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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 AND DISCLOSEABLE TRANSACTION
INVOLVING
ACQUISITION OF EQUITY INTEREST IN
HONGQIAO PROJECT COMPANY**

THE EQUITY TRANSFER AGREEMENT

On 11 December 2023 (after trading hours), the CIFI Entities, the Henderson Entities and the Hongqiao Project Company (among others) entered into the Equity Transfer Agreement. The Hongqiao Project Company is a joint venture company formed between the Group and Henderson China for development and owning of the Hongqiao Project. As at the date of this announcement, each of the Group and Henderson China effectively controls 50% equity interest in the Hongqiao Project Company (through onshore and offshore joint venture structure). Pursuant to the Equity Transfer Agreement, the parties agreed to conduct certain corporate steps, which effectively involve acquisition of 50% equity interest in the Hongqiao Project Company by the Group from Henderson China at the Consideration (comprising RMB51,243,500 (equivalent to approximately HK\$55,855,000) payable onshore and HK\$169,923,654.75 payable offshore), thereby resulting the entire equity interest in the Hongqiao Project Company to be controlled by the Group upon completion.

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 the Henderson Entities is a subsidiary of Henderson Land, they are also connected persons of the Company at the subsidiary level. Therefore, the Acquisitions contemplated under the Equity Transfer Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. However, as (1) the Board has approved the Equity Transfer Agreement and the transactions contemplated thereunder; and (2) the Directors (including the independent non-executive Directors) have confirmed that the terms of the Equity Transfer Agreement are fair and reasonable and the Equity Transfer Agreement 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 Equity Transfer Agreement 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.

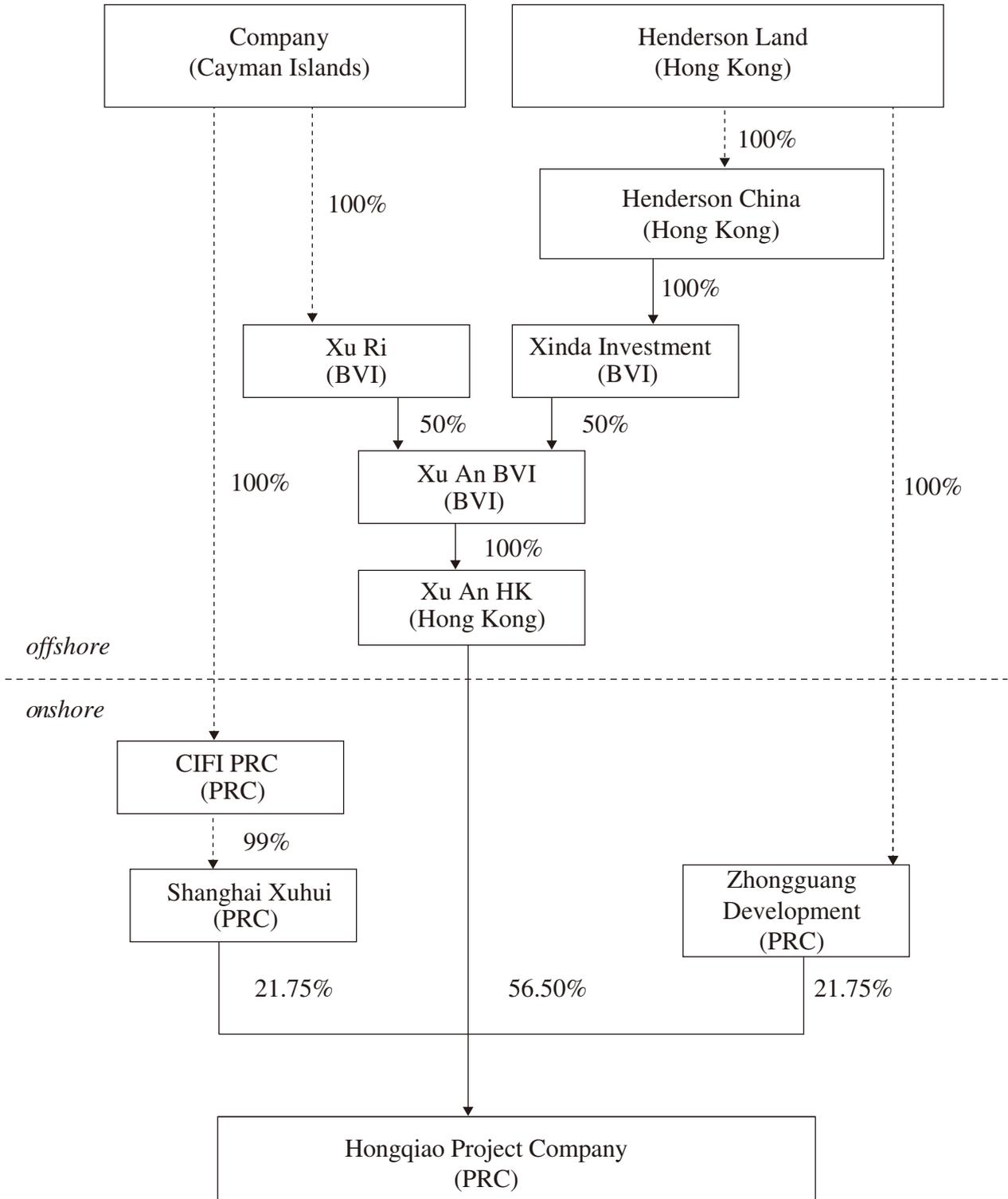
As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Acquisitions contemplated under the Equity Transfer Agreement exceed 5% but are less than 25%, the Equity Transfer Agreement constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

On 11 December 2023 (after trading hours), the CIFI Entities, the Henderson Entities and the Hongqiao Project Company (among others) entered into the Equity Transfer Agreement.

The Hongqiao Project Company is a joint venture company formed between the Group and Henderson China for development and owning of the Hongqiao Project. As at the date of this announcement, each of the Group and Henderson China effectively controls 50% equity interest in the Hongqiao Project Company, through onshore and offshore joint venture structure depicted in the corporate chart below.

**Corporate structure of the Hongqiao Project Company
as at the date of this announcement**



Note: - - - denote indirect shareholding

The parties under the Equity Transfer Agreement agreed to conduct certain corporate steps, which effectively involve acquisitions of 50% equity interest in the Hongqiao Project Company by the Group from Henderson China, thereby resulting the entire equity interest in the Hongqiao Project Company to be controlled by the Group upon completion.

THE EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are summarised as follows:

Date

11 December 2023 (after trading hours)

Parties

- (1) CIFI Entities, including CIFI PRC, Xu Ri, Shanghai Xuhui and Guangzhou Changguang
- (2) Henderson Entities, including Henderson China, Xinda Investment, Zhongguang Development and Guangzhou Changhui
- (3) Hongqiao Project Company
- (4) Xu An BVI
- (5) Xu An HK
- (6) Guangzhou Changzhuo

For further details, please refer to the paragraph headed “Information of the Group and Other Parties of the Equity Transfer Agreement”.

Subject matter and corporate steps to be conducted

As at the date of this announcement, the Hongqiao Project Company is a joint venture respectively owned by Shanghai Xuhui as to 21.75%, Zhongguang Development as to 21.75% and Xu An HK as to 56.50%. Xu An HK is in turn ultimately owned by the Company as to 50% and Henderson China as to 50%. The parties under the Equity Transfer Agreement agreed to conduct certain corporate steps as below:

(1) Declaration of Distribution by the Hongqiao Project Company

The Hongqiao Project Company will declare distribution to its shareholders, of which Zhongguang Development will be entitled to RMB161,671,156.86 (the “**Zhongguang Dividend**”) and Xu An HK will be entitled to RMB354,249,783.30. Since Zhongguang Development owes the Hongqiao Project Company a debt in the aggregate sum of RMB340,918,500 (the “**Zhongguang Debt**”), the Zhongguang Dividend will be set off against the equivalent amount out of the Zhongguang Debt. Following such set off, Zhongguang Development will owe the Hongqiao Project Company a debt in sum of RMB179,247,343.14, which shall be payable by Zhongguang Development to the Hongqiao Project Company in cash.

(2) Reduction of Paid-up Share Capital of the Hongqiao Project Company and Transfer of Equity Interest in the Hongqiao Project Company by Zhongguang Development to Shanghai Xuhui

The paid-up share capital of the Hongqiao Project Company shall be decreased by US\$10,000,000 from US\$35,400,000 to US\$25,400,000 to be effected by the Hongqiao Project Company paying reduced share capital amount (being US\$10,000,000) to Xu An HK (the “**Onshore Capital Reduction**”). Following the Onshore Capital Reduction, the Hongqiao Project Company shall be owned by Xu An HK as to 39.370%, Shanghai Xuhui as to 30.315% and Zhongguang Development as to 30.315%.

Zhongguang Development shall then transfer its 30.315% equity interest in the Hongqiao Project Company to Shanghai Xuhui at the consideration of RMB51,243,500, which shall be set off against the equivalent amount out of the consideration payable by Guangzhou Changhui (being an indirect wholly-owned subsidiary of Henderson Land and an associate of Henderson China) to the Group for disposal of equity interest by the Group in Guangzhou Changzhuo referred in the announcement of the Company dated 18 September 2023. Upon completion of the aforesaid transfer by Zhongguang Development, the Hongqiao Project Company will be owned as to 39.37% by Xu An HK and 60.63% by Shanghai Xuhui.

(3) *Declaration of Distribution by Xu An HK and Xu An BVI, and surrender of share of Xu An BVI by Xinda Investment*

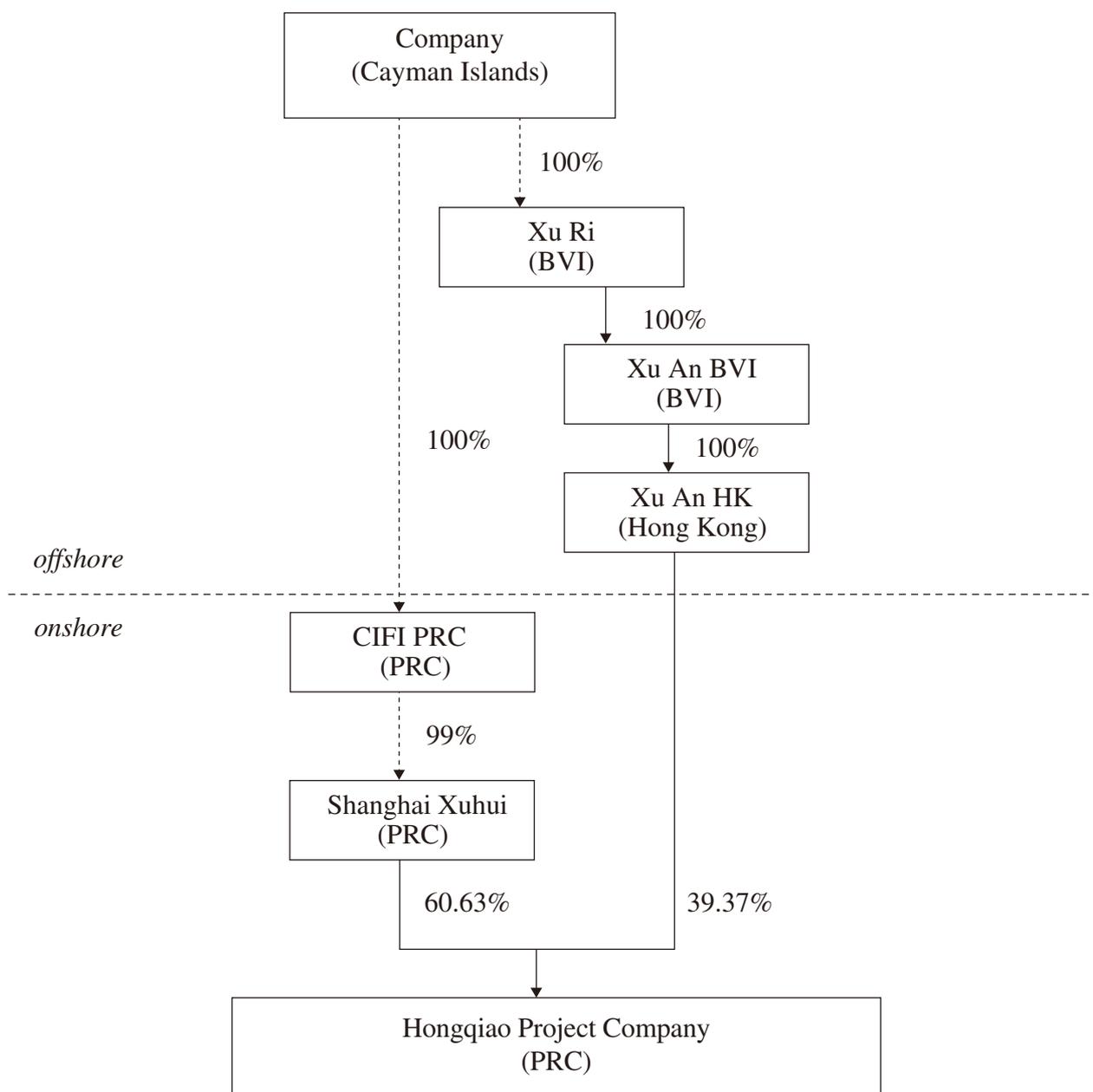
Xu An HK shall declare dividend for the sum of HK\$178,267,380.27 to Xu An BVI. Xinda Investment agreed to surrender its entire equity interest in Xu An BVI (the “**Xinda’s Surrender of Share**”) on the condition that Xu Ri and Xinda Investment (as shareholders of Xu An BVI) mutually agreed to procure Xu An BVI to declare and pay the dividend for the sum of HK\$169,923,654.75 to Xinda Investment in cash. Given that the Hongqiao Project Company will be entirely controlled by the Group upon completion of the Xinda’s Surrender of Share and the corporate steps contemplated under the Equity Transfer Agreement, Xu Ri agreed with Xinda Investment to procure Xu An BVI to declare and pay the aforesaid dividend.

The Consideration

The consideration (the “**Consideration**”) payable by the Group to Henderson Entities for acquisitions of 50% interest in the Hongqiao Project Company (the “**Acquisitions**”) comprises (i) RMB51,243,500 (equivalent to approximately HK\$55,855,000) payable by Shanghai Xuhui to Zhongguang Development for transfer of 30.315% equity interest in the Hongqiao Project Company, and (ii) HK\$169,923,654.75 payable to Xinda Investment in respect of Xinda’s Surrender of Share which in effect results in Xu Ri gaining the entire equity interest in Xu An BVI. The Consideration was determined after arm’s length negotiation between the Group and Henderson China for achieving the commercial objective that the Group shall control the entire interest in the Hongqiao Project Company and the Hongqiao Project, after taking into account (i) the paid-up share capital of the Hongqiao Project Company of USD7,700,000 (equivalent to approximately HK\$60,060,000) subscribed and paid by Zhongguang Development which held 21.75% equity interest of the Hongqiao Project Company prior to the Onshore Capital Reduction; (ii) the financial status of the Hongqiao Project Company, including amount available for distribution which Henderson Entities will be entitled to approximately RMB428,224,951.96 (equivalent to approximately HK\$466,765,000); and (iii) the carrying amount of the inventories on the financial statements of the Hongqiao Project Company in the sum of approximately RMB486,000,000 (equivalent to approximately HK\$529,740,000).

Following completion of the above steps, Xu An BVI will become a wholly-owned subsidiary of Xu Ri, and the Hongqiao Project Company will become a subsidiary controlled by the Company as depicted in the corporate chart below.

Corporate structure of the Hongqiao Project Company after completion of corporate steps



Note: - - - denote indirect shareholding

INFORMATION OF THE HONGQIAO PROJECT COMPANY

The Hongqiao Project Company is a company established in the PRC with limited liability. It is principally engaged in property development and owns the Hongqiao Project. The Hongqiao Project is a commercial and residential project, which, as at the Reference Date, had already been completely developed into residential properties that were fully sold and a quality office complex known as Building 39, Shanghai Henderson CIFI Center (上海恒基旭輝中心39號樓) with car parks and commercial facilities located in the commercial hub of Hongqiao, Minhang District, Shanghai, PRC. The Building 39, Shanghai Henderson CIFI Center, at which the headquarters of the Group in the PRC is situated, has a total gross floor area of approximately 15,700 square metres.

The financials of the Hongqiao Project Company has been consolidated in the consolidated financial statements of the Group. Set out below are certain financial information of the Hongqiao Project Company (as prepared in accordance with the PRC generally accepted accounting principles):

	For the year ended 31 December	
	2022	2021
	(unaudited)	(unaudited)
	<i>Approximately</i>	<i>Approximately</i>
	<i>RMB</i>	<i>RMB</i>
Net (loss)/profit before taxation	15,048,000	(3,029,000)
Net (loss)/profit after taxation	15,048,000	(3,081,000)

Based on the unaudited financial information of the Hongqiao Project Company, the unaudited total asset value and net asset value of the Hongqiao Project Company as at the Reference Date were approximately RMB2,055,185,000 and RMB952,967,000, respectively.

INFORMATION OF THE GROUP AND OTHER PARTIES OF THE EQUITY TRANSFER AGREEMENT

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 Entities

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.

Xu Ri

Xu Ri is a company incorporated in BVI and an indirect wholly-owned subsidiary of the Group. Xu Ri is principally engaged in investment holdings and, as an offshore vehicle, holds indirect interests in the Hongqiao Project Company.

Shanghai Xuhui

Shanghai Xuhui is a company established in the PRC with limited liability and an onshore subsidiary controlled by the Company. Shanghai Xuhui is principally engaged in property development and property investment in the PRC.

Guangzhou Changguang

Guangzhou Changguang is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company. Guangzhou Changguang is principally engaged in investment holdings.

Henderson Entities

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.

Xinda Investment

Xinda Investment is a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Henderson Land. Xinda Investment is principally engaged in investment holdings and, as an offshore vehicle, holds indirect interests in the Hongqiao Project Company as at the date of this announcement.

Zhongguang Development

Zhongguang Development is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Henderson Land. Zhongguang Development is principally engaged in property development and investment holdings.

Guangzhou Changhui

Guangzhou Changhui is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Henderson Land. Guangzhou Changhui is principally engaged in investment holdings.

Xu An BVI

Xu An BVI is a company incorporated in BVI and owned as to 50% by the Xu Ri and 50% by Xinda Investment as at the date of this announcement. Xu An BVI is principally engaged in investment holdings and, as an offshore vehicle, purely holds indirect interests in the Hongqiao Project Company.

Xu An HK

Xu An HK is a company incorporated in Hong Kong and a direct wholly-owned subsidiary of Xu An BVI. Xu An HK is principally engaged in investment holdings and, as an offshore vehicle, purely holds direct interests in the Hongqiao Project Company.

Guangzhou Changzhuo

Guangzhou Changzhuo is a company established in the PRC with limited liability and owned as to 50% by Guangzhou Changguang and 50% by Guangzhou Changhui as at the date of this announcement. Guangzhou Changzhuo is principally engaged in investment holdings.

REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AGREEMENT

As the Hongqiao Project developed by the Hongqiao Project Company had been already completed, it is the Group's to unwind joint ventures to allow for more flexibility in managing the Hongqiao Project Company. Following completion of the corporate steps under the Equity Transfer Agreement, the Company will gain full control over the deployment of the Hongqiao Project, which will not only ensure the Group's autonomy in managing the Hongqiao Project but also allow the Group for more effective strategic decision-making.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Equity Transfer Agreement are fair and reasonable and the Equity Transfer Agreement 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 who attended the Board meeting has a material interest in the Equity Transfer Agreement and therefore, none of them was required to abstain from voting in respect of the Equity Transfer Agreement.

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 the Henderson Entities is a subsidiary of Henderson Land, they are also connected persons of the Company at the subsidiary level. Therefore, the Acquisitions contemplated under the Equity Transfer Agreement constitute connected transactions of the Company under Chapter 14A of the Listing Rules. However, as (1) the Board has approved the Equity Transfer Agreement and the transactions contemplated thereunder; and (2) the Directors (including the independent non-executive Directors) have confirmed that the terms of the Equity Transfer Agreement are fair and reasonable and the Equity Transfer Agreement 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 Equity Transfer Agreement 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.

As one or more of the applicable percentage ratios stipulated under Rule 14.07 of the Listing Rules in respect of the Acquisitions contemplated under the Equity Transfer Agreement exceed 5% but are less than 25%, the Equity Transfer Agreement constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“BVI”	British Virgin Islands
“CIFI Entities”	collectively, CIFI PRC, Xu Ri, Shanghai Xuhui and Guangzhou Changguang
“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 and the shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it under the Listing Rules

“Directors”	the directors of the Company
“Equity Transfer Agreement”	the capital reduction and equity transfer agreement dated 11 December 2023 entered into (among others) between the CIFI Entities, the Henderson Entities and the Hongqiao Project Company
“Group”	the Company and its subsidiaries
“Guangzhou Changzhuo”	Guangzhou Changzhuo Business Consulting Co., Ltd.* (廣州昌卓商務諮詢有限公司), a company established in the PRC with limited liability and owned as to 50% by Guangzhou Changguang and 50% by Guangzhou Changhui as at the date of this announcement
“Guangzhou Changguang”	Guangzhou Changguang Business Consulting Co., Ltd.* (廣州昌廣商務諮詢有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Guangzhou Changhui”	Guangzhou Changhui Real Estate Development Co., Ltd.* (廣州昌匯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
“Henderson China”	Henderson China Properties Limited (恒基中國地產有限公司), a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of Henderson Land
“Henderson Entities”	collectively, Henderson China, Xinda Investment, Zhongguang Development and Guangzhou Changhui
“Henderson Land”	Henderson Land Development Company Limited (恒基兆業地產有限公司), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0012)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hongqiao Project”	a residential and commercial project located at Hongqiao, Minhang District, Shanghai, PRC and wholly-owned and developed by the Hongqiao Project Company

“Hongqiao Project Company”	Shanghai Xuhong Real Estate Co., Ltd.* (上海旭弘置業有限公司), a company established in the PRC with limited liability and owned as to approximately 56.50% by Xu An HK, 21.75% by Zhongguang Development, and 21.75% by Shanghai Xuhui as at the date of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Reference Date”	30 September 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Shanghai Xuhui”	Shanghai Xuhui Enterprise Management Co., Ltd.* (上海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
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinda Investment”	Xinda Investment Limited (信達投資有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of Henderson Land
“Xu An BVI”	Xu An Co. Limited (旭安有限公司), a company incorporated in the BVI with limited liability and owned as to 50% by Xu Ri and 50% by Xinda Investment as at the date of this announcement
“Xu An HK”	Xu An (HK) Co. Limited (旭安(香港)有限公司), a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of Xu An BVI
“Xu Ri”	Xu Ri Co. Limited (旭日有限公司), a company incorporated in the BVI with limited liability and an indirect wholly-owned subsidiary of the Company

“Zhongguang Development”	Zhongguang Development Real Estate (Shanghai) Co., Ltd.* (中光發展置業(上海)有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Henderson Land
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.09 and US\$1.00 = HK\$7.80 has been used, where applicable, for illustration purpose only and does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

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

Hong Kong, 11 December 2023

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

* *For identification purposes only*