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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 THE TARGET SITE LOCATED IN CHONGQING**

The Board would like to announce that on 30 April 2025 (after trading hours), the Vendors (indirect non-wholly owned subsidiaries of the Company), the Purchaser (an Independent Third Party), the Target Company and the Project Company (both owned as to 99.9% by the Vendor 1 and 0.1% by the Vendor 2) entered into the Transfer Agreement, pursuant to which the Vendors conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire interest in the Target Company at the consideration of RMB358,000,000 (equivalent to approximately HK\$379,480,000). As at the date of this announcement, the Project Company directly owns and develops various land parcels located in Banan District, Chongqing, the PRC which comprise the Target Site. The Target Company is newly set up by the Group for the purpose of the Disposal. After the signing of the Transfer Agreement and prior to the Disposal, the Intra-group Restructuring shall be conducted by the Group pursuant to which, among others, the Target Site shall be transferred by the Project Company to the Target Company and certain unsettled liabilities incurred by the Project Company attributable to the Target Site and due to third parties shall be novated to the Target Company. Upon completion of the Disposal, the Group will cease to hold any interest in the Target Company and the Target Site.

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 TRANSFER AGREEMENT

On 30 April 2025 (after trading hours), the Vendors, the Purchaser, the Target Company and the Project Company entered into the Transfer Agreement, pursuant to which the Vendors agreed to sell, and the Purchaser conditionally agreed to purchase, the entire equity interest in the Target Company.

The principal terms of the Transfer Agreement in respect of the Disposal are summarised as follows:

Date

30 April 2025 (after trading hours)

Parties

- (1) Vendor 1 (an indirect non-wholly owned subsidiary of the Company)
- (2) Vendor 2 (an indirect non-wholly owned subsidiary of the Company)
- (3) Purchaser (an Independent Third Party)
- (4) Target Company (owned as to 99.9% by the Vendor 1 and 0.1% by the Vendor 2)
- (5) Project Company (owned as to 99.9% by the Vendor 1 and 0.1% by the Vendor 2)

For further details of the parties, please refer to the paragraphs headed “Information of Project Company, Target Company and Target Site” and “Information of the Group and Other Parties of the Transfer Agreement”.

Subject matter and arrangements for the Disposal

Pursuant to the Transfer Agreement, the Vendors conditionally agreed to sell, and the Purchaser conditionally agreed to purchase, the entire equity interest in the Target Company.

The parties under the Transfer Agreement agreed to effect the Disposal according to the following steps:

- (1) within 15 working days after the opening of a bank account (the “**Joint Account**”) in the name of the Purchaser and jointly controlled by the Purchaser, the Project Company and the Lending Bank (as defined below), the Purchaser shall deposit RMB358,000,000 into the Joint Account;
- (2) within 7 working days after completing the relevant preliminary procedures and obtaining the Lending Bank’s written consent, the Project Company and the Target Company shall conduct intra-group restructuring pursuant to which, among others, the Target Site shall be transferred by the Project Company to the Target Company, and certain unsettled liabilities incurred by the Project Company attributable to the Target Site and due to third parties shall be novated to the Target Company (the “**Intra-group Restructuring**”);

- (3) within 2 days after the Intra-group Restructuring, the Purchaser shall complete the financial and legal due diligence in respect of the Target Company; and
- (4) within 1 working day thereafter, the Vendors shall transfer the entire interest in the Target Company to the Purchaser and file the registration for change of shareholding and other relevant changes of the Target Company with the department of the industry and commerce administration, thereby effecting completion of the Disposal.

The Consideration

The total consideration (the “**Consideration**”) payable by the Purchaser for the Disposal is RMB358,000,000 (equivalent to approximately HK\$379,480,000), which shall be deposited by the Purchaser into the Joint Account within 15 working days after the opening of the Joint Account, out of which:

- (1) RMB357,500,000 shall be released to the designated bank accounts upon the completion of the Disposal for payment of, among others, unsettled liabilities attributable to the Target Site and due by the Project Company (or the Target Company after the Intra-group Restructuring) to third parties as set forth below; and
- (2) the remaining RMB500,000 shall be released to the Vendor 2 within 3 working days after completion of the registration of the change of the shareholding of the Target Company, the on-site handover of the Target Site and registration of change of the relevant certificates of the two buildings of the Target Site.

Certain unsettled liabilities attributable to the Target Site and due by the Project Company (or the Target Company after the Intra-group Restructuring) to third parties which shall be settled via RMB357,500,000 payable by the Purchaser include the following items and amounts estimated as of the date of this announcement: (i) the facility lent by a PRC bank (the “**Lending Bank**”) for acquisition and development of the Target Site, for which CIFI PRC has provided joint and several guarantee, in the sum of approximately RMB296,260,000; (ii) relevant tax payable to PRC authority, estimated to be approximately RMB10,000,000; and (iii) other outstanding liabilities including construction payments incurred by the Project Company attributable to the Target Site. The remaining net proceeds from the Disposal, which is estimated to be approximately RMB2,250,000 after settlement of the aforesaid liabilities shall be released to the Group and intended to be used to make repayments to the holders of the onshore “H21CIFI3” corporate bonds issued by the CIFI PRC on a priority basis.

The Consideration was determined after arm’s length negotiation between the Group and the Purchaser, after taking into account (i) the amount of relevant unsettled liabilities attributable to the Target Site and due by the Project Company (or the Target Company after the Intra-group Restructuring) to third parties in the sum of approximately RMB355,750,000 (after taking into account the potential taxation recoverable); (ii) the amount of funds in the sum of approximately RMB811,000,000 that the Group invested in the Target Site; and (iii) the benefits as elaborated in the paragraph headed “REASONS FOR AND BENEFITS OF THE DISPOSAL” in this announcement.

Completion

The completion of the Disposal shall take place upon completion of the registration of the change of shareholding and relevant changes of the Target Company with the department of the industry and commerce administration.

Upon the completion of the Disposal, the Group will cease to hold any interest in the Target Company and the Target Site and will be released from obligations in paying and/or guaranteeing the relevant unsettled debts and liabilities in connection with the Target Site.

INFORMATION OF PROJECT COMPANY, TARGET COMPANY AND TARGET SITE

The Project Company is a company established in the PRC with limited liability and owned as to 99.9% by the Vendor 1 and 0.1% by the Vendor 2. It is principally engaged in property development, and owns and develops, among others, various land parcels located in Banan District, Chongqing, the PRC, with project name known as Chongqing Jiangshan Qinglinban, which comprise the Target Site.

The Target Site comprises three land parcels with two buildings under construction situated thereon in Banan District, Chongqing, the PRC. It has a site area of approximately 86,000 square meters, which was planned to be developed into residential apartments, complemented by commercial facilities and car park spaces with a total gross floor area of approximately 168,700 square meters.

The Target Company is newly set up by the Vendors on 16 April 2025 in contemplation of the Intra-group Restructuring for the purpose of the Disposal. It is a company established in the PRC with limited liability, and owned as 99.9% by the Vendor 1 and 0.1% by the Vendor 2 as at the date of this announcement.

As the Target Site is still under development and no pre-sale has been launched, no revenue and profit have been generated from the Target Site for the years ended 31 December 2023 and 2024. Both the unaudited total book value and net book value of the Target Site as at 31 December 2024 were approximately RMB811,000,000. For illustrative purpose only, on the basis that the Intra-group Restructuring shall have completed after signing of the Transfer Agreement and prior to the completion of the Disposal, no profit or loss of the Target Company is expected to be recorded in respect of the period from the date of its incorporation up to the date on which the Intra-group Restructuring is completed.

FINANCIAL EFFECT OF THE DISPOSAL

Based on the accumulated investment in the Target Site by the Group of approximately RMB811,000,000 and the Consideration (i.e. RMB358,000,000), the Company expects to record a loss of approximately RMB453,000,000 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 figure is 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 GROUP AND OTHER PARTIES OF THE 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.

Vendors

Each of the Vendor 1 and the Vendor 2 is a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company. Each of the Vendors is principally engaged in investment holdings.

Purchaser

The Purchaser is a company established in the PRC with limited liability. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, (i) the Purchaser is principally engaged in business services; (ii) the Purchaser is ultimately controlled by Chongqing Banan District State-owned Assets Management Center* (重慶市巴南區國有資產管理中心), a governmental entity in Chongqing; and (iii) each of the Purchaser and its ultimate beneficial owner(s) is an Independent Third Party.

For information of the Project Company and the Target Company, please refer to the paragraph headed "Information of Project Company, Target Company and Target Site".

REASONS FOR AND BENEFITS OF THE DISPOSAL

The property market in the PRC has been facing unprecedented challenges and the PRC property developers are encountering liquidity pressure. Enhancing the efficiency of resources, improving liquidity and reducing debts are the crucial strategies for market peers to survive and sustain under such crisis. The Disposal would release the Group from (i) further capital injections into the Target Site for its subsequent development and (ii) the outstanding debts and liabilities owed and/or guaranteed by the Group for the acquisition and development of the Target Site. Furthermore, the Disposal will reduce the finance and management expenses, enable the Group to reallocate resources to other projects in future key development regions 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 Transfer Agreement are fair and reasonable and the 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.

DEFINITIONS

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

“Board”	the board of Directors
“CIFI PRC”	CIFI Group Co., Ltd.* (旭輝集團股份有限公司), a joint stock company established in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“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 the entire equity interest in the Target Company by the Vendors to the Purchaser pursuant to the terms and conditions of the Transfer Agreement
“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
“Project Company”	Chongqing Changhe Real Estate Development Co., Ltd.* (重慶昌赫房地產開發有限公司), a company established in the PRC with limited liability and owned as to 99.9% by the Vendor 1 and 0.1% by the Vendor 2 as at the date of this announcement
“Purchaser”	Chongqing Batong Hotel Management Co., Ltd.* (重慶巴通酒店管理有限公司), a company established in the PRC with limited liability
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.1 each of the Company
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Chongqing Jingen Real Estate Development Co., Ltd.* (重慶璟恩房地產開發有限公司), a company established in the PRC with limited liability and owned as to 99.9% by the Vendor 1 and 0.1% by the Vendor 2 as at the date of this announcement
“Target Site”	three land parcels with two buildings under construction situated thereon at a project known as Chongqing Jiangshan Qinglinban in Banan District, Chongqing, the PRC
“Transfer Agreement”	the agreement dated 30 April 2025 entered into among the Vendors, the Purchaser, the Target Company and the Project Company
“Vendor 1”	Chongqing Changzhuo Business Information Consulting Co., Ltd.* (重慶昌卓商務信息諮詢有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Vendor 2”	Chongqing Ruichangwen Enterprise Management Consulting Co., Ltd.* (重慶睿昌文企業管理諮詢有限公司), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company
“Vendors”	collectively, Vendor 1 and Vendor 2
“%”	per cent.

For the purpose of this announcement, unless otherwise indicated, the exchange rate of RMB1.00 = HK\$1.06 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, 30 April 2025

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*