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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)**

**DISCLOSEABLE TRANSACTION  
IN RELATION TO  
DISPOSAL OF 49% EQUITY INTEREST  
IN THE TIANJIN PROJECT**

The Board would like to announce that, on 7 December 2023 (after trading hours), the Seller (the shareholder holding 49% equity interest of the Target Company and an indirect non-wholly owned subsidiary of the Company), Shijiazhuang Ronglang (the other shareholder holding 51% equity interest of the Target Company and an indirect wholly-owned subsidiary of Finance Street Holdings), the Buyer (a direct wholly-owned subsidiary of Finance Street Holdings) and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Seller conditionally agreed to sell, and the Buyer conditionally agreed to purchase, 49% equity interest in the Target Company at a consideration of RMB435,514,889 (equivalent to approximately HK\$483,422,000). Upon completion of the Disposal, the Group will cease to hold any equity interest in the Target Company.

**LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## **THE EQUITY TRANSFER AGREEMENT**

On 7 December 2023 (after trading hours), the Seller (the shareholder holding 49% equity interest of the Target Company and an indirect non-wholly owned subsidiary of the Company), Shijiazhuang Ronglang (the other shareholder holding 51% equity interest of the Target Company and an indirect wholly-owned subsidiary of Finance Street Holdings), the Buyer (a direct wholly-owned subsidiary of Finance Street Holdings) and the Target Company entered into the Equity Transfer Agreement, pursuant to which the Seller conditionally agreed to sell, and the Buyer conditionally agreed to purchase, 49% equity interest in the Target Company at a consideration of RMB435,514,889 (equivalent to approximately HK\$483,422,000).

The principal terms of the Equity Transfer Agreement are summarised as follows:

### **Date**

7 December 2023 (after trading hours)

### **Parties**

- (1) the Seller
- (2) Shijiazhuang Ronglang
- (3) the Buyer
- (4) the Target Company

For further details, please refer to the paragraph headed “Information of the Group and Other Parties of the Equity Transfer Agreement”.

### **Subject of the Disposal**

Pursuant to the Equity Transfer Agreement, the Seller conditionally agreed to sell, and the Buyer conditionally agreed to purchase, 49% equity interest in the Target Company.

As at the date of this announcement, the Target Company holds and develops the Tianjin Project. Please refer to the paragraph headed “Information of the Target Company” for further details.

### **The Consideration**

The consideration (the “**Consideration**”) for the Disposal is RMB435,514,889 (equivalent to approximately HK\$483,422,000).

Pursuant to the Equity Transfer Agreement, the Consideration shall be settled in the following manners:

- (1) RMB174,214,889 (the “**First Instalment**”) shall be paid by the Buyer to a bank account (the “**Joint Account**”) opened in the name of the Seller and jointly controlled by the Seller and Shijiazhuang Ronglang within 3 working days of obtaining of the Governmental Approval (as defined below) by the Buyer and handing over of the corporate materials of the Target Company to the Buyer. The First Instalment shall be released to the account designated by the Seller within one working day of discharge of the First Pledge (as defined below); and
- (2) RMB261,300,000 (the “**Second Instalment**”) shall be paid by the Buyer to the Joint Account within 10 working days of obtaining of the Governmental Approval by the Buyer. The Second Instalment shall be released to the account designated by the Seller within one working day of discharge of the Second Pledge (as defined below) and handover of statutory records of the Target Company to the Buyer.

The Consideration was determined after arm’s length negotiation between the Seller and the Buyer, taking into account (i) the amount of funds that the Group has invested in the Target Company for the total sum of RMB645,820,000 (comprising the paid-up capital of RMB474,320,000 and the remaining balance of the shareholder’s loan of RMB171,500,000); (ii) the amount of the shareholder’s loan of RMB171,500,000 with the interests accrued thereon for the sum of RMB9,985,111 to be repaid by the Target Company to the Seller pursuant to the terms and conditions of the Equity Transfer Agreement; (iii) the net asset value of the Target Company as at 1 October 2023 of approximately RMB948,110,000 and the Group’s attributable 49% equity interest in the Target Company; and (iv) the willingness of the Buyer, being an Independent Third Party, to acquire under the prevailing market conditions.

The proceeds from the Disposal (i.e. RMB435,514,889) are intended to be used as working capital of the Group to enhance its liquidity position to ensure the delivery of properties and continuation of its business operations.

### **Pledge of Equity Interest of Target Company**

The parties agree that transfer of 49% equity interest of the Target Company will be filed with the department of the industry and commerce administration of the PRC within 3 working days upon the execution of the Equity Transfer Agreement. On the same day, the Target Company shall repay the shareholders’ loan together with the interests accrued thereon in the respective total sum of RMB181,485,111 to the Seller and RMB188,892,599 to Shijiazhuang Ronglang. The aforesaid sum of RMB181,485,111 to be repaid to the Seller comprises principal loan amount of RMB171,500,000 and the interest of RMB9,985,111 accrued thereon. Further, the Buyer shall pledge 49% equity interest in the Target Company in favour of the Seller by two tranches, with the first tranche consisting of 20% (the “**First Pledge**”) and the second tranche consisting of 29% (the “**Second Pledge**”).

### **The Completion**

The completion of the Disposal shall take place upon the requisite approval for the Disposal (the “**Governmental Approval**”) having been obtained by the Buyer from the relevant governmental authorities in the PRC, whereupon the First Pledge and the Second Pledge shall be discharged and the First Instalment and the Second Instalment shall be released to the account designated by the Seller as described above.

The financials of the Target Company have not been consolidated into the consolidated financial statements of the Group before the entering into of the Equity Transfer Agreement and upon completion of the Disposal, the Group will cease to hold any equity interest in the Target Company.

## **FINANCIAL EFFECT OF THE DISPOSAL**

Based on the accumulated investment into the Target Company by the Group (i.e. RMB645,820,000), the shareholder's loan (i.e. RMB171,500,000) and interest accrued thereon (i.e. RMB9,985,111) to be repaid by the Target Company to the Seller and the Consideration payable by the Buyer (i.e. RMB435,514,889), the Company expects to record a loss of approximately RMB28 million from the Disposal. Apart from the above, the Disposal is not expected to have immediate material impact on the financial position of the Group.

The above figures are for illustrative purpose only. The actual loss in connection with the Disposal will be subject to the review and final audit by the independent auditors of the Company.

## **INFORMATION OF THE TARGET COMPANY**

The Target Company is a company established in the PRC with limited liability, and a joint venture owned as to 49% by the Seller and 51% by Shijiazhuang Ronglang as at the date of this announcement. It is principally engaged in property development and holds and develops the Tianjin Project. The Tianjin Project is named as Park Rongyu\* (铂悦融御) and located at Nankai District, Tianjin, the PRC. It has a land lot of approximately 19,500 square meters, and has been developed into 7 residential buildings, complemented by commercial facilities, with a total gross floor area of approximately 48,800 square meters.

Set out below are certain financial information of the Target Company (as prepared in accordance with the PRC generally accepted accounting principles):

	<b>For the year ended 31 December</b>	
	2022 (audited) <i>Approximately</i> <i>RMB</i>	2021 (audited) <i>Approximately</i> <i>RMB</i>
Net loss before taxation	15,165,000	643,000
Net loss after taxation	11,374,000	482,000

Based on the audited financial information of the Target Company, the audited total asset value and net asset value of the Target Company as at 1 October 2023 were approximately RMB2,744,336,000 and RMB948,110,000, respectively.

## **INFORMATION OF THE GROUP AND OTHER PARTIES OF THE EQUITY TRANSFER AGREEMENT**

### **The Group**

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

### **Seller**

The Seller is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company. It is principally engaged in investment holdings.

### **Shijiazhuang Ronglang**

Shijiazhuang Ronglang is a company established in the PRC with limited liability and an indirect wholly-owned subsidiary of Finance Street Holdings. It is principally engaged in investment holdings.

### **Buyer**

The Buyer is a company established in the PRC with limited liability and a direct wholly-owned subsidiary of Finance Street Holdings. It is principally engaged in investment holdings.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) both Shijiazhuang Ronglang and the Buyer are wholly-owned subsidiaries of Financial Street Holdings; and (ii) each of Shijiazhuang Ronglang and the Buyer and their ultimate beneficial owners are Independent Third Parties.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL**

The property market in the PRC has been facing unprecedented challenges and the property developers are encountering liquidity pressure. Enhancing liquidity are the crucial strategies for market peers to survive and sustain under the crisis. While a loss is expected to be recorded as described above, the Disposal will enable the Group to revitalise available funds under the increasingly credit tightening market and reallocate resources to improve the efficiency of capital use and enhance the Group's liquidity to ensure the delivery of properties and continuation of its business operations.

The Directors are of the view that the terms of the Equity Transfer Agreement are fair and reasonable and the Equity Transfer Agreement and the transaction contemplated thereunder are on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated in accordance with the Listing Rules in respect of the Disposal exceed 5% but are below 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but is exempt from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

**As the completion of the Disposal is subject to the satisfaction of certain condition precedent stated in the Equity Transfer Agreement, the Disposal may or may not proceed. Accordingly, Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## DEFINITIONS

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

“Board”	the board of Directors
“Buyer”	Financial Street (Tianjin) Real Estate Co., Ltd.* (金融街(天津)置業有限公司), a company established in the PRC with limited liability
“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 meaning ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“Disposal”	the disposal of 49% equity interest in the Target Company by the Seller to the Buyer pursuant to the terms and conditions of the Equity Transfer Agreement
“Equity Transfer Agreement”	the equity transfer agreement dated 7 December 2023 entered into among the Seller, Shijiazhuang Ronglang, the Buyer and the Target Company in relation to the Disposal
“Financial Street Holdings”	Financial Street Holdings Co., Ltd.* (金融街控股股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000402)
“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
“Independent Third Party(ies)”	person(s) or company(ies) and their respective ultimate beneficial owner(s) which, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of and not connected with the Company and its connected persons
“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
“Seller”	Beijing Xuhui Shunxin Real Estate Co., Ltd.* (北京旭輝順欣置業有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Shareholders”	shareholders of the Company
“Shijiazhuang Ronglang”	Shijiazhuang Ronglang Enterprise Management Services Co., Ltd.* (石家莊融朗企業管理服務有限公司), a company established in the PRC with limited liability
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Tianjin Chuangda Real Estate Development Co., Ltd.* (天津創達房地產開發有限公司), a company established in the PRC with limited liability, and a joint venture owned as to 49% by the Seller and 51% by Shijiazhuang Ronglang as at the date of this announcement

“Tianjin Project” a residential project located at Nankai District, Tianjin, the PRC and wholly owned and developed by the Target Company

“%” per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.11 has been used, where applicable, for illustration purpose only and does not constitute any representation that any amount has been, could have been or may be exchanged at that rate or at any other rate.

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

Hong Kong, 7 December 2023

*As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei, Mr. RU Hailin, Mr. YANG Xin and Mr. GE Ming as executive Directors; and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as independent non-executive Directors.*

\* *For identification purposes only*