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**Ever Sunshine Lifestyle Services Group Limited**  
**永升生活服务集团有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1995)**

**CONTINUING CONNECTED TRANSACTION**

**REVISION OF ANNUAL CAPS**

**REVISION OF ANNUAL CAPS FOR 2020 - 2022 UNDER THE 2019 CIFI  
PROPERTY MANAGEMENT SERVICES MASTER AGREEMENT**

The Board announces that on 5 November 2020 (after trading hours), the Company has entered into the Supplemental Property Management Services Master Agreement to revise the existing annual caps for the three years ending 31 December 2022 in respect of the transactions contemplated under the 2019 CIFI Property Management Services Master Agreement.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei, acting in a consensual manner, are entitled to exercise the voting rights of approximately 56.43% of the issued share capital of the Company through CIFI Holdings and other investment holding companies controlled by them, and together they constitute a group of controlling shareholders of the Company.

CIFI Holdings, being one of the controlling shareholders of the Company, is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Supplemental Property Management Services Master Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the announcement and shareholders' approval requirements.

As the highest applicable percentage ratio (other than the profit ratio) as defined under the Listing Rules in respect of the revised annual caps for the Supplemental Property Management Services Master Agreement, on an annual basis, is expected to be more than 5%, the Supplemental Property Management Services Master Agreement and the transactions contemplated thereunder (including the revised annual caps therefor) will be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **REVISION OF ANNUAL CAPS FOR 2020 - 2022 UNDER THE 2019 CIFI PROPERTY MANAGEMENT SERVICES MASTER AGREEMENT**

Reference is made to the Circular in respect of, among other things, the 2019 CIFI Property Management Services Master Agreement entered into between the Company and CIFI Holdings, and the annual caps thereunder.

Since the COVID-19 outbreak, and due to the business expansion of the CIFI Group, the Group has been providing additional services to the CIFI Group. Therefore, the Directors found that the transaction amount under the 2019 CIFI Property Management Services Master Agreement is approaching the existing annual cap for the year ending 31 December 2020.

On 5 November 2020 (after trading hours), the Company entered into the Supplemental Property Management Services Master Agreement with CIFI Holdings, to revise the existing annual caps for the three years ending 31 December 2022.

The approximate historical aggregate amount of service fees<sup>(Note)</sup> received by the Group for the two financial years ended 31 December 2019 and the nine months ended 30 September 2020 are as follows:

	<b>For the year ended 31 December 2018 RMB'000</b>	<b>For the year ended 31 December 2019 RMB'000</b>	<b>For the nine months ended 30 September 2020 RMB'000</b>
<b>Historical aggregate amount</b>	161,600	192,900	280,400

*Note:* For the two years ended 31 December 2019 and the nine months ended 30 September 2020, the provision of preliminary planning and design consultancy services contributed approximately RMB13 million, RMB17 million and RMB29 million, respectively.

The existing annual caps for the three years ending 31 December 2022 under the 2019 CIFI Property Management Services Master Agreement are revised as per below:

	For the year ending 31 December		
	2020	2021	2022
	RMB'000	RMB'000	RMB'000
<b>Original annual cap under the 2019 CIFI Property Management Services Master Agreement</b>	350,000	350,000	350,000
<b>Revised annual cap under the Supplemental Property Management Services Master Agreement</b>			
<i>Property management services; on-site security, cleaning, greening and customer services; and cleaning and housing inspection services and other value-added services</i>	420,000	420,000	420,000
<i>Preliminary planning and design consultancy services</i>	60,000	60,000	60,000
<b>Total</b>	<b>480,000</b>	<b>480,000</b>	<b>480,000</b>

Save for such revision in the annual caps, the scope of services and other terms of the 2019 CIFI Property Management Services Master Agreement shall remain valid and in full force and effect.

Based on the Company's management account as at 30 September 2020, the total actual transaction amount under the 2019 CIFI Property Management Services Master Agreement amounted to approximately RMB280 million, representing approximately 80% of the existing annual cap for the year ending 31 December 2020. The Board confirms that as at the date of this announcement, the transaction amount for the 2019 CIFI Property Management Services Master Agreement has not exceeded the original annual cap for the year ending 31 December 2020.

The revised annual caps under the Supplemental Property Management Services Master Agreement were determined as follows:

- (1) the actual transaction amount under the 2019 CIFI Property Management Services Master Agreement in the amount of approximately RMB280 million for the nine months ended 30 September 2020;

- (2) the estimated revenue to be recognized in relation to the services provided by the Group pursuant to existing contracts; and
- (3) the historical trend that more properties will be delivered and more services will be required in the fourth quarter of one year as compared to the first three quarters. The transaction amount for the three months ended 31 December 2019 represented approximately 39% of the total transaction amount for the year ended 31 December 2019 which is in line with the increase in the existing annual cap for the year ending 31 December 2020 by approximately 37% from RMB350 million to RMB480 million.

## **PRICING POLICY AND INTERNAL CONTROL MEASURES**

The pricing policy and internal control measures set out in the Circular remain unchanged and apply to the transactions contemplated under the Supplemental Property Management Services Master Agreement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE SUPPLEMENTAL PROPERTY MANAGEMENT SERVICES MASTER AGREEMENT**

The Group has been engaged by the CIFI Group to provide additional services. Firstly, the scale of sale, area and number of the property projects of the CIFI Group in the PRC under the management of the Group has increased due to the business expansion of the CIFI Group. Secondly, more property management services such as security, cleaning and customer services have been provided to the CIFI Group since the COVID-19 outbreak. Based on the current estimation by the Group, the original cap of RMB350 million for the year ending 31 December 2020 is not sufficient. In order for the Group to provide property management services to the CIFI Group continuously, the Company has entered into the Supplemental Property Management Services Master Agreement to revise the annual caps for the three years ending 31 December 2022 under the 2019 CIFI Property Management Services Master Agreement.

The Directors (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) are of the view that the terms of the Supplemental Property Management Services Master Agreement and the transactions contemplated thereunder (including the revised annual caps therefor) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary course of business of the Group and in the interests of the Company and its Shareholders as a whole.

## **INFORMATION ON THE PARTIES TO THE SUPPLEMENTAL PROPERTY MANAGEMENT SERVICES MASTER AGREEMENT**

### **The Group**

The Group is a property management service provider offering a comprehensive portfolio of quality services to its customers in the PRC with over 18 years of experience. It has three business lines, namely property management services, value-added services to non-property owners and community value-added services, covering the entire value chain of property management.

### **CIFI Holdings**

CIFI Holdings is an exempted company with limited liability incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00884). CIFI Group is principally engaged in the property development and property investment business focusing on developing high quality properties in the PRC.

The controlling shareholders of CIFI Holdings are Mr. Lin Zhong, Mr. Lin Wei and Mr. Lin Feng.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei, acting in a consensual manner, are entitled to exercise the voting rights of approximately 56.43% of the issued share capital of the Company through CIFI Holdings and other investment holding companies controlled by them, and together they constitute a group of controlling shareholders of the Company.

CIFI Holdings, being one of the controlling shareholders of the Company, is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under the Supplemental Property Management Services Master Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the announcement and shareholders' approval requirements.

As the highest applicable percentage ratio (other than the profit ratio) as defined under the Listing Rules in respect of the revised annual caps for the Supplemental Property Management Services Master Agreement, on an annual basis, is expected to be more than 5%, the Supplemental Property Management Services Master Agreement and the transactions contemplated thereunder (including the revised annual caps therefor) will be subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **BOARD APPROVAL**

At the Board meeting held to approve the Supplemental Property Management Services Master Agreement, each of Mr. Lin Zhong and Mr. Lin Feng is considered as having a material interest in the transactions contemplated under the Supplemental Property Management Services Master Agreement. Accordingly, each of Mr. Lin Zhong and Mr. Lin Feng has abstained from voting on the Board resolution for approving the Supplemental Property Management Services Master Agreement and the transactions contemplated thereunder (including the revised annual caps therefor).

Save as disclosed above, none of the Directors was required to abstain from voting on the relevant Board resolution.

## **GENERAL INFORMATION**

The Company will convene the EGM for the purpose of, among other things, considering and if thought fit, approving the Supplemental Property Management Services Master Agreement and the transactions contemplated thereunder.

Voting at the EGM will be conducted by way of poll. Spectron, Best Legend and their respective associates shall abstain from voting on the proposed resolution approving the Supplemental Property Management Services Master Agreement and the transactions contemplated thereunder at the EGM.

An Independent Board Committee (comprising all the independent non-executive Directors) has been established to advise the Independent Shareholders on the terms of the Supplemental Property Management Services Master Agreement and the transactions contemplated thereunder. Red Sun Capital Limited has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

A circular containing, among other things, (i) further information on the Supplemental Property Management Services Master Agreement and the transactions contemplated thereunder; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice of the EGM, is expected to be despatched to the Shareholders on or before 30 November 2020, as additional time is required to finalise the contents of the circular.

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“2019 CIFI Property Management Services Master Agreement”	the property management services master agreement entered into between the Company and CIFI Holdings on 11 November 2019
“associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Best Legend”	Best Legend Development (PTC) Limited, a private trust company limited by shares incorporated in the BVI and is one of the controlling shareholders of the Company
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CIFI Group”	CIFI Holdings and its subsidiaries (excluding the Group)
“CIFI Holdings”	CIFI Holdings (Group) Co. Ltd. (stock code: 00884), an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange
“Circular”	the circular of the Company dated 9 December 2019 in relation to the 2019 CIFI Property Management Services Master Agreement
“Company”	Ever Sunshine Lifestyle Services Group Limited, a company incorporated in the Cayman Islands as an exempted company with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“controlling shareholders”	shall have the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company (or any adjournment thereof) to be convened and held for the purpose of considering and, if thought fit, approving the Supplemental Property Management Services Master Agreement and the transactions contemplated thereunder (including the revised annual caps therefor)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the independent board committee established by the Board, comprising all the independent non-executive Directors, namely Mr. Ma Yongyi, Mr. Wang Peng and Mr. Cheung Wai Chung, to advise the Independent Shareholders in respect of the continuing connected transactions under the Supplemental Property Management Services Master Agreement
“Independent Financial Adviser”	Red Sun Capital Limited, being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions under the Supplemental Property Management Services Master Agreement
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM for the relevant resolution with respect to the Supplemental Property Management Services Master Agreement



“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
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Spectron”	Spectron Enterprises Limited, a limited liability company incorporated in the BVI and is one of the controlling shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	shall have the same meaning as ascribed to it under the Listing Rules
“Supplemental Property Management Services Master Agreement”	the supplemental agreement dated 5 November 2020 and entered into between the Company and CIFI Holdings, which amended and supplemented the 2019 CIFI Property Management Services Master Agreement
“%”	“%”

By order of the Board  
**Ever Sunshine Lifestyle Services Group Limited**  
**Lin Zhong**  
*Chairman*

Hong Kong, 5 November 2020

*As at the date of this announcement, the executive Directors are Mr. LIN Zhong, Mr. ZHOU Hongbin and Mr. ZHOU Di, the non-executive Director is Mr. LIN Feng; and the independent non-executive Directors are Mr. MA Yongyi, Mr. WANG Peng and Mr. CHEUNG Wai Chung.*