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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 IN RELATION TO
THE ACQUISITION OF 51% EQUITY INTERESTS IN
THE TARGET COMPANY**

INTRODUCTION

The Board is pleased to announce that on 30 September 2021, Yongsheng Hainan, being a wholly-owned subsidiary of the Company, as purchaser entered into the Agreement with the Vendor, the Individual Warrantors, the Remaining Shareholders and the Target Company, pursuant to which Yongsheng Hainan has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell the Sale Interests, being 51% equity interests in the Target Company for a cash Consideration of RMB58,191,000, subject to adjustment.

Upon Completion, Yongsheng Hainan will be interested in 51% equity interests in the Target Company, and the Target Company will become a non-wholly owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the Group's financial statements.

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 are more than 5% but all of which are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

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THE AGREEMENT

The principal terms of the Agreement are summarised as follows:

Date

30 September 2021

Parties

- (1) the Vendor;
- (2) Yongsheng Hainan, as purchaser;
- (3) Mr. Long Wen, as a warrantor;
- (4) Ms. Zhu Yongchun, as a warrantor;
- (5) Hainan Longtong, as a Remaining Shareholder and a warrantor;
- (6) Hainan Meilonglong, as a Remaining Shareholder and a warrantor; and
- (7) the Target Company.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of the Vendor, the Remaining Shareholders and the Target Company and their respective ultimate beneficial owner (including the Individual Warrantors) is an Independent Third Party as at the date of this announcement.

Assets to be acquired

Pursuant to the Agreement, Yongsheng Hainan has conditionally agreed to acquire, and the Vendor has conditionally agreed to sell, the Sale Interests, being 51% equity interests in the Target Company.

Consideration

The Consideration (subject to adjustment as detailed in the paragraph headed “Consideration adjustment mechanism” below) is RMB58,191,000, which was arrived at after arm’s length negotiations between the Vendor and Yongsheng Hainan and was determined with reference to the (1) the preliminary valuation of the Target Company of RMB114,100,000 calculated by multiplying (i) the profit guarantee in respect of the Target Company for the year ending 31 December 2021 of RMB12,400,000 set out in the paragraph headed “Consideration adjustment mechanism” below (ii) a price-to-earnings ratio of 9.2016; (2) the proportion of the equity interests in the Target Company to be acquired by Yongsheng Hainan; and (3) the business prospects of the Target Company and the environmental sanitation services industry. The Consideration (subject to adjustment) will be financed by the internal resources of the Group.

The Directors (including the independent non-executive Directors) consider that the Consideration (including the price-to-earnings ratio of 9.2016 and adjustment mechanism) 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 six instalments according to the following schedule by transfer of funds into the bank account(s) designated by the Vendor for each instalment:

- (1) *1st instalment*: a sum of RMB19,206,600, within ten Working Days after the fulfilment of the First Conditions;
- (2) *2nd instalment*: a sum of RMB20,276,800, within ten Working Days after the fulfilment (or waiver by Yongsheng Hainan) of the Second Conditions;
- (3) *3rd instalment*: a sum of RMB2,000,000, upon the fulfilment of the Third Condition and in any event on or before 31 December 2021;
- (4) *4th instalment*: a sum of RMB5,569,200, subject to certain condition and reduction, and in any event on or before 30 April 2023;
- (5) *5th instalment*: a sum of RMB5,569,200, subject to certain condition and reduction, and in any event on or before 30 April 2024; and
- (6) *6th instalment*: a sum of RMB5,569,200, subject to certain condition and reduction, and in any event on or before 30 April 2025.

Payment conditions

- (1) Payment of the first instalment by Yongsheng Hainan is conditional upon the fulfilment of the following First Conditions:
 - (i) the Target Company and the Vendor having obtained all necessary authorisations and approvals in relation to the Acquisition;
 - (ii) Yongsheng Hainan and its parent company (being the Company) having obtained all necessary authorisations and approvals in relation to the Acquisition;
 - (iii) the key personnel of the Target Company having signed employment contracts with a five-year term, confidentiality and non-competition agreements in form satisfactory to Yongsheng Hainan;
 - (iv) the shareholders of the Target Company having approved at a general meeting the articles of association of the Target Company as amended in connection with the Acquisition and in form satisfactory to Yongsheng Hainan;
 - (v) the Remaining Shareholders having issued a written document waiving their exercise of the right of first refusal in relation to the Acquisition; and
 - (vi) the Remaining Shareholders having executed the Pledge in favour of Yongsheng Hainan and proceeded with all necessary registration procedures with the relevant governmental authority in the PRC.

- (2) Payment of the second instalment by Yongsheng Hainan is conditional upon the fulfilment (or waiver) of the following Second Conditions:
 - (i) the Vendor and Yongsheng Hainan having completed the handover of the Target Company's relevant certificates and licences, chops, keys and financial documents;
 - (ii) within 20 Working Days after the signing of the Agreement, the Target Company and the Vendor having proceeded with all necessary registration procedures in respect of the transfer of the Sale Interests, the changes in directors, supervisors, general manager (if applicable) and articles of association of the Target Company with the relevant governmental authority in the PRC;
 - (iii) the Vendor or its shareholder(s) having paid all taxes in connection with the Acquisition, and having provided to Yongsheng Hainan relevant proof of tax payment; and

(iv) the Target Company having settled the amounts due from its related parties as directed by Yongsheng Hainan.

(3) Payment of the third instalment by Yongsheng Hainan is conditional upon the fulfilment of the following Third Condition:

the Target Company having completed all necessary registration procedures for the disposal of its equity interests in Hangzhou Meizhong to independent third party(ies), and having provided to Yongsheng Hainan the evidence demonstrating the fulfilment of such condition and obtained the confirmation of Yongsheng Hainan.

(4) Payment of each of the fourth to six instalments by Yongsheng Hainan is conditional upon the Adjustment Amount (if any) having been settled and may be reduced according to the fulfilment of the targets of Guaranteed Profit and Cumulative Guaranteed Profit of the Relevant Period.

If the First Conditions are not fulfilled by 15 October 2021, or the Completion cannot take place within 20 Working Days after the signing of the Agreement (as described in condition (ii) of the Second Conditions above), the Agreement may be terminated. Further details of the termination of the Agreement are described in the paragraph headed “Termination” below.

Consideration adjustment mechanism

Pursuant to the Agreement, the Vendor guarantees to Yongsheng Hainan that the Audited Net Profit shall not be less than RMB12,400,000. The consolidated audited accounts of the Target Company and its subsidiaries (if any) for the year ending 31 December 2021 shall be completed on or before 31 March 2022 by a professional third-party institution approved by Yongsheng Hainan.

If the actual Audited Net Profit for the year ending 31 December 2021 turns out to be or exceed RMB12,400,000, the Consideration needs not be adjusted. If the actual Audited Net Profit for the year ending 31 December 2021 is lower than RMB12,400,000, the Consideration shall be adjusted downwards by an amount (the “**Adjustment Amount**”) as per the following formula:

$$\text{Adjustment Amount} = \frac{A - B}{A} \times C \times 51\%$$

where:

A = RMB12,400,000;

B = the actual Audited Net Profit for the year ending 31 December 2021; and

C = the preliminary valuation of the Target Company of RMB114,100,000.

The adjusted Consideration shall equal to the initial Consideration of RMB58,191,000 less the Adjustment Amount. To effect the Consideration adjustment, the payments to be made by Yongsheng Hainan for the sixth to fourth instalments of the Consideration shall be reduced by the Adjustment Amount in that order. If the Adjustment Amount exceeds the aggregate amount of the fourth to sixth instalments (i.e. RMB16,707,600), then the shortfall shall be paid either (i) by transferring to Yongsheng Hainan the dividends initially to be received by the Remaining Shareholders as shareholders of the Target Company (if any) or (ii) in cash by the Vendor or the Individual Warrantors, and Yongsheng Hainan has the sole discretion in determining the means and term of payment of the shortfall.

Profit guarantee

Pursuant to the Agreement and apart from the profit guarantee detailed in the paragraph headed “Consideration adjustment mechanism”, the Vendor further guarantees to Yongsheng Hainan that (i) the Audited Net Profit for the relevant period below (the “**Relevant Periods**” and each a “**Relevant Period**”) shall not be less than the following amounts (“**Guaranteed Profit**”) and (ii) the Cumulative Audited Net Profit recorded as at the end of the Relevant Period shall not be less than the following amounts (“**Cumulative Guaranteed Profit**”):

Relevant Period	Guaranteed Profit	Cumulative Guaranteed Profit
For the year ending 31 December 2022	RMB13,380,000	RMB13,380,000
For the year ending 31 December 2023	RMB14,600,000	RMB27,980,000
For the year ending 31 December 2024	RMB15,720,000	RMB43,700,000

In the event where the profit targets for a Relevant Period have been reached and the Target Company has positive operating cashflow exceeding the Audited Net Profit for such Relevant Period and has accumulated sufficient funds as at the end of such Relevant Period, the board of directors of the Target Company may approve the distribution of bonus to the management of the Target Company.

During the Relevant Periods, the Target Company shall be entitled to use the brand ‘CIFI ES’ as required by its business development needs to better achieve the above targets of Guaranteed Profit and Cumulative Guaranteed Profit.

The consolidated audited accounts of the Target Company and its subsidiaries (if any) for each Relevant Period shall be completed within three months after the end of the Relevant Period by a professional third-party institution approved by Yongsheng Hainan. Within 20 Working Days after the completion of the audited accounts, the Vendor and Yongsheng Hainan shall confirm (i) whether the above targets of Guaranteed Profit and Cumulative Guaranteed Profit have been reached and (ii) the Compensation Amount or the Refund Amount (if any).

Compensation Amount and Refund Amount

Save for the circumstance described in the paragraph headed “Failure to reach the 2024 Guaranteed Profit target” below, if the actual Cumulative Audited Net Profit recorded as at the end of a Relevant Period is less than the Cumulative Guaranteed Profit for the Relevant Period, then the Vendor shall, in respect of such Relevant Period, compensate to Yongsheng Hainan an amount (the “**Compensation Amount**”) calculated as follows:

$$\text{Compensation Amount} = \frac{A - B}{C} \times D - E$$

where:

- A = the Cumulative Guaranteed Profit for a Relevant Period;
- B = the actual Cumulative Audited Net Profit recorded as at the end of a Relevant Period;
- C = RMB43,700,000, being the sum of the Guaranteed Profit for all Relevant Periods;
- D = the Consideration as adjusted; and
- E = the cumulative Compensation Amount already paid to Yongsheng Hainan.

In such event, Yongsheng Hainan is entitled to determine the means of payment of the Compensation Amount for the Relevant Period, either (i) by requesting the Vendor to pay the amount in cash within three Working Days after Yongsheng Hainan’s confirmation of such Compensation Amount; or (ii) by deducting from the unpaid portion of the adjusted Consideration a sum equal to such Compensation Amount.

If the actual Audited Net Profit for a Relevant Period exceeds the Guaranteed Profit for the Relevant Period, as audited and confirmed by Yongsheng Hainan, the excess amount can be used to make up the shortfall in profit targets of the previous Relevant Period(s), and upon such shortfall having been fully made up, Yongsheng Hainan shall return to the Vendor, without interest, the Compensation Amount overpaid by the Vendor (such amount, the “**Refund Amount**”) within three Working Days after Yongsheng Hainan’s confirmation of such Refund Amount.

For the purposes of ascertaining whether the target of the Guaranteed Profit for the first Relevant Period, namely the year ending 31 December 2022, has been met, where the actual Audited Net Profit for the year ending 31 December 2021 exceeds the guaranteed Audited Net Profit for the same period (i.e. RMB12,400,000), the excess amount shall be counted towards the Audited Net Profit for the year ending 31 December 2022.

Failure to reach the 2024 Guaranteed Profit target

Where the Cumulative Audited Net Profit recorded as at the end of the year ending 31 December 2024 has reached the target of the Cumulative Guaranteed Profit for that Relevant Period (i.e. RMB43,700,000), but the actual Audited Net Profit in 2024 is less than RMB15,720,000, the Compensation Amount shall instead be calculated as follows:

$$\text{Compensation Amount} = \frac{A + B}{C} \times D - E$$

where:

- A = the Cumulative Guaranteed Profit for the year ending 31 December 2023;
- B = the actual Audited Net Profit for the year ending 31 December 2024;
- C = RMB43,700,000, being the sum of the Guaranteed Profit for all Relevant Periods;
- D = the Consideration as adjusted; and
- E = the cumulative Compensation Amount already paid to Yongsheng Hainan.

In such event, Yongsheng Hainan is entitled to determine the means of payment of the Compensation Amount for the year ending 31 December 2024, either (i) by

requesting the Vendor to pay the amount in cash within three Working Days after Yongsheng Hainan's confirmation of such Compensation Amount; or (ii) by deducting from the unpaid portion of the adjusted Consideration a sum equal to such Compensation Amount.

Warrantors

The Individual Warrantors and the Remaining Shareholders shall, on a joint basis, irrevocably warrant the due performance by the Vendor of all its obligations and responsibilities under the Agreement for a period of three years from the expiry of performance period of such obligations and responsibilities by the Vendor.

Completion

Completion takes place upon fulfilment of condition (ii) of the Second Conditions and issuance of the new business registration certificate of the Target Company.

Upon Completion, Yongsheng Hainan will be interested in 51% equity interests in the Target Company, and the Target Company will become a non-wholly owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the Group's financial statements.

Post-completion management of the Target Company

Pursuant to the Agreement, after Completion, the board of directors of the Target Company shall comprise three (3) directors, and they shall be nominated by shareholders of the Target Company and be elected at a shareholders' meeting. Yongsheng Hainan shall be entitled to nominate two directors and Hainan Longtong shall be entitled to nominate one director. The chairman of the Target Company shall be elected from the directors nominated by Yongsheng Hainan, whereas the legal representative shall be nominated by Hainan Longtong and elected by the board of directors of the Target Company.

Profit allocation

Pursuant to the Agreement, the original equity holders of the Target Company, namely the Vendor and the Remaining Shareholders, are solely entitled to any undistributed profits of the Target Company which is accrued before the Reference Date, provided that the Target Company has sufficient distributable profits and funds to meet its business needs for the next three months. Any undistributed profits of the Target Company which is accrued after the Reference Date will be entitled to by the equity holders of the Target Company after Completion in proportion to their respective equity holdings and may be distributed under the same condition of the Target Company having sufficient distributable profits and funds.

Non-competition undertaking

Pursuant to the Agreement, the Individual Warrantors undertake that they shall not, and shall procure that their related parties and the Target Company's key personnel 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 business of the Target Company and its subsidiaries (if any) as well as the property management service business in which the Group principally engages, unless with the written consent of Yongsheng Hainan.

Termination

The Agreement may be terminated at any time by written agreement between the parties thereto. The Agreement may also be terminated by Yongsheng Hainan in the circumstances described in the paragraph headed "Payment conditions" above, or upon the occurrence of events or circumstances which have caused or may cause material adverse effect to the Acquisition.

Upon termination:

- (1) Yongsheng Hainan shall cooperate with the Vendor to take all necessary actions and execute relevant documents within a reasonable period of time to:
 - (i) transfer the Sale Interests back to the Vendor and restore the registration of the Vendor as a shareholder of the Target Company;
 - (ii) restore the procedures of the registration with the relevant governmental authority in the PRC of the changes in directors, supervisors, general manager and articles of association of the Target Company in connection with the Acquisition; and
 - (iii) release the Pledge executed by the Remaining Shareholders in favour of Yongsheng Hainan;
- (2) the Vendor shall return any payment made by Yongsheng Hainan under the Agreement to the bank account designated by Yongsheng Hainan in writing within five Working Days after the termination; and
- (3) (where applicable) the defaulting party that causes the termination shall bear the liability for the default and pay the non-defaulting party the damages in accordance with the provisions of the Agreement.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Target Company is a reputable environmental sanitation service provider, with business covering more than ten provinces and cities in the PRC. The Target Company has outstanding and stable capability in project management and operations, as well as market expansion, and possesses more than 60 related qualifications, certificates and honors, including without limitation the national first-class qualification in cleaning industry, the national first-class qualification in garbage sorting operations, and the national first-class qualification in landscaping services. Environmental sanitation services have become a vital part of urban and rural services. With the accelerating development of the environmental sanitation industry in the PRC, the Board believes that the Acquisition is beneficial for the Group's strategy of expanding into city service field and can create synergistic effect with the Group's current business, which will further enhance the overall competitiveness of the Group.

Having considered the nature of and the benefits resulting from the Acquisition, the Directors believe that the terms of the Agreement 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.

INFORMATION OF THE VENDOR, THE INDIVIDUAL WARRANTORS AND THE REMAINING SHAREHOLDERS

The Vendor is a limited partnership established in the PRC and principally engages in enterprise investment and management. As at the date of this announcement, the Vendor is beneficially owned as to 50% by Mr. Long and 50% by Ms. Zhu. Mr. Long is the general partner and Ms. Zhu is the limited partner of the Vendor.

Mr. Long and Ms. Zhu are PRC citizens and the ultimate beneficial owners of the Target Company as at the date of this announcement. Ms. Zhu is the spouse of Mr. Long.

Hainan Longtong is a company established in the PRC with limited liability and principally engages in enterprise investment and management. As at the date of this announcement, Hainan Longtong is wholly owned by Mr. Long.

Hainan Meilonglong is a limited partnership established in the PRC and principally engages in enterprise investment and management. As at the date of this announcement, Hainan Meilonglong is beneficially owned as to 33.33% by Mr. Long, 25.65% by Ms. Zhu , 15.38% by Mr. Gao Quan (高銓), 12.82% by Mr. Li Bo (李波) and 12.82% by Hunan Jiashi Technology Co., Ltd.* (湖南佳世科技有限公司). Mr. Long is the general partner of Hainan Meilonglong, and Ms. Zhu and the other owners are limited partners of Hainan Meilonglong. Mr. Gao Quan and Mr. Li Bo are PRC citizens. Hunan Jiashi Technology Co., Ltd. is a company established in the PRC with limited liability and principally engages in information technology consulting and business management consulting.

INFORMATION OF THE TARGET COMPANY

Corporate information

The Target Company is a company established in the PRC with limited liability and principally engages in the provision of operation and management services for environmental sanitation projects.

As at the date of this announcement, the Target Company is owned as to 51% by the Vendor, as to 10% by Hainan Longtong and as to 39% by Hainan Meilonglong.

As at the date of this announcement, the Target Company has 62 branch companies in the PRC to manage and operate environmental sanitation projects, and does not have any subsidiary. To fulfil the Third Condition, the Target Company shall complete the necessary registration procedures for the disposal of its 35% equity interests in Hangzhou Meizhong, an associated company of the Target Company. As at the date of this announcement, Hangzhou Meizhong has not commenced business operations and the Target Company has not contributed any capital to Hangzhou Meizhong.

Financial information

Set out below is the audited financial information of the Target Company for the financial years ended 31 December 2019, 2020 and six months ended 30 June 2021, respectively:

	For the financial year		For the six
	ended 31 December		months ended
	2019	2020	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	95,658.8	207,799.7	160,533.7
Net profit before taxation	5,554.8	15,141.3	7,904.1
Net profit after taxation	4,166.5	11,360.7	6,656.7

Based on the audited financial information of the Target Company, the total assets value and net assets value of the Target Company as at 30 June 2021 were approximately RMB100.7 million and RMB26.7 million, respectively.

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 are more than 5% but all of which are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Acquisition is subject to the reporting and announcement requirements but is exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

Completion of the Acquisition 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 30 September 2021 entered into among the Vendor, Yongsheng Hainan, the Individual Warrantors, the Remaining Shareholders and the Target Company in respect of the Acquisition
“Audited Net Profit”	the audited net profit attributable to owners of the Target Company excluding extraordinary items as to be shown in the audited consolidated accounts of the Target Company and its subsidiaries (if any) for each accounting year
“Board”	the board of Directors
“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)
“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 issuance of the new business registration certificate of the Target Company
“Completion Date”	date of Completion
“Consideration”	the consideration for the Sale Interests, being RMB58,191,000, subject to adjustment
“Cumulative Audited Net Profit”	the Audited Net Profit accumulated from 1 January 2022, as recorded at the end of a Relevant Period
“Directors”	the directors of the Company
“First Conditions”	the conditions precedent to the payment of the first instalment of the Consideration as set out in the Agreement

“Group”	the Company and its subsidiaries
“Hainan Longtong”	Hainan Longtong Investment Co., Ltd.* (海南龍通投資有限公司), a company established in the PRC with limited liability and is wholly owned by Mr. Long
“Hainan Meilonglong”	Hainan Meilonglong Enterprise Management Partnership (Limited Partnership)* (海南美隆隆企業管理合夥企業(有限合夥)), a limited partnership established in the PRC
“Hangzhou Meizhong”	Hangzhou Meizhong Environmental Engineering Technology Co., Ltd.* (杭州美中環境工程技術有限公司), a company established in the PRC with limited liability and a direct 35% owned associated company of the Target Company as at the date of this announcement
“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
“Individual Warrantors”	collectively, Mr. Long and Ms. Zhu
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Long”	Mr. Long Wen (龍文)
“Ms. Zhu”	Ms. Zhu Yongchun (朱永純), the spouse of Mr. Long
“RMB”	Renminbi, the lawful currency of the PRC
“Pledge”	the pledge to be executed by the Remaining Shareholders in favour of Yongsheng Hainan over the 49% equity interests in the Target Company held by the Remaining Shareholders to secure the obligations owed by the Vendor under the Agreement

“PRC”	the People’s Republic of China
“Reference Date”	the first day of the month following the signing of the Agreement
“Remaining Shareholders”	collectively, Hainan Longtong and Hainan Meilonglong, and a “Remaining Shareholder” means any one of them
“Sale Interests”	Sale Interests, being 51% equity interests in the Target Company for a cash Consideration of RMB58,191,000, subject to adjustment
“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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Hunan Meizhong Biophysical Environment Technology Co., Ltd.* (湖南美中環境生態科技有限公司), a company established in the PRC with limited liability and is owned as to 51% by the Vendor and 49% in aggregate by the Remaining Shareholders as at the date of this announcement
“Third Condition”	the condition precedent to the payment of the third instalment of the Consideration as set out in the Agreement
“Vendor”	Heze Zhihui Enterprise Management Partnership (Limited Partnership)* (荷澤智暉企業管理合夥企業(有限合夥)), a limited partnership established in the PRC and is owned as to 50% by Mr. Long and 50% by Ms. Zhu
“Working Day(s)”	any day which is a statutory working day in the PRC

“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 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 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*