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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)

(Debt Stock Codes: 05261, 40316, 40464, 40519, 40681, 40682)

**POSSIBLE TRANSACTIONS IN CONNECTION WITH THE
RESTRUCTURING INVOLVING, AMONG OTHERS:**

- (A) ISSUE OF MANDATORY CONVERTIBLE BONDS UNDER
SPECIFIC MANDATE (INCLUDING CONNECTED TRANSACTIONS
IN RELATION TO THE ISSUE OF MANDATORY CONVERTIBLE BONDS
TO ROSY FORTUNE AND RAIN-MOUNTAIN);**
- (B) CONNECTED TRANSACTION IN RELATION TO THE ISSUE OF
SHAREHOLDER LOAN CONVERSION SHARES UNDER
SPECIFIC MANDATE;**
- (C) ADOPTION OF SHARE AWARD SCHEME;**
- (D) GRANT OF SHARE AWARDS;**
- (E) INCREASE IN AUTHORISED SHARE CAPITAL; AND**
- (F) TERMINATION OF EXISTING SHARE SCHEMES**

1. INTRODUCTION

Reference is made to the Announcements. In the announcement of the Company dated 27 June 2025, the Company announced that pursuant to an order made by the Court on 26 June 2025, the Scheme has been sanctioned by the Court.

The purpose of this announcement is to provide further information on the Restructuring and the corporate actions which will be taken by the Company in connection with the Restructuring, which include (a) the issuance of the MCB (including the issuance of the MCB Conversion Shares and the issuance of the MCB to Rosy Fortune and Rain-Mountain) under the MCB Specific Mandate, (b) the issuance of the Shareholder Loan Conversion Shares under the Shareholder Loan Specific Mandate, (c) the adoption of the Share Award Scheme, and (d) the increase in the authorised share capital of the Company. The Board has also resolved to grant certain Awards under the Share Award Scheme pursuant to the Specific Mandate Grants and this announcement also provides information on such grants.

2. BACKGROUND AND REASONS FOR THE RESTRUCTURING

Background and reasons for the Restructuring

The Group is a property developer and is principally engaged in property development, property investment and provision of property management services in the PRC. The Group, like many companies in the PRC real estate sector, has been severely and negatively affected by the downturn of the PRC real estate market since 2021 in various aspects:

- (a) the tightening of financing policies and reduced bank lending for real estate development have resulted in reduced access by PRC property developers to onshore capital;
- (b) the continued economic downturn in the PRC, reduced bank lending for mortgage finance for buyers, buyers' concerns about future income and property price movements and the ability of property developers to complete projects have resulted in reduced property sales for both the industry and the Group; and
- (c) the Group's other businesses have also been similarly and adversely affected owing to the overall downturn of the upstream real estate industry. Adverse reaction to these onshore events by offshore capital markets has limited the Group's funding sources to address upcoming maturities on its outstanding indebtedness.

Prior to the difficulties facing the PRC real estate sector, the Group had consistently robust operating fundamentals and liquidity, and met its debt servicing obligations as they came due. However, the confluence of the above factors has: (a) resulted in a significant deterioration of the Group's financial position, with the Group incurring losses in the last two financial years of approximately RMB6,326 million for the year ended 31 December 2024 and RMB8,679 million for the year ended 31 December 2023; and (b) affected the Group's ability to sustain its existing capital structure.

In light of the market conditions described above, and following a comprehensive consideration of the strategic options available to the Group, the Group considered that formulating a comprehensive restructuring of the Existing Debt to be the best option for, and in the best interest of, all stakeholders of the Group. In this regard, the Company has taken proactive steps to formulate and implement the Restructuring.

As set out in further detail in the section headed “6. Existing Debt under the Scheme” in this announcement, the Existing Debt comprises:

- (a) loans borrowed by the Company with an aggregate outstanding principal amount of approximately US\$2.31 billion as at 31 December 2024, comprising 12 Hong Kong law governed facilities and one PRC law governed facility; and
- (b) notes issued by the Company with an aggregate outstanding principal amount of approximately US\$4.49 billion as at 31 December 2024, comprising 10 series of New York law governed notes, two series of English law governed convertible bonds consolidated and forming a single series (the “**Existing Convertible Bonds**”) and one series of English law governed perpetual capital instruments (the “**Existing Perpetual Securities**”).

The Restructuring

The Restructuring contemplates the cancellation of the Existing Debt and the release of all the Existing Debt Obligors thereto in exchange for Scheme Creditors (other than sanctioned Scheme Creditors) being able to receive one or more of the various options under the Scheme. The options cater to the different preferences and needs of Scheme Creditors, while also delivering a revised capital structure that the Company’s financial modelling demonstrates it will be able to service.

The Scheme therefore contains mechanisms to fairly and equally reallocate Scheme Creditors’ elections in the event of over-subscription to certain options, or if there are too few Scheme Creditors electing for certain options such that it would not be necessary or appropriate to incur the costs of implementing such an option.

Set out below is an overview of the options under the Scheme and the new instruments that will be issued and documented on the Restructuring Effective Date:

Option	Cash payment on Restructuring Effective Date	Type of new instrument	Maturity date of new instrument	Interest on new instrument (% per annum)	Principal amount of new instrument immediately upon the occurrence of the Restructuring Effective Date (US\$ or RMB equivalent US\$ in the case of 5B) ¹
1A	No	US\$ denominated note instrument	30 June 2027, extendable to 30 June 2028	0	\$138,915,424
1B	No	US\$ denominated loan facility			\$0
2A	Yes (being a total of US\$2,631,489.38)	US\$ denominated mandatory convertible bond (i.e., the MCB)	30 June 2029	0	\$1,693,430,026
2B	Yes (being a total of US\$5,936,130.63)	US\$ denominated mandatory convertible bond (i.e., the MCB)			\$2,381,635,227
		US\$ denominated note instrument	30 December 2029	2.75	\$1,190,817,412
3	Yes (being a total of US\$283,741.99)	US\$ denominated note instrument	30 June 2031, extendable to up to 30 June 2034 under certain conditions	1.00, but subject to variation in certain circumstances	\$299,716,233
4A	No	US\$ denominated note instrument	30 December 2029, extendable to	1.00	\$0
4B	No	US\$ denominated loan facility	30 June 2030		\$0
5A	Yes (being a total of US\$382,506.52)	US\$ denominated tranche of loan facility	30 June 2031, extendable to up to 30 June 2034 under certain conditions	1.00, but subject to variation in certain circumstances	\$606,254,083
5B	Yes (being a total of US\$261,665.85)	RMB denominated tranche of loan facility			\$414,727,479
Total	US\$9,495,534.37				\$6,725,495,884

¹ The relevant thresholds for options 1B, 4A and 4B were not met and the claims of Scheme Creditors electing those options were reallocated in accordance with the terms of the Scheme. The new instruments under options 1B, 4A and 4B will therefore not be implemented or issued (as applicable).

The Restructuring is effected by way of (i) in the case of the Existing Convertible Bonds, a consent solicitation exercise to change the governing law so that the Scheme will be effective to restructure these instruments (the “**Existing Convertible Bonds Consent Solicitation**”); (ii) in the case of the Existing Perpetual Securities, a consent solicitation exercise to change the governing law so that the Scheme will be effective to restructure these instruments (the “**Existing Perpetual Securities Consent Solicitation**”); and (iii) the Scheme.

The Existing Convertible Bonds Consent Solicitation and the Existing Perpetual Securities Consent Solicitation were duly passed on 3 June 2025 and the changes of governing law of the Existing Convertible Bonds and the Existing Perpetual Securities will take place one hour before the occurrence of the Restructuring Effective Date.

The Scheme was approved by the requisite statutory majorities of Scheme Creditors at the Scheme Meeting on 3 June 2025 and sanctioned by the Court by an order made by the Court on 26 June 2025 (the “**Scheme Sanction Order**”). A sealed copy of the Scheme Sanction Order was delivered to the Hong Kong Registrar of Companies on 27 June 2025. The Scheme became effective in accordance with its terms and binding on all Scheme Creditors subject to it on 27 June 2025.

The terms of the Restructuring and the Scheme provide for the issuance of the MCB, the Shareholder Loan Conversion and the adoption of the Share Award Scheme. The Restructuring will therefore not be effective until the following conditions are satisfied in accordance with the Scheme:

- (a) the occurrence of the effective dates of (i) the Existing Convertible Bonds Consent Solicitation, and (ii) the Existing Perpetual Securities Consent Solicitation Effective Date, and subsequently, the occurrence of the effective date of the change of governing law of (i) the Existing Convertible Bonds, and (ii) the Existing Perpetual Securities;
- (b) the occurrence of the date on which a sealed copy of the Scheme Sanction Order has been delivered to the Hong Kong Registrar of Companies for registration;
- (c) the satisfaction of each of the specific conditions precedent contained in each of the Restructuring Documents (had such Restructuring Documents become effective at the time of determination) save for any condition precedent to such Restructuring Documents that the Restructuring Effective Date should have occurred and unless otherwise waived by the relevant receiving party of any such condition precedent;
- (d) the Company obtaining of all relevant corporate authorisations, regulatory approvals, and/or other applicable consents for the Restructuring to take effect, including, without limitation, relevant listing approvals for the listing of, and/or permission to deal in, the new Shares, the New Notes and the MCB (and in the case of the Company having elected to establish a management incentive plan, the Company having obtained approval of the Shareholders);

- (e) the Company having sufficient funds to pay, and having paid, or procured payment of, all of the payable amounts under the terms of the Scheme, together with the fees, costs, and expenses in respect of the Restructuring (including any professional fees, costs, and expenses of any adviser, and any other professional fees in relation to the Existing Debt), on or prior to the Restructuring Effective Date;
- (f) the AHG (or its advisers, on its behalf) and the Company having agreed a budget of the operational expenses to be incurred by the Group outside the PRC;
- (g) the appointment by the Company of (i) an independent service provider to be appointed as monitoring accountant, and (ii) provided that a suitable individual can be agreed between the members of the AHG holding (beneficially, as principal) in aggregate more than 50% in value of the aggregate principal amount of the claims under the Scheme held by the AHG at the time and the Company, the appointment of such individual as a non-executive director of the Company for an initial term of one (1) year following the Restructuring Effective Date by the Company;
- (h) each of the Restructuring Documents being in agreed form;
- (i) the necessary account(s) held in the name of the Company or any member of the Group having been successfully established for the purposes of the Scheme and remaining active, together with the deposit into such accounts of the relevant proceeds from the disposal of the relevant asset received by the Company or any other member of the Group (without duplication on a consolidated basis) in the form of cash or cash equivalents, pursuant to the terms of the Scheme; and
- (j) the Company having published an announcement on the Stock Exchange in respect of the designation of the Restructuring Effective Date.

As at the Latest Practicable Date, other than paragraph (b) above, none of the above conditions have been satisfied. In order for the conditions set out in paragraph (d) above to be satisfied, the resolutions to be proposed at the EGM must be passed by the Shareholders at the EGM. The longstop date for fulfilment of the conditions listed above is currently set at 31 October 2025, with the possibility of extension to no later than 31 December 2025. Where any substantive provision of the conditions listed above requires waiver, approval from the Court is required and as at the Latest Practicable Date, the Company does not expect to seek any waiver from the above conditions.

Benefits of the Restructuring

On the Restructuring Effective Date, the Group's offshore debt obligations will reduce by an aggregate amount anticipated to be of approximately US\$1.4 billion (attributable to an aggregate amount of outstanding principal and accrued but unpaid interest of approximately US\$8.1 billion of Existing Debt being cancelled (comprising US\$6.8 billion of outstanding principal and US\$1.3 billion of accrued but unpaid interest) and an aggregate principal amount of approximately US\$6.7 billion of new instruments being issued and documented (being the aggregate amount of outstanding offshore debt on the Restructuring Effective Date) and with a cash payment of approximately US\$9.5 million). It should be noted that the MCB comprise approximately US\$4.1 billion of new instruments to be issued and the Group's offshore debt obligations will continue to

reduce as the MCB are converted into Company Shares. Further, the remaining US\$2.6 billion will be new instruments in the form of short term, medium term and long term notes to be issued and lending facilities which will reduce the Group's offshore debt obligations as it repays those notes in accordance with their respective terms.

In view of the Group's financial position, available financing resources and cashflow, if the resolutions to be proposed at the EGM are not passed by the Shareholders at the EGM or should the Restructuring fail to be implemented for any other reason, the Company believes that:

- (a) it will be unable to comply with its obligations under the Existing Debt;
- (b) the Group will be unable to comply with the other outstanding indebtedness of the Group; and
- (c) there is a material risk that certain of the Scheme Creditors, as well as other creditors of the Group, will pursue enforcement actions against the Company and/or other members of the Group, which may lead to material adverse consequences to the Group.

In these circumstances, the Company anticipates that the members of the Group would likely be required to make, or cause the Company to make, an application to the Court and/or courts in other relevant jurisdictions, as applicable, to place the Company and other members of the Group into liquidation or other appropriate insolvency proceedings to facilitate an orderly winding-up and realisation of the Group's assets for the benefit of the creditors of the Company and the members of the Group ("**Group Liquidation Scenario**").

In a Group Liquidation Scenario, Scheme Creditors' recoveries from the Company and the Group have been independently assessed to be approximately 4.1% to 9.9%, which means that no liquidation proceeds will be available for distribution to Shareholders if the Restructuring is not implemented.

In summary, the Restructuring will seek to: (i) provide the Company with a long-term, sustainable capital structure and a strengthened balance sheet that will allow the Group to comply with its debt obligations and liabilities and to trade on a going-concern basis moving forward; (ii) alleviate the liquidity pressures faced by the Company and align the debt servicing demands with the prevailing financial condition of the Group and the PRC property industry; and (iii) maximise value for all stakeholders (including the Shareholders) while ensuring their rights are adequately protected and they are treated fairly. Following the Restructuring, the Company plans to settle the remaining offshore debt obligations through sales from its operating activities, and/or onshore and offshore assets disposal.

For the reasons set out above, the Board considers the Restructuring and the Scheme to be in the best interests of the Company, its shareholders and its creditors as a whole. Accordingly, the Board recommends that Shareholders vote in favour of the resolutions to be proposed at the EGM to enable the Restructuring to be implemented.

3. ISSUE OF MCB UNDER SPECIFIC MANDATE

The principal terms of the MCB are set out below:

Issuer: The Company.

Principal amount: US\$4,075,065,253.

The principal amount of the MCB of US\$4,075,065,253 (in turn, the initial MCB Conversion Price) was determined and negotiated on an arm's length basis between the Company and the AHG having considered and with reference to (i) the Existing Debt, (ii) the unsatisfactory financial position of the Group with consecutive losses in the previous two financial years ended 31 December 2023 and 2024, (iii) the balance between the manageable theoretical dilution effect and significant debt reduction of the Scheme which the MCB forms part of in achieving the objective of implementing a holistic financial restructuring.

Status: The MCB constitute direct, unconditional, unsubordinated and secured obligations of the Company.

Currency: US\$

Form: Registered only.

Denomination: US\$1,000 each and integral multiples of US\$1 in excess thereof.

Issue date: Restructuring Effective Date. Conditions for the issue of MCB are the same as the conditions of the Restructuring.

Maturity: 4 years from the Reference Date, with the outstanding principal amount of the MCB mandatorily and automatically converted into Shares at maturity at the MCB Ordinary Conversion Price.

Interest: The MCB are not interest bearing.

Conversion: **(a) Voluntary Conversion**

MCB holders will have the right, commencing from the Restructuring Effective Date, to initiate a voluntary conversion to convert all or part of their MCB into Shares at the MCB Ordinary Conversion Price.

(b) Periodic Mandatory Conversions

Should the aggregate principal amount of converted MCB on a cumulative basis during the specified “Relevant Periods” listed in the table below fail to meet the stipulated minimum thresholds, a relevant mandatory conversion will occur as set out in the below table. This will involve mandatorily converting the shortfall amount of the MCB into Shares at the MCB Ordinary Conversion Price on a *pro rata* basis in respect of all outstanding MCB to the extent no voluntary conversion notices have been delivered. All outstanding MCB, to the extent no voluntary conversion notices have been delivered, shall be converted into Shares at the MCB Ordinary Conversion Price) on the maturity date.

Relevant Period	Relevant minimum conversion amount on cumulative basis (% of the original issue amount)
Within one month from the Restructuring Effective Date	20% of the principal amount of the MCB (equivalent to approximately 3,973,188,621 Shares)
From the Restructuring Effective Date to and including the date falling the first anniversary following the Reference Date	40% of the principal amount of the MCB (equivalent to approximately 7,946,377,243 Shares)
From the Restructuring Effective Date to and including the date falling the second anniversary following the Reference Date	60% of the principal amount of the MCB (equivalent to approximately 11,919,565,864 Shares)
From the Restructuring Effective Date to and including the date falling the third anniversary following the Reference Date	80% of the principal amount of the MCB (equivalent to approximately 15,892,754,486 Shares)

(c) VWAP Trigger Event Conversion

If, at any time after the Restructuring Effective Date, the volume-weighted average price of the Shares for 90 Trading Days exceeds the MCB Trigger Conversion Price, all MCB that remains outstanding (in respect of which no voluntary conversion notices have been delivered and irrespective of how many MCB remain outstanding) shall be automatically and mandatorily converted into Shares at the MCB Trigger Conversion Price.

For the avoidance of doubt, the MCB Ordinary Conversion Price and the MCB Trigger Conversion Price are different because the MCB Trigger Price would only be applicable if the VWAP trigger event happens whereby the volume-weighted average price of the Shares for 90 Trading Days exceeds the MCB Trigger Conversion Price, reflecting that the performance of the Shares significantly exceeds the closing price of HK\$0.375 as quoted on the Stock Exchange on 27 September 2024, being the date of the Restructuring Support Agreement.

Suspension of conversion:

The mandatory conversion at maturity and the periodic mandatory conversions shall be suspended under certain suspension events, including (i) the occurrence of an event of default of the MCB arising from voluntary or involuntary insolvency proceedings (until such event of default has been cured or waived by MCB holders), (ii) the occurrence of an event of default of the MCB within three months prior to (A) the end of a Relevant Period or (B) ten Trading Days prior to the maturity date of the MCB arising from any failure by the Company to meet any principal or interest payment obligation under any other new instruments issued for the Restructuring (until the earlier of (1) the end of the four-month period from and including the date on which notice is given to MCB holders and MCB Trustee on such event of default and (2) the date on which such event of default has been cured or waived by MCB holders), (iii) acceleration (as defined below) (until such acceleration is annulled and rescinded) or (iv) the trading suspension of the Shares on the Stock Exchange or, if applicable, an alternative stock exchange (until the Shares resume trading).

Events of default under the MCB include payment default, failure to deliver conversion shares, failure to create or maintain required collateral, breach of other covenants by the Company or a restricted subsidiary, cross-default, unpaid judgement, involuntary and voluntary proceedings or actions, guarantee repudiation or ineffectiveness, default or repudiation in respect of security documents and scheme payment default, each as further detailed in the MCB Trust Deed. When an event of default occurs and is continuing, the MCB Trustee may, and shall (if required by MCB holders representing not less than 25% in aggregate principal amount of MCB with required indemnity), give written notice to the Company to declare the MCB shall immediately become due and repayable at the principal amount (the “**acceleration**”).

The mandatory conversion at maturity and the periodic mandatory conversions shall be also suspended in respect of MCBs held by Rosy Fortune or Rain-Mountain if any such mandatory conversion will trigger an obligation for it or any member of the Controlling Shareholders Group to make a mandatory general offer for all the issued Shares and other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Any suspension event shall not affect any MCB holder’s right to request voluntary conversion.

Conversion price:

The initial MCB Ordinary Conversion Price is HK\$1.6 per Share. Such initial MCB Ordinary Conversion Price shall be subject to adjustments as set out below in the section headed “Adjustment Events”.

The initial MCB Ordinary Conversion Price of HK\$1.6 represents:

- (a) a premium of approximately 392.3% to the last traded price of HK\$0.325 per Share as quoted on the Stock Exchange on 26 September 2024, being the last Trading Day before the signing of the Restructuring Support Agreement;

- (b) a premium of approximately 517.2% to the average closing price of HK\$0.2592 per Share as quoted on the Stock Exchange for the five consecutive Trading Days of the Shares up to and including 26 September 2024, being the last Trading Day before the signing of the Restructuring Support Agreement;
- (c) a premium of approximately 617.5% to the closing price of HK\$0.223 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (d) a premium of approximately 596.9% to the average closing price of HK\$0.2296 per Share as quoted on the Stock Exchange for the five consecutive Trading Days of the Shares up to and including on the Latest Practicable Date.

The initial MCB Trigger Conversion Price is HK\$5.0 per Share. Such initial MCB Trigger Conversion Price shall be subject to adjustments as set out below in the section headed “Adjustment Events”.

The initial MCB Trigger Conversion Price of HK\$5.0 represents:

- (a) a premium of approximately 1,438.5% to the last traded price of HK\$0.325 per Share as quoted on the Stock Exchange on 26 September 2024, being the last Trading Day before the signing of the Restructuring Support Agreement;
- (b) a premium of approximately 1,828.8% to the average closing price of HK\$0.2592 per Share as quoted on the Stock Exchange for the five consecutive Trading Days of the Shares up to and including 26 September 2024, being the last Trading Day before the signing of the Restructuring Support Agreement;
- (c) a premium of approximately 2,142.2% to the closing price of HK\$0.223 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and

- (d) a premium of approximately 2,077.7% to the average closing price of HK\$0.2296 per Share as quoted on the Stock Exchange for the five consecutive Trading Days of the Shares up to and including on the Latest Practicable Date.

Based on the latest published audited consolidated financial statements, the Group recorded a net asset of RMB51,918,901,000 (approximately HK\$55,241,711,000) and 10,501,450,460 Shares were in issue as at 31 December 2024. The MCB Ordinary Conversion Price is at a discount of approximately 70% to the net asset value per Share as at 31 December 2024.

The MCB Conversion Price was determined after arm's length negotiations between the Company and the AHG after taking into account, among other things, the share price performance of the Company and the assessment of acceptability of Scheme Creditors towards the terms of the Restructuring with a view to achieving a sustainable capital structure. Other factors considered include the economic compensation and recovery rate for creditors, the need to balance the dilution impact on the major Shareholders to maintain their reasonable control and interests in the Company, the other terms of the Restructuring, the valuation benchmarks for the Shares, including recent trading prices and future prospects, legal and regulatory requirements of the Listing Rules and bond conversion terms and that after the Restructuring, the Company is expected to emerge from its financial distress and the Share price is likely to see improvement, allowing Scheme Creditors and Shareholders to share in the future upside potential.

The Board considers that the key determination of the MCB conversion price was to ensure that Option 2 provides a fair level of economic incentives to the creditors, rather than being solely based on the Shares' net asset value. At the time of negotiation, the share price was approximately HK\$0.24, and the creditors agreed that setting the conversion price at a multiple of about six times the stock price reflected a reasonable and fair valuation.

Additionally, encouraging more creditors to participate in Option 2 enables the Company to achieve greater deleveraging, which aligns the interests of the Company and its shareholders as a whole. Therefore, despite the significant discount to net asset value, the Board believes the conversion price is fair, reasonable, and supports the long-term interests of all stakeholders.

The initial MCB Ordinary Conversion Price is at a premium to the closing price of HK\$0.375 as quoted on the Stock Exchange on 27 September 2024, being the date of the Restructuring Support Agreement, is value accretive for existing Shareholders and is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Adjustment events:	Subject to the terms of the MCB, the MCB Conversion Price shall be subject to adjustment (as determined by an independent calculation agent unless otherwise specified in the terms of the MCB) upon the occurrence of certain customary adjustment events which will be set out in the circular.
Conversion shares:	Based on the initial MCB Ordinary Conversion Price of HK\$1.6 per Share, the maximum number of MCB Conversion Shares to be issued is 19,865,943,108 Shares. Based on the initial MCB Trigger Conversion Price of HK\$5.0 per Share, the maximum number of MCB Conversion Shares to be issued is 6,357,101,794 Shares.
Fixed exchange rate:	On any conversion into the Shares, each US\$1 in principal amount of the MCB shall be translated into Hong Kong dollars at the fixed rate of US\$1 = HK\$7.80.
Put option granted to holders of the MCB:	The holder of each MCB will have the right to require the Company to redeem all or some only of that holder's MCBs at a redemption price equal to 100% of their principal amount following the occurrence of a Relevant Event.

“Relevant Event” occurs when:

- (a) the Shares cease to be listed or admitted to trading on the Stock Exchange or, if applicable, an alternative stock exchange;

- (b) after the date falling 36 months after 30 June 2025, the Shares are suspended for trading for a period equal to or exceeding 60 consecutive Trading Days on the Stock Exchange or, if applicable, an alternative stock exchange; or
- (c) a change of control of the Company occurs.

Call option:

At any time prior to the maturity date of the MCB, the Company may redeem all or any part of the outstanding MCB at 100% of the principal amount of the MCB to be so redeemed subject to and in accordance with the terms and conditions of the MCB.

Security and guarantee:

The MCB will be secured by certain assets of the Group, comprising interest in certain property, bank accounts, intercompany claim receivables and shares in certain companies (the “**Collateral**”). The Collateral will be shared on a *pari passu* basis among the MCB, the New Notes and new loans to be issued pursuant to the Scheme, subject to an intercreditor agreement.

The MCB will be jointly and severally guaranteed by certain specified subsidiary guarantors that will also guarantee the Company’s payment obligations under the New Notes and the new loans to be issued pursuant to the Scheme.

Subject to terms of the MCB Trust Deed and the intercreditor agreement, the Collateral may be enforced upon the occurrence of an event of default that is continuing.

The Company will assess the Listing Rules implications arising from any such enforcement based on the then prevailing facts and circumstances and comply with the relevant requirements under the Listing Rules, where applicable.

Enforcement of these securities and guarantees may have material operational and financial impacts, including potential restrictions on the use of secured assets, loss of control over pledged shares, or increased liabilities arising from enforcement actions. The specific nature and extent of such impacts, whether qualitative or quantitative, would depend significantly on the particular circumstances and terms of enforcement at the relevant time. Accordingly, it is not practicable to quantify the potential effects with certainty at this stage. In the event that enforcement is commenced in respect of the abovementioned securities and guarantees, the Company will assess the implications under the Listing Rules having regard to the prevailing facts and circumstances at that time. The Company will ensure compliance with any applicable requirements under the Listing Rules.

Clearance:

The MCB will be cleared through the Clearing Systems. The Clearing Systems each facilitate the clearance and settlement of securities transactions by electronic book-entry transfer respective account holders.

Governing law:

Hong Kong law.

Issue of MCB to Rosy Fortune

As at the Latest Practicable Date, Rosy Fortune (being a connected person of the Company) was a Scheme Creditor and held US\$3,000,000 of existing notes of the Company. Rosy Fortune had elected to receive option 2A under the Scheme (i.e. cash payment and MCB) and will be issued MCB with a principal amount of US\$2,939,006 on the Restructuring Effective Date, which is convertible into 14,327,654 Shares (representing 0.14% in the issued Shares as at the Latest Practicable Date) at the initial MCB Ordinary Conversion Price. Rosy Fortune will undertake to only voluntarily convert its MCB if the conversion will not trigger an obligation for it or any member of the Controlling Shareholders Group to make a mandatory general offer for all the issued Shares and other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

Issue of MCB to Rain-Mountain

As at the Latest Practicable Date, Rain-Mountain (being a connected person of the Company) was a Scheme Creditor and held US\$1,000,000 of existing notes of the Company. Rain-Mountain had elected to receive option 2A under the Scheme (i.e. cash payment and MCB) and will be issued MCB with a principal amount of US\$1,082,400 on the Restructuring Effective Date, which is convertible into 5,276,700 Shares (representing 0.050% in the issued Shares as at the Latest Practicable Date) at the initial MCB Ordinary Conversion Price. Rain-Mountain will undertake to only voluntarily convert its MCB if the conversion will not trigger an obligation for it or any member of the Controlling Shareholders Group to make a mandatory general offer for all the issued Shares and other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company.

MCB Specific Mandate

The MCB Conversion Shares will be issued under the MCB Specific Mandate proposed to be sought from the Shareholders at the EGM.

Application for listing

An application will be made by the Company to the Stock Exchange for listing of, and permission to deal in, the MCB Conversion Shares.

An application will be made by the Company to the SGX-ST for listing of, and permission to deal in, the MCB.

4. ISSUE OF SHAREHOLDER LOAN CONVERSION SHARES UNDER THE SHAREHOLDER LOAN SPECIFIC MANDATE

As at the Latest Practicable Date, the Shareholder Loan extended by Rosy Fortune to Spectron remained outstanding. On 15 October 2025, Rosy Fortune, Spectron and the Company entered into the Shareholder Loan Equitisation Agreement in respect of the Shareholder Loan Conversion.

The principal terms of the Shareholder Loan Equitisation Agreement are set out below:

Date: 15 October 2025

Parties:

- (a) Rosy Fortune, as lender
- (b) Spectron, as borrower
- (c) the Company, as the issuer

Subject: The parties have agreed that Spectron shall transfer by novation to the Company Spectron's rights and obligations under the Shareholder Loan. Following such transfer, the Shareholder Loan will be extinguished and Rosy Fortune intends to convert the outstanding Shareholder Loan into Shares on the terms set out in the Shareholder Loan Equitisation Agreement. Following the extinguishment of the Shareholder Loan but before the issuance of new Shares under the Shareholder Loan Equitisation Agreement, there will be a liability recorded in the accounts of the Company.

Conversion: Immediately following the novation of the Shareholder Loan by Spectron to the Company and subject to the Shareholder Loan Conversion not triggering an obligation for Rosy Fortune or any member of the Controlling Shareholders Group to make a mandatory general offer for all the issued Shares and other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, the Company shall issue new Shares, free and clear of all liens, claims, charges, guarantee, security, encumbrances or like interests to the escrow account as contemplated by the Restructuring and to Rosy Fortune in exchange for the cancellation of the Shareholder Loan, at a conversion price of HK\$0.40 per share (the "**Shareholder Loan Conversion Price**").

The conversion of the Shareholder Loan into Shares shall be calculated by way of dividing the total amount of the Shareholder Loan by the Shareholder Loan Conversion Price. Following full conversion of the Shareholder Loan, 1,314,654,997 Shares will be issued.

If, at the time the relevant conditions of the Restructuring are satisfied and the novation of the Shareholder Loan by Spectron to the Company takes effect in accordance with the terms of the Shareholder Loan Equitisation Agreement, to the extent that the Shareholder Loan Conversion will trigger an obligation for Rosy Fortune or any member of the Controlling Shareholders Group to make a mandatory general offer for all the issued Shares and other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, the issuance of new Shares under the Shareholder Loan Equitisation Agreement shall not take place until such obligation no longer exists.

While there is no set timeframe during which Shares in respect of the Shareholder Loan Conversion shall be issued, it is expected that the full Shareholder Loan Conversion will be completed and all Shareholder Loan Conversion Shares will be issued once all the MCBs are converted into Shares.

Conditions:

The issuance of any new Shares under the Shareholder Loan Equitisation Agreement shall only take effect (i) upon the satisfaction of the conditions of the Restructuring (other than the issuance of the relevant Shares having been issued and the escrow arrangements as described below having taken effect) and (ii) to the extent that such issuance will not trigger an obligation for Rosy Fortune or any member of the Controlling Shareholders Group to make a mandatory general offer for all the issued Shares and other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, save for certain conditions relating to the change of the governing law of the Existing Convertible Bonds and the Existing Perpetual Securities.

Escrow arrangements:

A proportion (being 76.92%) of the Shares issued pursuant to the Shareholder Loan Equitisation Agreement shall be deposited into an escrow account upon conversion. The Shares held in escrow will only be released to Rosy Fortune when there are no longer any MCB or New Notes to be issued in respect of option 2 outstanding.

The proportion to be deposited into the escrow account was contemplated and negotiated with the creditors on the basis that the creditors who elected equity option (Option 2) would require credit enhancement and assurance on the Shares by putting a proportionate amount of converted Shares from the Shareholder Loan Conversion into the escrow account, and will not be subject to any adjustment mechanism. Such amount is calculated by dividing the total Option 2 election amount by the total Scheme Creditor claim.

Reasons and benefits of the Shareholder Loan Conversion

To provide support to the Company, Rosy Fortune, Spectron and the Company entered into the Shareholder Loan Equitisation Agreement pursuant to which the Shareholder Loan will be novated from Spectron to the Company and then converted into Shares by way of the Shareholder Loan Conversion.

Under the terms of the new instruments, the Company will undertake to use its best efforts to procure Mr. LIN Zhong to elect to receive his entire entitlement to dividends or distributions on or with respect to his Shares in the form of Shares rather than cash while any of the new instruments to be issued under the Restructuring remain outstanding. Mr. LIN Zhong will also enter into an undertaking in favour of the Company to elect to receive any dividend or distribution in respect of his Shares in the form of Shares while any of the new instruments to be issued under the Restructuring remain outstanding. Therefore, Mr. LIN Zhong will be treated less favourably as compared to the other Shareholders in a way that benefits the Company by preserving its cash.

The Shareholder Loan Conversion Price of HK\$0.4 represents:

- (a) a premium of approximately 23.1% to the last traded price of HK\$0.325 per Share as quoted on the Stock Exchange on 26 September 2024, being the last Trading Day before the signing of the Restructuring Support Agreement;
- (b) a premium of approximately 54.3% to the average closing price of HK\$0.2592 per Share as quoted on the Stock Exchange for the five consecutive Trading Days of the Shares up to and including 26 September 2024, being the last Trading Day before the signing of the Restructuring Support Agreement;
- (c) a premium of approximately 79.4% to the closing price of HK\$0.223 per Share as quoted on the Stock Exchange on the Latest Practicable Date; and
- (d) a premium of approximately 74.2% to the average closing price of HK\$0.2296 per Share as quoted on the Stock Exchange for the five consecutive Trading Days of the Shares up to and including on the Latest Practicable Date.

The Shareholder Loan Conversion Price of HK\$0.4 was determined after arm's length negotiations between the Company and the AHG after taking into account, among other things, the then prevailing trading prices of the Share during the period when the Company and AHG negotiated the terms of the Restructuring Support Agreement. Other factors considered include the need to balance the dilution impact on the major Shareholders to maintain their reasonable control and interests in the Company, other terms of the Restructuring, the prevailing Share price at the time of determining the conversion price, the valuation benchmarks for the Shares, including recent trading prices and future prospects, legal and regulatory requirements relating to Listing Rules and conversion terms. The Board is of the view that the dilution effect of the Shareholder Loan Conversion is fair and reasonable and in the interest to the Company and the Shareholders as a whole having considered balancing the dilution impact on Rosy Fortune after the Restructuring to maintain its reasonable equity interests and voting rights in the Company and that the terms of the Shareholder Loan Equitisation Agreement reflects Rosy Fortune's support for the Restructuring and the Company and a reasonable conversion price is necessary to incentivise such continued support. Although the discount to net asset value is notable, the amount involved is not material. Taking the above factors into account, the Board believes the Shareholder Loan Conversion Price is fair, reasonable, and in the interests of the Company and its shareholders as a whole.

Shareholder Loan Specific Mandate

The Shareholder Loan Conversion Shares will be issued under the Shareholder Loan Specific Mandate proposed to be sought from the Shareholders at the EGM.

Application for listing

An application will be made by the Company to the Listing Committee of the Stock Exchange for listing of, and permission to deal in, the Shareholder Loan Conversion Shares.

Information on Rosy Fortune

Rosy Fortune is a company incorporated in the British Virgin Islands, which is controlled by the LIN's Family Trust. The LIN's Family Trust is a discretionary trust set up jointly by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as settlors. The beneficiaries of the LIN's Family Trust include certain family members of Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng.

5. EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has not carried out any equity fund raising activities in the past 12 months immediately before the Latest Practicable Date.

6. EXISTING DEBT UNDER THE SCHEME

The Scheme Creditors comprise the persons who hold beneficial interests as principal in, or who are the lenders of record under, certain instruments as at the Record Date for the Scheme, which will be more particularized in the circular.

7. ADOPTION OF THE SHARE AWARD SCHEME

The Board proposes the adoption of the Share Award Scheme. Under the Share Award Scheme, the Company may grant Awards by way of restricted share units, which may vest in the form of Shares or in cash, as the Board may determine in accordance with the rules of the Share Award Scheme. Where the Awards are to be vested in the form of Shares, new Shares will be issued by the Company.

The purposes of the Share Award Scheme are (a) to align the interests of Eligible Persons with those of the Group through ownership of Shares, and (b) to encourage and incentivise Eligible Persons who have made and to continue to make significant contributions to the Company's business and operation, and performance of the Company's obligations under the new instruments following the Restructuring Effective Date.

The term of the Share Award Scheme is 10 years commencing from the Restructuring Effective Date, which allows the Company to have greater flexibility on setting the period upon which the Awards are vested in order to achieve the intended purposes of the Share Award Scheme.

The Share Award Scheme will take effect upon all of the following having been satisfied:

- (a) the passing of a resolution by the Shareholders to approve the Share Award Scheme in accordance with the Listing Rules;
- (b) the approval of the Stock Exchange for the listing of and permission to deal the Shares underlying the grants pursuant to the Share Award Scheme;
- (c) the passing of a resolution by the Shareholders to terminate (i) the share option scheme adopted by the Company on 27 April 2016; and (ii) the share award scheme adopted by the Company on 18 December 2017; and
- (d) the approval of the Restructuring by the relevant Scheme Creditors and the Scheme having been sanctioned by the Court.

As at the Latest Practicable Date, save for condition (d) above, none of the conditions above have been satisfied.

As at the Latest Practicable Date, the issued share capital of the Company comprised 10,509,202,397 Shares. Assuming there is no change to the issued share capital of the Company in the period commencing from the Latest Practicable Date to the date of the EGM when the Shareholders will be asked to consider and, if thought fit, approve the resolution to adopt the Share Award Scheme, the total number of the Shares that may be issued in respect of Awards granted pursuant to the Listing Rule 17.03B(1) under the Share Award Scheme, when aggregated with the maximum number of Shares in respect of which options or awards may be granted under any other share scheme over Shares, will be 1,050,920,239 Shares, representing 10% of the total number of Shares in issue (excluding treasury shares) as at the date of the EGM, except where separate Shareholders' approval is obtained as further described in the circular.

Upon obtaining Shareholders' approval to adopt the Share Award Scheme, the Company proposes to enter into a trust deed to appoint a trustee for the administration of the Share Award Scheme. The trustee may not exercise any voting rights in respect of any Shares held by it under the Share Award Scheme that have not yet vested, except required and in accordance with the Listing Rules. None of the Directors will be a trustee of the Share Award Scheme.

Principal terms of the Share Award Scheme

A summary of the principal terms of the Share Award Scheme will be set out in Appendix I to the circular to be despatched in due course. The full terms of the Share Award Scheme will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.cifi.com.cn from the date of the circular up to and including the date of the EGM (being not less than 14 days).

Under the Share Award Scheme:

- (a) *Participants* — the eligible persons of the Share Award Scheme are any director (including executive Directors, non-executive Directors and independent non-executive Directors) or employee of the Group (whether full-time or part-time and including persons who are granted an Award under the Share Award Scheme as inducement to enter into employment or service contracts with the Group), who the Board considers, in its sole discretion, to have made or will make significant contributions to the Group's business and operation, and performance of obligations under the new instruments following the Restructuring Effective Date; however, (i) no employee or director of the Group who have left the Group or are serving out their notice period as at the Restructuring Effective Date; (ii) no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual; and (iii) no service providers, shall be entitled to participate in the Share Award Scheme. In particular, as at the Latest Practicable Date, the Company had no specific plans or immediate intention to grant Awards to non-executive Directors, independent non-executive Directors and part-time employees of the Group. However, the Board supports including these categories of Eligible Persons for three key reasons: (i) equity-based compensation remains a vital tool for aligning shareholder interests with those of employees (regardless of the manner in which they are employed) and all Board members, including non-executive Directors and independent non-executive Directors; (ii) inclusion of these categories of Eligible Persons is a common practice among public companies and (iii) all Board members, including non-executive Directors and independent non-executive Directors, may provide crucial contributions to the Group's development and business through their knowledge, market experience, professional background and valuable insights and advice. The Board believes that having the flexibility to offer Awards to these categories of Eligible Persons, in addition to cash-based incentives, will enhance the Company's ability to maintain competitive remuneration packages for attracting talented employees, non-executive Directors and independent non-executive Directors, in order to make significant contributions

to the Company's business and operation, and performance of the Company's obligations under the new instruments. The Company believes that the independence and impartiality of independent non-executive Directors will not be compromised by potential grants of Awards based on three key safeguards: (i) independent non-executive Directors must maintain compliance with the independence requirements set out in Rule 3.13 of the Listing Rules; (ii) independent Shareholders' approval must be obtained for any proposed grants of Awards to independent non-executive Directors or their respective associates if such grants would cause their total Shares allocation to exceed 0.1% of issued Shares (excluding treasury shares, if any) within any 12-month period; and (iii) the Board will be mindful of the recommended best practice E.1.9 of the Corporate Governance Code in Appendix C1 to the Listing Rules that issuers should generally not grant performance-linked equity-based remuneration to independent non-executive Directors, such that when granting any Awards to independent non-executive Directors, the Board will not impose any performance targets. It is also expected that any equity-based remuneration that may be granted to any independent non-executive Director will make reference to the prevailing market benchmark as well as the time and effort devoted by the independent non-executive Director and such grant (if any) will only form part of (but not the integral of) the independent non-executive Director's remuneration package. In all cases, any grant of Awards under the Share Award Scheme will be in compliance with the applicable requirements under the Listing Rules.

- (b) *Vesting period* — the Board may from time to time while the Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions or periods for the Award to be vested, taking into account such factors that the Board in its sole discretion considers relevant. For the avoidance of doubt, in accordance with the conditions of the Share Award Scheme, vesting of any Awards is subject to the Restructuring becoming effective and the Restructuring Effective Date having occurred. In accordance with the Listing Rules, the vesting period shall not be less than 12 months, save that the vesting period may be less than 12 months in the following circumstances: (i) grants of "make-whole" Awards to Selected Participants who are new joiners to the Group in order to replace any share awards that they forfeited when leaving the previous employers; (ii) grant of Awards to Selected Participants whose employment is terminated due to death or disability or occurrence of any out of control event, where the vesting of the Awards may accelerate in accordance with the Share Award Scheme; (iii) where the grants of Award contains performance-based vesting conditions, and vesting takes place as a result of the satisfaction of such performance-based vesting conditions in lieu of time-based vesting criteria; (iv) grants of Awards that are made in batches during a year for administrative and/or compliance reasons, where the vesting period is then adjusted to reflect the time from which a grant would have been made; (v) grants of Awards with a mixed or accelerated vesting schedule (e.g. where vesting will take place evenly over a period of not less than 12 months); and (vi) grant of Awards with a total vesting and holding period of more than 12 months. The Board and the Remuneration Committee are of the view that shorter vesting period of less than 12 months under each of the exceptions is appropriate and in line with the purposes of the Share Award Scheme and market practice for the following reasons. In the case of circumstances (i), (ii) and (iii),

there is an overall need for the Company to retain flexibility to reward exceptional performers and the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions. A vesting period of less than 12 months will further allow the Company to provide a competitive remuneration package to attract and retain individuals to provide services to the Group in circumstance (i), to reward past contribution which may be neglected due to the automatic lapse of Awards upon termination of employment even for out of control events in circumstance (ii) and to reward exceptional performers with accelerated vesting and in other exceptional circumstances where justified in circumstance (iii). In the case of circumstances (iv), (v) and (vi), applying a strict 12-month vesting requirement would not work or would not be fair to certain Selected Participants. All in all, a shorter vesting period will only apply in these circumstances and for the employees of the Group, and will give the Company more flexibility to adapt and tailor the vesting conditions depending on the specific circumstances and to maximise the incentives for the relevant participants to contribute to the Restructuring.

- (c) *Performance targets* — the vesting criteria and conditions for Awards will include performance criteria (save for Awards granted to independent non-executive Directors as mentioned in paragraph (a) above where the Board may exercise its discretion not to impose any performance criteria). These performance criteria will be linked to the business and/or financial performance of the Company and the Group, share price performance of the Company and/or the individual performance of the participants (including but not limited to their appraisal ratings which will be assessed based on the Company and the Group's regular performance review process). These factors will reflect the success of the Restructuring and the contributions of the participants to the same, and therefore the Board is of the view that these criteria will align with the purpose of the Share Award Scheme. The Board considers that it will not be practicable to expressly set out a generic set of performance targets in the Share Award Scheme, as each Selected Participant will play different roles and have different contributions to the Company and the Group. Under the Share Award Scheme, the Board and the committee of the Board or person(s) to which the Board has delegated its authority shall have the power to set the appropriate performance targets and determine whether the performance targets have been satisfied. In making such determinations, the Board (and the relevant committee and person with delegated authority) will have regard to the purpose of the Share Award Scheme and the appropriate corporate governance requirements (including the abstention from considering matters relating to himself/herself).
- (d) *Clawback mechanism* — the Board may claw back vested Awards or adjust Awards prior to vesting in certain circumstances, including (i) where granting and/or vesting of any Award was based on materially inaccurate financial statements or any other materially inaccurate performance indicators or criteria; (ii) the performance forming the basis on which grant or vesting of the Award has been proved not genuine; (iii) any term and condition set out in the rules of the Share Award Scheme and the relevant letter granting the Award was not satisfied; (iv) any circumstances in which the Board considers that the conduct of the participants has harmed the business or reputation of the Company or any member of the Group; or (v) any other circumstances as the Board considers appropriate. Clawing

back of vested Awards will constitute recovering the remuneration, while adjustment of Awards prior to vesting will constitute withholding of remuneration, as each of these phrases has been referred to in Rule 17.03(19) of the Listing Rules. The Board is of the view that such provision is aligned with market practice, and will provide flexibility for the Board to adjust the Awards to align with the purposes of the Share Award Scheme. For example, where a clawback applies in case of a Selected Participant culpable of misconduct, it will be aligned with the purpose of the Share Award Scheme and the interest of the Shareholders as a whole.

Specific grants to be approved by the Shareholders

In addition to the Share Award Scheme Limit, the following grants of Awards will require approval of the Shareholders in accordance with the Listing Rules:

- (a) Awards to any one person if such grant would result in the total number of Shares issued or to be issued in respect of all options and awards granted to such person under the Share Award Scheme and any other share scheme over Shares (excluding any options and awards lapsed in accordance with the rules of any other share schemes) in the 12-month period up to and including the date of the latest grant in aggregate to exceed 1% of the Shares in issue (excluding any treasury shares) from time to time (the “**Individual Limit**”);
- (b) Awards to a Director (other than an independent non-executive director) or chief executive of the Company or their respective associates which will result in the total number of Shares issued and to be issued in respect of all the awards granted under the Share Award Scheme and any other share scheme over Shares (excluding any award lapsed in accordance with the rules of any other share schemes) to such person in the 12-month period up to and including the date of such grant, in aggregate to exceed 0.1% of the Shares in issue (excluding any treasury shares) from time to time; and
- (c) Awards to a substantial shareholder of the Company or an independent non-executive Director or their respective associates which will result in the total number of Shares issued and to be issued in respect of all the options and awards granted under the Share Award Scheme and any other share scheme over Shares (excluding any options and award lapsed in accordance with the rules of any other share schemes) to such person in the 12-month period up to and including the date of such grant, in aggregate to exceed 0.1% of the Shares in issue (excluding any treasury shares) from time to time, such further grant of Awards must be approved by the Shareholders in general meeting in accordance with the Listing Rules.

Existing share schemes of the Company

As at the Latest Practicable Date, the Company had adopted (i) a share option scheme which was adopted on 27 April 2016 and is due to expire on 26 April 2026; and (ii) a share award scheme which was adopted on 18 December 2017 and is due to expire on 17 December 2027. There are no outstanding options or awards granted but not yet

exercised under such schemes and, as at the Latest Practicable Date, the Company had no plans to issue any further options or awards under such schemes and will propose to terminate these schemes at the EGM.

8. GRANT OF AWARDS

The Board has decided to grant a total of 2,441,286,035 Awards to four Selected Participants, subject to the adoption of the Share Award Scheme by the Shareholders at the extraordinary general meeting to be held by the Company. Details of the Specific Mandate Grants are set out as below:

Date of grant:	The date of the adoption of the Share Award Scheme
Grantees:	Four grantees (all being Directors)
Number of Awards:	2,441,286,035 Awards, among which: (a) 2,218,286,035 Awards were granted to Mr. LIN Zhong; (b) 95,000,000 Awards were granted to Mr. RU Hailin; (c) 80,000,000 Awards were granted to Mr. YANG Xin; and (d) 48,000,000 Awards were granted to Mr. GE Ming. (the Grants referred to in paragraphs (a) to (d) above are referred to as the “Specific Mandate Grants”). Save as disclosed above, the Company has no current plans to grant any other Awards under the Share Award Scheme pursuant to specific mandate from the Shareholders in the next 12 months from the Latest Practicable Date.
Closing price of the Shares on the Latest Practicable Date:	HK\$0.223
Vesting period of the Awards:	Subject to the terms of the grant letter, the Awards granted to: (a) Mr. LIN Zhong will all vest on the first anniversary of the Restructuring Effective Date; and

- (b) Mr. RU Hailin, Mr. YANG Xin and Mr. GE Ming will vest on each of the first anniversary of the Restructuring Effective Date, 30 April 2027 and 30 April 2028 in equal number.

The number of Awards to be vested to the relevant grantee shall be adjusted such that no obligation to make a mandatory general offer for all the issued Shares and other securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company under Rule 26 will be triggered by virtue of such vesting.

The reason for vesting all Awards to Mr. LIN Zhong on the first anniversary of the Restructuring Effective Date is to allow him to have voting rights at a level which is consistent with the voting rights percentage of founders of other property companies (which had completed financial restructuring in recent years) as early as possible.

Performance targets:

The Group achieving the following performance targets on the relevant vesting date:

- (a) for each of the grantees, the net cash from operating activities as shown in audited consolidated financial statements of the Group in the relevant financial year immediately before the vesting date being positive;
- (b) for Mr. LIN Zhong, for vesting in 2026, the profit attributable to the shareholders of the Company as shown in audited consolidated financial statements of the Group for the year ended 31 December 2025 reaching a minimum of RMB3 billion; and

- (c) for Mr. RU Hailin, Mr. YANG Xin and Mr. GE Ming (i) for vesting in 2026, the profit attributable to the shareholders of the Company as shown in audited consolidated financial statements of the Group for the year ended 31 December 2025 reaching a minimum of RMB3 billion; (ii) for vesting in 2027, the two-year average profit attributable to the shareholders of the Company as shown in audited consolidated financial statements of the Group for the years ended 31 December 2025 and 31 December 2026 reaching a minimum of RMB3 billion; and (iii) for vesting in 2028, the three-year average profit attributable to the shareholders of the Company as shown in audited consolidated financial statements of the Group for the years ended 31 December 2025, 31 December 2026 and 31 December 2027 reaching a minimum of RMB3 billion.

Other performance targets which may be contained in the relevant grant letter shall also be satisfied by the relevant grantee in order for the relevant Awards to be vested on the vesting date.

Lock-up undertaking:

A grantee whose Awards are all vested in the first anniversary of the Restructuring Effective Date will be requested to sign a lock-up undertaking such that all vested Awards will be subject to a further lock-up period of three years. During the lock-up period, the relevant Shares representing the vested Awards cannot be disposed of by the relevant grantees.

Subsequent to the Specific Mandate Grants, the total number of Shares available for future grants pursuant to the Share Award Scheme remains at 1,050,920,239 Shares (being the Share Award Scheme Limit). For the avoidance of doubt, the Awards under the Specific Mandate Grants will not count towards the Share Award Scheme Limit. Any such Awards, if lapsed or cancelled (as the case may be) in accordance with the terms of the Share Award Scheme, shall not be re-granted to any other Selected Participants. Any returned shares arising from the lapse or cancelation of the Awards under the Specific Mandate Grant shall not be applied for the purposes of satisfying any other grant of Awards. For the avoidance of doubt, subject to the Share Award Scheme becoming effective, the Board may make grant of Awards from time to time for so long as any such grants fall within the Share Award Scheme Limit and the aggregate Awards held by the relevant grantees are within the limit prescribed under the Listing Rules.

For the avoidance of doubt the Specific Mandate Grants will be made in compliance with the Share Award Scheme and Chapter 17 of the Listing Rules.

9. PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Board proposes to seek the approval by way of ordinary resolution at the EGM by the Shareholders of an increase in its authorised share capital from HK\$2,000,000,000 divided into 20,000,000,000 Shares to HK\$5,000,000,000 divided into 50,000,000,000 Shares by creating an additional 30,000,000,000 unissued Shares, such Shares shall rank pari passu in all respects.

In order to facilitate the transactions as contemplated in the circular to be despatched in due course, and taking into account that the Company's authorised share capital is insufficient to cover the new Shares to be issued pursuant to the aforementioned transactions as of the Latest Practicable Date, and to accommodate subsequent business development of the Group and to provide the Company with greater flexibility to raise funds in the future, the Board proposed the Increase in Authorised Share Capital. The Board believes the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

10. LISTING RULES IMPLICATIONS

Issue of MCB

The MCB Conversion Shares will be issued under the MCB Specific Mandate to be sought from the Shareholders at the EGM. The issue of MCB and the transactions contemplated thereunder are subject to the passing of necessary resolution by the Shareholders at the EGM. The issue of the MCB Conversion Shares is conditional upon, among others, the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, the MCB Conversion Shares.

Rosy Fortune is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the subscription of the MCB by Rosy Fortune as a Scheme Creditor constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Rain-Mountain is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the subscription of the MCB by Rain-Mountain as a Scheme Creditor constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Shareholder Loan Conversion

Rosy Fortune is a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the issue of the Shareholder Loan Conversion Shares constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Adoption of Share Award Scheme

The Share Award Scheme constitutes a share award scheme governed by Chapter 17 of the Listing Rules and the adoption of the Share Award Scheme is subject to the approval of the Shareholders.

Specific Mandate Grants

The Specific Mandate Grants have been approved by the Board (including the independent non-executive Directors) in accordance with Rule 17.04(1) of the Listing Rules. Each of Mr. LIN Zhong, Mr. RU Hailin, Mr. YANG Xin, and Mr. GE Ming has abstained from voting on relevant Board resolutions relating to the grant of Awards to himself. Mr. LIN Wei (who is a brother of Mr. LIN Zhong) has also abstained from voting on relevant Board resolutions relating to the grant of Awards to Mr. LIN Zhong.

Pursuant to Rules 17.04(2) and 17.04(4) of the Listing Rules, as the total number of Award Shares to be issued in respect of the Specific Mandate Grants (representing 23.23% of the total number of the Shares in issue as of the grant date and excluding treasury shares) would, in a 12-month period up to and including the date of such grant, represent over 0.1% of the total number of the Shares in issue (assuming there is no change in the number of issued Shares during the period between the Latest Practicable Date and the grant date and excluding treasury shares), the Specific Mandate Grants are subject to the approval by the Shareholders.

Formation of the Independent Board Committee

The Independent Board Committee has been formed and will, after taking into account the advice of the Independent Financial Adviser, provide its advice to the Independent Shareholders on whether (i) the issue of the MCB to Rosy Fortune and Rain-Mountain; and (ii) the issue of the Shareholder Loan Conversion Shares are fair and reasonable and how to vote on the resolution in relation to thereto. The advice of the Independent Board Committee to the Independent Shareholders will be included in the circular to be despatched in due course.

Appointment of the Independent Financial Adviser

In accordance with the Listing Rules, Opus Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on whether (i) the issue of the MCB to Rosy Fortune and Rain-Mountain; and (ii) the issue of the Shareholder Loan Conversion Shares are fair and reasonable and whether the Independent Shareholders should vote in favour of the resolution in relation thereto. The advice of the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders will be included in the circular to be despatched in due course.

11. GENERAL INFORMATION

The Board (excluding those directors who abstained from voting in respect of specific resolutions and the independent non-executive Directors whose view will be set out in the circular for the extraordinary general meeting) is of the view that the terms of the issue of the MCB (including the issue of the MCB to Rosy Fortune and Rain-Mountain), the issue of the Shareholder Loan Conversion Shares, the Specific Mandate Grants and the transactions contemplated thereunder, which have been agreed after arm's length negotiations, are on normal commercial terms and such terms are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. The Board also considers that the adoption of the Share Award Scheme and the Increase in Authorised Share Capital are in the interests of the Company and the Shareholders as a whole. Each of Mr. LIN Zhong and Mr. LIN Wei has abstained from voting in respect of the Board resolutions relating to the issuance of MCB, the issuance of the Shareholder Loan Conversion Shares and the Specific Mandate Grant to Mr. LIN Zhong. Further, each of Mr. RU Hailin, Mr. YANG Xin, and Mr. GE Ming has abstained from voting on relevant Board resolutions relating to the Specific Mandate Grant to himself.

A circular is to provide you with, among others, (a) details of the issuance of the MCB (including the issuance of the MCB Conversion Shares and the issue of the MCB to Rosy Fortune and Rain-Mountain) under the MCB Specific Mandate; (b) details of the issuance of the Shareholder Loan Conversion Shares under the Shareholder Loan Specific Mandate; (c) details of the Share Award Scheme; (d) details of the Specific Mandate Grants; (e) details of the Increase in Authorised Share Capital; (f) effect of the MCB Conversion Shares, Shareholder Loan Conversion Shares and Specific Mandate Grants on the shareholding structure of the Company; (g) a letter from the independent financial adviser containing its advice to the Independent Board Committee; (h) a letter from the Independent Board Committee containing its recommendations to the Independent Shareholders; and (i) a notice of the extraordinary general meeting to approve, among other things, the relevant items above will be despatched as soon as reasonably practicable.

12. DEFINITIONS

In this announcement, unless the context requires otherwise, the following defined terms shall have the following respective meanings:

“Actual Selling Price”	the actual price at which the Awards Shares are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of an Award pursuant to the Share Award Scheme
“AHG”	an ad hoc group of the offshore noteholders of the Company

“alternative stock exchange”	when the Shares are not listed and traded on the Stock Exchange, such other internationally recognised stock exchange which is the principal stock exchange or securities market on which the Shares are then listed or quoted or dealt in
“Announcements”	the announcements of the Company dated 27 September 2024, 21 October 2024, 28 October 2024, 28 November 2024, 18 March 2025, 13 April 2025, 29 April 2025, 7 May 2025, 4 June 2025, 27 June 2025 and 14 October 2025 in relation to the possible transactions in connection with the Restructuring
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Award(s)”	an award granted by the Board to a Selected Participant, by way of restricted share units, which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares in cash, as the Board may determine in accordance with the terms of the Share Award Scheme Rules
“Award Share(s)”	the Share(s) granted to a Selected Participant in an Award
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities
“Clearing Systems”	either or both of Euroclear Bank SA/NV and Clearstream Banking S.A. and each of their respective nominees and successors, and any other system designed for similar or analogous purposes, as appropriate
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	CIFI Holdings (Group) Co. Ltd. 旭輝控股(集團)有限公司, an exempted company incorporated with limited liability in the Cayman Islands and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholders”	has the meaning ascribed to it under the Listing Rules

“Controlling Shareholders Group”	includes Rosy Fortune, Ding Chang Limited, Eminent Talent Limited, Rain-Mountain, Towin Resources Limited, Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, and their respective close associates
“core connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Court”	the High Court of Hong Kong and any court capable of hearing appeals therefrom
“Director(s)”	the director(s) of the Company
“Eligible Person”	means any director (including executive Directors, non-executive Directors and independent non-executive Directors) or employee of the Group (whether full-time or part-time and including persons who are granted an Award under the Share Award Scheme as inducement to enter into employment or service contracts with the Group), who the Board considers, in its sole discretion, to have made or will make significant contributions to the Company’s business and operation, and performance of obligations under the new instruments following the Restructuring Effective Date; however, (a) no employee or director of the Group who have left the Group or are serving out their notice period as at the Restructuring Effective Date; (b) no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board, compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, and (c) no service providers, shall be entitled to participate in the Share Award Scheme and such individual shall therefore be excluded from the term Eligible Person
“Existing Debt”	US\$8.1 billion, being the liabilities of the Company and the Existing Debt Obligors to be compromised under the Scheme
“Existing Debt Obligors”	the Company, the subsidiary guarantors and security providers under the Existing Debt
“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

“Hong Kong Registrar of Companies”	the registrar of companies (including any deputy registrar and/or assistant registrar or similar) appointed under the Companies Ordinance, Chapter 622 of the Laws of Hong Kong
“Increase in Authorised Share Capital”	the proposed increase in the Company’s authorised share capital from HK\$2,000,000,000 divided into 20,000,000,000 Shares to HK\$5,000,000,000 divided into 50,000,000,000 Shares by creating an additional 30,000,000,000 unissued Shares
“Independent Board Committee”	the independent board committee established by the Board, comprising all the independent non-executive Directors, namely Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi, to advise the Independent Shareholders in respect of (i) the issue of MCB to Rosy Fortune and Rain-Mountain; and (ii) the Shareholder Loan Conversion
“Independent Financial Adviser” or “Opus Capital”	Opus Capital Limited, a licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of (i) the issue of MCB to Rosy Fortune and Rain-Mountain; and (ii) the Shareholder Loan Conversion
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM for the resolutions with respect to the (i) the issue of MCB to Rosy Fortune and Rain-Mountain; and (ii) the Shareholder Loan Conversion
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Latest Practicable Date”	13 October 2025, being the latest practicable date prior to the finalisation of the circular to be despatched in due course for the purpose of ascertaining certain information contained therein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

“MCB”	the zero coupon secured guaranteed mandatory convertible bonds to be issued by the Company on the Restructuring Effective Date pursuant to the MCB Trust Deed
“MCB Conversion Price”	MCB Ordinary Conversion Price or MCB Trigger Conversion Price, as applicable
“MCB Conversion Shares”	the Shares to be issued upon conversion of the MCB
“MCB Ordinary Conversion Price”	initially HK\$1.6 per Share (subject to adjustments) in respect of the MCB
“MCB Specific Mandate”	the specific mandate to be granted by the Shareholders at the EGM to issue the MCB Conversion Shares
“MCB Trigger Conversion Price”	initially HK\$5.0 per Share (subject to adjustments) in respect of the MCB
“MCB Trust Deed”	the trust deed to be entered into between, among others, the Company, the initial subsidiary guarantors named therein and the MCB Trustee pursuant to which the MCB are to be constituted
“MCB Trustee”	Madison Pacific Trust Limited, an independent third party service provider that provides agents and trust services, in its capacity as bonds trustee and security trustee to be appointed on the terms of the MCB Trust Deed that shall have regard to the general interests of the MCB holders as a class
“New Notes”	the US\$-denominated secured notes to be issued by the Company on the Restructuring Effective Date with an aggregate principal amount of US\$2,664,982,189
“PRC” or “China”	the People’s Republic of China which for the purpose of this announcement does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Rain-Mountain”	Rain-Mountain Limited, a company wholly-held by the Sun-Mountain Trust, which is a family trust set up by Mr. LIN Feng, being a substantial shareholder of the Company, as settlor
“Record Date”	following the close of business (Hong Kong time) on 28 May 2025
“Reference Date”	30 June 2025
“Remuneration Committee”	the remuneration committee of the Board

“Restructuring”	the financial restructuring of certain offshore indebtedness of the Group in accordance with and as intended to be principally implemented through the Scheme
“Restructuring Documents”	all documents, agreements and instruments necessary to implement the Restructuring
“Restructuring Effective Date”	the effective date of the Restructuring
“Restructuring Support Agreement”	the restructuring support agreement dated 27 September 2024 entered into by the Company and the Consenting Creditors (as defined therein)
“RMB”	Renminbi, the lawful currency of the PRC
“Rosy Fortune”	Rosy Fortune Investments Limited, a substantial shareholder of the Company which is controlled by the LIN’s Family Trust
“Scheme”	the scheme of arrangement to be effected between the Company and certain of its creditors pursuant to Sections 670, 673 and 674 of the Companies Ordinance (Cap. 622) of Hong Kong for the purposes of implementing the Restructuring
“Scheme Creditors”	creditors whose claims under the Existing Debt are the subject of the Scheme
“Scheme Meeting”	the meeting of the Scheme Creditors convened pursuant to an order of the High Court of Hong Kong for approving the Scheme
“Selected Participant(s)”	any Eligible Person approved for participation in the Share Award Scheme and who has been granted any Award
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“SGX-ST”	Singapore Exchange Securities Trading Limited
“Share(s)”	the ordinary shares of HK\$0.10 each in the share capital of the Company

“Share Award Scheme”	the share award scheme proposed to be adopted by the Company in accordance with the Share Award Scheme Rules
“Share Award Scheme Limit”	the total number of the Shares that may be issued in respect of Awards granted under the Share Award Scheme, representing 10% of the total number of Shares in issue (excluding treasury shares) as at the date of the EGM, except where separate Shareholders’ approval is obtained as further described in the circular
“Share Award Scheme Rules”	the rules of the Share Award Scheme to be set out in the circular
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholder Loan”	a non-interest bearing loan provided by Rosy Fortune to Spectron the total principal amount outstanding as at the Latest Practicable Date of which was US\$67,418,205
“Shareholder Loan Conversion”	the conversion of the Shareholder Loan into Shareholder Loan Conversion Shares
“Shareholder Loan Conversion Shares”	the 1,314,654,997 new Shares to be issued by the Company subject to the conditions under the Shareholder Loan Equitisation Agreement being fulfilled
“Shareholder Loan Equitisation Agreement”	the shareholder loan equitisation agreement dated 15 October 2025 entered into by Rosy Fortune, Spectron and the Company
“Shareholder Loan Specific Mandate”	the specific mandate to be granted by the Shareholders at the EGM to issue the Shareholder Loan Conversion Shares
“Specific Mandate Grant(s)”	the grant(s) of 2,218,286,035 Awards to Mr. LIN Zhong, 95,000,000 Awards to Mr. RU Hailin, 80,000,000 Awards to Mr. YANG Xin, and 48,000,000 Awards to Mr. GE Ming, which is subject to the approval of the Independent Shareholders at the extraordinary general meeting to be held by the Company
“Spectron”	Spectron Enterprises Limited, a wholly-owned subsidiary of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC
“Trading Days”	a day when the Stock Exchange or, as the case may be an alternative stock exchange which is the principal stock exchange or securities market on which the Shares are listed or quoted or dealt in, is open for dealing business
“US\$”	United States dollar, the lawful currency of the United States of America
“%”	per cent

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

Hong Kong, 16 October 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.