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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)

**PROPOSED ADDITIONAL ISSUE OF
HK\$588,000,000 6.95 PER CENT. GUARANTEED
CONVERTIBLE BONDS DUE 2025 (TO BE CONSOLIDATED AND
FORM A SINGLE SERIES WITH THE HK\$1,957,000,000 6.95 PER CENT.
GUARANTEED CONVERTIBLE BONDS DUE 2025 ISSUED ON
8 APRIL 2022) UNDER GENERAL MANDATE**

The Board is pleased to announce that the Company has entered into the Subscription Agreement, under which the Managers have agreed severally and not jointly to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds to be issued by the Company in an aggregate principal amount of HK\$588,000,000, on the terms and subject to the conditions set out therein. The Bonds will be consolidated and form a single series with the Original Bonds.

Assuming full conversion of the Bonds at the initial Conversion Price of HK\$5.53 per Share, the Bonds will be convertible into 106,329,113 Shares, representing approximately 1.21% of the issued share capital of the Company as at the date of this announcement; approximately 1.19% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares resulting from the full conversion of the Bonds (assuming there is no other change to the share capital of the Company); and approximately 1.15% of the issued share capital of the Company as enlarged by the issue of the Original Conversion Shares resulting from the full conversion of the Original Bonds and the issue of the Conversion Shares resulting from the full conversion of the Bonds. The Conversion Shares to be issued upon conversion of the Bonds will rank pari passu in all respects with the Shares then in issue on the relevant Conversion Date.

The Bonds shall at all times rank pari passu and without any preference or priority among themselves.

The Bonds have not been offered or sold and may not be offered or sold in Hong Kong to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong.

The Bonds and the Conversion Shares have not been and will not be registered under the Securities Act and, subject to certain exceptions, may not be offered or sold within the United States. The Bonds are being offered and sold outside the United States to any non-U.S. persons in reliance on Regulation S under the Securities Act.

The estimated net proceeds from the Subscription of the Bonds, after deduction of commission and expenses, amount to approximately HK\$584,000,000. The Company intends to use the net proceeds from the Subscription for refinancing, including upcoming redemption of RMB1,600,000,000 6.70% senior notes due 2022 with an outstanding amount of approximately RMB1,477,600,000. The Conversion Shares are to be issued under the General Mandate. The issue of the Bonds is not subject to the approval of the Shareholders.

The Original Bonds are listed on the SGX-ST. An application will be made by the Company to the SGX-ST for the listing of the Bonds on the SGX-ST and an application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange.

Admission to the official list of the SGX-ST and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or any other subsidiary or associated company of the Company, the Bonds or the Subsidiary Guarantees. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed “THE SUBSCRIPTION AGREEMENT” below for further information.

WARNING: As the Subscription Agreement may or may not complete, and the Bonds and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

Reference is made to the announcement of the Company dated 1 April 2022 in relation to the Original Bonds (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meaning as those defined in the Announcement.

THE SUBSCRIPTION AGREEMENT

Date

11 April 2022

Parties

- (i) the Company as issuer;
- (ii) the Subsidiary Guarantors; and
- (iii) Credit Suisse and HSBC as Managers.

Subscription

Pursuant to the Subscription Agreement, the Managers have agreed severally and not jointly to subscribe and pay for, or to procure subscribers to subscribe and pay for, the Bonds to be issued by the Company in an aggregate principal amount of HK\$588,000,000, on the terms and subject to the conditions set out therein.

To the best of the Directors’ knowledge, information and belief, the Managers are third parties independent of the Company and are not connected with the Company and its connected persons (as defined in the Listing Rules).

Subscribers

The Managers have informed the Company that they intend to offer and sell the Bonds to no less than 6 independent placees (who will be independent individual, corporate and/or institutional investors). To the best of the Directors’ knowledge, information and belief as at the date of this announcement, each of the placees of the Bonds (and their respective ultimate beneficial owners) will be third parties independent of the Company and are not connected with the Company and its connected persons (as defined in the Listing Rules).

Conditions to the Managers’ Obligations for the Subscription

The obligations of the Managers to subscribe and pay for the Bonds are subject to the following conditions precedent:

- (a) no downgrading or possible change in the rating accorded the Company or any of the Company’s securities by any “nationally recognized statistical rating organization,” as such term is defined in Section 3(a)(62) of the Securities Exchange Act of 1934, as amended;

- (b) there shall not have occurred any change, or any development involving a prospective change, in the general affairs, management, financial condition, shareholder's equity, business, results of operations of the Group, individually or taken as a whole, in the judgment of the Managers, is material and adverse and that makes it, in the judgment of the Managers, impracticable to market the Bonds on the terms and in the manner contemplated in the Offering Circular;
- (c) the Managers shall have received on the Closing Date a certificate, dated the Closing Date and signed by an executive officer of the Company, to the effect set forth in the Subscription Agreement and to the effect that the representations and warranties of the Company contained in the Subscription Agreement were true and correct as of the Publication Date, are true and correct as of the Closing Date and that the Company has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date;
- (d) the Managers shall have received on the Closing Date from each Subsidiary Guarantor a certificate, dated the Closing Date and signed by an executive officer of the Subsidiary Guarantor, to the effect that the representations and warranties of the Subsidiary Guarantor contained in the Subscription Agreement were true and correct as of the Publication Date, are true and correct as of the Closing Date and that such Subsidiary Guarantor has complied with all of the agreements and satisfied all of the conditions on its part to be performed or satisfied hereunder on or before the Closing Date;
- (e) the Managers shall have received on the Closing Date an opinion of the Cayman Islands counsel for the Company, dated the Closing Date, in the form satisfactory to the Managers;
- (f) the Managers shall have received on the Closing Date an opinion of the British Virgin Islands counsel for the Company and the subsidiaries incorporated in the British Virgin Islands, dated the Closing Date, in the form satisfactory to the Managers;
- (g) the Managers shall have received on the Closing Date an opinion of the Hong Kong counsel for the Company and the subsidiaries incorporated in Hong Kong, dated the Closing Date, in the form satisfactory to the Managers;
- (h) the Managers shall have received on the Closing Date a letter (with the opinion appended to such letter) from the PRC counsel for the Company and the subsidiaries incorporated in the PRC, dated the Closing Date, consenting to the Company's provision of its opinion (which letter and opinion will be in the form satisfactory to the Managers) to the Managers;
- (i) the Managers shall have received on the Closing Date an opinion of the English counsel for the Managers, dated the Closing Date, in the form reasonably satisfactory to the Managers;

- (j) the Managers shall have received on the Closing Date an opinion of the PRC counsel for the Managers, dated the Closing Date, in the form reasonably satisfactory to the Managers;
- (k) the Managers shall have received on each of the Publication Date and the Closing Date a letter, dated the date hereof or the Closing Date, as the case may be, in form and substance reasonably satisfactory to the Managers, from an independent public accountants, containing statements and information of the type ordinarily included in accountants' "comfort letters" to Managers with respect to the financial statements and certain financial information contained in the Offering Circular; provided that the letter delivered on the Publication Date and the Closing Date shall use a "cut-off date" not earlier than the date that is three business days prior to the Publication Date or the Closing Date, as applicable;
- (l) on each of the Publication Date and the Closing Date, the Managers shall have received a certificate of the Company, dated the date hereof and the Closing Date, respectively, signed on behalf of the Company by an executive officer of the Company, substantially in the form as set forth in the Subscription Agreement;
- (m) the Company having received the approval from the Stock Exchange for the listing of, and the permission to deal in, the Conversion Shares on the Stock Exchange;
- (n) the Company having received the approval-in-principal from the SGX-ST for the listing of, and the permission to deal in, the Bonds;
- (o) Cogency Global (UK) Limited, shall have accepted, on or prior to the Closing Date, the appointment by the Company and the Subsidiary Guarantors as provided in the Subscription Agreement and pursuant to the terms of the Trust Deed;
- (p) the Bonds and the Subsidiary Guarantees shall have been declared eligible for clearance and settlement through Euroclear Bank SA/NV and Clearstream Banking S.A.;
- (q) announcements to the Shareholders in connection with the offering of the Bonds or the Subsidiary Guarantees shall have been published in accordance with the Listing Rules;
- (r) the Company shall have provided to the Managers, approvals from the Shareholders and board resolutions, as applicable, approving the issuance by the Company of the Bonds or the Subsidiary Guarantees and the execution by the Company of the transaction documents to which it is a party;
- (s) each Subsidiary Guarantor incorporated in Hong Kong shall have provided to the Managers approvals from the shareholders of the Subsidiary Guarantor and board resolutions approving the issuance by such Subsidiary Guarantor of its guarantee;
- (t) each Subsidiary Guarantor incorporated in the British Virgin Islands shall have provided to the Managers board resolutions approving the issuance by such Subsidiary Guarantor of its guarantee;

- (u) the transaction documents shall have been duly executed and delivered and shall be in full force and effect, and true and complete copies thereof shall have been delivered to the Managers;
- (v) the Company shall have provided to the Managers a copy of the registration certificate issued by the National Development and Reform Commission of the PRC in connection with the filing for the proposed issuance of the Bonds and the Subsidiary Guarantees;
- (w) Rosy Fortune and Ding Chang shall each have executed a lock-up agreement in the form set out in the Subscription Agreement and such lock-up agreement shall be in full force and effect on the Closing Date; and
- (x) the Company and the Subsidiary Guarantors shall have provided the Managers with such other certificates, letters and documents relating to the transactions contemplated hereby as the Managers may reasonably request, forms of which will be set forth in the memorandum of closing dated the Closing Date.

If any of the conditions specified above shall not have been fulfilled when and as required herein (unless waived), or if any of the certificates, opinions, written statements or letters furnished to the Managers shall not be in all respects reasonably satisfactory in form and substance to the Managers, all obligations of the Managers hereunder may be cancelled by the Managers at, or at any time prior to, the Closing Date.

Lock-Up

Each of Rosy Fortune and Ding Chang jointly and severally undertakes to the Managers that, for a period from the date of the Subscription Agreement up to 90 calendar days after the Closing Date (both dates inclusive), neither it nor any of its subsidiaries (if applicable) or affiliates or spouse (if applicable) or family members (if applicable) over which it exercises management or voting control, nor any person acting on its or their behalf will, without the prior written consent of the Managers, (a) issue, offer, sell, and it shall procure such entities to not, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Lock-up Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Lock-up Shares or other instruments representing interests in the Lock-up Shares, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Lock-up Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), (b) or (c) is to be settled by delivery of Lock-up Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing.

Restrictions

Neither the Company, the Subsidiary Guarantors, nor any person acting on their behalf will (a) issue, offer, sell, pledge, contract to sell or otherwise dispose of or grant options, issue warrants or offer rights entitling persons to subscribe or purchase any interest in any Shares or any securities issued or guaranteed by the Company or the Subsidiary Guarantors that are substantially similar to the Bonds or the Shares or any securities convertible into, exchangeable for or which carry rights to subscribe or purchase the Bonds, the Shares or securities of the same class as the Bonds, the Shares or other instruments representing interests in the Bonds, the Shares or other securities of the same class as them, (b) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of the ownership of the Shares, (c) enter into any transaction with the same economic effect as, or which is designed to, or which may reasonably be expected to result in, or agree to do, any of the foregoing, whether any such transaction of the kind described in (a), or (c) is to be settled by delivery of Shares or other securities, in cash or otherwise or (d) announce or otherwise make public an intention to do any of the foregoing, in any such case without the prior written consent of the Manager between the date hereof and the date which is 90 calendar days after the Closing Date (both dates inclusive) except for (i) the Bonds and the Conversion Shares, and (ii) the Shares issued or options to purchase Shares issued to employees of the Company or the subsidiaries of the Company under employee stock option plans and (iii) the bonus issue of shares of HK\$0.10 each in the capital of the Company (the “Bonus Share”) on the basis of four Bonus Shares for every one hundred existing shares held by the Shareholders as announced by the Company on 24 March 2022.

Termination of the Subscription Agreement

The Managers may terminate the Subscription Agreement by notice given by the Managers to the Company, if after the execution and delivery of this Agreement and prior to the Closing Date (a) trading generally shall have been suspended or materially limited on, or by, as the case may be, any of the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Select Market, the London Stock Exchange, the Stock Exchange or the Singapore Exchange Securities Trading Limited, (b) trading of any securities of the Company shall have been suspended on any exchange or in any over-the-counter market, (c) a material disruption in securities settlement, payment or clearance services in the United States, London, Hong Kong or Singapore shall have occurred, (d) any moratorium on commercial banking activities shall have been declared by the United States, New York State, London, Hong Kong or Singapore authorities or (e) there shall have occurred any outbreak or escalation of hostilities, or any change in financial markets, currency exchange rates or controls or any calamity or crisis that, in the judgment of the Managers, is material and adverse and which, individually or together with any other specified event in the Subscription Agreement, makes it, in the judgment of the Managers, impracticable or inadvisable to proceed with the offer, sale or delivery of the Bonds on the terms and in the manner contemplated in the Offering Circular.

PRINCIPAL TERMS OF THE BONDS

The principal terms of the Bonds are summarised as follows:

Issuer:	The Company
Denomination:	HK \$2,000,000 each and integral multiples of HK\$1,000,000 in excess thereof.
Issue Price:	100.75% of the principal amount plus accrued interest from, and including, 8 April 2022 to, but excluding 20 April 2022 of HK\$2,316.67 per each Bond of HK\$1,000,000 denomination.
Issue Size:	HK\$588,000,000 (approximately US\$75,000,000), to be consolidated and form a single series with the Original Bonds.
Coupon:	The Bonds bear interest from and including 8 April 2022 at the rate of 6.95 per cent. per annum payable on a semi-annual basis in arrear on 8 April and 8 October of each year, commencing on 8 October 2022.
Maturity Date:	8 April 2025
Guarantee:	The Bonds will be guaranteed by the Subsidiary Guarantors on a pari passu basis with the obligations of the Company under the existing indebtedness of the Company.
Initial Conversion Price:	HK\$5.53 per Share, representing: <ul style="list-style-type: none">(i) a premium of 19.18% to the closing price of HK\$4.640 per Share as quote on the Stock Exchange on 11 April 2022, being the date of the Subscription Agreement;(ii) a premium of 19.75% to the average closing price of approximately HK\$4.618 per Share for the last 5 consecutive trading days up to and including the Last Trading Day; and(iii) a premium of 24.47% to the average closing price of HK\$4.443 per Share for the last 10 consecutive trading days up to and including the Last Trading Day.

The Conversion Price is subject to adjustment upon the occurrence of certain prescribed events namely, consolidation, subdivision or reclassification of shares, capitalization of profits or reserves, distributions, rights issues or options over Shares, issuance or grant of options, rights or warrants to acquire Shares at less than 95% of the market price, issuance of securities convertible or exchangeable for Shares, modification of rights of conversion and certain other dilutive events including (i) other offers to the Shareholders under the circumstances which the Company or any of its subsidiaries issues, sells or distributes any securities in connection with which an offer pursuant to which the Shareholders generally are entitled to participate in arrangements whereby such securities may be acquired by them; and (ii) the Change of Control Notice in respect of the occurrence of a Change of Control, as set out in the Conditions.

The initial Conversion Price was determined with reference to the prevailing market prices of the Shares and market condition and was negotiated on arm's length basis between the Company and the Managers after a book-building exercise.

Initial Conversion Ratio:	361,663.6528 Shares per HK\$2,000,000 principal amount of the Bonds at the initial Conversion Price.
Conversion Period:	Convertible into the Shares at the election of the Bondholders at any time starting from 19 May 2022 to 10 days before the Maturity Date.
Redemption Price at Maturity:	100% of the principal amount.
Redemption at the Option of the Issuer:	<p>Tax Call – callable anytime in whole but not in part, calculated at the principal amount (together with any accrued and unpaid interest to (but excluding) the date fixed for redemption). Bondholders have the right to elect for the Bonds not to be redeemed but with no entitlement to any additional tax amounts</p> <p>Clean Up Call – callable anytime in whole but not in part at the principal amount (together with any accrued and unpaid interest to (but excluding) the date fixed for redemption), if conversion rights shall have been exercised and/or purchases and/or redemptions effected in respect of 90% or more in aggregate principal amount of the Bonds originally issued</p>

Redemption at the option of the Bondholders: The Company will, at the option of the Bondholders, redeem all or some only of such Bondholders' Bonds on 8 April 2024 (the "**Put Option Date**") at their principal amount together with interest accrued to the Put Option Date.

Negative Pledge: Applicable to the Company and all of its subsidiaries (as defined in the Conditions) on Relevant Indebtedness (as defined in the Conditions).

Adjustment upon Change of Control: If a Change of Control shall occur, the Company shall give notice of that fact to the Bondholders (the "**Change of Control Notice**") within 14 days after it becomes aware of such Change of Control. Following the giving of a Change of Control Notice, upon any exercise of conversion rights such that the relevant conversion date falls within 30 days following a Change of Control, or, if later, 30 days following the date on which the Change of Control Notice is given to Bondholders (such period, the "**Change of Control Conversion Period**"), the Conversion Price shall be adjusted in accordance with the following formula:

$$\text{NCP} = \frac{\text{OCP}}{1 + (\text{CP} \times c/t)}$$

Where:

"NCP" means the new Conversion Price

"OCP" means the Conversion Price in effect on the relevant Conversion Date

"CP" means 20% expressed as a fraction

"c" means the number of days from and including the date the Change of Control occurs to but excluding the Maturity Date

"t" means the number of days from and including the issue date to but excluding the Maturity Date

Lock-up: 90 days from 20 April 2022 for the Company, Rosy Fortune and Ding Chang.

Transferability: The Bonds are transferable.

GENERAL MANDATE TO ISSUE THE CONVERSION SHARES

The issue of the Bonds and the Conversion Shares is not subject to Shareholders' approval. The Conversion Shares will be issued pursuant to the General Mandate, subject to the original limit of up to 1,648,798,463 Shares (representing 20% of the issued share capital of the Company on the date on which the General Mandate was granted). As at the date of this announcement, save for the Original Conversion Shares that will be allotted and issued upon the exercise of the conversion rights attaching to the Original Bonds, the Company has not utilized the General Mandate. As at the date of this announcement, save for the Original Conversion Shares, the Company is permitted to issue up to 1,294,910,579 new Shares under the General Mandate. The issue of the Conversion Shares falls within the limit of the General Mandate and is not subject to the approval of the Shareholders.

The Bonds will be consolidated and form a single series with the Original Bonds. Assuming full conversion of the Bonds at the initial Conversion Price of HK\$5.53 per Share, the Bonds will be convertible into 106,329,113 Shares, representing approximately 1.21% of the issued share capital of the Company as at the date of this announcement; approximately 1.19% of the issued share capital of the Company as enlarged by the issue of the Conversion Shares resulting from the full conversion of the Bonds (assuming there is no other change to the share capital of the Company); and approximately 1.15% of the issued share capital of the Company as enlarged by the issue of the Original Conversion Shares resulting from the full conversion of the Original Bonds and the issue of the Conversion Shares resulting from the full conversion of the Bonds. The Conversion Shares to be issued upon conversion of the Bonds will rank pari passu in all respects with the Shares then in issue on the relevant Conversion Date. The Conversion Shares have a nominal value of HK\$10,632,911.3 and a market value of HK\$493,367,084, based on the closing price of HK\$4.64 on the date of the Subscription Agreement. The net price of each Conversion Share to the Company based on the estimated net proceeds of approximately HK\$584,000,000 and 106,329,113 Conversion Shares resulting from the conversion of the Bonds, is estimated to be approximately HK\$5.49.

APPLICATION FOR LISTING

The Original Bonds are listed on the SGX-ST. An application will be made by the Company to the SGX-ST for the listing of the Bonds on the SGX-ST and an application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Conversion Shares on the Stock Exchange. Admission to the official list of the SGX-ST and quotation of the Bonds on the SGX-ST is not to be taken as an indication of the merits of the Company, the Subsidiary Guarantors or any other subsidiary or associated company of the Company, the Bonds or the Subsidiary Guarantees. The SGX – ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this announcement.

Completion of the Subscription Agreement is subject to the satisfaction and/or waiver of the conditions precedent therein. In addition, the Subscription Agreement may be terminated in certain circumstances. Please refer to the paragraph headed "THE SUBSCRIPTION AGREEMENT" above for further information.

WARNING: As the Subscription Agreement may or may not complete, and the Bonds and/or the Conversion Shares may or may not be issued or listed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

REASONS FOR AND THE BENEFITS OF THE SUBSCRIPTION

The Group is headquartered in Shanghai and engaged in the property development and property investment in the PRC. The Group's development projects cover various property types including residential, office and commercial complexes.

The Company intends to use the net proceeds from the Subscription for refinancing, including upcoming redemption of RMB1,600,000,000 6.70% senior notes due 2022 with an outstanding amount of approximately RMB1,477,600,000. The Issue Price was arrived at after arm's length negotiations between the parties to the Subscription Agreement with reference to the prevailing trading prices of the Shares and the financial conditions of the Company. The Directors are of the view that the issue of the Bonds can provide the Company with additional funds at lower funding cost for the said purposes. The Directors (including the independent non-executive Directors) consider that the terms of the Subscription Agreement and the Conditions were made on normal commercial terms and are fair and reasonable as far as the Shareholders are concerned, and the issue of the Bonds is in the interests of the Company and the Shareholders as a whole.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Set out below is a summary of the equity fund raising activities of the Company during the past 12 months immediately before the date of this announcement:

Date of announcement	Fund raising activity	Net proceeds raised (approximately)	Intended use proceeds	Actual use of proceeds (as at the date of this announcement)
9 November 2021, 6 December 2021, 7 December 2021 and 28 December 2021	Rights issue	HK\$1,665 million	for additional capital reserve to capture business opportunities for property development in PRC and general corporate purposes.	Used as intended.
1 April 2022	Issue of Original Bonds	HK\$1,927 million	for refinancing, including upcoming redemption of RMB1,600,000,000 6.70% senior notes due 2022 with an outstanding amount of approximately RMB1,477,600,000	Not yet utilized

Save as disclosed above, the Company has not carried out any equity fund raising activities in the past twelve months immediately before the date of this announcement.

EFFECTS ON SHAREHOLDING STRUCTURE

The Conversion Shares to be issued upon conversion of the Bonds will rank pari passu in all respects with the Shares then in issue on the relevant Conversion Date.

The following table illustrates (1) the existing shareholding structure as at the date of this announcement, and (2) the shareholding structure assuming the Bonds are fully converted into Conversion Shares at the initial Conversion Price of HK\$5.53 each (assuming there is no other change to the share capital of the Company) and (3) the shareholding structure assuming the Original Bonds are fully converted into the Original Conversion Shares at the initial conversion price of HK\$5.53 each and the Bonds are fully converted into the Conversion Shares at a initial Conversion Price of HK\$5.53 each, on the assumptions that there will be no other change to the share capital of the Company from the date of this announcement until the completion of the conversion of the Original Bonds and the Bonds in full, save for the issue of the Original Conversion Shares and the Conversion Shares as a result of the conversion of the Original Bonds and the Bonds in full (as the case may be); and (b) the Bondholders do not and will not hold any Shares other than the Original Conversion Shares and the Conversion Shares as a result of the conversion of the Original Bonds and the Bonds.

Shareholder	As at the date of this announcement		Assuming the Bonds are fully converted into Conversion Shares at the initial Conversion Price		Assuming (i) the Original Bonds are fully converted into Original Conversion Shares at the initial conversion price of HK\$5.53 each and (ii) the Bonds are fully converted into the Conversion Shares at a initial Conversion Price of HK\$5.53 each	
	No. of Shares	% of issued share capital of the Company	No. of Shares	% of enlarged share capital of the Company	No. of Shares	% of enlarged share capital of the Company
Rosy Fortune (Note 1)	2,621,877,024	29.82%	2,621,877,024	29.47%	2,621,877,024	28.35%
Ding Chang (Note 2)	1,311,302,213	14.91%	1,311,302,213	14.74%	1,311,302,213	14.17%
Eminent Talent (Note 3)	485,050,187	5.52%	485,050,187	5.45%	485,050,187	5.24%
Rain-Mountain (Note 4)	228,814,509	2.60%	228,814,509	2.57%	228,814,509	2.47%
Mr. LIN Zhong (Note 5)	8,767,270	0.10%	8,767,270	0.10%	8,767,270	0.09%
Mr. LIN Feng (Note 6)	16,131,130	0.18%	16,131,130	0.18%	16,131,130	0.17%
Trustee of a family trust (Note 7)	210,000,000	2.39%	210,000,000	2.36%	210,000,000	2.27%
Controlling Shareholders	4,881,942,333	55.53%	4,881,942,333	54.87%	4,881,942,333	52.76%
Directors (other than Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng) and their respective close associates	41,030,068	0.47%	41,030,068	0.46%	41,030,068	0.44%
Public Shareholders	3,869,179,715	44.01%	3,869,179,715	43.48%	3,869,179,715	41.83%
Bondholders	–	–	106,329,113	1.19%	460,216,997 (Note 8)	4.97%
Total	8,792,152,116	100.00%	8,898,481,229	100.00%	9,252,369,113	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. LIN Feng, an executive Director, as beneficial owner, and through his controlled corporation.
- (7) These Shares are held by a family trust, of which Mr. LIN Wei, an executive Director, is the founder.
- (8) Bondholders here refer to the holders of the Original Bonds and holders of the Bonds from time to time.

PROPOSED USE OF NET PROCEEDS

The estimated net proceeds from the Subscription of the Bonds, after deduction of commission and expenses, amount to approximately HK\$584,000,000. The Company intends to use the net proceeds from the Subscription for refinancing, including upcoming redemption of RMB1,600,000,000 6.70% senior notes due 2022 with an outstanding amount of approximately RMB1,477,600,000.

DEFINITIONS

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

“Board”	the board of Directors
“Bonds”	convertible bonds with an aggregate principal amount of HK\$588,000,000 due 2025 to be issued by the Company pursuant to the Subscription Agreement which will form one single series with the Original Bonds
“Bondholder(s)”	holder(s) of the Bond(s) from time to time

“Change of Control”	<p>the occurrence of one or more of the following events:</p> <ol style="list-style-type: none"> (1) the merger, amalgamation or consolidation of the Company with or into another person (other than one or more Permitted Holders) or the merger or amalgamation of another person (other than one or more Permitted Holders) with or into the Company, or the sale of all or substantially all the assets of the Company to another person; (2) the Permitted Holders are the beneficial owners of less than 40.0% of the total voting power of the Voting Stock of the Company; (3) any “person” or “group” (as such terms are used in Sections 13(d) and 14(d) of the U.S. Exchange Act) is or becomes the “beneficial owner” (as such term is used in Rule 13d-3 of the U.S. Exchange Act), directly or indirectly, of total voting power of the Voting Stock of the Company greater than such total voting power held beneficially by the Permitted Holders; (4) individuals who on the original issue date constituted the Board, together with any new directors whose election by the Board was approved by a vote of at least two-thirds of the directors then still in office who were either directors or whose election was previously so approved, cease for any reason to constitute a majority of the Board then in office; or (5) the adoption of a plan relating to the liquidation or dissolution of the Company
“Closing Date”	20 April 2022, or such other date as agreed between the Company and the Managers
“Company”	CIFI Holdings (Group) Co. Ltd. (旭輝控股 (集團) 有限公司), 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 (Stock Code: 0884)
“Conditions”	the terms and conditions in relation to the Bonds
“Conversion Date”	the conversion date in respect of the Bonds
“Conversion Price”	the price per Share at which the Shares will be issued upon conversion of the Bonds and the initial conversion price being HK\$5.53 per Conversion Share (subject to adjustments)

“Conversion Share(s)”	the Share(s) to be issued by the Company upon conversion of the Bonds
“Credit Suisse”	Credit Suisse (Hong Kong) Limited
“Ding Chang”	Ding Chang Limited (鼎昌有限公司), a company incorporated in the British Virgin Islands with limited liability and is a substantial shareholder of the Company
“Director(s)”	director(s) of the Company
“Eminent Talent”	Eminent Talent Limited (卓駿有限公司), a company incorporated in the British Virgin Islands with limited liability and is a substantial shareholder of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the annual general meeting of the Company held on 8 June 2021
“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 People’s Republic of China
“HSBC”	The Hongkong and Shanghai Banking Corporation
“Last Trading Day”	8 April 2022, being the last trading day before the date of the Subscription Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Lock-up Shares”	3,933,179,237 Shares, representing approximately 44.74% of the Shares of the Company as at the date of this announcement
“Managers”	Credit Suisse and HSBC
“Maturity Date”	8 April 2025, being the date on which the Bonds mature
“Offering Circular”	the offering circular to be issued by the Company in respect of the Bonds and the listing of the Bonds on the SGX-ST
“Original Bonds”	convertible bonds with an aggregate principal amount of HK\$1,957,000,000 due 2025 issued by the Company on 8 April 2022 pursuant to the subscription agreement dated 31 March 2022

“Original Conversion Shares”	the new Share(s) to be issued by the Company upon conversion of the Original Bonds
“Permitted Holders”	any or all of the following: <ol style="list-style-type: none"> (1) Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, (2) (y) Beauty Fountain Holdings Limited, Eternally Success International Limited and Gentle Beauty Assets Limited and (z) any family trust set up by any person listed in sub-clause (x) of this clause (1); any affiliate of persons specified in clause (1); and (3) any person both the capital stock and the Voting Stock of which (or in the case of a trust, the beneficial interests in which) are owned 80% by persons specified in clauses (1) and (2)
“PRC”	the People’s Republic of China
“Publication Date”	the date of the Offering Circular, which shall be no later than two business days prior to the Closing Date or such other date as may be agreed between the Company and the Managers
“Rain-Mountain”	Rain-Mountain Limited, a company incorporated in the British Virgin Islands with limited liability
“Regulation S”	Regulation S under the US Securities Act
“Rosy Fortune”	Rosy Fortune Investments Limited (茂福投資有限公司), a company incorporated in the British Virgin Islands with limited liability and is a substantial shareholder of the Company
“Securities Act”	the US Securities Act of 1933, as amended
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the subscribers to the Bonds
“Subscription”	the subscription and issue of the Bonds pursuant to the Subscription Agreement
“Subscription Agreement”	a conditional subscription agreement dated 11 April 2022 entered into between the Company, the Subsidiary Guarantors and the Managers in relation to, among other things, the Subscription

“Subsidiary Guarantees”	guarantees to be provided by the Subsidiary Guarantors in respect of the Bonds
“Subsidiary Guarantors”	certain existing subsidiaries of the Company which guarantee the Bonds
“Trust Deed”	trust deed that was entered into on 8 April 2022 by and among the Company, the Subsidiary Guarantors and China Construction Bank (Asia) Corporation Limited as trustee, as amended, supplemented or restated from time to time
“US\$”	the United States dollars, the lawful currency of the United States of America
“Voting Stock”	with respect to any person, capital stock of any class or kind ordinarily having the power to vote for the election of directors, managers or other voting members of the governing body of such person
“%”	per cent.

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

Hong Kong, 12 April 2022

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. JIANG Daqiang as non-executive Director, and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as independent non-executive Directors.