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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 TIANJIN, THE PRC**

**TIANJIN COOPERATION AGREEMENT**

On 20 July 2021, the Company, together with its subsidiaries, namely Beijing Xuhui, Tianjin Changhong and Tianjin Project Company entered into the Tianjin Cooperation Agreement with Henderson China Investment and Beijing Henghua, an indirect wholly-owned subsidiary of Henderson China Investment for the formation of joint venture to develop the Tianjin Site located at Tianjin, the PRC. As at the date of this announcement, Tianjin Project Company is wholly-owned by Tianjin Changhong, which is in turn wholly-owned by Beijing Xuhui. Tianjin Changhong succeeded in the bidding of the Tianjin Site consisting of three parcels of land at total land consideration of approximately RMB2,194 million.

Pursuant to the Tianjin Cooperation Agreement, Beijing Henghua proposes to acquire 50% of equity interest in Tianjin Changhong by way of capital increase. Upon the completion of the capital increase, Tianjin Project Company will be indirectly owned as to 50% by the Company (through Beijing Xuhui) and 50% by Henderson China Investment (through Beijing Henghua). Tianjin Changhong and Tianjin Project Company will be consolidated into the financial statements of the Group and Tianjin Project Company will undertake the development of the Tianjin Site.

The capital commitment currently intended to be payable by the Group for the transactions contemplated under the Tianjin Cooperation Agreement is estimated to be RMB1,097 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 Investment is a wholly-owned subsidiary of Henderson Land. Accordingly, Henderson China Investment is an associate of Henderson Land and a connected person of the Company at its subsidiary level. The transactions contemplated under the Tianjin Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Tianjin Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Tianjin 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 Tianjin Cooperation Agreement is on normal commercial terms, and the terms and conditions therein, 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 Tianjin Cooperation Agreement exceeds 1% but is less than 5%. As Henderson China Investment is a connected person of the Company only because of its connection with certain subsidiaries of the Company, the transactions contemplated under the Tianjin 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.

## TIANJIN COOPERATION AGREEMENT

**Date:** 20 July 2021

**Parties:**

- (i) the Company
- (ii) Beijing Xuhui, being an onshore subsidiary controlled by the Company
- (iii) Tianjin Changhong, being a direct wholly-owned subsidiary of Beijing Xuhui
- (iv) Tianjin Project Company, being a direct wholly-owned subsidiary of Tianjin Changhong
- (v) Henderson China Investment
- (vi) Beijing Henghua, being an indirect wholly-owned subsidiary of Henderson China Investment

## **Subject Matter**

As at the date of this announcement, Beijing Xuhui, being an onshore subsidiary controlled by the Company, directly wholly owns the entire issued share capital of Tianjin Changhong. Tianjin Changhong succeeded in the bidding of the land use rights in respect of the Tianjin Site at total land consideration of approximately RMB2,194 million in May 2021 and the confirmation letter\* (成交確認書) in respect thereof has been entered into between Tianjin Changhong and Tianjin Land Utilisation Affairs Centre\* (天津市土地利用事務中心). Tianjin Project Company was set up on 20 May 2021 in the PRC as a subsidiary wholly-owned by Tianjin Changhong for the purpose of holding the Tianjin Site directly and the development thereof. Other than holding the interest in the Tianjin Site, Tianjin Changhong and Tianjin Project Company have no other assets nor conducted any other business operation as at the date of this announcement.

The commitment of capital contribution by each of the Company and Henderson China Investment as contemplated under the Tianjin Cooperation Agreement will be approximately RMB1,097 million. Such contribution will be partly applied to increase the registered capital of Tianjin Changhong, as a result of which Tianjin Changhong will be owned as to 50% by Beijing Xuhui and 50% by Beijing Henghua and the contributed capital will be used for settlement of the land premium. Further funding requirement for project development will be preferentially satisfied, in principle, by external financing.

It is intended that the capital commitment payable by the Group under the Tianjin Cooperation Agreement would be financed by internal resources of the Group. Upon completion of the aforesaid capital increase in Tianjin Changhong, onshore joint venture will be formed through Tianjin Changhong. The Tianjin Project Company will be indirectly owned as to 50% by the Company (through Beijing Xuhui) and 50% by Henderson China Investment (through Beijing Henghua).

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

## **Information of Tianjin Changhong**

Since Tianjin Changhong is an investment holding company and does not own any assets nor conduct any business operation other than holding the interest in the Tianjin 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.

## Information of the Tianjin Site

The Tianjin Site comprises three parcels of land with further information set out below:

### *No. 2021-004*

Site location:	the intersection of Chenghang Street and Kunyu Road, Dongli District, Tianjin, the PRC (中國天津市東麗區程航道與昆俞路交口)
Site area:	36,315.1 sq.m.
Planned gross floor area:	65,481.08 sq.m.
Term of land use rights:	70 years for residential use, 40 years for commercial use, 50 years for scientific and educational use

### *No. 2021-005*

Site location:	the intersection of Chenghang Street and Kunyu Road, Dongli District, Tianjin, the PRC (中國天津市東麗區程航道與昆俞路交口)
Site area:	28,623 sq.m.
Planned gross floor area:	57,246 sq.m.
Term of land use rights:	70 years for residential use, 40 years for commercial use

### *No. 2021-006*

Site location:	northeast of the intersection of Dengzhou Road and Chengxin Street, Dongli District, Tianjin, the PRC (中國天津市東麗區登州路與程新道交口東北側)
Site area:	33,903.5 sq.m.
Planned gross floor area:	52,889.46 sq.m.
Term of land use rights:	70 years for residential, 40 years for commercial use

## **Composition of the board of directors of Tianjin Changhong and Tianjin Project Company**

Each of the board of directors of Tianjin Changhong and Tianjin 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 Investment. While each of the Group and Henderson China Investment shall be entitled to nominate 1 supervisor, the Group has the right to nominate 1 general manager in both Tianjin Changhong and Tianjin Project Company. The board of the directors of the Tianjin Changhong and Tianjin Project Company shall decide on all matters by simple majority.

## **Profit and loss sharing**

The Company and Henderson China Investment will be entitled to share the profit or bear the loss of Tianjin Changhong and Tianjin 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 Tianjin Changhong and Tianjin Project Company will still be accounted for as subsidiaries of the Group and it is agreed among the parties to the Tianjin Cooperation Agreement that the accounts of Tianjin Changhong and Tianjin Project Company will still be consolidated into the financial statements of the Group.

## **INFORMATION OF HENDERSON CHINA INVESTMENT AND BEIJING HENGHUA**

Henderson China Investment 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, Beijing Henghua is a company established in the PRC with limited liability. Beijing Henghua is an indirect wholly-owned subsidiary of Henderson China Investment as at the date of this announcement and is principally engaged in property management.

## **REASONS FOR AND BENEFIT OF THE TIANJIN 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 Investment is a trusted and long-term strategic partner of the Group.

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

The Directors consider that the Tianjin 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.

## 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 Investment is a wholly-owned subsidiary of Henderson Land. Accordingly, Henderson China Investment is an associate of Henderson Land and a connected person of the Company at its subsidiary level. The transactions contemplated under the Tianjin Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Tianjin Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Tianjin 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 Tianjin Cooperation Agreement is on normal commercial terms, and the terms and conditions therein, 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 Tianjin Cooperation Agreement exceeds 1% but is less than 5%. As Henderson China Investment is a connected person of the Company only because of its connection with certain subsidiaries of the Company, the transactions contemplated under the Tianjin 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
“Beijing Henghua”	Beijing Henghua Property Management Co., Ltd.* (北京恒華物業管理有限公司), a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Henderson China Investment
“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
“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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“Henderson China Investment”	Henderson (China) Investment Company Limited (恒基(中國)投資有限公司), 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
“sq.m.”	square metre(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Tianjin Changhong”	Tianjin Changhong Real Estate Information Consultancy Co., Ltd.* (天津昌鴻房地產信息諮詢有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Beijing Xuhui as at the date of this announcement and will be owned as to 50% by Beijing Xuhui and 50% by Beijing Henghua upon completion of the capital increase contemplated under the Tianjin Cooperation Agreement
“Tianjin Cooperation Agreement”	the cooperation agreement dated 20 July 2021 entered into between the Company, Beijing Xuhui, Tianjin Changhong, Tianjin Project Company, Henderson China Investment and Beijing Henghua
“Tianjin Project Company”	Tianjin Zhuokai Real Estate Development Co., Ltd.* (天津卓凱房地產開發有限公司), a company established in the PRC with limited liability and wholly-owned by Tianjin Changhong for the development of the Tianjin Site
“Tianjin Site”	collectively three parcels of land respectively located at the intersection of Chenghang Street and Kunyu Road, Dongli District, Tianjin, the PRC (中國天津市東麗區程航道與昆俞路交口) and northeast of the intersection of Dengzhou Road and Chengxin Street, Dongli District, Tianjin, the PRC (中國天津市東麗區登州路與程新道交口東北側)
“%”	per cent.

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

Hong Kong, 20 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