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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)

CONNECTED TRANSACTION
LEASE AGREEMENT

THE LEASE AGREEMENT

On 30 September 2022 (after trading hours), Yongsheng Property (a wholly-owned subsidiary of the Company) entered into the Lease Agreement with the Lessor to lease the Properties for a term commencing from 1 October 2022 and ending on 30 June 2025 (both days inclusive).

LISTING RULES IMPLICATIONS

In accordance with HKFRS 16, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the lease of Properties under the Lease Agreement.

As at the date of this announcement, the Lessor is a wholly-owned subsidiary of CIFI Holdings, who is one of the controlling shareholders of the Company. The Lessor is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transaction contemplated under the Lease Agreement constitutes a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the value of the right-of-use assets under the Lease Agreement exceeds 0.1% but all of which are less than 5%, the transaction contemplated under the Lease Agreement is subject to reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders' approval requirements.

As none of the applicable percentage ratios as defined under the Listing Rules in respect of the value of the right-of-use assets under the Lease Agreement exceeds 5%, the transaction contemplated under the Lease Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

THE LEASE AGREEMENT

On 30 June 2022, Yongsheng Property (a wholly-owned subsidiary of the Company) entered into the Old Lease Agreements with the Lessor to lease the Properties for a term of three months commencing from 1 July 2022 and ending on 30 September 2022 (both days inclusive). The transactions contemplated under the Old Lease Agreements constituted continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the highest applicable percentage ratio in respect of the total rental payment under the Old Lease Agreements is less than 0.1%, the transactions contemplated under the Old Lease Agreements constitute de minimis transactions pursuant to Rule 14A.76(1) of the Listing Rules and are fully exempt from reporting, annual review, announcement, circular and independent shareholders' approval requirements.

As the Old Lease Agreements will be expiring on 30 September 2022 and the Group is expected to continue to lease the Properties upon their expiry, Yongsheng Property entered into the Lease Agreement on 30 September 2022 (after trading hours) with the Lessor.

The principal terms of the Lease Agreement are set out below:

Date:	30 September 2022 (after trading hours)
Parties:	(i) Yonsheng Property; and (ii) the Lessor
Term:	Commencing from 1 October 2022 and ending on 30 June 2025 (both dates inclusive)
Properties:	The 6th to 8th floor of the office building situated at No. 5, Building D3, Lane 1088, Shenhong Road, Minhang District, Shanghai, the PRC, with GFA of 3,600 sq.m.; for office use only
Rental:	The rental payable is RMB459,938 per month (tax inclusive), which is determined after arm's length negotiations between parties after taking into consideration the prevailing market rental for comparable premises in the vicinity of the Properties.

In accordance with HKFRS 16, the rental payment is capital in nature and the Properties will be recognised as right-of-use assets of the Group on 1 October 2022 for an amount of approximately RMB13,312,000.

Rental payments under the Lease Agreement are expected to be satisfied by internal resources of the Group in its ordinary and usual course of business.

Payment arrangement:

The rental shall be paid quarterly in advance. Payment shall be made before the 25th day of the last natural month of the previous quarter, with the first payment (in the amount of RMB1,379,814) to be made within 5 working days after the date of the Lease Agreement

Security deposit:

Security deposit, representing 1-month rental (being RMB459,938), will be carried forward from the security deposit in the same amount already paid by Yongsheng Property under the Old Lease Agreements.

The security deposit shall be refunded by the Lessor within 30 days from the due delivery of the Properties by Yongsheng Property upon expiry of the Lease Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE LEASE AGREEMENT

The entering into of the Lease Agreement can provide the Group with enhanced and necessary office and premises to satisfy its daily business operation needs and will also enable the Group to secure a long term premise for office use, which will enhance the operation and management capacity of the Group.

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

LISTING RULES IMPLICATIONS

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As at the date of this announcement, the Lessor is a wholly-owned subsidiary of CIFI Holdings, who is one of the controlling shareholders of the Company. The Lessor is therefore a connected person of the Company under Chapter 14A of the Listing Rules. The transaction contemplated under the Lease Agreement constitutes a one-off connected transaction of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) as defined under the Listing Rules in respect of the value of the right-of-use assets under the Lease Agreement exceeds 0.1% but all of which are less than 5%, the transaction contemplated under the Lease Agreement is subject to reporting and announcement requirements under Chapter 14A of the Listing Rules, but exempt from the circular and independent shareholders' approval requirements.

As none of the applicable percentage ratios as defined under the Listing Rules in respect of the value of the right-of-use assets under the Lease Agreement exceeds 5%, the transaction contemplated under the Lease Agreement does not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

BOARD APPROVAL

At the Board meeting held to approve the Lease Agreement, each of Mr. Lin Zhong and Mr. Lin Feng is considered as having a material interest in the transaction contemplated thereunder. Accordingly, each of Mr. Lin Zhong and Mr. Lin Feng has abstained from voting on the Board resolutions for approving the Lease Agreement and the transaction contemplated thereunder. Save as disclosed above, none of the Directors was required to abstain from voting on the relevant Board resolutions.

INFORMATION ON THE PARTIES

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.

The Lessor

The Lessor was established in the PRC and principally engaged in business information consultation. It is a wholly-owned subsidiary of 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).

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

DEFINITIONS

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

“associate(s)”	shall have the same meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“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)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning as ascribed to it under the Listing Rules
“Directors”	the directors of the Company
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards

“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Lease Agreement”	the lease agreement entered into between Yongsheng Property and the Lessor to lease the Properties for a term commencing from 1 October 2022 and ending on 30 June 2025 (both days inclusive)
“Lessor”	Shanghai Pingtuo Business Consulting Co., Ltd* (上海平拓商務諮詢有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of CIFI Holdings
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Old Lease Agreements”	the two lease agreements both dated 30 June 2022 entered into between Yongsheng Property and the Lessor to lease the Properties for a term of three months commencing from 1 July 2022 and ending on 30 September 2022 (both days inclusive) with total rental payable amounted to RMB1,379,814
“PRC”	the People’s Republic of China
“Properties”	the 6th to 8th floor of the office building situated at No. 5, Building D3, Lane 1088, Shenhong Road, Minhang District, Shanghai, the PRC, with GFA of 3,600 sq.m.
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“sq.m.”	square meters

“Yongsheng Property”

Shanghai Yongsheng Property Management Co., Ltd.* (上海永升物業管理有限公司), a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company

“%”

per cent

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

Hong Kong, 30 September 2022

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. YU Tiecheng and Mr. CHEUNG Wai Chung.

** For identification purposes only*