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CIFI Ever Sunshine Services Group Limited

旭辉永升服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1995)

DISCLOSEABLE TRANSACTION

ACQUISITION OF 80% EQUITY INTERESTS IN THE TARGET COMPANY BY WAY OF DEEMED DISPOSAL OF 10.1% EQUITY INTERESTS IN XINGYUE PROPERTY THROUGH TRANSFER OF 100% EQUITY INTERESTS IN XINGYUE PROPERTY (HELD AS TO 90.1% BY THE GROUP) TO THE TARGET COMPANY

INTRODUCTION

The Board is pleased to announce that on 15 October 2021 (after trading hours), Yongsheng Hainan, being a wholly owned subsidiary of the Company, as purchaser entered into the Agreement with the Vendors, Red Star Macalline, Mr. Che, the Remaining Shareholder and the Target Company, pursuant to which Yongsheng Hainan has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Interests, being 80% equity interests in the Target Company, for a cash Consideration of RMB696,000,000.

Upon Completion, Yongsheng Hainan shall be interested in 80% equity interests in the Target Company and the Target Company shall become an indirect non-wholly owned subsidiary of the Company. The financial results of the Target Company shall be consolidated into the Group's financial statements.

Post-Completion obligations of the parties

Capital paid-up and injection

Post-Completion, Yongsheng Hainan and the Remaining Shareholder shall, on a pro-rata basis, (i) pay up the unpaid portion of the registered capital of the Target Company in the amount of RMB90,000,000; and (ii) make additional capital contribution to the registered capital of the Target Company in the amount of RMB240,000,000, such that the registered and paid-up capital of the Target Company shall increase from RMB100,000,000 to RMB340,000,000.

Transfer of 100% equity interests in Xingyue Property to the Target Company

In March 2021, Yongsheng Hainan entered into an agreement to acquire 90.1% equity interests in Xingyue Property from Tianjin RS, a wholly owned subsidiary of Red Star Macalline, for a cash consideration of RMB297,330,000, the completion of which took place in June 2021. As none of the applicable percentage ratios (as defined in the Listing Rules) in respect of the March Acquisition exceeded 5%, March Acquisition did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

Post-Completion, Yongsheng Hainan and Tianjin RS shall transfer their respective 90.1% and 9.9% equity interests in Xingyue Property to the Target Company, for a cash consideration in aggregate of RMB330,000,000, with RMB297,330,000 payable to Yongsheng Hainan and RMB32,670,000 payable to Tianjin RS.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition, when aggregated with the Yongsheng Hainan Capital Paid-up, the Yongsheng Hainan Capital Injection, the Xingyue Property Transfer and the March Acquisition, are more than 5% but all of which are less than 25%, the Acquisition, the Yongsheng Hainan Capital Paid-up, the Yongsheng Hainan Capital Injection, the Xingyue Property Transfer and the March Acquisition together constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but all of which are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.24 of the Listing Rules, since the transactions contemplated under the Agreement involve both acquisition and disposal, the transactions will be classified by reference to the larger of the two. Accordingly, the transactions contemplated under the Agreement are subject to the reporting and announcement requirements but are exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 15 October 2021 (after trading hours), Yongsheng Hainan, being a wholly-owned subsidiary of the Company, as purchaser entered into the Agreement with the Vendors, Red Star Macalline, Mr. Che, the Remaining Shareholder and the Target Company, pursuant to which Yongsheng Hainan has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Interests, being 80% equity interests in the Target Company, for a cash Consideration of RMB696,000,000.

THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

Date

15 October 2021 (after trading hours)

Parties

- (1) Harbin Red Star Macalline Shibo Furniture Plaza Company Limited* (哈爾濱紅星美凱龍世博家居廣場有限公司), as vendor (Vendor I);
- (2) Shanghai Red Star Macalline Yuejia Network Technology Company Limited* (上海紅星美凱龍悅家互聯網科技有限公司), as vendor (Vendor II);
- (3) Red Star Macalline Shibo (Tianjin) Home Furnishing Plaza Company Limited* (紅星美凱龍世博(天津)家居生活廣場有限公司), as vendor (Vendor III);
- (4) Shanghai Red Star Macalline Home Furnishing Design Expo Company Limited* (上海紅星美凱龍家居藝術設計博覽有限公司), as vendor (Vendor IV);
- (5) Panjin Red Star Macalline Global Home Furnishings Plaza Co., Ltd.* (盤錦紅星美凱龍全球家居生活廣場有限公司), as vendor (Vendor V);
- (6) Shanghai Hongmei E-Commerce Company Limited* (上海紅美電子商務有限公司), as vendor (Vendor VI);

- (7) Shanghai Xingkai Chengpeng Business Management Company Limited* (上海星凱程鵬企業管理有限公司), as vendor (Vendor VII);
- (8) Red Star Macalline, the holding company of each of the Vendors;
- (9) Mr. Che;
- (10) Wuhan Red Star Macalline Shibo Home Furnishing Plaza Development Company Limited* (武漢紅星美凱龍世博家居廣場發展有限公司), as remaining shareholder;
- (11) Yongsheng Hainan, as purchaser; and
- (12) the Target Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, each of the Vendors, Red Star Macalline, the Remaining Shareholder, the Target Company and their respective ultimate beneficial owners (including Mr. Che), is an Independent Third Party.

Assets to be acquired

Pursuant to the Agreement, Yongsheng Hainan has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, the Sale Interests, being 80% equity interests in the Target Company.

The Sale Interests shall comprise:

- (1) 18% equity interests to be transferred by Vendor I;
- (2) 14% equity interests to be transferred by Vendor II;
- (3) 14% equity interests to be transferred by Vendor III;
- (4) 10% equity interests to be transferred by Vendor IV;
- (5) 8% equity interests to be transferred by Vendor V;
- (6) 8% equity interests to be transferred by Vendor VI; and
- (7) 8% equity interests to be transferred by Vendor VII.

Consideration

The Consideration is RMB696,000,000, which was arrived at after arm's length negotiations among the parties to the Agreement with reference to, among other things, (1) the preliminary valuation of the Target Company as at 31 August 2021 of RMB883,000,000 as appraised by an independent valuer using the market approach method; (2) the proportion of equity interest in the Target Company to be acquired by Yongsheng Hainan; (3) the status of the existing projects under the Target Company's management; and (4) the business prospects of the Target Company and the property management services industry. The Consideration shall be financed by the internal resources of the Group.

The Directors (including the independent non-executive Directors) consider that the Consideration is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

Payment schedule

The Consideration shall be payable by Yongsheng Hainan in five instalments according to the following schedule by transfer of funds into the bank account(s) designated by the Vendors for each instalment:

- (1) *1st instalment*: a sum of RMB200,000,000, (i) upon the signing of the Agreement and (ii) within 5 Working Days of the fulfilment (or waiver) of the First Conditions;
- (2) *2nd instalment*: a sum of RMB100,000,000, (i) upon the fulfilment (or waiver) of the First Conditions and (ii) within 5 Working Days after the fulfilment (or waiver) of the Second Conditions;
- (3) *3rd instalment*: a sum of RMB256,000,000, (i) upon the fulfilment (or waiver) of the First Conditions and Second Conditions and (ii) within 5 Working Days after the fulfilment (or waiver) of the Third Conditions;
- (4) *4th instalment*: a sum of RMB100,000,000, (i) upon the fulfilment (or waiver) of the First Conditions, Second Conditions and Third Conditions and (ii) within 5 Working Days after the fulfilment (or waiver) of the Fourth Conditions; and
- (5) *5th instalment*: a sum of RMB40,000,000, (i) upon the fulfilment (or waiver) of the First Conditions, Second Conditions, Third Conditions and Fourth Conditions and (ii) within 5 Working Days after the fulfilment of the Fifth Condition.

Payment conditions

- (1) Payment of the first instalment by Yongsheng Hainan is conditional upon the fulfilment of the following First Conditions:
 - (i) the Vendors, Yongsheng Hainan, the Company and the Target Company having obtained all necessary authorisations and approvals in relation to the transactions contemplated under the Agreement (including the approval by the shareholders of Red Star Macalline at a general meeting);
 - (ii) the Red Star Vendors having provided to Yongsheng Hainan requisite information (including property ownership certificates and financial statements) of the Pledged Company;
 - (iii) Red Star Macalline having returned the Earnest Money to Yongsheng Hainan (as described in the section headed “Consideration — Return of Earnest Money” below); and
 - (iv) all representations and warranties given by the parties to the Agreement under the Agreement remaining true and correct in all material respects since the date of the Agreement.
- (2) Payment of the second instalment by Yongsheng Hainan is conditional upon the fulfilment of the following Second Conditions:
 - (i) the Target Company having signed property management services contracts with the 50 home furnishing shopping malls operated by Red Star Macalline in respect of the Target Company’s provision of property management services, which shall come into effect no later than 1 November 2021; and
 - (ii) the Red Star Vendors having delivered to the Target Company the list of suppliers necessary for the performance of the Business and the commencement of normal operating activities by the Target Company, and having procured that the Target Company and the relevant suppliers sign all such necessary legal documents or make such arrangements to ensure that the performance of the property management services contracts is not affected.
- (3) Payment of the third instalment by Yongsheng Hainan is conditional upon the fulfilment of the following Third Conditions:
 - (i) the Red Star Vendors having transferred to the Target Company at a reasonable price all such machineries and equipment necessary for the performance of its property management services;

- (ii) the Pledge having been executed in favour of Yongsheng Hainan, and having become effective and registered with the relevant government authority in the PRC;
 - (iii) the Vendors and the Target Company having updated the register of members and articles of association of the Target Company to reflect Yongsheng Hainan being a shareholder and its capital contribution;
 - (iv) the Red Star Vendors and the Target Company having attended to Completion by completing all necessary registration procedures in respect of the transfer of the Sale Interests and the changes in directors, supervisors, senior management and articles of associations of the Target Company, with the relevant government authority in the PRC;
 - (v) the Red Star Vendors, the Target Company and Yongsheng Hainan having completed the documents transfer procedures, such as the delivery of the relevant licenses, official seals and keys of the Target Company to Yongsheng Hainan;
 - (vi) the Target Company having signed employment contracts with no less than 65% of the personnel necessary for the performance of the Business; and
 - (vii) all representations and warranties given by the parties to the Agreement under the Agreement remaining true and correct in all material respects since the date of the Agreement.
- (4) Payment of the fourth instalment by Yongsheng Hainan is conditional upon the fulfilment of the following Fourth Conditions:
- (i) the Target Company having signed employment contracts with no less than 80% of the personnel necessary for the performance of the Business;
 - (ii) the Remaining Shareholder having fulfilled its obligation under the Agreement to pay up RMB10,000,000 of the registered capital of the Target Company (as described in the section headed “Post-Completion obligations of the parties — Capital paid-up and injection” below) and completed the Remaining Capital Pay-up and Capital Injection on its part;
 - (iii) the Target Company having completed the Xingyue Property Transfer; and
 - (iv) all representations and warranties given by the parties to the Agreement under the Agreement remaining true and correct in all material respects since the date of the Agreement.

(5) Payment of the fifth instalment by Yongsheng Hainan is conditional upon the fulfilment of the following Fifth Condition:

the Target Company having signed employment contracts with no less than 85% of the personnel necessary for the performance of the Business.

The Board of Yongsheng Hainan may in its sole discretion waive any of the above payment conditions, save for condition (i) of the First Conditions, conditions (iii) and (iv) of the Third Conditions and the Fifth Condition, by written notice to the Red Star Vendors.

Return of Earnest Money

Pursuant to the non-legally binding memoranda of understanding dated 28 June 2021 and 31 August 2021 entered into among Red Star Macalline, Mr. Che and Yongsheng Hainan in relation to the Acquisition, Yongsheng Hainan has previously paid a sum of RMB300,000,000 to Red Star Macalline as returnable earnest money to secure the Acquisition. In consideration of the Earnest Money, the Red Star Vendors have procured that (i) a pledge over the entire equity interests in the Target Company and (ii) another pledge over the Vendor III Assets be pledged to Yongsheng Hainan.

Pursuant to the Agreement and to facilitate Completion, Red Star Macalline shall return to Yongsheng Hainan the Earnest Money in full no later than 15 November 2021. Within the following day after Yongsheng Hainan's receipt of the Earnest Money, Yongsheng Hainan shall release the pledge over the entire equity interests in the Target Company. Yongsheng Hainan shall further release the pledge over the Vendor III Assets no later than 30 November 2021.

Effectiveness of the Agreement

The Agreement shall only come into effect after the transactions contemplated under the Agreement having been approved by the shareholders of Red Star Macalline at a general meeting.

Completion

The Red Star Vendors shall fulfil condition (v) of the Third Conditions within three Working Days after the Agreement becomes effective.

Completion takes place upon the fulfilment of condition (iv) of the Third Conditions. If the Red Star Vendors do not provide the information necessary to facilitate Completion to the relevant government authority in the PRC within five Working Days after the Agreement becomes effective, the Red Star Vendors shall pay a penalty of RMB5,000,000 to Yongsheng Hainan.

Upon Completion, Yongsheng Hainan shall be interested in 80% equity interests in the Target Company and the Target Company shall become an indirect non-wholly owned subsidiary of the Company. The financial results of the Target Company shall be consolidated into the Group's financial statements.

Post-Completion management of the Target Company

From the Reference Date, Yongsheng Hainan shall participate in the management of the Target Company and be entitled to the profits of the Target Company based on its shareholding proportion. The Reference Date shall in any event fall on a date not later than 1 December 2021. Where the Agreement becomes effective on a date during the 1st to 15th day of a month, the Reference Date shall be the first day of such month. Where the Agreement becomes effective on a date during the 16th to 30th/31st day of a month, the Reference Date shall be the first day of the following month.

Pursuant to the Agreement, after Completion, the board of directors of the Target Company shall consist of three (3) directors, and they shall be elected at a shareholders' meeting. Yongsheng Hainan shall be entitled to nominate two (2) directors and the Remaining Shareholder shall be entitled to nominate one (1) director. Yongsheng Hainan shall also be entitled to appoint the general manager of the Target Company.

The Red Star Vendors have undertaken that upon Completion, they shall procure the new shopping malls wholly self-operated by Red Star Macalline to engage the Target Company as the provider of property management services for such malls. The provision of property management services by the Target Company to the shopping malls operated by Red Star Macalline after Completion shall constitute continuing connected transaction(s) of the Company. The Company will comply with all applicable requirements under the Listing Rules.

After the Completion Date, the Target Company shall be entitled to use the brand "Ever Sunshine • Macalline" during its business operations to publicize the projects for the shopping malls operated by Red Star Macalline.

Non-competition undertaking

Pursuant to the Agreement, the Red Star Vendors undertake that other than investing and/or working in the Target Company and Xingyue Property, the Red Star Vendors, their affiliated parties, their actual controlling shareholder(s), their management and the management of the Target Company delegated by the Vendors shall not work for nor establish any enterprises engaging in or undertaking the provision of any business which competes or is likely to compete with the principal business of the

Target Group (including Xingyue Property), and shall not take any action which may constitute competition with the Target Group or be prejudicial to the operation and management of the Target Group unless with the written consent of Yongsheng Hainan.

The following businesses are excluded from the scope of business subject to the aforementioned non-competition undertaking: (i) the provision of carpark property management services; (ii) the provision of shopping mall management business (including such as the provisions of property services) which may, as required according to their existing operation models, continue to be engaged by Chengdu Living Aesthetics Center (成都美學中心), the property owners of shopping malls which are non-wholly-owned by Red Star Macalline, the lessees of non-wholly leased shopping malls operated by Red Star Macalline and the entrusted management party of the entrusted shopping malls of Red Star Macalline; and (iii) the provision of property management services for residential properties and a few complementary commercial properties by property management companies which are directly or indirectly invested in by Mr. Che or his controlled-companies (excluding Red Star Macalline).

Post-Completion obligations of the parties

Capital paid-up and injection

As at the date of the Agreement, the registered capital of the Target Company of RMB100,000,000 has not been paid up. Pursuant to the Agreement, the Remaining Shareholder has undertaken to fully pay up the first RMB10,000,000 of the registered capital of the Target Company by the Reference Date. Yongsheng Hainan shall beneficially own 80% of such paid-up registered capital (i.e. RMB8,000,000) after Completion.

Within five Working Days upon Completion, Yongsheng Hainan and the Remaining Shareholder shall, on a pro-rata basis, (i) pay up the unpaid portion of the registered capital of the Target Company in the amount of RMB90,000,000; and (ii) make additional capital contribution to the registered capital of the Target Company in the amount of RMB240,000,000, such that the registered and paid-up capital of the Target Company shall increase from RMB100,000,000 to RMB340,000,000. Under the Remaining Capital Paid-up, the amount of registered capital to be paid up by Yongsheng Hainan and the Remaining Shareholder to the Target Company is RMB72,000,000 and RMB18,000,000, respectively. Under the Capital Injection, the additional capital contribution to be made by Yongsheng Hainan and the Remaining Shareholder to the Target Company is RMB192,000,000 and RMB48,000,000, respectively.

The capital structure of the Target Company (i) immediately before the Remaining Capital Paid-up, (ii) after the Remaining Capital Paid-up but immediately before the Capital Injection and (iii) after the Capital Injection is as follows:

Shareholders	Immediately before the Remaining Capital Paid-up		After the Remaining Capital Paid-up and immediately before the Capital Injection		After the Capital Injection	
	Paid-up registered capital	Percentage of paid-up registered capital	Paid-up registered capital	Percentage of paid-up registered capital	Paid-up registered capital	Percentage of paid-up registered capital
Yongsheng Hainan	RMB8,000,000 <i>(Note)</i>	80%	RMB80,000,000	80%	272,000,000	80%
The Remaining Shareholder	RMB2,000,000	20%	RMB20,000,000	20%	68,000,000	20%
Total	<u>RMB10,000,000</u>	<u>100%</u>	<u>RMB100,000,000</u>	<u>100%</u>	<u>RMB340,000,000</u>	<u>100%</u>

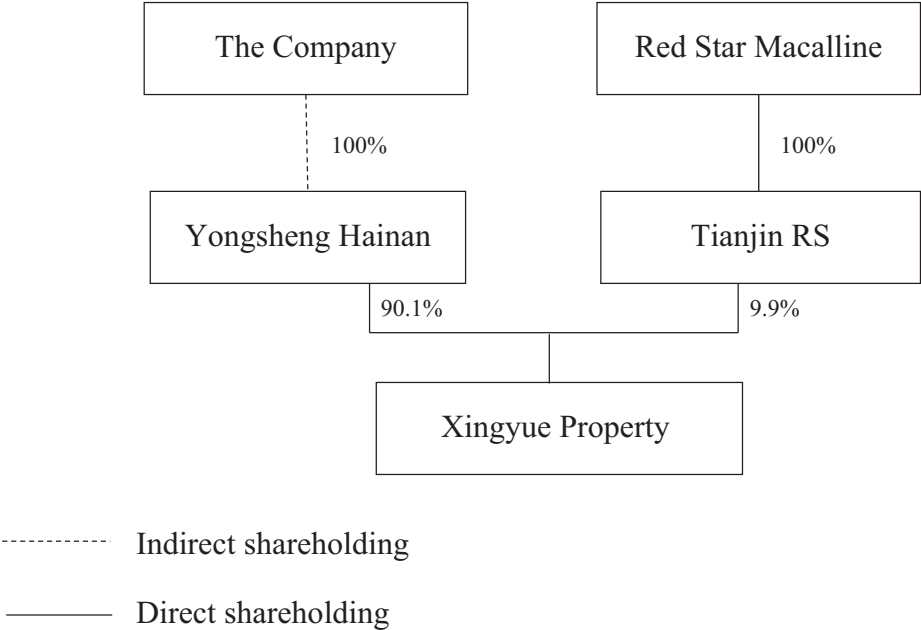
Note: Pursuant to the Agreement, the RMB8,000,000 paid-up registered capital shall be contributed by the Remaining Shareholder but beneficially owned by Yongsheng Hainan.

The Remaining Capital Paid-up and the Capital Injection on the part of the Remaining Shareholder are necessary for the fulfilment of condition (ii) of the Fourth Conditions.

Transfer of 100% equity interests in Xingyue Property to the Target Company

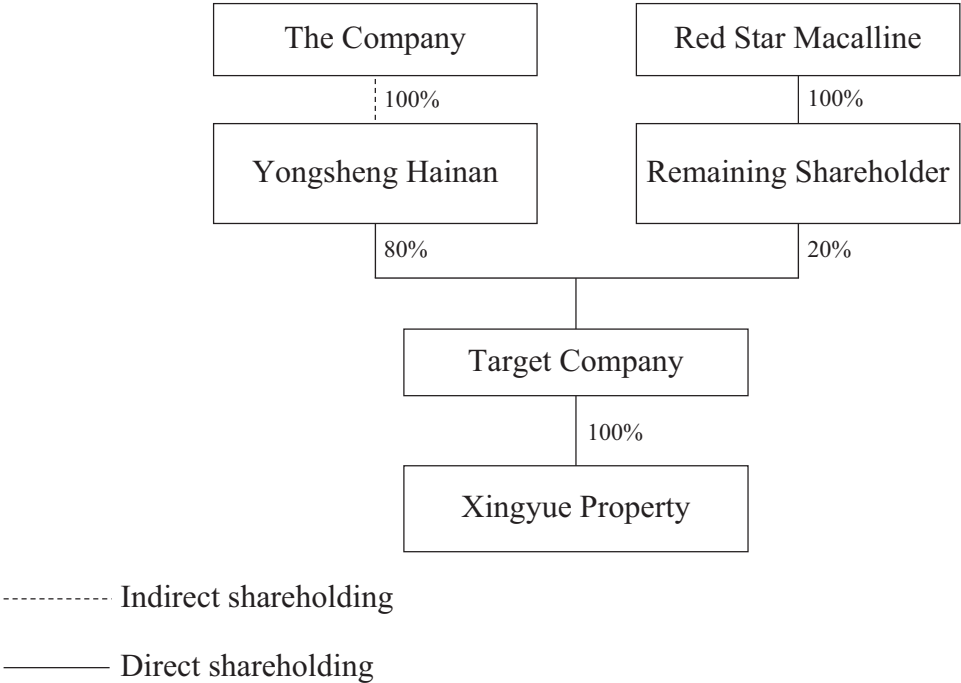
In March 2021, Yongsheng Hainan entered into an agreement to acquire 90.1% equity interests in Xingyue Property from Tianjin RS, a wholly owned subsidiary of Red Star Macalline, for a cash consideration of RMB297,330,000, the completion of which took place in June 2021. As none of the applicable percentage ratios (as defined in the Listing Rules) in respect of the March Acquisition exceeded 5%, March Acquisition did not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

As at the date of this Agreement, the shareholding structure of Xingyue Property is as follows:



Pursuant to the Agreement, the Red Star Vendors and Yongsheng Hainan have undertaken to procure the Target Company to, within one Working Day upon Completion, execute the relevant agreement pursuant to which Yongsheng Hainan and Tianjin RS shall transfer their respective 90.1% and 9.9% equity interests in Xingyue Property for a cash consideration in aggregate of RMB330,000,000, with RMB297,330,000 payable to Yongsheng Hainan and RMB32,670,000 payable to Tianjin RS.

Upon completion of the Acquisition and the Xingyue Property Transfer, the shareholding structure of Xingyue Property shall be as follows:



Upon completion of the Acquisition and the Xingyue Property Transfer (which is, on the part of Yongsheng Hainan, the Disposal), the Company’s indirect interest in Xingyue Property shall be reduced from 90.1% to 80%, meaning the Company is effectively disposing of 10.1% equity interests in Xingyue Property back to the control of Red Star Macalline, and Xingyue Property shall remain as a subsidiary of the Company.

The consideration of the Disposal was arrived at after arm’s length negotiations among the parties to the Agreement with reference to, among other things, the original cost of acquiring 90.1% equity interests in Xingyue Property under the March Acquisition. The Directors (including the independent non-executive Directors) consider that the consideration of the Disposal is fair and reasonable and on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

The Xingyue Property Transfer is necessary for the fulfilment of condition (iii) of the Fourth Conditions.

Profit guarantees

Profit Guarantee Period

Pursuant to the Agreement, the Red Star Vendors guarantee to Yongsheng Hainan that during the 6-year period commencing from the Reference Date (such period, the “**Profit Guarantee Period**”), the Audited Net Profit of the Target Group (including Xingyue Property) for the relevant periods below (the “**Relevant PG Periods**” and each a “**Relevant PG Period**”) shall not be less than the amounts calculated by following formulae (“**Guaranteed Profit**”).

No. of Relevant PG Period (N)	Relevant PG Period	No. of month(s) covered under the Relevant PG Period (Note)	Guaranteed Profit (RMB ten thousand)
1	From the first day of the Profit Guarantee Period to 31 December 2021	A	$1411.6667 + 5800 \times (1+10\%)^N \times \frac{A}{12}$
2	For the year ending 31 December 2022	12	$2561.1667 + 5800 \times (1+10\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^N \times \frac{A}{12}$
3	For the year ending 31 December 2023	12	$2817.2833 + 5800 \times (1+10\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^N \times \frac{A}{12}$
4	For the year ending 31 December 2024	12	$3099.0117 + 5800 \times (1+10\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^N \times \frac{A}{12}$
5	For the year ending 31 December 2025	12	$3408.9128 + 5800 \times (1+10\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^N \times \frac{A}{12}$
6	For the year ending 31 December 2026	12	$3749.8041 + 5800 \times (1+10\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^N \times \frac{A}{12}$
7	From 1 January 2027 to the last day of the Profit Guarantee Period	12 - A	$1623.9309 + 5800 \times (1+10\%)^{N-1} \times \frac{12-A}{12}$

Note: “A” denotes such number of month(s) that have elapsed between (i) the first day of the Profit Guarantee Period (being the Reference Date) and (ii) 31 December 2021.

If the actual Audited Net Profit for a Relevant PG Period is less than the Guaranteed Profit for that Relevant PG Period, then the Red Star Macalline shall, in respect of such Relevant PG Period, compensate to Yongsheng Hainan an amount (the “**Compensation Amount**”) determined as follows.

When the actual Audited Net Profit for the Relevant PG Period is greater than or equals to zero

$$\text{Compensation Amount} = (A-B) \times 15 \times \frac{M}{72}$$

When the actual Audited Net Profit for the Relevant PG Period is a negative number, meaning that the Target Group is at a loss:

$$\text{Compensation Amount} = (A+C) \times 15 \times \frac{M}{72}$$

where:

A = the Guaranteed Profit for the Relevant PG Period;

B = the actual Audited Net Profit for the Relevant PG Period;

C = the absolute value of the loss for the Relevant PG Period; and

M = number of months covered under the Relevant PG Period.

If the actual Audited Net Profit for a Relevant PG Period exceeds the Guaranteed Profit for that relevant Profit Guarantee Period, the excess amount can be used to make up for the shortfall in profit targets of the previous (but not subsequent) Relevant PG Periods, upon which the Compensation Amount shall be recalculated and Yongsheng Hainan shall return to the Red Star Macalline, without interest, the Compensation Amount overpaid by the Red Star Vendors (such amount, the “**Refund Amount**”).

Extended Profit Guarantee Period

Pursuant to the Agreement, the Red Star Vendors further guarantee to Yongsheng Hainan that during the 14-year period commencing from the date immediately after the end of the Profit Guarantee Period (such period, the “**Extended Profit Guarantee Period**”), the Cumulative Audited Net Profit of the Target Group (including Xingyue Property) recorded as at the end of each of the relevant periods below (the “**Relevant EPG Periods**” and each a “**Relevant EPG Period**”) shall not be less than the amounts of Guaranteed Profit (to be defined below) accumulated from the first day of the Extended Profit Guarantee Period up to the end of the corresponding Relevant EPG Period (“**Cumulative Guaranteed Profit**”), and the “Guaranteed Profit” for the Relevant EPG Periods shall be the amounts calculated by the following formulae.

No. of Relevant EPG Period (N)	Relevant EPG Period	No. of month(s) covered under the Relevant EPG Period (Note)	Guaranteed Profit (RMB ten thousand)
1	From the first day of the Extended Profit Guarantee Period to 31 December 2027	A	$2318.9733 + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
2	For the year ending 31 December 2028	12	$4021.7624 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
3	For the year ending 31 December 2029	12	$4102.1976 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
4	For the year ending 31 December 2030	12	$4184.2415 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
5	For the year ending 31 December 2031	12	$4267.9264 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
6	For the year ending 31 December 2032	12	$4353.2849 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
7	For the year ending 31 December 2033	12	$4440.3506 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
8	For the year ending 31 December 2034	12	$4529.1576 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
9	For the year ending 31 December 2035	12	$4619.7408 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
10	For the year ending 31 December 2036	12	$4712.1356 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
11	For the year ending 31 December 2037	12	$4806.3783 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
12	For the year ending 31 December 2038	12	$4902.5059 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
13	For the year ending 31 December 2039	12	$5000.5560 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
14	For the year ending 31 December 2040	12	$5100.5671 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12} + 5800 \times (1+10\%)^6 \times (1+2\%)^N \times \frac{A}{12}$
15	From 1 January 2041 to the last day of the Extended Profit Guarantee Period	12-A	$2142.7424 + 5800 \times (1+10\%)^6 \times (1+2\%)^{N-1} \times \frac{12-A}{12}$

Note: "A" denotes such number of month(s) that have elapsed between (i) the first day of the Profit Guarantee Period (being the Reference Date) and (ii) 31 December 2021.

If the actual Cumulative Audited Net Profit recorded as at the end of a Relevant EPG Period is less than the Cumulative Guaranteed Profit for that Relevant EPG Period, then the Red Star Macalline shall, in respect of such Relevant EPG Period, compensate to Yongsheng Hainan an amount (the “**Compensation Amount**”) determined as follows.

When the actual Cumulative Audited Net Profit recorded as at the end of the Relevant EPG Period is greater than or equals to zero

$$\text{Compensation Amount} = A - B - D$$

When the actual Cumulative Audited Net Profit recorded as at the end of the Relevant EPG Period is a negative number, meaning that the Target Group is at a loss:

$$\text{Compensation Amount} = A + C - D$$

where:

A = the Cumulative Guaranteed Profit for the Relevant EPG Period;

B = the actual Cumulative Audited Net Profit recorded as at the end of the Relevant EPG Period;

C = the absolute value of the cumulative loss recorded as at the end of the Relevant EPG Period; and

D = the cumulative Compensation Amount already paid to Yongsheng Hainan in respect of the profit targets under the Extended Guarantee Period.

Pursuant to the Agreement, Yongsheng Hainan shall be entitled to require the Compensation Amount (whether in respect of a Relevant PG Period or Relevant EPG Period) be paid by Red Star Macalline or Mr. Che, or them jointly.

Preparation of consolidated audited accounts of the Target Group

The consolidated audited accounts of the Target Group for each of the Relevant PG Periods and the Relevant EPG Periods shall be completed within four (4) months after the end of such period by a professional institution with securities business qualifications approved by Yongsheng Hainan.

Security for profit guarantees

To secure the obligations owed by the Red Star Vendors in respect of their profit guarantees under the Agreement, the Red Star Vendors shall procure that the Pledge, being a pledge over the equity interests in an eligible company owned by the Red Star Vendors and approved by Yongsheng Hainan (the “**Pledged Company**”), be executed by the beneficial owner of such equity interests in favour of Yongsheng

Hainan for a term of ten years from the date of the Pledge. The Pledged Company shall be a company with net asset value of not less than RMB816,000,000 as at a reference date to be determined by Yongsheng Hainan and assets located in municipal cities or provincial capital cities (or such other cities as agreed by Yongsheng Hainan).

The Red Star Vendors and Yongsheng Hainan have agreed tentatively that the Pledged Interests shall be the 100% equity interests in Vendor III held by Red Star Macalline. Vendor III holds the land use right in respect of a parcel of land located at No. 427, Jintang Road, Dongli District, Tianjin, the PRC of 4,4264.9 sq.m., and the ownership of the commercial buildings thereat with a gross floor area of 187,196.87 sq.m. (such land use right and commercial buildings ownership, the “Vendor III Asset”).

If the Red Star Vendors duly perform their obligations in respect of their profit guarantees under the Agreement, Yongsheng Hainan shall release 10% of the Pledged Interests under the Pledge for each Relevant PG Period or Relevant EPG Period (as the case may be). For the avoidance of doubt, in the event that a profit target for a Relevant PG Period or Relevant EPG Period (as the case may be) has not been met but Red Star Macalline pays Yongsheng Hainan the Compensation Amount in accordance with the Agreement, the Red Star Vendors shall be considered to have duly performed their obligations in respect of their profit guarantees under the Agreement.

Breach of provisions of the Agreement by the Red Star Vendors

In the event of any breach of provisions of the Agreement by any of the Red Star Vendors, the Red Star Vendors shall collectively be deemed to have breached such provisions of the Agreement, and Yongsheng Hainan shall be entitled to claim liability for the breach against any one or multiple parties of the Red Star Vendors (including Red Star Macalline).

Mr. Che shall only have joint liability for the due performance by the Red Star Vendors of their obligation to return the first and second payment instalments made by Yongsheng Hainan under the Agreement in full (if so arisen as a result of the termination of the Agreement).

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Target Company is a property management service provider and principally provides services to large-scale furnishing shopping malls. As at the date of this announcement, the GFA under management of the Target Company (excluding Xingyue Property) is more than 4,000,000 sq.m.. The Board believes that the Acquisition, the Yongsheng Hainan Capital Paid-up and Yongsheng Hainan Capital Injection can expand the scale and scope of the Group’s business operations,

accumulate and enhance the Group's experience and capability in managing shopping mall projects, strengthen the Group's brand awareness and competitiveness in the shopping mall property management services market, and further optimize the business structure of the Group, which are in line with the strategic needs of the Group.

After taking into account the nature of and the benefits resulting from the Acquisition, the Yongsheng Hainan Capital Paid-up and the Yongsheng Hainan Capital Injection and that Xingyue Property will remain a subsidiary of the Company after completion of the Disposal, the Board considers that the Disposal is a fair and reasonable term to facilitate the Acquisition. The Disposal can streamline the management structure of the Business such that the Company only has to devote resources to manage the Business through the Target Company instead of both the Target Company and Xingyue Property, so as to reduce additional management costs and improve the management efficiency. In addition, the Disposal, which enables Red Star Macalline to increase its equity interests in Xingyue Property, is helpful to deepen the cooperation relationship between Xingyue Property and Red Star Macalline, and is beneficial for Xingyue Property's further development.

The Directors consider that the terms of the Agreement (including the resulting Disposal) are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

INFORMATION OF THE GROUP

The Group is a property management service provider in the PRC and its business covers a wide spectrum of properties, including residential properties and non-residential properties such as office buildings, shopping malls, schools and government buildings, and provides customers with access to quality tailored services.

Yongsheng Hainan is a company established in the PRC with limited liability and principally engages in investment and consulting services.

INFORMATION OF THE VENDORS, RED STAR MACALLINE AND MR. CHE

To the best of the knowledge, belief and information available to the Directors:-

- (a) Vendor I is a company established in the PRC with limited liability and principally engages in site leasing management.
- (b) Vendor II is a company established in the PRC with limited liability and principally engages in e-commerce.

- (c) Vendor III is a company established in the PRC with limited liability and principally engages in site leasing management.
- (d) Vendor IV is a company established in the PRC with limited liability and principally engages in site leasing management.
- (e) Vendor V is a company established in the PRC with limited liability and principally engages in site leasing management.
- (f) Vendor VI is a company established in the PRC with limited liability and principally engages in e-commerce.
- (g) Vendor VII is a company established in the PRC with limited liability and principally engages in investment management.
- (h) The Remaining Shareholder is a company established in the PRC with limited liability and principally engages in site leasing management.

Based on public information available, each of the Vendors and the Remaining Shareholder is a wholly owned subsidiary of Red Star Macalline. Red Star Macalline is a sino-foreign joint stock company incorporated in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 1528) and whose A shares are listed on the Shanghai Stock Exchange (stock code: 601828). Red Star Macalline and its subsidiaries is a leading home improvement and furnishing shopping mall operator in China and principally engage in the operation of shopping malls, construction and design, sales of merchandise and related services businesses.

Based on public information available and to the best of the knowledge, belief and information available to the Directors, Mr. Che is a PRC citizen and, together with his spouse Ms. Chen Shuhong (陳淑紅), beneficially controls 69.28% of the issued share capital of Red Star Macalline as at the date of this announcement. Accordingly, Mr. Che is the ultimate controlling shareholder of Red Star Macalline, the Vendors, the Remaining Shareholder and the Target Company as at the date of this announcement.

INFORMATION OF THE TARGET COMPANY AND THE TARGET COMPANY BUSINESS

Corporate information

The Target Company is a company established in the PRC with limited liability on 4 March 2021 for the purpose of operating the Target Company Business, namely the business of provision of property management services to furnishing shopping malls. Red Star Macalline did not operate the Target Company Business under a standalone

entity in the past and had already transferred the Target Company Business (excluding the Xingyue Property Business) into the Target Company in phases prior to the signing of the Agreement. The Target Company only formally commenced Target Company Business operations on 1 September 2021.

As at the date of this announcement, the Target Company is owned by eight shareholders, namely the Remaining Shareholder, Vendor I, Vendor II, Vendor III, Vendor IV, Vendor V, Vendor VI and Vendor VII, as to 20%, 18%, 14%, 14%, 10%, 8%, 8% and 8%, respectively.

As at the date of this announcement, the Target Company has 33 branch companies in the PRC to manage and operate the Target Company Business, and does not have any subsidiary.

Financial information of the Target Company (excluding Xingyue Property) and the Target Company Business (excluding Xingyue Property Business)

As the Target Company was newly established in 2021, no financial information of the Target Company for the past two financial years is available as at the date of this announcement.

The unaudited total asset value of the Target Company (excluding Xingyue Property) as at 31 August 2021 was nil. The fair value of the Target Company (excluding Xingyue Property) as appraised by an independent valuer as at 31 August 2021 was approximately RMB883,000,000.

Set out below is the financial information of the Target Company Business (excluding the Xingyue Property Business) which had been transferred into and currently operated by the Target Company for the financial year ended 31 December 2019 and 2020 and the eight months ended 31 August 2021, respectively, which has been “carved out” from the audited financial information of Red Star Macalline for the financial year ended 31 December 2019 and 2020 and the unaudited financial information for the eight months ended 31 August 2021:

	For the financial year ended		For the eight
	31 December		months ended
	2019	2020	31 August
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	286,704.5	290,291.4	195,937.2
Net profit before taxation	75,590.4	78,522.6	57,755.6
Net profit after taxation	56,692.8	58,892.0	43,316.7

To fulfil condition (iii) of the Fourth Conditions, the Target Company shall complete the Xingyue Property Transfer, and upon which, Xingyue Property shall become a direct wholly owned subsidiary of the Target Company and its financial results shall be consolidated into the Target Company's financial statements.

INFORMATION OF XINGYUE PROPERTY

Corporate information

Xingyue Property is a company established in the PRC with limited liability and principally engages in the Xingyue Property Business, namely the provision of property management services to furnishing shopping malls. The Xingyue Property Business was transferred into Xingyue Property by Red Star Macalline in contemplation of Yongsheng Hainan's agreement to the March Acquisition in March 2021. Xingyue Property only formally commenced Xingyue Property Business operations on 1 June 2021. Whilst both the Target Company and Xingyue Property principally engage in the provision of property management services to furnishing shopping malls, the main differences between the Target Company Business and the Xingyue Property Business are that Xingyue Property's projects are principally located in Yangtze River delta region, whilst the Target Company principally provides services in other parts of China.

As at the date of this announcement, Xingyue Property has 10 branch companies in the PRC, and does not have any subsidiary.

Financial information

Set out below is the unaudited financial information of Xingyue Property for the financial year ended 31 December 2019 and 2020 and the unaudited financial information of Xingyue Property for the five months ended 31 May 2021, respectively:

	For the financial year ended		For the five
	31 December		months ended
	2019	2020	31 May
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	—	—	—
Net profit/(loss) before taxation	2.3	2.3	(0.4)
Net profit/(loss) after taxation	2.2	2.2	(0.4)

Xingyue Property recorded net profit before taxation and after taxation for the financial year ended 31 December 2019 and 2020 mainly due to the interest income generated from bank deposits. Xingyue Property recorded net loss before taxation and after taxation for the five months ended 31 May 2021 mainly due to bank charges.

The unaudited total asset value and net asset value of Xingyue Property as at 31 May 2021 were approximately RMB1.1 million and RMB1.1 million, respectively.

Set out below is the financial information of the Xingyue Property Business which had been transferred into and currently operated by Xingyue Property for the financial year ended 31 December 2019 and 2020 and the five months ended 31 May 2021, respectively, which has been “carved out” from the audited financial information of Red Star Macalline for the financial year ended 31 December 2019 and 2020 and the unaudited financial information for the five months ended 31 May 2021:

	For the financial year ended 31 December		For the five months ended 31 May
	2019	2020	2021
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Revenue	144,234.1	147,222.8	61,499.3
Net profit before taxation	27,548.5	29,714.7	11,898.1
Net profit after taxation	20,661.4	22,286.0	8,923.6

As Xingyue Property only formally commenced Xingyue Property Business operations on 1 June 2021, the unaudited financial information of Xingyue Property for the five months ended 31 May 2021 should be read in conjunction with the unaudited financial information of the Xingyue Property Business for the five months ended 31 May 2021.

FINANCIAL IMPACT OF THE DISPOSAL

As at the date of this announcement, Xingyue Property is owned as to 90.1% by Yongsheng Hainan and as to 9.9% by Tianjin RS. Upon completion of the Acquisition and the Xingyue Property Transfer (which is, on the part of Yongsheng Hainan, the Disposal), the Company’s indirect interest in Xingyue Property shall be reduced from 90.1% to 80%. Xingyue Property shall remain as a subsidiary of the Company and its financial results shall continue to be consolidated into the Group’s financial

statements. As the Disposal, together with the Acquisition, will not result in a loss of the Company's control over Xingyue Property, the Disposal will be accounted for as an equity transaction and will not result in the recognition of any gain or loss in profit or loss.

The Company intends to use the proceeds from the Disposal of RMB297,330,000 for the payment of the fourth and fifth instalments of the Consideration and for general working capital purposes.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Acquisition, when aggregated with the Yongsheng Hainan Capital Paid-up, the Yongsheng Hainan Capital Injection, the Xingyue Property Transfer and the March Acquisition, are more than 5% but all of which are less than 25%, the Acquisition, the Yongsheng Hainan Capital Paid-up, the Yongsheng Hainan Capital Injection, the Xingyue Property Transfer and the March Acquisition together constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposal are more than 5% but all of which are less than 25%, the Disposal constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules.

Pursuant to Rule 14.24 of the Listing Rules, since the transactions contemplated under the Agreement involve both acquisition and disposal, the transactions will be classified by reference to the larger of the two. Accordingly, the transactions contemplated under the Agreement are subject to the reporting and announcement requirements but are exempt from Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Completion is conditional upon fulfilment of the conditions precedent set out in the Agreement. There is no assurance that Completion will take place or as to when it may take place. Shareholders and potential investors should therefore exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Acquisition”	the acquisition of Sale Interests as contemplated under the Agreement
“Agreement”	the agreement dated 15 October 2021 entered into among the Vendors, Red Star Macalline, Mr. Che, the Remaining Shareholder, Yongsheng Hainan and the Target Company in respect of the Acquisition and the Capital Injection
“Audited Net Profit”	the audited net profit attributable to owners of the Target Group excluding extraordinary items of the Target Group as to be shown in the audited consolidated accounts of the Target Group (including Xingyue Property) for each accounting year
“Board”	the board of Directors
“Business”	the Target Group’s business of the provision of property management services to furnishing shopping malls
“Capital Injection”	the capital injection into the Target Company in an aggregate amount of RMB240,000,000 to be made by Yongsheng Hainan and the Remaining Shareholder after Completion as contemplated under the Agreement
“Company”	CIFI Ever Sunshine Services Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1995)
“Compensation Amount”	has the meaning ascribed to it under the section headed “Profit guarantees — Profit Guarantee Period”
“Completion”	the completion of the registration of the transfer of the Sale Interests to Yongsheng Hainan pursuant to the terms and conditions of the Agreement and upon the issuance of the new business licence of the Target Company

“Completion Date”	the date of Completion
“Conditions”	collectively, the First Conditions, the Second Conditions, the Third Conditions, the Fourth Conditions and the Fifth Condition
“Consideration”	the consideration for the Sale Interests, being RMB696,000,000
“Cumulative Audited Net Profit”	the Audited Net Profit accumulated from the start of the Extended Profit Guarantee Period, as recorded at the end of a Relevant EPG Period
“Cumulative Guaranteed Profit”	has the meaning ascribed to it under the section headed “Profit guarantees — Extended Profit Guarantee Period”
“Directors”	the directors of the Company
“Disposal”	the disposal of 90.1% equity interests in Xingyue Property by Yongsheng Hainan to the Target Company as contemplated under the Agreement
“Extended Profit Guarantee Period”	a period of 14 years commencing from the date immediately after the end of the Profit Guarantee Period in respect of the profit guarantee under the Agreement
“Fifth Condition”	the condition precedent to the payment of the fifth instalment of the Consideration as set out in the Agreement
“First Conditions”	the conditions precedent to the payment of the first instalment of the Consideration as set out in the Agreement
“Fourth Conditions”	the conditions precedent to the payment of the fourth instalment of the Consideration as set out in the Agreement
“Group”	the Company and its subsidiaries
“Guaranteed Profit”	has the meaning ascribed to it under the sections headed “Profit guarantees — Profit Guarantee Period” and “Profit guarantees — Extended Profit Guarantee Period” (as the case may be)
“Hong Kong”	the Hong Kong Special Administration Region of the PRC

“Independent Third Party(ies)”	a person, or in the case of a company, the company of its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected persons and its ultimate beneficial owner(s) or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“March Acquisition”	the acquisition of 90.1% equity interests in Xingyue Property from Tianjin RS which was completed in June 2021
“Mr. Che”	Mr. Che Jianxing (車建興), the ultimate controlling shareholder of the Vendors, the Remaining Shareholder, Red Star Macalline and the Target Company as at the date of this announcement
“Profit Guarantee Period”	a period of 6 years commencing from the Reference Date in respect of the profit guarantee under the Agreement
“Pledge”	the pledge to be executed in favour of Yongsheng Hainan over the Pledged Interests to secure the obligations owed by the Red Star Vendors in respect of the profit guarantees under the Agreement
“Pledged Company”	an eligible company owned by the Red Star Vendors and approved by Yongsheng Hainan to be pledged under the Pledge, the eligibility of which is more particularly described in the section headed “Security for profit guarantees” above
“Pledged Interests”	the equity interests in the Pledged Company to be pledged under the Pledge
“PRC”	the People’s Republic of China
“Red Star Macalline”	Red Star Macalline Group Corporation Ltd. (紅星美凱龍家居集團股份有限公司), a sino-foreign joint stock company established in the PRC with limited liability, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 1528) and whose A shares are listed on the Shanghai Stock Exchange (stock code: 601828)

“Red Star Vendors”	collectively, the Vendors and Red Star Macalline
“Reference Date”	has the meaning ascribed to it under the section headed “Post-completion management of the Target Company”
“Refund Amount”	has the meaning ascribed to it under the section headed “Profit guarantees — Profit Guarantee Period”
“Relevant EPG Period”	has the meaning ascribed to it under the section headed “Profit guarantees — Extended Profit Guarantee Period”
“Relevant PG Period”	has the meaning ascribed to it under the section headed “Profit guarantees — Profit Guarantee Period”
“Remaining Capital Paid-up”	the contribution of an aggregate amount of RMB90,000,000 to be made by Yongsheng Hainan and the Remaining Shareholder to pay up the balance of the registered capital of the Target Company after Completion pursuant to the Agreement
“Remaining Shareholder”	Wuhan Red Star Macalline Shibo Home Furnishing Plaza Development Company Limited* (武漢紅星美凱龍世博家居廣場發展有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of Red Star Macalline, holding 20% equity interests in the Target Company as at the date of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Sale Interests”	80% of the equity interests in the Target Company which are held by the Vendors as at the date of this announcement
“Second Conditions”	the conditions precedent to the payment of the second instalment of the Consideration as set out in the Agreement
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“sq.m.”	square metre(s)

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Shanghai Macalline Property Management Services Co., Ltd.* (上海美凱龍物業管理服務有限公司), a company established in the PRC with limited liability and is owned as to 80% in aggregate by the Vendors and as to 20% by the Remaining Shareholder as at the date of this announcement
“Target Company Business”	the Business (excluding the Xingyue Property Business) which was previously operated by Red Star Macalline but had then been transferred into and operated by the Target Company since 1 September 2021
“Target Group”	the Target Company and its subsidiaries from time to time (including Xingyue Property)
“Tianjin RS”	Tianjin Red Star Macalline World Trade Home Furnishing Company Limited* (天津紅星美凱龍世貿家居有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of Red Star Macalline
“Third Conditions”	the conditions precedent to the payment of the third instalment of the Consideration as set out in the Agreement
“Vendor I”	Harbin Red Star Macalline Shibo Furniture Plaza Company Limited* (哈爾濱紅星美凱龍世博家居廣場有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of Red Star Macalline
“Vendor II”	Shanghai Red Star Macalline Yuejia Network Technology Company Limited* (上海紅星美凱龍悅家互聯網科技有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of Red Star Macalline
“Vendor III”	Red Star Macalline Shibo (Tianjin) Home Furnishing Plaza Company Limited* (紅星美凱龍世博(天津)家居生活廣場有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of Red Star Macalline
“Vendor III Asset”	has the meaning ascribed to it under the section headed “Security for profit guarantees”

“Vendor IV”	Shanghai Red Star Macalline Home Furnishing Design Expo Company Limited* (上海紅星美凱龍家居藝術設計博覽有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of Red Star Macalline
“Vendor V”	Panjin Red Star Macalline Global Home Furnishings Plaza Co., Ltd.* (盤錦紅星美凱龍全球家居生活廣場有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of Red Star Macalline
“Vendor VI”	Shanghai Hongmei E-Commerce Company Limited* (上海紅美電子商務有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of Red Star Macalline
“Vendor VII”	Shanghai Xingkai Chengpeng Business Management Company Limited* (上海星凱程鵬企業管理有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of Red Star Macalline
“Vendors”	collectively, Vendor I, Vendor II, Vendor III, Vendor IV, Vendor V, Vendor VI and Vendor VII
“Working Day(s) ”	any day which is a statutory working day in the PRC
“Xingyue Property”	Shanghai Xingyue Property Services Company Limited* (上海星悅物業服務有限公司), a company established in the PRC with limited liability, where pursuant to the Agreement will have its 100% equity interests transferred to the Target Company
“Xingyue Property Business”	the Business (excluding the Target Company Business) which was previously operated by Red Star Macalline but had then been transferred into and operated by Xingyue Property since 1 June 2021

“Xingyue Property Transfer”	the transfer by Yongsheng Hainan and Tianjin RS of their respective 90.1% and 9.9% equity interests in Xingyue Property, representing in total 100% of the equity interests in Xingyue Property, to the Target Company as contemplated under the Agreement
“Yongsheng Hainan”	Xuhui Yongsheng (Hainan) Investment Company Limited* (旭輝永升(海南)投資有限公司), a company established in the PRC with limited liability and a wholly owned subsidiary of the Company
“Yongsheng Hainan Capital Injection”	the capital injection into the Target Company in an amount of RMB192,000,000 to be made by Yongsheng Hainan after Completion pursuant to the Agreement
“Yongsheng Hainan Capital Paid-up”	the contribution of RMB72,000,000 to be made by Yongsheng Hainan to pay up the registered capital of the Target Company after Completion pursuant to the Agreement
“%”	per cent

By Order of the Board
CIFI Ever Sunshine Services Group Limited
Lin Zhong
Chairman

Hong Kong, 15 October 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.

** For identification purposes only*