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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
FORMATION OF JOINT VENTURE IN RELATION TO
A PROPERTY DEVELOPMENT PROJECT IN CHENGDU, THE PRC

WENJIANG COOPERATION AGREEMENT

On 7 July 2021, certain subsidiaries of the Company, namely CIFI (PRC), Chengdu Xuhui, Chengdu Xingsa, Chengdu Xinghuangfei and Wenjiang Project Company entered into the Wenjiang Cooperation Agreement with Henderson China Properties and Yixing Hengbao, a direct wholly-owned subsidiary of Henderson China Properties, for the formation of joint venture to develop the Wenjiang Site located at Wenjiang District, Chengdu, Sichuan Province, the PRC. As at the date of this announcement, Wenjiang Project Company is wholly-owned by Chengdu Xinghuangfei, which is in turn wholly-owned by Chengdu Xingsa, and Chengdu Xingsa is in turn wholly-owned by Chengdu Xuhui.

Pursuant to the Wenjiang Cooperation Agreement, Yixing Hengbao proposes to acquire 50% of equity interest in Chengdu Xinghuangfei by way of capital increase. Upon the completion of the capital increase, Wenjiang Project Company will be indirectly owned as to 50% by the Company (through Chengdu Xingsa) and 50% by Henderson China Properties (through Yixing Hengbao). Chengdu Xinghuangfei and Wenjiang Project Company will be consolidated into the financial statements of the Group and Wenjiang Project Company will undertake the development of the Wenjiang Site.

The capital commitment currently intended to be payable by the Group for the transactions contemplated under the Wenjiang Cooperation Agreement is estimated to be approximately RMB1,405.6 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Henderson Land is a substantial shareholder of certain subsidiaries of the Company, which do not fall within the ambit of insignificant subsidiaries under Rule 14A.09(1) of the Listing Rules. Henderson China Properties is a wholly-owned subsidiary of Henderson Land. Accordingly, Henderson China Properties is an associate of Henderson Land and a connected person of the Company at its subsidiary level. The transactions contemplated under the Wenjiang Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Wenjiang Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Wenjiang Cooperation Agreement and as such no Directors have abstained from voting on the resolutions of the Board approving such transactions. The Directors (including the independent non-executive Directors) are of the view that the Wenjiang Cooperation Agreement is on normal commercial terms, and the terms and conditions thereof, including the consideration thereof, are fair and reasonable and in the ordinary and usual course of business of the Company and that such transactions are in the interests of the Company and the Shareholders as a whole.

The highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Wenjiang Cooperation Agreement exceeds 1% but is less than 5%. As Henderson China Properties is a connected person of the Company only because of its connection with certain subsidiaries of the Company, the transactions contemplated under the Wenjiang Cooperation Agreement are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

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The principal terms of the Wenjiang Cooperation Agreement are summarized as follows:

Date: 7 July 2021

- Parties:**
- (i) CIFI (PRC), being an indirect wholly-owned subsidiary of the Company
 - (ii) Chengdu Xuhui, being an onshore subsidiary controlled by the Company through CIFI (PRC)
 - (iii) Chengdu Xingsa, being a direct wholly-owned subsidiary of Chengdu Xuhui
 - (iv) Chengdu Xinghuangfei, being a direct wholly-owned subsidiary of Chengdu Xingsa
 - (v) Wenjiang Project Company, being a direct wholly-owned subsidiary of Chengdu Xinghuangfei
 - (vi) Henderson China Properties
 - (vii) Yixing Hengbao, being a direct wholly-owned subsidiary of Henderson China Properties

Subject Matter

As at the date of this announcement, Chengdu Xingsa, being an onshore subsidiary controlled by the Company, directly wholly owns the entire issued share capital of Chengdu Xinghuangfei, which in turn directly wholly owns the entire issued share capital of Wenjiang Project Company. Wenjiang Project Company succeeded in the bidding of the land use rights in respect of two parcels of land that constitute the Wenjiang Site and had entered into the relevant State-owned Construction Land Use Rights Grant Contracts. Pursuant to the Wenjiang Cooperation Agreement, Wenjiang Project Company will undertake the development of the Wenjiang Site.

The commitment of capital contribution by each of the Company and Henderson China Properties as contemplated under the Wenjiang Cooperation Agreement will be approximately RMB1,405.6 million, which will be partly applied to increase the registered capital of Chengdu Xinghuangfei, as a result of which Chengdu Xinghuangfei will be owned as to 50% by Chengdu Xingsa and 50% by Yixing Hengbao. On top of registered capital, further funding requirements for development of the project will be preferentially satisfied, in principle, by external financing.

It is intended that the capital commitment payable by the Group under the Wenjiang Cooperation Agreement would be financed by internal resources of the Group. Upon completion of the aforesaid capital increase in Chengdu Xinghuangfei, onshore joint venture will be formed through Chengdu Xinghuangfei. The Wenjiang Project Company will be indirectly owned as to 50% by the Company (through Chengdu Xingsa) and 50% by Henderson China Properties (through Yixing Hengbao).

The capital commitment was determined after arm's length negotiation between the parties to the Wenjiang Cooperation Agreement with reference to the development cost, interest, related government charges and expenses and possible loan facilities from banks in relation to the Wenjiang Site.

Information of Chengdu Xinghuangfei

Since Chengdu Xinghuangfei is an investment holding company established in the PRC with limited liability and does not own any assets nor conduct any business operation other than holding the interest in the Wenjiang Site which is held for future development, it has not recorded any revenue or profit since its establishment up to the date of this announcement. Save for Wenjiang Project Company, Chengdu Xinghuangfei has no other subsidiary.

Information of the Wenjiang Site

The Wenjiang Site comprises two parcels of land with further information set out below:

Land numbered WJ2019-10 (211)

Land location:	Zone 8, 10, 11 of Wansheng Community, Liucheng Street, Wenjiang District, Chengdu, Sichuan Province, the PRC (中國四川省成都市溫江區柳城街道萬盛社區8、10、11組)
Site area:	28,948.56 sq.m
Planned gross floor area:	115,794.24 sq.m.
Term of land use rights:	40 years for commercial use

Land numbered WJ2019-29 (251/211)

Land Location:	Zone 1 and 11 of Qianjin Community (now known as Tianfu Jiayuan Community), Zone 5 of Xuefu Community, Tianfu Street and Zone 10 and 11 of Wansheng Community, Liucheng Street, Wenjiang District, Chengdu, Sichuan Province, the PRC (中國四川省成都市溫江區天府街道前進社區1、11組(現天府家園社區)、學府社區5組、柳城街道萬盛社區10、11組)
Site area:	159,164.43 sq.m.
Planned gross floor area:	397,911.08 sq.m.
Term of land use rights:	40 years for commercial use, 70 years for residential use

Composition of the board of directors of Chengdu Xinghuangfei and Wenjiang Project Company

Each of the board of directors of Chengdu Xinghuangfei and Wenjiang Project Company will comprise 5 directors, 3 of whom will be nominated by the Group and the remaining 2 of whom will be nominated by Henderson China Properties. While each of the Group and Henderson China Properties shall be entitled to nominate 1 supervisor, the Group has the right to nominate 1 general manager in both Chengdu Xinghuangfei and Wenjiang Project Company. The board of the directors of Chengdu Xinghuangfei and Wenjiang Project Company shall decide on all matters by simple majority.

Profit and loss sharing

The Company and Henderson China Properties will be entitled to share the profit or bear the loss of Chengdu Xinghuangfei and Wenjiang Project Company in proportion to their respective equity interest subject to applicable adjustments with reference to investment return from the development project agreed among the parties.

It is intended that Chengdu Xinghuangfei and Wenjiang Project Company will still be accounted for as subsidiaries of the Group and it is agreed among the parties to the Wenjiang Cooperation Agreement that the accounts of Chengdu Xinghuangfei and Wenjiang Project Company will still be consolidated into the financial statements of the Group.

INFORMATION OF HENDERSON CHINA PROPERTIES AND YIXING HENGBAO

Henderson China Properties is a company incorporated in Hong Kong and indirectly wholly-owned by Henderson Land. Henderson Land is an investment holding company and its subsidiaries are principally engaged in the businesses of property development and investment, construction, finance, hotel operation, department store operation, project management, investment holding and property management.

To the best knowledge of the Company based on information available to it, Yixing Hengbao is a company established in the PRC with limited liability. Yixing Hengbao is a direct wholly-owned subsidiary of Henderson China Properties as at the date of this announcement and is principally engaged in property development.

REASONS FOR AND BENEFIT OF THE WENJIANG COOPERATION AGREEMENT

The Group is principally engaged in the property development and property investment in the PRC. It has been the strategy of the Group to cooperate with renowned property developers for development of particular project so as to achieve synergy and diversify its financial exposure. Henderson China Properties is a trusted and long-term strategic partner of the Group.

The Wenjiang Cooperation Agreement enables the Group to further strengthen its cooperation with Henderson China Properties and to enjoy the economic benefits of the property development project in Chengdu, the PRC, by leveraging the synergies of the cooperation.

The Directors consider that the Wenjiang Cooperation Agreement has been entered into on normal commercial terms, and the terms and conditions therein are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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The highest applicable percentage ratio under Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the Wenjiang Cooperation Agreement exceeds 1% but is less than 5%. As Henderson China Properties is a connected person of the Company only because of its connection with certain subsidiaries of the Company, the transactions contemplated under the Wenjiang Cooperation Agreement are only subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules but are exempt from the circular, independent financial advice and shareholders' approval requirements under Rule 14A.101 of the Listing Rules.

DEFINITIONS

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

“associate”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Chengdu Xinghuangfei”	Chengdu Xinghuangfei Enterprise Management Co., Ltd.* (成都興煌飛企業管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Chengdu Xingsa as at the date of this announcement and will be owned as to 50% by Chengdu Xingsa and 50% by Yixing Hengbao upon completion of the capital increase contemplated under the Wenjiang Cooperation Agreement
“Chengdu Xingsa”	Chengdu Xingsa Enterprise Management Co., Ltd.* (成都興薩企業管理有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Chengdu Xuhui
“Chengdu Xuhui”	Chengdu Xuhui Enterprise Management Co., Ltd.* (成都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
“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 same meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Henderson China Properties”	Henderson China Properties Limited (恒基中國地產有限公司), a company incorporated in Hong Kong with limited liability and indirectly wholly-owned by 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: 0012)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the ordinary share(s) of HK\$0.1 each of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre(s)
“Wenjiang Cooperation Agreement”	the cooperation agreement dated 7 July 2021 entered into between CIFI (PRC), Chengdu Xuhui, Chengdu Xingsa, Chengdu Xinghuangfei, Wenjiang Project Company, Henderson China Properties and Yixing Hengbao
“Wenjiang Project Company”	Chengdu Wenjiang Yufu Wansheng Railway City Development Co., Ltd.* (成都溫江魚鳧萬盛軌道城市發展有限公司), a company established in the PRC with limited liability and wholly-owned by Chengdu Xinghuangfei for the development of the Wenjiang Site as at the date of this announcement
“Wenjiang Site”	collectively two pieces of land respectively located at Zone 8, 10, 11 of Wansheng Community, Liucheng Street, Wenjiang District, Chengdu, Sichuan Province, the PRC (中國四川省成都市溫江區柳城街道萬盛社區8、10、11組) and Zone 1 and 11 of Qianjin Community (now known as Tianfu Jiayuan Community), Zone 5 of Xuefu Community, Tianfu Street and Zone 10 and 11 of Wansheng Community, Liucheng Street, Wenjiang District, Chengdu, Sichuan Province, the PRC (中國四川省成都市溫江區天府街道前進社區1、11組(現天府家園社區)、學府社區5組、柳城街道萬盛社區10、11組)

“Yixing Hengbao”

Yixing Hengbao Real Estate Development Co., Ltd.* (宜興恒寶房地產開發有限公司), a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Henderson China Properties

“%”

per cent.

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

Hong Kong, 7 July 2021

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. WANG Wei as non-executive Director, and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as independent non-executive Directors.

* For identification purposes only