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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 TRANSACTIONS**

**I. REVISION OF EXISTING ANNUAL CAP OF THE CIFI SALES  
AGENCY SERVICES FRAMEWORK AGREEMENT;**

**II. UCS SALES AGENCY SERVICES FRAMEWORK AGREEMENT;**

**III. CIFI MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT;**

**AND**

**IV. UCS MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

**I. REVISION OF EXISTING ANNUAL CAP OF THE CIFI SALES  
AGENCY SERVICES FRAMEWORK AGREEMENT**

On 22 April 2021, the Company and CIFI Holdings entered into the Supplemental Agreement to extend the scope of the services provided by the Company to CIFI Group under the CIFI Sales Agency Services Framework Agreement to include the sale of unsold residential properties and to revise the annual cap for the year ending 31 December 2021 under the CIFI Sales Agency Services Framework Agreement.

## **II. UCS SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

On 22 April 2021, the Company and the Ultimate Controlling Shareholders entered into the UCS Sales Agency Services Framework Agreement, which sets out the principal terms for the provision of sales agency services by the Group to the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) in respect of unsold residential properties and unsold car parking spaces in the development projects of the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) for a term commencing from the date of the UCS Sales Agency Services Framework Agreement to 31 December 2021.

## **III. CIFI MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

On 22 April 2021, the Company and CIFI Holdings entered into the CIFI Merchandise Procurement Framework Agreement, which sets out the principal terms for the provision of goods and related value-added services by the Group to CIFI Group for a term commencing from the date of the CIFI Merchandise Procurement Framework Agreement to 31 December 2023 (both dates inclusive).

## **IV. UCS MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

On 22 April 2021, the Company and the Ultimate Controlling Shareholders entered into the UCS Merchandise Procurement Framework Agreement, which sets out the principal terms for the provision of goods and related value-added services by the Group to Ultimate Controlling Shareholders and their associates (excluding CIFI Group) for a term commencing from the date of the UCS Merchandise Procurement Framework Agreement to 31 December 2023 (both dates inclusive).

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, the Ultimate Controlling Shareholders (being 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. The Ultimate Controlling Shareholders are therefore connected persons of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under each of the UCS Sales Agency Services Framework Agreement and UCS Merchandise Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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 each of the Supplemental Agreement and CIFI Merchandise Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### **Revision of Existing Annual Cap of the CIFI Sales Agency Services Framework Agreement**

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 cap under the Supplemental Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Supplemental Agreement are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders' approval requirements.

### **UCS Sales Agency Services Framework Agreement**

As the highest applicable percentage ratio (other than the profit ratio) as defined under the Listing Rules in respect of the proposed highest annual cap for the UCS Sales Agency Services Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the UCS Sales Agency Services Framework Agreement are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders' approval requirements.

### **CIFI Merchandise Procurement Framework Agreement and UCS Merchandise Procurement Framework Agreement**

As the highest applicable percentage ratio (other than the profit ratio) as defined under the Listing Rules in respect of the proposed highest annual caps for the CIFI Merchandise Procurement Framework Agreement and UCS Merchandise Procurement Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the CIFI Merchandise Procurement Framework Agreement and UCS Merchandise Procurement Framework Agreement are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders' approval requirements.

## **I. REVISION OF EXISTING ANNUAL CAP OF THE CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

### **1. BACKGROUND**

Reference is made to the announcement of the Company dated 22 March 2019 in relation to the CIFI Sales Agency Services Framework Agreement entered into by the Company and CIFI Holdings, which sets out the principal terms for the provision of sales agency services by the Group to CIFI Group and its associates in respect of unsold residential car parking spaces in the development projects of CIFI Group and its associates for a term which commenced from 22 March 2019 and ending on 31 December 2021 (both dates inclusive).

### **2. SUPPLEMENTAL AGREEMENT TO THE CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

Due to the complementary nature of the sales of unsold residential car parking spaces and the sales of unsold residential properties in development projects, and in order to utilize the Group's market information in the community collected through its provision of property management services to CIFI Group, on 22 April 2021, the Company and CIFI Holdings entered into the Supplemental Agreement to:

- i) confine the transactions between the Group and CIFI Group only;
- ii) extend the scope of the services provided by the Company to CIFI Group under the CIFI Sales Agency Services Framework Agreement to include the sale of unsold residential properties; and
- iii) revise the annual cap for the year ending 31 December 2021 under the CIFI Sales Agency Services Framework Agreement.

Save for the above, all other existing key terms and conditions under the CIFI Sales Agency Services Framework Agreement remain unchanged.

The approximate historical aggregate amount of commission received by the Group under the CIFI Sales Agency Services Framework Agreement for the two financial years ended 31 December 2020 are as follows:

	<b>For the year ended 31 December 2019 <i>RMB'000</i></b>	<b>For the year ended 31 December 2020 <i>RMB'000</i></b>
<b>Historical aggregate amount in respect of CIFI Group</b>	132	11,718

The historical amount for unsold car parking spaces for the years ended 31 December 2019 and 31 December 2020 amounted to approximately RMB132,000 and RMB11,718,000 respectively, representing approximately 0.4% and 39.3% of the existing annual caps for the respective years under the CIFI Sales Agency Services Framework Agreement. The Board confirms that as at the date of this announcement, the transaction amount for the CIFI Sales Agency Services Framework Agreement has not exceeded the original annual cap for the year ending 31 December 2021.

With the inclusion of unsold residential properties as part of the scope of the sales agency services pursuant to the Supplemental Agreement, the existing annual cap has to be revised in anticipation of a significant increase of transaction amount for the commission to be received from the sales of unsold residential properties. As a result, the annual cap for the year ending 31 December 2021 under the CIFI Sales Agency Services Framework Agreement (as supplemented) is revised from RMB29,800,000 to RMB48,000,000.

The revised annual cap under the Supplemental Agreement was determined as follows:

- (i) the historical amounts available in respect of sales agency services for the sale of car parking spaces with CIFI Group;
- (ii) no historical amounts in respect of sales of unsold residential properties is available as the Group has not entered into any transactions in respect of sales agency services for the sales of unsold residential properties with CIFI Group previously;
- (iii) the estimated commission rate for the sales agency services provided by the Group to CIFI Group determined with reference to the prevailing market rate for the provision of sales agency services in the same industry;

- (iv) the estimated number of development projects of CIFI Group for which the Group's sales agency services are required and the estimated number of unsold residential properties of the relevant development projects available for sale in the market; and
- (v) the level of difficulty of sales of the unsold residential properties by the Company with reference to the locations of the development projects of CIFI Group involved, and the occupancy rate of the development projects.

## **II. UCS SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

### **1. INTRODUCTION**

On 22 April 2021, the Company and the Ultimate Controlling Shareholders entered into the UCS Sales Agency Services Framework Agreement, which sets out the principal terms for the provision of sales agency services by the Group to the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) in respect of unsold residential properties and unsold car parking spaces in the development projects of the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) for a term commencing from the date of the UCS Sales Agency Services Framework Agreement to 31 December 2021 (both dates inclusive).

### **2. THE UCS SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

A summary of the principal terms of the UCS Sales Agency Services Framework Agreement is as follows:

#### **Date**

22 April 2021 (after trading hours)

#### **Parties**

- (1) the Company; and
- (2) the Ultimate Controlling Shareholders.

#### **Subject matter**

Pursuant to the UCS Sales Agency Services Framework Agreement, the Group will provide sales agency services to the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) in respect of residential properties and car parking spaces which remain unsold after the sales period of the development projects in the PRC of the Ultimate Controlling Shareholders and their associates (excluding CIFI Group), and such associates mainly comprise the joint ventures and associated companies of CIFI Group.

## Pricing

For the provision of sales agency services, the Group charges a commission calculated as a percentage of sale price of the relevant residential properties and car parking spaces with reference to the prevailing market rate.

### 3. ANNUAL CAP AND BASIS OF DETERMINATION

Pursuant to the UCS Sales Agency Services Framework Agreement, the annual cap for the transactions contemplated thereunder for the year ending 31 December 2021 is as follows:

	<b>For the year ending 31 December 2021 RMB'000</b>
Annual cap	11,800

In determining the annual cap, the Directors have considered the following:

- (i) no historical amount available in respect of sales agency services for the sale of unsold residential properties and car parking spaces as the Group has not entered into any transactions in respect of sales agency services for the sale of residential properties and car parking spaces with the Ultimate Controlling Shareholders or their associates (excluding CIFI Group) previously;
- (ii) the estimated commission rate for the sales agency services provided by the Group to the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) determined with reference to the prevailing market rate for the provision of sales agency services in the same industry;
- (iii) the estimated number of development projects of the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) for which the Group's sales agency services are required and the estimated number of unsold residential properties and car parking spaces of the relevant development projects available for sale in the market; and
- (iv) the level of difficulty of sales of the unsold residential properties and car parking spaces by the Group with reference to the locations of the development projects of the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) involved, and the occupancy rate of the development projects.

### **III. PRICING POLICY AND INTERNAL CONTROL MEASURES OF THE CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT (AS SUPPLEMENTED BY THE SUPPLEMENTAL AGREEMENT) AND THE UCS SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

During the term of the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement, the Group shall from time to time enter into specific agreements with CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) respectively for the provision of relevant sales agency services in accordance with the terms of the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement. The Group adopts the following pricing policy to ensure that the terms offered to CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) under the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement respectively are on normal commercial terms and shall not be less favourable to the Group than terms offered by the Group to Independent Third Parties as follows:

- (i) each transaction to be entered into under specific agreements in accordance with the principles and terms of the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement is to be negotiated on a case-by-case and arm's length basis, in writing and on normal commercial terms or better in the ordinary and usual course of business of the Group;
- (ii) the percentage for the commission shall be determined with reference to the prevailing market price of similar services offered to Independent Third Parties, and shall not be more favourable to CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) when compared with similar services provided by the Group to Independent Third Parties; and
- (iii) the relevant operation department of the Group will, on a quarterly basis, research on the prevailing market price for the provision of similar sales agency services in the vicinity by Independent Third Parties. The relevant operation department of the Group will then evaluate the prices charged by the Group to CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) respectively by comparing those with the prevailing market price, in order to ensure that the prices payable by CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) to the Group are on normal commercial terms.



The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant personnel and management of the Group in charge to ensure the relevant continuing connected transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The relevant personnel and management of the Group will review and assess the terms before entering to the specific agreements to ensure they are consistent with the principles and provisions set out in the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement respectively.

Regular checks will be conducted on a quarterly basis to review and assess whether the transactions contemplated under the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement are conducted in accordance with the terms of its respective agreement and the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy respectively.

The independent non-executive Directors will continue to review the transactions contemplated under the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement respectively, and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps of the relevant continuing connected transactions thereof.

In view of the foregoing, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

#### **IV. REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT (AS SUPPLEMENTED BY THE SUPPLEMENTAL AGREEMENT) AND THE UCS SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

The Group has respectively provided CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) with property management services for their development projects. The Board believes that the Group could make use of its market information, including but not limited to the demand for residential properties and car parking spaces by the owners of the surrounding properties, collected through its network of property management offices located in the development projects in its provision of property

management services to CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group), to promote its sales of the unsold residential properties, in addition to the unsold car parking spaces in their respective development projects. By entering into the Supplemental Agreement and the UCS Sales Agency Services Framework Agreement, it could help increase the Group's income and promote business growth of the Group.

The Group considers that entering into two separate agreements for the provision of sales agency services with CIFI Holdings and the Ultimate Controlling Shareholders respectively would enhance better administration of the annual caps and provide more information for the Shareholders to better understand the annual caps.

The Directors (including the independent non-executive Directors) consider that the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company after arm's length negotiations between the Company and CIFI Holdings, and between the Company and the Ultimate Controlling Shareholders respectively, and the terms of the CIFI Sales Agency Services Framework Agreement (as supplemented) and the UCS Sales Agency Services Framework Agreement are on normal commercial terms or better, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **V. CIFI MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

On 22 April 2021, the Company and CIFI Holdings entered into the CIFI Merchandise Procurement Framework Agreement, which sets out the principal terms for the provision of goods and related value-added services by the Group to CIFI Group for a term commencing from the date of the CIFI Merchandise Procurement Framework Agreement to 31 December 2023 (both dates inclusive).

A summary of the principal terms of the CIFI Merchandise Procurement Framework Agreement is as follows:

### **Date**

22 April 2021 (after trading hours)

### **Parties**

- (1) the Company; and
- (2) CIFI Holdings.

## **Subject matter**

The Group has agreed to provide CIFI Group (i) various kinds of goods relating to its operational needs, including but not limited to gifts, smart home appliances, lightings, furniture and other relevant goods and (ii) related value-added services including but not limited to merchandise procurement services in accordance with the needs of CIFI Group's projects, coordination with goods suppliers, arrangement of goods orders and delivery, storage and installation of relevant goods as required.

## **Term**

The CIFI Merchandise Procurement Framework Agreement shall be effective commencing from the date of the CIFI Merchandise Procurement Framework Agreement and ending on 31 December 2023 (both dates inclusive).

## **Pricing and other terms**

The parties to the CIFI Merchandise Procurement Framework Agreement have agreed as follows:

- (i) the parties shall enter into specific agreements to set out the detailed terms for the relevant transactions contemplated under the CIFI Merchandise Procurement Framework Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms;
- (ii) the specific agreements shall conform with the principals and provisions set out in the CIFI Merchandise Procurement Framework Agreement;
- (iii) fees for the goods and related value-added services to be provided by the Group shall be determined in the specific agreements and should be set, after arm's length negotiations with reference to the prevailing market rate (taking into consideration the specifications, conditions, quantity and delivery of goods and related value-added services), the price charged by the Group when providing similar goods and related value-added services to Independent Third Parties and the price charged by Independent Third Parties when providing similar goods and related value-added services; and
- (iv) the terms and conditions of the specific agreements shall be no less favourable to the Group than those being offered by any Independent Third Parties.

## Annual Caps and basis of determination

Pursuant to the CIFI Merchandise Procurement Framework Agreement, the annual caps for the transactions contemplated thereunder for each of the three financial years ending 31 December 2023 are as follows:

	<b>For the year ending 31 December 2021 <i>RMB'000</i></b>	<b>For the year ending 31 December 2022 <i>RMB'000</i></b>	<b>For the year ending 31 December 2023 <i>RMB'000</i></b>
Annual cap	86,000	110,000	110,000

In determining the annual caps, the Directors have considered the following:

- (i) no historical amounts available as the Group has not entered into any transactions in respect of provision of goods and related value-added services with CIFI Group previously;
- (ii) the expected quantity of goods required by CIFI Group with reference to estimated number of development projects of CIFI Group for which the Group's merchandise procurement and related value-added services are required and the expected cost of such goods and related value-added services; and
- (iii) the prevailing market rate for similar goods and related value-added services in the market.

## VI. UCS MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT

On 22 April 2021, the Company and the Ultimate Controlling Shareholders entered into the UCS Merchandise Procurement Framework Agreement, which sets out the principal terms for the provision of goods and related value-added services by the Group to Ultimate Controlling Shareholders and their associates (excluding CIFI Group) for a term commencing from the date of the UCS Merchandise Procurement Framework Agreement to 31 December 2023 (both dates inclusive).

A summary of the principal terms of the UCS Merchandise Procurement Framework Agreement is as follows:

**Date**

22 April 2021 (after trading hours)

**Parties**

- (1) the Company; and
- (2) the Ultimate Controlling Shareholders.

**Subject matter**

The Group has agreed to provide the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) (i) various kinds of goods relating to its operational needs, including but not limited to gifts, smart home appliances, lightings, furniture and other relevant goods, and (ii) related value-added services including but not limited to merchandise procurement services in accordance with the needs of the Ultimate Controlling Shareholders and their associates' projects, coordination with goods suppliers, arrangement of goods orders and delivery, storage and installation of relevant goods as required. Such associates mainly comprise the joint ventures and associated companies of CIFI Group.

**Term**

The UCS Merchandise Procurement Framework Agreement shall be effective commencing from the date of the UCS Merchandise Procurement Framework Agreement and ending on 31 December 2023 (both dates inclusive).

**Pricing and other terms**

The parties to the UCS Merchandise Procurement Framework Agreement have agreed as follows:

- (i) the parties shall enter into specific agreements to set out the detailed terms for the relevant transactions contemplated under the UCS Merchandise Procurement Framework Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms;
- (ii) the specific agreements shall conform with the principals and provisions set out in the UCS Merchandise Procurement Framework Agreement;

- (iii) fees for the goods and related value-added services to be provided by the Group shall be determined in the specific agreements and should be set, after arm's length negotiations with reference to the prevailing market rate (taking into consideration the specifications, conditions, quantity and delivery of goods and related value-added services), the price charged by the Group when providing similar goods to Independent Third Parties and the price charged by Independent Third Parties when providing similar goods and related value-added services; and
- (iv) the terms and conditions of the specific agreements shall be no less favourable to the Group than those being offered by any Independent Third Parties.

### **Annual Caps and basis of determination**

Pursuant to the UCS Merchandise Procurement Framework Agreement, the annual caps for the transactions contemplated thereunder for each of the three financial years ending 31 December 2023 are as follows:

	<b>For the year ending 31 December 2021 <i>RMB'000</i></b>	<b>For the year ending 31 December 2022 <i>RMB'000</i></b>	<b>For the year ending 31 December 2023 <i>RMB'000</i></b>
Annual cap	34,000	40,000	40,000

In determining the annual caps, the Directors have considered the following:

- (i) no historical amounts available as the Group has not entered into any transactions in respect of provision of goods and related value-added services with the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) previously;
- (ii) the expected quantity of goods required by the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) with reference to estimated number of development projects of the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) for which the Group's merchandise procurement and related value-added services are required and the expected cost of such goods and related value-added services; and

- (iii) the prevailing market rate for the provision of similar goods and related value-added services in the market.

## **VII. PRICING POLICY OF THE CIFI MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT AND THE UCS MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

During the term of the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement, the Group shall from time to time enter into specific agreements with each of CIFI Holdings and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group). The Group adopts the following pricing policy to ensure that the terms offered to CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group) under the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement respectively are on normal commercial terms and shall not be less favourable to the Group than terms offered by the Group to Independent Third Parties as follows:

- (i) each transaction to be entered into under specific agreements in accordance with the principles and terms of the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement is to be negotiated on a case-by-case and arm's length basis, in writing and on normal commercial terms or better in the ordinary and usual course of business of the Group; and
- (ii) for the provision of goods and related value-added services, the Group would charge CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group), as well as Independent Third Parties after taking into account:
  - a. the Group's other contemporaneous transactions of similar goods and services (in terms of the cost of the goods and related value-added services and other administrative costs and level of difficulty of the provision of goods and related value-added services, etc.) carried out with Independent Third Parties; and
  - b. prices charged by other companies in the PRC of comparable transactions with Independent Third Parties (if available).

## **VIII. INTERNAL CONTROL MEASURES FOR THE CIFI MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT AND THE UCS MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

The pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the relevant personnel and management of the Group in charge to ensure the relevant continuing connected transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The relevant personnel and management of the Group will review and assess the terms before entering into the specific agreements to ensure they are consistent with the principles and provisions set out in the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement.

Regular checks will be conducted on a quarterly basis to review and assess whether the transactions contemplated under the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement are conducted in accordance with the terms of its respective agreement and the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy.

The independent non-executive Directors will continue to review the transactions contemplated under the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps of the relevant continuing connected transactions thereof.

In view of the foregoing, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

## **IX. REASONS FOR AND BENEFITS OF THE TRANSACTIONS UNDER THE CIFI MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT AND THE UCS MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

The Group has been procuring and providing goods and related value-added services to Independent Third Parties since 2018. The Board believes that the Group could make use of its nation-wide merchandise procurement platforms, good and longstanding relationships with suppliers, advantageous supply chain, market information and knowhow in the Group's merchandise procurement and



related value-added services to CIFI Group and the Ultimate Controlling Shareholders and their associates (excluding CIFI Group). In addition, by supplying smart home appliances for CIFI Group and the Ultimate Controlling Shareholders' residential properties, these products can connect to the Group's existing community service platform and further enhance the experience of the residents, particularly for those whose properties are managed by the Group. By entering into the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement, it could help increase the Group's income and sales and promote business growth of the Group.

The Directors (including the independent non-executive Directors) consider that the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement and the transactions contemplated thereunder are entered into in the ordinary and usual course of business of the Company after arm's length negotiations between the Company and CIFI Holdings, and between the Company and the Ultimate Controlling Shareholders, and the terms of the CIFI Merchandise Procurement Framework Agreement and the UCS Merchandise Procurement Framework Agreement are on normal commercial terms or better, and the terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **X. LISTING RULES IMPLICATIONS FOR THE AGREEMENTS**

As at the date of this announcement, the Ultimate Controlling Shareholders, 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. The Ultimate Controlling Shareholders are therefore connected persons of the Company under Chapter 14A of the Listing Rules. The transactions contemplated under each of the UCS Sales Agency Services Framework Agreement and UCS Merchandise Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

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 each of the Supplemental Agreement and CIFI Merchandise Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

## **Revision of Existing Annual Cap of the CIFI Sales Agency Services Framework Agreement**

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 cap under the Supplemental Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the Supplemental Agreement are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders' approval requirements.

## **UCS Sales Agency Services Framework Agreement**

As the highest applicable percentage ratio (other than the profit ratio) as defined under the Listing Rules in respect of the proposed highest annual cap for the UCS Sales Agency Services Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the UCS Sales Agency Services Framework Agreement are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders' approval requirements.

## **CIFI Merchandise Procurement Framework Agreement and UCS Merchandise Procurement Framework Agreement**

As the highest applicable percentage ratio (other than the profit ratio) as defined under the Listing Rules in respect of the proposed highest annual caps for the CIFI Merchandise Procurement Framework Agreement and UCS Merchandise Procurement Framework Agreement exceeds 0.1% but is less than 5%, the transactions contemplated under the CIFI Merchandise Procurement Framework Agreement and UCS Merchandise Procurement Framework Agreement are subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders' approval requirements.

## **XI. BOARD APPROVAL**

At the Board meeting held to approve the Agreements, each of Mr. Lin Zhong and Mr. Lin Feng is considered as having a material interest in the transactions contemplated under the Agreements. Accordingly, each of Mr. Lin Zhong and Mr. Lin Feng has abstained from voting on the Board resolution for approving the Agreements and the transactions contemplated thereunder.

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

## **XII. GENERAL INFORMATION**

### **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 19 years of experience. It has three business lines, namely property management services, community value-added services and value-added services to non-property owners, 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.

### **The Ultimate Controlling Shareholders**

Other than the Group and CIFI Group, the Ultimate Controlling Shareholders have invested in the business of property development, property investment, operation of service apartment and educational consultation.

### XIII. DEFINITIONS

In this announcement, unless the context otherwise requires, the following words and expression shall have the following meaning when used herein:

“Agreements”	Supplemental Agreement, UCS Sales Agency Services Framework Agreement, CIFI Merchandise Procurement Framework Agreement and UCS Merchandise Procurement Framework Agreement
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“CIFI Group”	CIFI Holdings and its subsidiaries; for the purpose of this announcement, 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
“CIFI Merchandise Procurement Framework Agreement”	the merchandise procurement framework agreement dated 22 April 2021 entered into between the Company and CIFI Holdings
“CIFI Sales Agency Services Framework Agreement”	the sales agency services framework agreement dated 22 March 2019 entered into between the Company and CIFI Holdings
“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)”	has the meaning ascribed to it in the Listing Rules
“controlling shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“Directors”	directors of the Company
“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 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
“Share(s)”	share(s) of HK\$0.01 each in the capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement dated 22 April 2021 and entered into between the Company and CIFI Holdings, which amended and supplemented the CIFI Sales Agency Services Framework Agreement
“UCS Merchandise Procurement Framework Agreement”	the merchandise procurement framework agreement dated 22 April 2021 entered into between the Company and the Ultimate Controlling Shareholders
“UCS Sales Agency Services Framework Agreement”	the sales agency services framework agreement dated 22 April 2021 entered into between the Company and the Ultimate Controlling Shareholders

“Ultimate Controlling  
Shareholders”

Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei

“%”

per cent

By Order of the Board  
**Ever Sunshine Lifestyle Services Group Limited**  
**LIN Zhong**  
*Chairman*

Hong Kong, 22 April 2021

*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.*