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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO
DISPOSAL OF 33% EQUITY INTEREST IN
THE NANJING GETANG PROJECT**

THE EQUITY TRANSFER AGREEMENT

On 29 December 2023 (after trading hours), the Seller (an indirect non-wholly owned subsidiary of the Company), the Buyers and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Seller conditionally agreed to sell, and the Buyers conditionally agreed to purchase, the entire equity interest in the Target Company and the Disposed Loan, at an aggregate consideration of RMB312,966,816.03 (equivalent to approximately HK\$341,134,000). The Target Company (being an investment holding company) in turn holds 33% equity interest in the Project Company which owns and develops the Nanjing Getang Project. Upon completion of the Disposal, the Group will cease to hold any equity interest in the Target Company and the Project Company.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements, but exempt from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

THE EQUITY TRANSFER AGREEMENT

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

Date

29 December 2023 (after trading hours)

Parties

- (1) Chongqing Xuchang (the Seller)
- (2) Qingdao Jiqing (the Buyer 1, a limited partnership established in the PRC)
- (3) Shanghai Tinggen (the Buyer 2, an executive partner of the Buyer 1)
- (4) Nanjing Yituo (the Target Company being disposed)

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

Subject of the Disposal

Pursuant to the Equity Transfer Agreement, the entire equity interest in the Target Company and the Disposed Loan shall be acquired by the Buyers in such proportion set out below:

Buyer	Percentage of equity interest	Percentage of the Disposed Loan
Buyer 1	99%	100%
Buyer 2	1%	

As at the date of this announcement, the Target Company holds 33% equity interest in the Project Company, which in turn owns and develops the Nanjing Getang Project. Please refer to the paragraph headed “Information of the Target Company” for further details.

Consideration

The consideration for the Disposal (the “**Consideration**”) is RMB312,966,816.03 (equivalent to approximately HK\$341,134,000), which was determined after arm’s length negotiation between the Seller and the Buyers, taking into account (i) the paid-up capital of the Project Company in the sum of RMB580,000,000, 33% of which representing RMB191,400,000 has been paid up by the Group; and (ii) the amount of funds that the Group has invested in the Project Company as at the Reference Date in the sum of approximately RMB312,966,816, comprising the funds contributed in the form of (a) the aforesaid capital of RMB191,400,000 paid up by the Group and (b) the shareholder’s loan provided by the Group to the Project Company for the sum of approximately RMB121,566,816.

The Consideration shall be paid by the Buyers or the part(ies) designated by the Buyers to the bank account designated by the Seller in the following manner:

- (i) the first instalment of the Consideration (i.e. RMB10,000,000) shall be paid on or before 5 January 2024; and
- (ii) the remaining amount of the Consideration (i.e. RMB302,966,816.03) shall be paid on or before 10 January 2024.

The proceeds from the Disposal (i.e. RMB312,966,816.03) are intended to be used as working capital of the Group to enhance its liquidity position.

Completion

The completion of the Disposal shall take place upon completion of the registration of the change of shareholding and other relevant changes of the Target Company with the department of the industry and commerce administration, which shall be filed within 5 working days upon execution of the Equity Transfer Agreement.

Upon completion of the Disposal, the Group will cease to hold any equity interest in the Target Company and the Project Company.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the Consideration (i.e. RMB312,966,816.03) and the aforesaid accumulated investment into the Project Company by the Group in the sum of approximately RMB312,966,816 as at the Reference Date, it is expected that no gain or loss will be recorded as a result of the Disposal and thus no immediate material impact on the financial position of the Group is expected.

The above figure is for illustrative purpose only. The actual gain or loss in connection with the Disposal will be subject to the review and final audit by the independent auditors of the Company.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of the Seller as at the date of this announcement. It is an investment holding company.

The Project Company is a company established in the PRC with limited liability and owned as to 33% by the Target Company and 67% by other properties developers (being Jiangsu Xiangyu Real Estate Development Co., Ltd.* (江蘇象嶼房地產開發有限公司) as to 33% and Lianfa Group Nanjing Real Estate Development Co., Ltd.* (聯發集團南京房地產開發有限公司) as to 34%), being the Independent Third Parties, as at the date of this announcement. The Project Company is principally engaged in property development and owns and develops the Nanjing Getang Project. The Nanjing Getang Project, located at Getang Street, Jiangbei New District, Nanjing, Jiangsu Province, the PRC, has a land lot of approximately 56,000 square meters, which is expected to be developed in phrases into high-rise apartments, complemented by commercial facilities with a total gross floor area of approximately 169,000 square meters.

The Target Company was incorporated in September 2023 by the Group purely for the purpose of holding equity interest in the Project Company. The 33% of the equity interest of the Project Company was directly held by the Seller and transferred to the Target Company at the consideration of RMB191,400,000, which was equivalent to the capital of the Project Company already subscribed and paid by the Seller as part of the intra-group reorganization of the Group in December 2023. The Project Company has been accounted for as an associated corporation of the Company.

Set out below are certain financial information of the Project Company (as prepared in accordance with the PRC generally accepted accounting principles):

	For the year ended 31 December	
	2022	2021
	(audited)	(audited)
	<i>Approximately</i>	<i>Approximately</i>
	<i>RMB('000)</i>	<i>RMB('000)</i>
Net loss before taxation	94,232	1,129
Net loss after taxation	70,792	907

Based on the unaudited financial information of the Project Company, the unaudited total asset value and net asset value of the Project Company as at the Reference Date were approximately RMB2,771,570,000 and RMB502,359,000, 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.

The Seller

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

The Buyers

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer 1 is a limited partnership established in the PRC and is principally engaged in investment activities. The Buyer 2 is a company established in the PRC with limited liability and is principally engaged in investment management. As at the date of this announcement, the Buyer 1 has two partners, namely the Buyer 2 (being the executive partner of the Buyer 1) and Shanghai Wanming Enterprise Management Co., Ltd.* (上海灣茗企業管理有限公司) (“**Shanghai Wanming**”), each having 50% partnership interest in the Buyer 1. The Buyer 2 is ultimately owned as to 50% by Ma Xiaojun and 50% by Di Xin. Shanghai Wanming is 100% ultimately owned by Du Wanying. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Buyers and their ultimate beneficial owners are Independent Third Parties.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The property market in the PRC has been facing unprecedented challenges and the property developers are encountering liquidity pressure. Enhancing the efficiency of resources and improving liquidity are the crucial strategies for the Group to survive and sustain under such crisis. The Disposal will enable the Group to reallocate resources to other projects in the future key development regions and enhance the Group's liquidity to ensure the delivery of properties and continuation of its business operations.

The Directors are of the view that the terms of the Equity Transfer Agreement are fair and reasonable and the Equity Transfer Agreement and the transaction contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements, but exempt from the circular and shareholders' approval requirements, under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Buyers”	collectively, the Buyer 1 and the Buyer 2
“Buyer 1” or “Qingdao Jiqing”	Qingdao Jiqing Investment Partnership (Limited Partnership)* (青島極清投資合夥企業(有限合夥)), an Independent Third Party
“Buyer 2” or “Shanghai Tinggen”	Shanghai Tinggen Enterprise Management Co., Ltd.* (上海汀亘企業管理有限公司), an Independent Third Party
“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
“Disposal”	the disposal of the entire equity interest in the Target Company and the assignment of the Disposed Loan by the Seller to the Buyers pursuant to the terms and conditions of the Equity Transfer Agreement
“Disposed Loan”	the aggregate loan owed by the Target Company to the Seller and to be assigned to the Buyer 1, with the outstanding amount of approximately RMB279,966,816 as at the date of the Equity Transfer Agreement, of which RMB191,400,000 was incurred by the Target Company for acquisition of 33% equity interest of the Project Company from the Seller
“Equity Transfer Agreement”	the acquisition cooperation agreement dated 29 December 2023 entered into among the Seller, the Buyers and the Target Company in relation to the Disposal

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Nanjing Getang Project”	a residential project located at Getang Street, Jiangbei New District, Nanjing, Jiangsu Province, the PRC and owned and developed by the Project Company
“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
“Project Company”	Nanjing Xujiang Real Estate Development Co., Ltd.* (南京旭江置業發展有限公司), a company established in the PRC with limited liability and owned as to 33% by the Target Company and 67% by other Independent Third Parties as at the date of this announcement
“Reference Date”	31 August 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Seller” or “Chongqing Xuchang”	Chongqing Xuchang Real Estate Development Co., Ltd.* (重慶旭昌房地產開發有限公司), a limited company established in the PRC and an indirect non-wholly owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Company” or
“Nanjing Yituo”

Nanjing Yituo Enterprise Management Co., Ltd.* (南京益拓
企業管理有限公司), a company established in the PRC with
limited liability and a direct wholly-owned subsidiary of the
Seller as at the date of this announcement

“%”

per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.09 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, 29 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*