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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)

**PLACING OF EXISTING SHARES
TOP-UP SUBSCRIPTION OF NEW SHARES
AND
RESUMPTION OF TRADING**

Sole Placing Agent and Bookrunner



PLACING AND SUBSCRIPTION

The Vendor, the Company and the Placing Agent entered into the Placing and Subscription Agreement dated 28 July 2017 pursuant to which (a) the Vendor has appointed the Placing Agent and the Placing Agent has agreed to act as placing agent for the Vendor, on a fully underwritten basis, to procure the Placees to purchase, failing which the Placing Agent(s) to purchase, an aggregate of 135,000,000 Placing Shares held by the Vendor at the Placing Price of HK\$3.82 per Share; and (b) the Company has conditionally agreed to allot and issue to the Vendor, and the Vendor has conditionally agreed to subscribe for 135,000,000 Subscription Shares, at the Subscription Price of HK\$3.82 per Share, which is equivalent to the Placing Price.

Reference is also made to the announcement of the Company dated 27 July 2017 (the “**Announcement**”) in relation to, among others, the subscription of 545,000,000 new Shares by Ping An Investment Manager. Unless otherwise indicated, capitalized terms used in this announcement shall have the same meanings as those defined in the Announcement.

The 135,000,000 Placing Shares represent (i) approximately 1.98% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 1.80% of the issued share capital of the Company as enlarged by the allotment and issue of the Ping An Subscription Shares (assuming the Ping An Subscription will be completed as described in the Announcement) and the Subscription Shares (assuming that there is no other change in the issued share capital of the Company from the date of this announcement to the completion of the Subscription save for the issue of the Subscription Shares).

Completion of the Subscription is conditional on certain conditions precedent as more particularly set out in this announcement.

The gross proceeds of the Placing and the Subscription will be HK\$516 million. The net proceeds of the Placing and the Subscription will be approximately HK\$500 million and are intended to be applied towards general working capital of the Group.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and debt securities of the Company (Stock Codes: 5523 and 5340) have been halted with effect from 9:00 a.m. on 28 July 2017 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares and debt securities of the Company (Stock Codes: 5523 and 5340) with effect from 9:00 a.m. on 31 July 2017 (Monday) following the publication of this announcement.

THE PLACING AND SUBSCRIPTION AGREEMENT

Date: 28 July 2017

Partied involved: The Vendor (being Ding Chang), the Company and the Placing Agent

THE PLACING

Vendor: Ding Chang (135,000,000 Placing Shares)

Placing Agent: Citi

Number of Placing Shares

135,000,000 Placing Shares representing (i) approximately 1.98% of the existing issued share capital of the Company of 6,821,611,636 Shares as at the date of this announcement; and (ii) approximately 1.80% of the Company's issued share capital of 7,501,611,636 Shares as enlarged by the allotment and issue of the Ping An Subscription Shares (assuming the Ping An Subscription will be completed as described in the Announcement) and the Subscription Shares pursuant to the Subscription. Under the Placing and Subscription Agreement, the Placing Agent has agreed as placing agent for the Vendor, on a fully underwritten basis, to procure the Placees to purchase, failing which the Placing Agent to purchase, the Placing Shares at the Placing Price.

Placing Price

HK\$3.82 per Placing Share

The Placing Price was agreed after arm's length negotiations between the Vendor, the Company and the Placing Agent with reference to recent market prices of the Shares and market conditions. The Placing Price of HK\$3.82 represents:

- (i) a discount of approximately 1.44% to the average of the closing price of approximately HK\$3.876 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately preceding the date of the Placing and Subscription Agreement; and
- (ii) a discount of 4.98% to the closing price of HK\$4.02 per Share as quoted on the Stock Exchange on 27 July 2017 being the last trading day immediately preceding the date of the Placing and Subscription Agreement.

Placees

It is expected that the Placing Shares will be placed to not less than six Placees which are professional, institutional or other investors approved, selected and/or procured by or on behalf of the Placing Agent as contemplated by the Placing and Subscription Agreement, who and whose respective ultimate beneficial owners: (a) are not connected persons of the Company; (b) are not directors or substantial shareholders of the Company or their respective associates; (c) are independent of and not connected with the Company and its connected persons; and (d) are independent of and not acting in concert with the Vendor and its concert parties. It is not expected that any individual Placee will become a substantial Shareholder immediately after the Placing.

Independence of the Placing Agent

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries:

- (a) the Placing Agent and its beneficial owners are independent of and not connected to and not acting in concert with the Vendor, its associates or any persons acting in concert with it; and
- (b) the Placing Agent and its beneficial owners are independent of and not connected with and not acting in concert with the Company, the Directors, chief executives or substantial shareholders of the Company or its subsidiaries, or any of their respective associates.

Completion of the Placing

There are no conditions to the Placing, save for the rights of the Placing Agent to exercise its rights to terminate the Placing and Subscription Agreement (as described in more details below). Completion of the Placing is expected to take place on or before 2 August 2017 (or such other time or date as and the parties to the Placing and Subscription Agreement may agree in writing).

Rights of the Placing Shares

The Placing Shares will be sold by the Vendor free from all liens, charges and encumbrances and together with all rights attaching to the Placing Shares as at the date when the sale of the Placing Shares is reported as a cross-trade to the Stock Exchange and, including the right to receive all dividends declared, made or paid in respect of the Placing Shares on or after such date. In the event that there are any Placing Shares which have not been placed by the Placing Agent, the Placing Agent shall on or before the Placing Completion purchase such unplaced Shares at the Placing Price in order to fulfil its obligations that it shall have either procured purchasers or purchased for its own account in aggregate all Placing Shares.

THE SUBSCRIPTION

Subscriber: Ding Chang (135,000,000 Subscription Shares)

Issuer: The Company

Number of Subscription Shares

The Company has agreed to allot and issue and the Vendor has agreed to subscribe for 135,000,000 new Shares (which is equivalent to the number of the Placing Shares), which, having an aggregate nominal value of HK\$13,500,000, represents:

- (i) approximately 1.98% of the issued share capital of the Company as at the date of this announcement; and
- (ii) approximately 1.80% of the issued share capital as enlarged by the allotment and issue of the Ping An Subscription Shares (assuming the Ping An Subscription will be completed as described in the Announcement) and the Subscription Shares.

Subscription Price

HK\$3.82 per Subscription Share, which is equivalent to the Placing Price. Under the Placing and Subscription Agreement, all costs, fees, placing commission, incentive fee and expenses incurred by the Vendor in connection with the Placing, including the costs of its legal and other professional advisers reasonably and properly incurred and out-of-pocket expenses, shall be borne by the Vendor.

Mandate to allot and issue new Shares

The Subscription Shares will be allotted and issued pursuant to the general mandate granted to the Directors by a resolution passed by the Shareholders at the Company's annual general meeting held on 21 April 2017. The Company is authorised to issue up to 1,362,079,256 Shares under such mandate. As disclosed in the Announcement, the Ping An Subscription Shares will be issued under the general mandate, and after deducting the Ping An Subscription Shares, the Company is permitted to issue up to 817,079,256 shares under such general mandate. Accordingly, the issue of the Subscription Shares is not subject to Shareholders' further approval.

Ranking

The Subscription Shares will, when fully paid, rank equally in all respects among themselves and with all other Shares in issue as at the date of completion of the Subscription, including the rights to all dividends and other distributions declared, made or paid at any time on or after the date of completion of the Subscription.

Conditions of the Subscription

The Subscription is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting listing of and permission to deal in the Subscription Shares (and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s)); and
- (b) completion of the Placing having occurred pursuant to the terms of the Placing and Subscription Agreement.

Completion of the Subscription

Completion of the Subscription will take place on the second business day following the day on which all the conditions referred to above are fulfilled, provided that it will take place no later than 14 days after the date of the Placing and Subscription Agreement or such later date as may be agreed between the Company and the Vendor.

If the conditions are not fulfilled within 14 days after the date of the Placing and Subscription Agreement or such later date as may be agreed between the Company and the Vendor, the obligations and liabilities of the Vendor and the Company in relation to the Subscription shall be null and void and neither the Company nor the Vendor shall have any claim against the other for costs, damages, compensation or otherwise provided that the Company shall reimburse the Vendor any legal fees and out-of-pocket expenses which the Vendor will be obliged to pay in connection with the Subscription.

Pursuant to Chapter 14A of the Listing Rules, if the Subscription is not completed within 14 days after the date of the Placing and Subscription Agreement, the Subscription will be regarded as a connected transaction, and in such case, the Company would need to issue a circular and hold an extraordinary general meeting to seek the approval of the independent Shareholders before the Subscription can be proceeded.

APPLICATION FOR LISTING

Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

LOCK-UP ARRANGEMENTS

Under the Placing and Subscription Agreement:

- (1) the Vendor undertakes to the Placing Agent that (except for the sale of the Placing Shares pursuant to the Placing and Subscription Agreement) for a period of 90 days from the date of the Placing Completion, it will not and will procure that none of its nominees and companies controlled by it and trusts associated with it (whether individually or together and whether directly or indirectly) will (i) offer, lend, pledge, issue, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests therein beneficially owned or held by the Vendor or any securities convertible into or exercisable or exchangeable for or substantially similar to any such Shares or interests or (ii) enter into any swap or similar agreement that transfers, in whole or in part, the economic risk of ownership of such Shares, whether any such transaction described in (i) or (ii) above is to be settled by delivery of Shares or such other securities, in cash or otherwise or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless with the prior written consent of the Placing Agent.

- (2) the Company undertakes to the Placing Agent, and the Vendor undertakes to the Placing Agent to procure, that for a period of 90 days from the date of the Placing Completion, the Company will not, except for the Subscription Shares and save pursuant to (1) the terms of any employee share option scheme and share award scheme of the Company or (2) the Ping An Subscription Agreement; or (3) bonus or scrip dividend or similar arrangements which provide for the allotment of Shares in lieu of the whole or part of a dividend on Shares of the Company in accordance with its articles of association: (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, unless with the prior written consent of the Placing Agent.

TERMINATION OF THE PLACING AND SUBSCRIPTION AGREEMENT

Notwithstanding anything contained in the Placing and Subscription Agreement, if at any time prior to 4:00 p.m. (Hong Kong time) on the date of Placing Completion:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations in any relevant jurisdiction which in the opinion of Citi has or is likely to have a material adverse effect on the financial position of the Company and/or of the Group as a whole; or
 - (ii) any significant change (whether or not permanent) in local, national or international monetary, economic, financial, political or military conditions which in the opinion of Citi is or would be materially adverse to the success of the Placing; or
 - (iii) any significant change (whether or not permanent) in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole judgement of Citi is or would be materially adverse to the success of the Placing; or makes it impracticable or inadvisable or inexpedient to proceed therewith; or
 - (iv) a general moratorium on commercial banking activities in Hong Kong, London or New York declared by the relevant authorities or a disruption in commercial banking or securities settlement or clearance services in Hong Kong, Singapore, the United Kingdom or the United States; or
 - (v) a change or development involving a prospective change in taxation which constitutes a material adverse effect on the Group as a whole or the Placing Shares or the transfer thereof; or
 - (vi) any outbreak or escalation of hostilities or act of terrorism involving Hong Kong, Singapore, the United Kingdom, the PRC or the United States or the declaration by Hong Kong, Singapore, the United Kingdom, the PRC or the United States of a national emergency or war; or
 - (vii) any suspension of dealings in the Shares for any period whatsoever (other than as a result of the Placing); or
 - (viii) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange, the Singapore Stock Exchange, the London Stock Exchange, the New York Stock Exchange or Nasdaq due to exceptional financial circumstances or otherwise at any time prior to date of Placing Completion; or

- (b) any breach of any of the representations, warranties and undertakings by the Company, and/or the Vendor set out in Placing and Subscription Agreement comes to the knowledge of Citi or any event occurs or any matter arises on or after the date of the Placing and Subscription Agreement and prior to the date of Placing Completion which if it had occurred or arisen before the date of the Placing and Subscription Agreement would have rendered any of such representations, warranties and undertakings untrue or incorrect in any material respect and any such breach or failure is material or (in the opinion of Citi) is or would materially and adversely affect the financial position or business of the Company and/or of the Group as a whole or is or would be materially adverse to the success of the Placing, or there has been a breach of, or failure to perform, any other provision of the Placing and Subscription Agreement on the part of either the Company and/or the Vendor; or
- (c) there is any such adverse change, or development involving a prospective adverse change in the general affairs, condition, results of operations or prospects, management, business, stockholders' equity or in the financial or trading position of the Company and/or of the Group as a whole which in the opinion of Citi is materially adverse to the success of the Placing;

then and in any such case, Citi may terminate the Placing and Subscription Agreement without liability to the Company and/or the Vendor by giving written notice in writing to the Company and the Vendor, which notice may be given at any time prior to 4:00 p.m. (Hong Kong time) on the date of Placing Completion.

Without prejudice to any other provisions of the Placing and Subscription Agreement, Citi shall have the right exercisable at any time by notice in writing to the Company and the Vendor to terminate the Placing and Subscription Agreement if any of the Placing Shares are not delivered by or on behalf of the Vendor in accordance with the Placing and Subscription Agreement.

In the event that Citi terminates the Placing and Subscription Agreement in accordance with the terms of the Placing and Subscription Agreement, all obligations of each of the parties under the Placing and Subscription Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing and Subscription Agreement except for any antecedent breach of any obligation under that agreement and other liabilities as expressly provided under that agreement.

CHANGES TO SHAREHOLDING AS A RESULT OF THE PLACING AND THE SUBSCRIPTION

Assuming the Ping An Subscription will be completed as described in the Announcement, the shareholdings of the Vendor and other Shareholders in the Company (a) as at the date of this announcement; (b) immediately after the completion of the Placing but before the completion of the Subscription; and (c) immediately after the completions of the Placing, the Ping An Subscription and the Subscription are as follows:

	As of the date of this announcement		After completion of the Placing		After completion of the Placing, the Ping An Subscription and the Subscription	
	No. of Shares	Approximate %	No. of Shares	Approximate %	No. of Shares	Approximate %
Rosy Fortune (Note 1)	2,259,037,975	33.12%	2,259,037,975	33.12%	2,259,037,975	30.11%
Ding Chang (Note 2)	1,175,675,671	17.23%	1,040,675,671	15.26%	1,175,675,671	15.67%
Eminent Talent (Note 3)	651,952,559	9.56%	651,952,559	9.56%	651,952,559	8.69%
Rain Mountain (Note 4)	205,670,580	3.01%	205,670,580	3.01%	205,670,580	2.74%
LIN Zhong (Note 5)	6,456,000	0.09%	6,456,000	0.09%	6,456,000	0.09%
Controlling shareholders	4,298,792,785	63.02%	4,163,792,785	61.04%	4,298,792,785	57.30%
TAN Wee Seng (Note 6)	600,000	0.01%	600,000	0.01%	600,000	0.01%
Public						
Ping An Investor and its associates (Note 7)	200,694,000	2.94%	200,694,000	2.94%	745,694,000	9.94%
Placees	–	0.00%	135,000,000	1.98%	135,000,000	1.80%
Other Existing Shareholders	2,321,524,851	34.03%	2,321,524,851	34.03%	2,321,524,851	30.95%
Total	6,821,611,636	100.00%	6,821,611,636	100.00%	7,501,611,636	100.00%

Notes:

- (1) Rosy Fortune is wholly held by LIN's Family Trust, which is a family trust jointly set up by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, being the executive Directors, as settlors. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are brothers and the founders of the Group.
- (2) Ding Chang is wholly held by Sun Success Trust, which is a family trust set up by Mr. LIN Zhong, being an executive Director, as settlor.
- (3) Eminent Talent is wholly held by Mr. LIN Wei, being an executive Director.
- (4) Rain-Mountain is wholly held by Sun-Mountain Trust, which is a family trust set up by Mr. LIN Feng, being an executive Director, as settlor.
- (5) These Shares are held by Mr. LIN Zhong, an executive Director, as beneficial owner.
- (6) These Shares are held by Mr. TAN Wee Seng, an independent non-executive Director, as beneficial owner.
- (7) These Shares are held by Ping An Investment Manager, on behalf of Ping An Investor.

REASONS FOR THE PLACING AND SUBSCRIPTION AND USE OF PROCEEDS

The Board considers that the Placing and Subscription represents a good opportunity to broaden the Shareholders base and to raise equity capital for the Company for its future business developments. The terms of the Placing and Subscription Agreement (including the Placing Price) were determined among the parties thereto on an arms' length basis. The Directors (including the independent non-executive Directors) consider that the terms of the Placing and Subscription Agreement to be fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Upon the completion of the Placing and Subscription:

- (i) the gross proceeds from the Placing and the Subscription are estimated to be approximately HK\$516 million;
- (ii) the net proceeds, which will be applied towards the general working capital of the Group, after deducting related placing commission and other related expenses in connection with the Placing which will be borne by the Company, from the Placing and the Subscription are estimated to be approximately HK\$500 million; and
- (iii) the net issue price per Subscription Share is approximately HK\$3.70.

INFORMATION ABOUT THE GROUP

Principal activities of the Group

The Group is principally engaged in the property development, property investment and property management businesses in the PRC.

Fund raising activities of the Company in the past 12 months

Save for the fund raising activity below, the Group has not conducted any equity fund raising activities involving the issue of its securities in the past 12 months from the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised (approximately) and intended use of net proceeds	Actual use of net proceeds
27 July 2017	The issue and allotment of 545,000,000 Ping An Subscription Shares to Ping An Investment Manager at a price of HK\$3.50 per Ping An Subscription Share	HK\$1,907 million The Company intends to apply the net proceeds for its development and/or for general working capital of the Group	As at the date of this announcement, the Ping An Subscription has not been completed. The proceeds will be used as intended.

RESUMPTION OF TRADING

At the request of the Company, trading in the Shares and debt securities of the Company (Stock Codes: 5523 and 5340) have been halted with effect from 9:00 a.m. on 28 July 2017 pending the release of this announcement. Application has been made by the Company to the Stock Exchange for resumption of trading in the Shares and debt securities of the Company (Stock Codes: 5523 and 5340) with effect from 9:00 a.m. on 31 July 2017 (Monday) following the publication of this announcement.

DEFINITIONS

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

“acting in concert”	has the meaning ascribed to it in the Code on Takeovers and Mergers issued by the Securities and Futures Commission of Hong Kong
“associates”	having the meaning ascribed thereto in the Listing Rules
“Board”	the board of Directors
“business day”	any day (excluding a Saturday) on which banks are generally open for business in Hong Kong and the Stock Exchange is opened for trading and settlement business between 9:30 am and 4:00 pm
“Citi”	Citigroup Global Markets Limited
“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”	having the meaning ascribed thereto in the Listing Rules
“Ding Chang”	Ding Chang Limited (鼎昌有限公司), a substantial shareholder of the Company and a company incorporated with limited liability in the British Virgin Islands holding 1,175,675,671 Shares, representing approximately 17.23% of the entire issued share capital of the Company as at the date of this announcement. The entire interest in Ding Chang is held by Sun Success Trust, which is a family trust set up by Mr. LIN Zhong (林中先生), being the executive Director and Chairman of the Company, as settlor
“Directors”	the directors of the Company

“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
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individual, institutional or professional investor procured by the Placing Agent to purchase any of the Placing Shares pursuant to the Placing and Subscription Agreement
“Placing”	the placing of the Placing Shares pursuant to the terms of the Placing and Subscription Agreement
“Placing Agent”	Citi
“Placing and Subscription Agreement”	a placing, subscription and underwriting agreement dated 28 July 2017 and made among the Vendor, the Company and the Placing Agent in relation to the Placing and the Subscription
“Placing Completion”	completion of the Placing in accordance with the terms of the Placing and Subscription Agreement
“Placing Price”	HK\$3.82 per Placing Share
“Placing Shares”	a total of 135,000,000 Shares beneficially owned by the Vendor to be placed pursuant to the Placing and Subscription Agreement
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
“Share(s)”	the ordinary share(s) of HK\$0.10 each of the Company
“Shareholder(s)”	the holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by the Vendor pursuant to the Placing and Subscription Agreement
“Subscription Shares”	a total of 135,000,000 new Shares to be issued by the Company to the Vendor
“substantial shareholders”	having the meaning ascribed thereto in the Listing Rules

“Vendor” Ding Chang

“%” per cent.

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

Hong Kong, 28 July 2017

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.