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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)*  
**(the “Company”, Stock Code: 00884)**

**ISSUANCE OF US\$285 MILLION 5.5%  
SENIOR NOTES DUE 2022**

The Board is pleased to announce that on 19 December 2016, the Company and the Subsidiary Guarantors entered into (i) the Placement Agreement with the Placing Agents; and (ii) the Subscription Agreements with, among others, each of the Subscribers, in connection with the issue of US\$285 million 5.5% senior notes due 2022.

The estimated net proceeds of the 2017 Notes Placement, after deduction of the placing fees and other estimated expenses, will amount to approximately US\$278 million and the Company intends to use the net proceeds of the 2017 Notes Placement for refinancing its existing indebtedness and general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds from the 2017 Notes Placement.

The Company will seek a listing of the 2017 Notes on the Stock Exchange. A confirmation of the eligibility for the listing of the 2017 Notes has been received from the Stock Exchange. Admission of the 2017 Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company, its subsidiaries or the 2017 Notes.

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## **THE PLACEMENT AGREEMENT**

**Date:** 19 December 2016

### **Parties to the Placement Agreement**

- (a) the Company as the issuer;
- (b) the Subsidiary Guarantors; and
- (c) the Placing Agents.

### **Appointment of joint placing agents**

Subject to the terms and conditions stated in the Placement Agreement, the Company appoints the Placing Agents, to the exclusion of all others, to act as its agent and the Placing Agents agree to act as agent for the Company to use commercially reasonable efforts to facilitate the process of subscription of the 2017 Notes by the Subscribers at a subscription price equal to the issue price as set forth in the respective Subscription Agreements.

The Placing Agents are the joint placing agents in respect of the sale and placement of the 2017 Notes. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Placing Agents is an independent third party and not a connected person of the Company.

### **Private placement**

The 2017 Notes will be offered on private placement basis only. The 2017 Notes and the Subsidiary Guarantees have not been and will not be registered under the U.S. Securities Act or any state securities laws and, unless so registered, may not be offered or sold within the United States and may only be offered, sold or delivered outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S under the U.S. Securities Act. Accordingly, the 2017 Notes are being sold only outside the United States in offshore transactions to non-U.S. persons in reliance on Regulation S. There will be no public offering of the 2017 Notes under the Subscription Agreements whether in Hong Kong, the United States or any other jurisdiction.

## **THE SUBSCRIPTION AGREEMENTS**

In connection with the sale of the 2017 Notes, on 19 December 2016, the Company and the Subsidiary Guarantors entered into a Subscription Agreement with, among others, each of the Subscribers, pursuant to which the Subscriber will, severally and not jointly with other Subscribers, subscribe for the 2017 Notes.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Subscribers is an independent third party and not a connected person of the Company.

### **Subscription of the 2017 Notes**

Subject to and in accordance with the provisions of each of the Subscription Agreements, the Company agrees to issue and sell, and each of the Subscribers under the relevant Subscription Agreement agrees to subscribe for, an aggregate principal amount of US\$285 million of the 2017 Notes, at a subscription price equal to the issue price of 100% of the principal amount of the 2017 Notes.

## **PRINCIPAL TERMS OF THE 2017 NOTES**

The following is a summary of certain provisions of the 2017 Notes and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to the provisions of the Indenture, the 2017 Notes, the Subsidiary Guarantees provided by the Subsidiary Guarantors and (if any) JV Subsidiary Guarantees provided by the JV Subsidiary Guarantors.

### **2017 Notes**

Subject to certain conditions to completion and the terms and conditions under the Subscription Agreement, the Company will issue the 2017 Notes in the aggregate principal amount of US\$285 million. The 2017 Notes will mature on 23 January 2022, unless earlier redeemed in accordance with the terms thereof.

### **Issue Price**

The issue price of the 2017 Notes will be 100% of the principal amount of the 2017 Notes.

## **Interest**

The 2017 Notes will bear interest at a rate of 5.5% per annum, payable semi-annually in arrear on 23 January and 23 July of each year, commencing on 23 July 2017.

## **Ranking of the 2017 Notes**

The 2017 Notes are (1) general obligations of the Company; (2) senior in right of payment to any existing and future obligations of the Company expressly subordinated in right of payment to the 2017 Notes; (3) at least pari passu in right of payment with the 2014 Notes, the 2015 Notes and all other unsecured, unsubordinated indebtedness of the Company (subject to any priority rights of such unsubordinated indebtedness pursuant to applicable law); (4) guaranteed by the Subsidiary Guarantors and the JV Subsidiary Guarantors, if any, on a senior basis, subject to certain limitations under applicable law; (5) effectively subordinated to the other secured obligations of the Company, the Subsidiary Guarantors and the JV Subsidiary Guarantors, to the extent of the value of the assets serving as security therefor; and (6) effectively subordinated to all existing and future obligations of the subsidiaries of the Company which are not Subsidiary Guarantors or JV Subsidiary Guarantors.

## **Events of default**

The events of default under the 2017 Notes include, among others:

- i. default in the payment of principal of (or premium, if any, on) the 2017 Notes when the same becomes due and payable at maturity, upon acceleration, redemption or otherwise;
- ii. default in the payment of interest on any 2017 Notes when the same becomes due and payable, and such default continues for a period of 30 consecutive days;
- iii. default in the performance or breach of the provisions of certain covenants, the failure by the Company to make or consummate an offer to purchase in the manner described in the Indenture;
- iv. the Company or certain subsidiaries of the Company defaults in the performance of or breaches any other covenant or agreement in the Indenture or under the 2017 Notes (other than a default specified in (i), (ii) or (iii) above) and such default or breach continues for a period of 30 consecutive days after written notice by the Trustee or the holders of 25% or more in aggregate principal amount of the 2017 Notes;
- v. there occurs with respect to any indebtedness of the Company or certain subsidiaries of the Company having an outstanding principal amount of US\$30.0 million (or the dollar equivalent thereof) or more in the aggregate for all such indebtedness of all such persons, whether such indebtedness now exists or shall hereafter be created, (a) an event of default that has caused the holder thereof to declare such indebtedness to be due and payable prior to its stated maturity and/or (b) the failure to make a principal payment when due;

- vi. one or more final judgments or orders for the payment of money are rendered against the Company or certain subsidiaries of the Company and are not paid or discharged, and there is a period of 60 consecutive days following entry of the final judgment or order that causes the aggregate amount for all such final judgments or orders outstanding and not paid or discharged against all such persons to exceed US\$30.0 million (or the dollar equivalent thereof) (in excess of amounts which the Company's insurance carriers have agreed to pay under applicable policies) during which a stay of enforcement, by reason of a pending appeal or otherwise, is not in effect;
- vii. an involuntary case or other proceeding is commenced against the Company or certain subsidiaries of the Company with respect to it or its debts under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect seeking the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or certain subsidiaries of the Company or for any substantial part of the property and assets of the Company or certain subsidiaries of the Company and such involuntary case or other proceeding remains undismissed and unstayed for a period of 60 consecutive days; or an order for relief is entered against the Company or certain subsidiaries of the Company under any applicable bankruptcy, insolvency or other similar law as now or hereafter in effect;
- viii. the Company or certain subsidiaries of the Company (a) commences a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consents to the entry of an order for relief in an involuntary case under any such law, (b) consents to the appointment of or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator or similar official of the Company or certain subsidiaries of the Company or for all or substantially all of the property and assets of the Company or certain subsidiaries of the Company or (c) effects any general assignment for the benefit of creditors; or
- ix. any Subsidiary Guarantor or JV Subsidiary Guarantor denies or disaffirms its obligations under its Subsidiary Guarantee or JV Subsidiary Guarantee or, except as permitted by the Indenture, any Subsidiary Guarantee or JV Subsidiary Guarantee is determined to be unenforceable or invalid or shall for any reason cease to be in full force and effect.

If an event of default (other than an event of default specified in (vii) or (viii) above) occurs and is continuing under the Indenture, the Trustee or the holders of at least 25% in aggregate principal amount of the 2017 Notes then outstanding, by written notice to the Company (and to the Trustee if such notice is given by the holders), may, and the Trustee at the written request of such holders shall, subject to receiving indemnity and/or security to its satisfaction, declare the principal of, premium, if any, and accrued and unpaid interest on the 2017 Notes to be immediately due and payable. Upon a declaration of acceleration, such principal of, premium, if any, and accrued and unpaid interest shall be immediately due and payable.

If an event of default specified in (vii) or (viii) above occurs with respect to the Company or certain subsidiaries of the Company, the principal of, premium, if any, and accrued and unpaid interest on the 2017 Notes then outstanding shall automatically become and be immediately due and payable without any declaration or other act on the part of the Trustee or any holder.

## Covenants

Subject to certain qualifications and exceptions, the 2017 Notes, the Indenture, the Subsidiary Guarantees and the JV Subsidiary Guarantees (if any) will limit the Company's ability and the ability of certain of its subsidiaries to, among other things:

- a. incur additional indebtedness and issue disqualified or preferred stock;
- b. declare dividends on their capital stock or purchase or redeem capital stock;
- c. make investments or other specified restricted payments;
- d. issue or sell capital stock of certain subsidiaries of the Company;
- e. guarantee indebtedness of certain subsidiaries of the Company;
- f. sell assets;
- g. create liens;
- h. enter into sale and leaseback transactions;
- i. enter into agreements that restrict the ability of certain subsidiaries of the Company to pay dividends, transfer assets or make intercompany loans;
- j. enter into transactions with shareholders or affiliates; and
- k. effect a consolidation or merger.

## Optional Redemption

The 2017 Notes may be redeemed in the following circumstances:

At any time and from time to time on or after 23 January 2020, the Company may redeem the 2017 Notes, in whole or in part, at a redemption price equal to the percentage of principal amount set forth below, plus accrued and unpaid interest (if any) to (but not including) the redemption date, if redeemed during the 12-month period commencing on 23 January of any year set forth below:

| <b>Period</b> | <b>Redemption Price</b> |
|---------------|-------------------------|
| 2020          | 102.75%                 |
| 2021          | 101.375%                |

At any time and from time to time prior to 23 January 2020, the Company may at its option redeem the 2017 Notes, in whole but not in part, at a redemption price equal to 100% of the principal amount of the 2017 Notes plus the applicable premium as of, and accrued and unpaid interest (if any) to (but not including) the redemption date.

At any time prior to 23 January 2020, the Company may redeem up to 35% of the aggregate principal amount of the 2017 Notes at a redemption price of 105.5% of the aggregate principal amount of the 2017 Notes redeemed, plus accrued and unpaid interest (if any) to (but not including) the redemption date, with the net cash proceeds of one or more sales of its common stock in an equity offering, subject to certain conditions.

The Company will give not less than 30 days' nor more than 60 days' notice of any redemption.

## **REASONS FOR THE 2017 NOTES PLACEMENT**

The Group is engaged in the property development and property investment business in the PRC.

The estimated net proceeds of the 2017 Notes Placement, after deduction of the placing fees and other estimated expenses, will amount to approximately US\$278 million and the Company intends to use the net proceeds of the 2017 Notes Placement for refinancing its existing indebtedness and general corporate purposes. The Company may adjust the foregoing plans in response to changing market conditions and, thus, reallocate the use of the proceeds from the 2017 Notes Placement.

## **LISTING**

The Company will seek a listing of the 2017 Notes on the Stock Exchange. A confirmation of the eligibility of the listing of the 2017 Notes has been received from the Stock Exchange. Admission of the 2017 Notes to the Stock Exchange is not to be taken as an indication of the merits of the Company or the 2017 Notes.

## **DEFINITIONS**

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

|              |  |
|--------------|--|
| “2014 Notes” | the 8.875% senior notes due 2019 originally issued by the Company on 27 January 2014 in the aggregate principal amount of US\$200 million and further issued by the Company on 9 January 2015 in aggregate principal amount of US\$200 million |
| “2015 Notes” | the 7.75% senior notes due 2020 issued by the Company on 5 June 2015 in the aggregate principal amount of US\$200 million  |
| “2017 Notes” | the US\$ senior notes to be issued by the Company subject to the terms and conditions of the Placement Agreement and Subscription Agreement  |

|                           |   |
|---------------------------|---|
| “2017 Notes Placement”    | the proposed placement of the 2017 Notes by the Company pursuant to the Placement Agreement and the Subscription Agreements   |
| “Board”                   | the board of Directors  |
| “Company”                 | CIFI Holdings (Group) Co. Ltd., an exempted company incorporated in the Cayman Islands with limited liability, 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  |
| “Credit Suisse”           | Credit Suisse Securities (Europe) Limited, one of the joint placing agents in respect of the sale and placement of the 2017 Notes   |
| “Directors”               | the directors of the Company  |
| “Group”                   | the Company and its subsidiaries  |
| “GF Securities HK”        | GF Securities (Hong Kong) Brokerage Limited, one of the joint placing agents in respect of the sale and placement and placement of the 2017 Notes                                     |
| “Haitong International”   | Haitong International Securities Company Limited, one of the joint placing agents in respect of the sale and placement of the 2017 Notes  |
| “Hong Kong”               | the Hong Kong Special Administrative Region of the People’s Republic of China   |
| “Indenture”               | the indenture to govern the 2017 Notes  |
| “JV Subsidiary Guarantee” | a limited recourse guarantee to be provided by a subsidiary of the Company under certain circumstances and subject to certain conditions as provided in the Indenture                 |
| “JV Subsidiary Guarantor” | a subsidiary of the Company that executes a JV Subsidiary Guarantee   |
| “Listing Rules”           | the Rules Governing the Listing of Securities on the Stock Exchange   |
| “Placement Agreement”     | the agreement dated 19 December 2016 entered into by and among, the Company, the Subsidiary Guarantors and the Placing Agents in relation to the 2017 Notes Placement                 |



|                           |   |
|---------------------------|---|
| “Placing Agents”          | Credit Suisse, Haitong International, Standard Chartered Bank and GF Securities HK  |
| “PRC”                     | the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan for the purpose of this announcement                                      |
| “Stock Exchange”          | The Stock Exchange of Hong Kong Limited   |
| “Subscribers”             | such professional, institutional or other investor(s) procured by the Placing Agents to subscribe for the 2017 Notes pursuant to their respective obligations as joint placing agents under the Placement Agreement |
| “Subscription Agreements” | the individual subscription agreements dated 19 December 2016 and entered into by and among others, the Company and each of the Subscribers in respect of the subscription of the 2017 Notes                        |
| “Subsidiary Guarantees”   | the guarantees to be provided by the Subsidiary Guarantors in respect of the 2017 Notes Placement   |
| “Subsidiary Guarantors”   | certain existing subsidiaries of the Company guaranteeing the 2017 Notes  |
| “Standard Chartered Bank” | Standard Chartered Bank, one of the joint placing agents in respect of the sale and placement of the 2017 Notes   |
| “Trustee”                 | Citicorp International Limited  |
| “United States” or “U.S.” | the United States of America  |
| “U.S. Securities Act”     | the United States Securities Act of 1933, as amended  |
| “US\$”                    | United States dollars, the lawful currency of the United States   |
| “%”                       | per cent.   |

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

Hong Kong, 19 December 2016

*As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as executive Directors; and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as independent non-executive Directors.*