this announcement, the Company indirectly owns 50% shareholding in Lingyu International which is not regarded as subsidiary of the Company. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng indirectly (through vehicles wholly-owned by them) hold an aggregate of approximately 40% shareholding in Lingyu International. Shanghai Lingai is an indirect wholly-owned subsidiary of Lingyu International.

Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are executive Directors and controlling shareholders of the Company. Lingyu International and Shanghai Lingai are therefore connected persons of the Company under Chapter 14A of the Listing Rules. Accordingly, the sale of the Properties constitutes a connected transaction of the Company under the Listing Rules.

Since certain applicable percentage ratios for the sale of the Properties are above 0.1% but less than 5%, the sale of the Properties is only subject to reporting and announcement requirements and is exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“Company”	CIFI Holdings (Group) Co. Ltd. (旭輝控股(集團)有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder”	has the same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Lingyu International”	LingYu International Group Co., Ltd. (領寓國際集團有限公司), a company incorporated in the Cayman Islands with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
“Properties”	218 units of leasing apartment located at Block 6, Shanghai CIFI Pure Center* (上海旭輝純真中心6號樓) at No.6, 178 Lane, Puhui Road, Jiuting Town, Songjiang District, Shanghai, PRC* (中國上海松江區九亭鎮蒲匯路178弄6號)
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Fengxu”	Shanghai Fengxu Property Co., Ltd.* (上海豐旭置業有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Shanghai Jiadi”	Shanghai Jiadi Hotel Management Co., Ltd* (上海家迪酒店管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Lingyu International
“Shanghai Lingai”	Shanghai Lingai Public Leasing House Operation Co., Ltd* (上海瓴艾公共租賃住房運營有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Lingyu International
“Sale and Purchase Agreement”	the sale and purchase agreement dated 11 July 2022 in respect of the Properties entered into between Shanghai Lingai as purchaser and Shanghai Fengxu as vendor
“Shareholders”	holders of Shares
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Hong Kong, 11 July 2022

*As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei, Mr. LIN Feng, Mr. CHEN Dongbiao and Mr. Yang Xin as executive Directors; Mr. JIANG Daqiang as non-executive Director; and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as independent non-executive Directors.*

\* For identification purpose only