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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**

**CHENGDU COOPERATION AGREEMENT**

On 28 August 2020, the Company, together with its subsidiaries, namely Chengdu Hefei, Chengdu Heru and Chengdu Project Company entered into the Chengdu Cooperation Agreement with Henderson China Investment and Guangzhou Jiejun, an indirect wholly-owned subsidiary of Henderson China Investment for the formation of joint venture to develop the Chengdu Site located at Zone 1 and 5 of Xiaolin Community, Zone 10, 11 and 12 of Wanhe Community, Xindu Street, Xindu District, Chengdu, Sichuan Province, the PRC (中國四川省成都市新都區新都街道肖林社區1、5組及萬和社區10、11、12組). As at the date of this announcement, Chengdu Project Company is wholly-owned by Chengdu Heru, which is in turn wholly-owned by Chengdu Hefei, a limited liability company incorporated in the PRC and an onshore subsidiary controlled by the Company. Chengdu Heru succeeded in the bidding of the Chengdu Site with a total planned gross floor area of 246,979 sq.m. at land consideration of approximately RMB1,838 million.

Pursuant to the Chengdu Cooperation Agreement, Guangzhou Jiejun proposes to acquire 50% of equity interest in Chengdu Heru by way of capital injection. Upon the completion of the capital injection, Chengdu Project Company will be indirectly owned as to 50% by the Company (through Chengdu Hefei) and 50% by Henderson China Investment (through Guangzhou Jiejun). Chengdu Heru and Chengdu Project Company will be consolidated into the financial statements of the Group and Chengdu Project Company will undertake the development of the Chengdu Site.

The average land cost of the Chengdu Site is approximately RMB7,441 per sq.m. The capital commitment currently intended to be payable by the Group for the transactions contemplated under the Chengdu Cooperation Agreement is estimated to be approximately RMB919 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 Chengdu Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Chengdu Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Chengdu 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 Chengdu Cooperation Agreement is on normal commercial terms, and the terms and conditions of the Chengdu Cooperation Agreement, 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 Chengdu 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 Chengdu 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.

## CHENGDU COOPERATION AGREEMENT

**Date:** 28 August 2020

**Parties:**

- (i) Henderson China Investment
- (ii) the Company
- (iii) Guangzhou Jiejun, being a wholly-owned subsidiary of Henderson China Investment
- (iv) Chengdu Hefei, being an onshore subsidiary controlled by the Company
- (v) Chengdu Heru, being a direct wholly-owned subsidiary of Chengdu Hefei
- (vi) Chengdu Project Company, being a direct wholly-owned subsidiary of Chengdu Heru

## **Subject Matter**

As at the date of this announcement, Chengdu Hefei, being an onshore subsidiary controlled by the Company, directly wholly owns the entire issued share capital of Chengdu Heru. Chengdu Heru succeeded in the bidding of the land use rights in respect of the Chengdu Site offered for sale by the Planning and Natural Resources Bureau of Xindu District, Chengdu City (成都市新都區規劃和自然資源局) in May 2020 and the Land Use Rights Grant Contract in respect of the Chengdu Site has been entered into. Chengdu Project Company was set up on 3 June 2020 in the PRC as a subsidiary wholly-owned by Chengdu Heru for the purpose of holding the Chengdu Site directly and the development thereof. Other than holding the interest in the Chengdu Site, Chengdu Heru and Chengdu 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 Chengdu Cooperation Agreement will be approximately RMB919 million. Such contribution will be partly applied to increase the registered capital of Chengdu Heru, as a result of which Chengdu Heru will be owned as to 50% by Chengdu Hefei and 50% by Guangzhou Jiejun and the contributed capital will be used for settlement of the land premium. Any further capital need for project development is currently intended to be financed by external loans.

It is intended that the capital commitment payable by the Group under the Chengdu Cooperation Agreement would be financed by internal resources of the Group. Upon completion of the aforesaid capital injection in Chengdu Heru, onshore joint venture will be formed through Chengdu Heru. The Chengdu Project Company will be indirectly owned as to 50% by the Company (through Chengdu Hefei) and 50% by Henderson China Investment (through Guangzhou Jiejun).

The capital commitment was determined after arm's length negotiation between the parties to the Chengdu 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 Chengdu Site.

## **Information of Chengdu Heru**

Since Chengdu Heru is investment holding company and does not own any assets nor conduct any business operation other than holding the interest in the Chengdu 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 Chengdu Site**

Site location:	Located at Zone 1 and 5 of Xiaolin Community, Zone 10, 11 and 12 of Wanhe Community, Xindu Street, Xindu District, Chengdu, Sichuan Province, the PRC (中國四川省成都市新都区新都街道肖林社區1、5組及萬和社區10、11、12組)
Site area:	99,957.47 sq.m
Planned gross floor area:	246,979 sq.m.
Term of land use rights:	70 years for residential
Land premium:	Land consideration of approximately RMB1,838 million. The average land cost is approximately RMB7,441 per sq.m..

## **Composition of the board of directors of Chengdu Heru and Chengdu Project Company**

Each of the board of directors of Chengdu Heru and Chengdu 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 appoint 1 supervisor, the Group has the right to nominate 1 general manager in both Chengdu Heru and Chengdu Project Company. The board of the directors of the Chengdu 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 Chengdu 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 Heru and Chengdu Project Company will still be accounted for as subsidiaries of the Group and it is agreed among the parties to the Chengdu Cooperation Agreement that the accounts of Chengdu Heru and Chengdu Project Company will still be consolidated into the financial statements of the Group.

## **INFORMATION OF HENDERSON CHINA INVESTMENT AND GUANGZHOU JIEJUN**

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, department store operation, project management, investment holding and property management.

To the best knowledge of the Company based on information available to it, Guangzhou Jiejun is a company established in the PRC with limited liability. Guangzhou Jiejun is a wholly-owned subsidiary of Henderson China Investment as at the date of this announcement and is principally engaged in investment holding.

## **REASONS FOR AND BENEFIT OF THE CHENGDU 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 Chengdu 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 Chengdu, the PRC, by leveraging the synergies of the cooperation.

The Directors consider that the Chengdu 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 Chengdu Cooperation Agreement therefore constitute connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the Chengdu Cooperation Agreement and the transactions thereunder. None of the Directors have any material interest in the transactions contemplated under the Chengdu 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 Chengdu Cooperation Agreement is on normal commercial terms, and the terms and conditions of the Chengdu Cooperation Agreement, 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 Chengdu 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 Chengdu 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:

“Board”	the board of Directors
“Chengdu Cooperation Agreement”	the cooperation agreement dated 28 August 2020 entered into between the Company, Henderson China Investment, Guangzhou Jiejun, Chengdu Hefei, Chengdu Heru and Chengdu Project Company
“Chengdu Hefei”	Chengdu Hefei Enterprise Management Co., Ltd.* (成都和飛企業管理有限公司), a company established in the PRC with limited liability and an onshore subsidiary controlled by the Company
“Chengdu Heru”	Chengdu Heru Enterprise Management Co., Ltd.* (成都和儒企業管理有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of Chengdu Hefei as at the date of this announcement and will be owned as to 50% by Chengdu Hefei and 50% by Guangzhou Jiejun upon completion of the capital injection contemplated under the Chengdu Cooperation Agreement
“Chengdu Project Company”	Chengdu Xingzhe Real Estate Development Co., Ltd.* (成都興哲房地產開發有限公司), a company established in the PRC with limited liability and wholly-owned by Chengdu Heru for the development of the Chengdu Site
“Chengdu Site”	a site located at Zone 1 and 5 of Xiaolin Community, Zone 10, 11 and 12 of Wanhe Community, Xindu Street, Xindu District, Chengdu, Sichuan Province, the PRC (中國四川省成都市新都區新都街道肖林社區1、5組及萬和社區10、11、12組)
“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
“Guangzhou Jiejun”	Guangzhou Jiejun Real Estate Development Co., Ltd.* (廣州捷駿房地產開發有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of Henderson China Investment



“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square metre(s)
“%”	per cent.

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

Hong Kong, 28 August 2020

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

\* *For identification purposes only*