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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 TRANSACTIONS**  
**(1) PROJECT DEVELOPMENT MANAGEMENT SERVICE**  
**AGREEMENT**  
**AND**  
**(2) SALES SERVICE AGREEMENT**

**THE PROJECT SERVICE AGREEMENTS**

Reference is made to the Company's announcement dated 9 March 2023 in relation to, among others, the Disposal of 50% of the equity interest in Hebei Hehu. Upon completion of the Disposal, the Group has ceased to hold any equity interest in Hebei Hehu and Hebei Hehu has become an indirect wholly-owned subsidiary of Henderson China.

Notwithstanding the Disposal and the termination of the joint venture arrangement, it is the intention of the Group that it will continue to participate in the development management and sales of the Shijiazhuang Project. As such, on 24 April 2023 (after trading hours), the Group entered into the following agreements:

- (i) the Project Development Management Service Agreement, pursuant to which the Group shall provide project development management services for the Shijiazhuang Project; and
- (ii) the Sales Service Agreement, pursuant to which the Group shall provide services over the sales and marketing activities of the Shijiazhuang Project.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Henderson Land is a substantial shareholder of certain subsidiaries of the Company, which are not insignificant subsidiaries under Rule 14A.09(1) of the Listing Rules. As each of Henderson China and Guangzhou Jiejun is a subsidiary of Henderson Land, they are also connected persons of the Company at the subsidiary level. Upon completion of the Disposal, each of Hebei Hehu and the Shijiazhuang Project Company has become a subsidiary of Henderson Land. Therefore, the transactions contemplated under the Project Service Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Based on the terms of and the total estimated service fees receivable under the Project Service Agreements, one or more of the applicable percentage ratios for the transactions contemplated under the Project Service Agreements is above 1%. However, as (i) the Board has approved the Project Service Agreements and the transactions contemplated thereunder; and (ii) the Directors (including the independent non-executive Directors) have confirmed that the terms of the Project Service Agreements are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Project Service Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **INTRODUCTION**

Reference is made to the Company's announcement dated 9 March 2023 in relation to, among others, the Disposal of 50% of the equity interest in Hebei Hehu. Upon completion of the Disposal, the Group has ceased to hold any equity interest in Hebei Hehu and Hebei Hehu has become an indirect wholly-owned subsidiary of Henderson China. The Shijiazhuang Project Company, the wholly-owned subsidiary of Hebei Hehu, develops the Shijiazhuang Project. Upon completion of the Disposal, the joint venture arrangement between the Group and Henderson China in respect of the Hebei Hehu Group and the Shijiazhuang Project has been terminated.

Notwithstanding the Disposal and the termination of the joint venture arrangement, it is the intention of the Group that it will continue to participate in the development management and sales of the Shijiazhuang Project. As such, on 24 April 2023 (after trading hours), the Group entered into the following agreements:

- (i) the Project Development Management Service Agreement, pursuant to which the Group shall provide project development management services for the Shijiazhuang Project; and
- (ii) the Sales Service Agreement, pursuant to which the Group shall provide services over the sales and marketing activities of the Shijiazhuang Project.

## THE PROJECT DEVELOPMENT MANAGEMENT SERVICE AGREEMENT

The principal terms of the Project Development Management Service Agreement are summarised as follows:

- Date : 24 April 2023 (after trading hours)
- Parties : (1) Henderson China
- (2) Guangzhou Jiejun, an indirect wholly-owned subsidiary of Henderson Land
- (3) Hebei Hehu, a direct wholly-owned subsidiary of Guangzhou Jiejun
- (4) Shijiazhuang Project Company, a direct wholly-owned subsidiary of Hebei Hehu
- (5) CIFI PRC, an indirect wholly-owned subsidiary of the Company
- (6) Hebei Zhuoyun, an indirect wholly-owned subsidiary of the Company
- Scope of services : The property development management services to be provided by Hebei Zhuoyun shall include planning applications management, design management, construction management, completion inspection and delivery management, customers service, repair and maintenance management and financial co-ordination in respect of the Shijiazhuang Project.
- Pricing and other terms : The service fee shall be as follows:
- (a) a base fee of 1.5% of the actual contracted sales amount of CIFI Gongyuan Mansion Project recorded on or after the date of the Project Development Management Service Agreement;
- (b) a variable incentive fee of up to 0.5% of the actual contracted sales amount of CIFI Gongyuan Mansion Project recorded on or after the date of the Project Development Management Service Agreement. The amount of incentive fee receivable is to be determined and calculated with reference to the fulfillment of certain key performance indicators in terms of among other factors cost, quality, development progress and construction safety.

For illustration purpose, the estimated value of the unsold property units of CIFI Gongyuan Mansion Project as at 31 December 2022 was approximately RMB5.2 billion. The actual contracted sales amount to be recorded on or after the date of the Project Development Management Service Agreement may differ from the estimated value of the unsold property as at 31 December 2022 due to various factors, including the development and construction progress, market conditions, sales plans and pricing strategy to be adopted by Hebei Hehu Group.

## **THE SALES SERVICE AGREEMENT**

The principal terms of the Sales Service Agreement are summarised as follows:

- Date : 24 April 2023 (after trading hours)
- Parties : (1) Henderson China
- (2) Guangzhou Jiejun, an indirect wholly-owned subsidiary of Henderson Land
- (3) Hebei Hehu, a direct wholly-owned subsidiary of Guangzhou Jiejun
- (4) Shijiazhuang Project Company, a direct wholly-owned subsidiary of Hebei Hehu
- (5) CIFI PRC, an indirect wholly-owned subsidiary of the Company
- (6) Hebei Zhuoyun, an indirect wholly-owned subsidiary of the Company
- Scope of services : The sales and marketing services to be provided by Hebei Zhuoyun include formulating overall sales and marketing strategy and positioning, conducting market research, project naming, developing overall and annual sales plan, promotion strategy and marketing budget, advising on product pricing, liaising with media agencies, advising on the designs of sales office and show house in relation to the Shijiazhuang Project.

Hebei Hehu Group shall be permitted to use “CIFI” brand in the sales and marketing activities of the Shijiazhuang Project.

Pricing and other terms : The service fee shall be determined, based on the actual contracted sales of the Shijiazhuang Project to be recorded on or after 1 January 2023, as follows:

- (i) for contracted sales of CIFI Gongyuan Mansion Project:
  - (a) a base fee of 2.7% of the actual contracted sales of the CIFI Gongyuan Mansion Project;
  - (b) a variable incentive fee of up to 0.3% of the actual contracted sales of the CIFI Gongyuan Mansion Project. The amount of incentive fee receivable is to be determined and calculated with reference to the fulfillment of certain key performance indicators in terms of sales performance, cost control, and operational control, among other factors; and
  - (c) an additional variable incentive fee of up to 0.5% of the actual contracted sales of the CIFI Gongyuan Mansion Project, if the amount of actual contracted sales exceeds RMB5 billion. The additional incentive fee percentage shall be 0.2% if the amount of actual contracted sales is above RMB5 billion but below RMB5.2 billion, 0.3% if the amount of actual contracted sales is RMB5.2 billion or above but below RMB5.5 billion, or 0.5% if the amount of actual contracted sales is RMB5.5 billion or above.
- (ii) for contracted sales of CIFI Chang'an Mansion Project, a fee of 3.2% of the actual contracted sales of the CIFI Chang'an Mansion Project.

## **BASIS OF THE SERVICE FEES**

The service fees were determined after arm's length negotiations between the parties to the Project Service Agreements with reference to the scale of the Shijiazhuang Project, scope of services to be provided, estimated costs to be incurred for the provision of such services and the prevailing market rates for the relevant services. With respect to the Project Development Management Agreement, the service fee was determined only with reference to the actual contracted sales of CIFI Gongyuan Mansion Project as the construction work of CIFI Chang'an Mansion Project has been completed. With respect to the Sales Service Agreement, no incentive fee arrangement was provided for the actual contracted sales of CIFI Chang'an Mansion Project as most units in this project have been sold and only certain portion of the car parks and storage rooms remained unsold.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE PROJECT SERVICE AGREEMENTS**

The Shijiazhuang Project Company, the wholly-owned subsidiary of Hebei Hehu, develops the Shijiazhuang Project. Upon completion of the Disposal, the joint venture arrangement between the Group and Henderson China in respect of the Hebei Hehu Group and the Shijiazhuang Project has been terminated. Notwithstanding the Disposal and the termination of the joint venture arrangement, it is the intention of the Group that it will continue to participate in the development management and sales of the Shijiazhuang Project.

The Board believes that the entering of the Project Service Agreements is in line with the Group's strategy of developing a light-asset business model and allows the Group to utilize its human resources and professional expertise to provide additional income stream for the Group. In addition, the smooth transition and operation of the Shijiazhuang Project after the Disposal and the continued participation of the Group in the Shijiazhuang Project is important to the Group as the Shijiazhuang Project has been and is expected to be marketed under the CIFI brand.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Project Service Agreements are fair and reasonable and the Project Service Agreements and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Project Service Agreements and therefore, none of them was required to abstain from voting in respect of such transactions.

## **INFORMATION OF THE GROUP AND OTHER PARTIES OF THE PROJECT SERVICE AGREEMENTS**

### **The Group**

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

### **CIFI PRC**

CIFI PRC is a joint stock company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. CIFI PRC, together with its subsidiaries, is principally engaged in property development and property investment in the PRC.

### **Hebei Zhuoyun**

Hebei Zhuoyun is a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company and a direct wholly-owned subsidiary of Beijing Xuhui (the vendor of the Disposal). Hebei Zhuoyun is principally engaged in enterprise management consultation, project management services, sales and marketing services and real estate agency service.

## **Henderson China**

Henderson China is a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Henderson Land. Henderson China is principally engaged in investment holdings.

## **Guangzhou Jiejun**

Guangzhou Jiejun is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Henderson Land. Guangzhou Jiejun is principally engaged in real estate operation and leasing, property management, market operation management and booth rental.

## **Hebei Hehu**

Hebei Hehu is a company established in the PRC with limited liability and wholly-owned by Guangzhou Jiejun as at the date of this announcement. Hebei Hehu is an investment holding company.

## **Shijiazhuang Project Company**

Shijiazhuang Project Company is a company established in the PRC with limited liability and wholly-owned by Hebei Hehu. Shijiazhuang Project Company is principally engaged in property development and holds and develops the Shijiazhuang Project. The Shijiazhuang Project, located at Chang'an District, Shijiazhuang, has a site area of approximately 207,000 square meters and is expected to be developed into a large-scale community comprising of residential units, apartments, commercial space, two kindergartens and one primary school with an aggregate gross floor area of approximately 648,000 square meters. The Shijiazhuang Project comprises of CIFI Chang'an Mansion Project and CIFI Gongyuan Mansion Project.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, Henderson Land is a substantial shareholder of certain subsidiaries of the Company, which are not insignificant subsidiaries under Rule 14A.09(1) of the Listing Rules. As each of Henderson China and Guangzhou Jiejun is a subsidiary of Henderson Land, they are also connected persons of the Company at the subsidiary level. Upon completion of the Disposal, each of Hebei Hehu and the Shijiazhuang Project Company has become a subsidiary of Henderson Land. Therefore, the transactions contemplated under the Project Service Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

Based on the terms of the total estimated service fees receivable under the Project Service Agreements, one or more of the applicable percentage ratios for the transactions contemplated under the Project Service Agreements is above 1%. However, as (i) the Board has approved the Project Service Agreements and the transactions contemplated thereunder; and (ii) the Directors (including the independent non-executive Directors) have confirmed that the terms of the Project Service Agreements are fair and reasonable and the transactions contemplated thereunder are on normal commercial terms or better and in the interests of the Company and the Shareholders as a whole, by virtue of Rule 14A.101 of the Listing Rules, the Project Service Agreements and the transactions contemplated thereunder are subject to the reporting and announcement requirements but are exempted from the circular, independent financial advice and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## DEFINITIONS

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

“Beijing Xuhui”	Beijing Xuhui Enterprise Management Co., Ltd.* (北京旭輝企業管理有限公司), a company established in the PRC with limited liability and an onshore subsidiary controlled by the Company as at the date of this announcement
“Board”	the board of Directors
“CIFI Chang’an Mansion Project”	CIFI Chang’an Mansion (旭輝長安府) Project, being a part of the Shijiazhuang Project
“CIFI Gongyuan Mansion Project”	CIFI Gongyuan Mansion (旭輝公元) Project, being a part of the Shijiazhuang Project
“CIFI PRC”	CIFI Group Co., Ltd.* (旭輝集團股份有限公司), a joint stock company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00884)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 50% of the equity interest in Hebei Hehu by Beijing Xuhui to Guangzhou Jiejun pursuant to the terms and conditions of the share transfer agreement dated 9 March 2023 entered into between, amongst others, Beijing Xuhui and Guangzhou Jiejun

“Group”	the Company and its subsidiaries
“Guangzhou Jiejun”	Guangzhou Jiejun Real Estate Development Co., Ltd.* (廣州捷駿房地產開發有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Henderson Land
“Hebei Hehu”	Hebei Hehu Enterprise Management Co., Ltd.* (河北和湖企業管理有限公司), a company established in the PRC with limited liability and wholly-owned by Guangzhou Jiejun as at the date of this announcement
“Hebei Hehu Group”	collectively, Hebei Hehu and Shijiazhuang Project Company
“Hebei Zhuoyun”	Hebei Zhuoyun Enterprise Management Consultancy Co., Ltd.* (河北卓韻企業管理諮詢有限公司), a company established in the PRC with limited liability and an indirectly wholly-owned subsidiary of the Company
“Henderson China”	Henderson (China) Investment Company Limited (恒基(中國)投資有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Henderson Land
“Henderson Land”	Henderson Land Development Company Limited (恒基兆業地產有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 00012)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Project Development Management Service Agreement”	the property project development management service agreement* (房地產項目開發專項業務委託管理合同) dated 24 April 2023 entered into between, among others, Hebei Zhuoyun and Hebei Hehu

“Project Service Agreements”	the Project Development Management Service Agreement and the Sales Service Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Sales Service Agreement”	the property project sales service agreement* (房地產項目營銷服務合同) dated 24 April 2023 entered into between, among others, Hebei Zhuoyun and Hebei Hehu
“Share(s)”	ordinary share(s) of HK\$0.10 each of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Shijiazhuang Project”	a residential and commercial complex project located at Chang’an District, Shijiazhuang, Hebei Province, the PRC and wholly-owned and developed by Shijiazhuang Project Company, which comprises of CIFI Chang’an Mansion Project and CIFI Gongyuan Mansion Project
“Shijiazhuang Project Company”	Hebei Hejian Real Estate Development Co., Ltd.* (河北和堅房地產開發有限公司), a company established in the PRC with limited liability and wholly-owned by Hebei Hehu as at the date of this announcement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“substantial shareholders”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

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

Hong Kong, 24 April 2023

*As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei, Mr. LIN Feng, Mr. RU Hailin and Mr. YANG Xin as executive Directors; and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as independent non-executive Directors.*

\* For identification purposes only