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**Ever Sunshine Services Group Limited**

**永升服务集团有限公司**

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

**(Stock Code: 1995)**

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS  
2025 CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

*Independent Financial Adviser to the Independent Board Committee  
and the Independent Shareholders*



References are made to the announcements of the Company dated 23 December 2021 and 26 September 2023 and the circular of the Company dated 31 January 2024 in relation to, among others, the continuing connected transactions in relation to the provision of CIFI Agency Services pursuant to the 2022 CIFI Sales Agency Services Framework Agreement entered into between the Group and the CIFI Group.

**RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

As the term of the 2022 CIFI Sales Agency Services Framework Agreement and the applicable annual caps for the CIFI Agency Services will expire on 31 December 2024, on 29 October 2024 (after trading hours), the Board resolved (i) to enter into the 2025 CIFI Sales Agency Services Framework Agreement for a term of three years commencing from 1 January 2025 to 31 December 2027 and (ii) to propose new annual caps for the CIFI Agency Services (comprising the Commissions and the Deposits) for each of the three years ending 31 December 2027.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CIFI Holdings is one of the controlling shareholders of the Company. CIFI Holdings is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the 2025 CIFI Sales Agency Services Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### **Commissions**

As the highest applicable percentage ratio in respect of the proposed annual caps for the Commissions exceeds 0.1% but are all less than 5%, the Commissions is subject to reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **Deposits**

As the highest applicable percentage ratio in respect of the proposed annual caps for the Deposits (i.e., the Proposed Caps) is more than 5%, the Deposits is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Proposed Caps. Each of (i) Mr. Lin Zhong, Mr. Lin Feng, Mr. Lin Wei and their respective associates; and (ii) Mr. Ru Hailin, Mr. Yang Xin and Mr. Ge Ming, each being a director of CIFI Holdings and holding Shares, shall abstain from voting on the proposed resolution approving the Proposed Caps at the EGM.

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Proposed Caps. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the aforesaid matters.

A circular containing, among others, (a) further details of the Deposits (including the Proposed Caps); (b) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; (c) a letter from the Independent Board Committee to the Independent Shareholders on the same and its recommendation on voting; and (d) the notice of the EGM, is expected to be sent to the Shareholders on or before 30 November 2024 as additional time is required to prepare and finalise certain information to be included in the circular.

## **INTRODUCTION**

References are made to the announcements of the Company dated 23 December 2021 and 26 September 2023 and the circular of the Company dated 31 January 2024 in relation to, among others, the continuing connected transactions in relation to the provision of CIFI Agency Services pursuant to the 2022 CIFI Sales Agency Services Framework Agreement entered into between the Group and the CIFI Group.

As the term of the 2022 CIFI Sales Agency Services Framework Agreement and the applicable annual caps for the CIFI Agency Services will expire on 31 December 2024, on 29 October 2024 (after trading hours), the Board resolved (i) to enter into the 2025 CIFI Sales Agency Services Framework Agreement for a term of three years commencing from 1 January 2025 to 31 December 2027 and (ii) to propose new annual caps for the CIFI Agency Services (comprising the Commissions and the Deposits) for each of the three years ending 31 December 2027.

## **2025 CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

The principal terms of the 2025 CIFI Sales Agency Services Framework Agreement are set out below:

### **Date**

29 October 2024.

### **Parties**

The Company and CIFI Holdings.

### **Term**

The 2025 CIFI Sales Agency Services Framework Agreement shall be effective commencing from 1 January 2025 and ending on 31 December 2027 (both dates inclusive).

### **Subject Matter**

Pursuant to the 2025 CIFI Sales Agency Services Framework Agreement, the Group shall provide CIFI Agency Services to the CIFI Group in respect of unsold residential properties (including storage spaces), unsold shops and unsold car parking spaces in the development projects in the PRC of the CIFI Group. Separate Individual Agreements will be entered into between the members of the Group and the members

of the CIFI Group for the CIFI Agency Services after arm's length negotiations on normal commercial terms. The terms of the Individual Agreements shall not be inconsistent with the terms of the 2025 CIFI Sales Agency Services Framework Agreement.

For the provision of the CIFI Agency Services, the Group is entitled to charge either (i) a fixed-rate commission from the relevant members of the CIFI Group, calculated as a percentage of sale price of the relevant residential properties (including storage spaces), shops and/or car parking spaces, as stipulated in the separate Individual Agreements; or (ii) a premium commission either from the relevant members of the CIFI Group or the end purchasers of residential properties (including storage spaces), shops and/or car parking spaces, representing the difference between (a) the sale price paid by the end purchaser, as stipulated in the respective sale contracts, and (b) the Base Price.

As part of the provision of the CIFI Agency Services, the relevant member of the Group may agree after negotiations with the relevant members of the CIFI Group to the payment of Deposits under the relevant Individual Agreement. When undertaking such negotiations, the relevant member of the Group would consider (i) whether the relevant member of the Group is engaged by the CIFI Group on an exclusive basis to provide the CIFI Agency Services; (ii) the type of sales agency services required by the CIFI Group; (iii) the nature of the sales units involved; (iv) the confidence of the relevant member of the Group to sell the relevant sales units; and (v) whether prevailing market practice for sales agency companies to pay similar deposits for exclusive agency rights and whether the rate and term of Deposits are reasonable and in line with market practice.

**Payment Terms**

*Commissions*

The Group will charge (i) a fixed-rate commission of no more than 10% of the final sale price of sale units from the CIFI Group, or (ii) a premium commission either from the CIFI Group or from the end purchaser.

In general, where the CIFI Agency Service is supported by the CIFI Group, especially in terms of marketing program planning, the commission will normally be payable at a fixed-rate, while where the CIFI Agency Service is provided by the Group without the involvement of the CIFI Group, the premium commission will normally apply. In either scenario, the Commissions shall be determined on arm's length basis (i) with reference to the commission rates generally offered by the Group to the Independent Third Parties and for similar services and type of properties in the market, and (ii) based on cost-plus basis to ensure that the Group can achieve a reasonable return in participating in the project(s).

The Commissions receivable by the Group in respect of units sold by it shall be payable in the following manner:

- (i) where the sale price is received by the CIFI Group from the end purchaser, the fixed-rate commission or the premium commission (as the case may be) charged by the Group for the unit sold by it will be payable by the CIFI Group on a periodic basis (i.e., monthly, bi-annually or annually); and
- (ii) where the sale price is received by the Group from the end purchaser on behalf of the CIFI Group, the commission or the premium commission (as the case may be) charged by the Group for the unit sold by it will be deducted from the sale price received by the Group.

### *Deposits*

The Deposits are payable by the Group on an instalment basis for up to 100% of the Base Price. The Base Price shall be negotiated between the relevant parties after arm's length negotiations having considered the market conditions, the average sale price of properties/assets in the same neighbourhood, and the economic conditions of the PRC and/or the particular area where the property is situated. The rates of the Deposits shall be on normal commercial terms, within market range and be comparable to those applicable to the sales agency transactions of the Group with property developers who are Independent Third Parties.

The Deposits payable by the Group in respect of units sold by it shall be refundable by the CIFI Group in the following manner: (i) on a periodic basis (i.e., monthly, bi-annually or annually); or (ii) where the sale price is received by the Group from the end purchaser on behalf of the CIFI Group, the Deposits paid by the Group for the unit sold will generally be set-off from such sale price. Upon the expiry or termination of an Individual Agreement, the remaining balance of the Deposits will be refunded to the Group.

Under normal circumstances, the Group will request the Deposits to be refunded by way of set-off against the sale price received by the Group from the end purchaser that is payable to the CIFI Group as this type of refund method would give maximum convenience to the settlement. The Deposits may also be refunded by the CIFI Group to the Group on a periodic basis in respect of units sold during the relevant period.

In situations where the CIFI Group receives the sale price directly either from the end purchasers or their financing banks (as the case may be), the relevant Deposits would be set off from the sale price the Group needs to return to the CIFI Group under the settlement arrangements between the Group and the CIFI Group. Further, in the unlikely event where the relevant units are sold below the Base Price with the

consensus of the relevant member of the CIFI Group (which is normally due to the low turnover of the relevant units), the portion of the Deposits in excess of the sale price received from the end purchaser will be proportionately refunded by the CIFI Group to the Group on a periodic basis.

## HISTORICAL TRANSACTION AMOUNTS

The following table sets forth the annual caps and historical transaction amounts for the Commissions and the Deposits for the two financial years ended 31 December 2023 and the nine months ended 30 September 2024:

	For the year ended 31 December		For the nine months ended 30 September 2024
	2022	2023	
	<i>(RMB' million)</i>		
<b>Commissions</b>			
Annual caps <sup>(1)</sup>	75.00	110.00	140.00 <sup>(2)</sup>
Historical transaction amounts	15.83	8.62	0.11
<b>Maximum daily balance of Deposits</b>			
Annual caps <sup>(3)</sup>	Not Applicable	510.06	525.10 <sup>(2)</sup>
Historical transaction amounts <sup>(3)</sup>	Not Applicable	338.31	323.62

*Note:*

- (1) See the announcement of the Company dated 23 December 2021 for further details on the historical annual caps for the Commissions.
- (2) For the entire year ending 31 December 2024.
- (3) See the announcement of the Company dated 26 September 2023 and the circular of the Company dated 31 January 2024 for further details on the historical annual caps and transaction amounts for the Deposits.

## ANNUAL CAPS FOR THE THREE FINANCIAL YEARS ENDING 31 DECEMBER 2027

The following table sets forth the annual caps for the Commissions and the Deposits contemplated under the 2025 CIFI Sales Agency Services Framework Agreement for each of the three years ending 31 December 2027:

	For the year ending 31 December		
	2025	2026	2027
	<i>(RMB' million)</i>		
<b>Proposed annual caps</b>			
Commissions	10.35	11.26	16.58
Maximum daily balance of Deposits (i.e., the Proposed Caps)	756.40	705.30	631.80

### Basis of Determination of the Annual Caps

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

#### *Commissions*

- (i) the historical amounts in respect of CIFI Agency Services under the 2022 CIFI Sales Agency Services Framework Agreement. The transaction amount for the nine months ended 30 September 2024 was exceptionally low as a result of the following: (i) a substantial decrease in the number of Individual Agreements that were effective for the nine months ended 30 September 2024 (i.e., the decrease from 24 Individual Agreements that were effective during the year ended 31 December 2023 to five Individual Agreements that were effective during the nine months ended 30 September 2024 as 19 Individual Agreements expired on or before 31 December 2023); and (ii) a strategic shift from the pre-determined price method, where the fixed-rate commission applies, towards the Base Price method, which allows the Group to receive premium commissions and thereby improving profitability;
- (ii) the estimated commission for the CIFI Agency Services for each of the three years ending 31 December 2027, calculated with reference to (i) five existing Individual Agreements with fixed-rate commission that will be renewed and be effective on or before 31 December 2027; (ii) 33 new Individual Agreements with fixed-rate commission expected to be entered into; (iii) five new Individual Agreements with premium commission payable by the CIFI Group to the Group (instead of by the end purchasers to the Group as is the case in the past) expected to be entered into, and (iv) the estimated number of development projects of

CIFI Group for which the Group's sales agency services are required, the estimated number of residential properties (including storage spaces), shops and/or car parking spaces of the relevant development projects available for sale in the market;

- (iii) the prevailing market rate of the commission for the provision of sales agency services in the same industry, and the estimated difference between (i) the prevailing sale price in the surrounding markets of the relevant units and (ii) the Base Price that the CIFI Group may offer to the Group; and
- (iv) the level of difficulty of sales of the unsold residential properties (including storage spaces), shops and/or car parking spaces by the Group with reference to the locations of the development projects of CIFI Group involved, and the occupancy rate of these development projects.

### *Deposits*

- (i) the estimated daily balance of Deposits expected with reference to (i) the estimated year-end balance of Deposits for the year ending 31 December 2024, (ii) 92 existing Individual Agreements that will be renewed upon the entry of the 2025 CIFI Sales Agency Services Framework Agreement and be effective on or before 31 December 2027 and the expected remaining balance of the Deposits payable under such existing Individual Agreements, and (iii) the amount of Deposit that may be offset as a result of the sale of the relevant units under such existing Individual Agreements. The Proposed Caps are higher than the maximum daily balance of Deposits for the nine months ended 30 September 2024 as the latter only covers 28 Individual Agreements whereas the Proposed Cap for the year ending 31 December 2025 is expected to cover 95 Individual Agreements;
- (ii) six new Individual Agreements expected to be entered into by the Group for sale units that the CIFI Group may require the CIFI Agency Services from the Group and the expected Deposits payable under such new Individual Agreements;
- (iii) the expected project sales rates of 4% to 15% for the Individual Agreements referred to in paragraphs (i) and expected project sales rates of 5% to 12% for the Individual Agreements referred to in paragraphs (ii) above. The expected project sales rates were arrived at with reference to the assessment and inspection of the project site and neighbouring areas as well as the historical project sales rates (if any), timing left under Individual Agreements before their expiration and other information that may have been obtained from the Group's property management arm in relation to the relevant units and the residential project in which those units are located; and



- (iv) a buffer of 10% for each of the three financial years ending 31 December 2027 as a result of the potential improvement in the market conditions, as well as to accommodate any unforeseeable circumstances.

Having considered the abovementioned considerations, the Proposed Caps represent the aggregate of the following together with a buffer of 10%:

- (i) the estimated aggregate maximum daily balance of Deposits for each of the existing Individual Agreements that will remain valid until or before 31 December 2027, which is calculated as follows:

$$\left( \begin{array}{l} \text{The estimated} \\ \text{year-end} \\ \text{balance of} \\ \text{Deposits for the} \\ \text{year ending 31} \\ \text{December 2024} \end{array} \right) + \begin{array}{l} \text{The Deposits} \\ \text{payable for the} \\ \text{years ending 31} \\ \text{December 2025,} \\ \text{2026 and 2027}^1 \end{array} - \left( \begin{array}{l} \text{The number of} \\ \text{unsold units} \\ \text{under each of} \\ \text{the Individual} \\ \text{Agreements} \end{array} \right) \times \begin{array}{l} \text{Base Price}^2 \text{ for} \\ \text{such unsold} \\ \text{units} \end{array} \times \begin{array}{l} \text{expected} \\ \text{project} \\ \text{sales rates} \end{array} \right)$$

; and

- (ii) the estimated aggregate maximum daily balance of Deposits for each of the Individual Agreements that have been and will be entered into by 31 December 2027, which is calculated as follows:

$$\begin{array}{l} \text{The Deposits payable for} \\ \text{the years ending 31} \\ \text{December 2025, 2026 and} \\ \text{2027}^1 \end{array} - \left( \begin{array}{l} \text{The number of units under} \\ \text{each of the Individual} \\ \text{Agreements} \end{array} \right) \times \begin{array}{l} \text{Base Price}^2 \\ \text{for such} \\ \text{units} \end{array} \times \begin{array}{l} \text{expected} \\ \text{project sales} \\ \text{rates} \end{array} \right)$$

*Notes:*

- (1) The Deposits are calculated using the following formula:

$$\begin{array}{l} \text{The rate of} \\ \text{Deposits} \end{array} \times \begin{array}{l} \text{Base Price of} \\ \text{each unit} \end{array} \times \begin{array}{l} \text{Number of units under the relevant} \\ \text{Individual Agreement} \end{array}$$

- (2) The Base Price is negotiated between the relevant parties after arm's length negotiations having considered the market conditions, the average sale price of assets/properties in the same neighbourhood, and the economic conditions of the PRC and/or the particular area where the property is situated.

The Group has implemented internal control measures to ensure that the Base Price and the rate of the Deposits are no less favourable to the Group than those offered by Independent Third Parties with respect to residential properties (including storage spaces), shops and car parking spaces in the surrounding area. For further details, please refer to the paragraph headed "Internal Control Measures" in this announcement.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE 2025 CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

### **Provision of CIFI Agency Services**

The Group has provided CIFI Group with property management services for their development projects. The Board believes that the Group could make use of its market information, including but not limited to the demand for residential properties, shops and car parking spaces by the owners of the surrounding properties, collected through its network of property management offices located in the development projects in its provision of property management services to CIFI Group, to promote its sales of the unsold residential properties, unsold shops and the unsold car parking spaces in their respective development projects. By entering into the 2025 CIFI Sales Agency Services Framework Agreement, it could help increase the Group's income and promote business growth of the Group.

Based on the above, the Board (excluding the Director who has abstained from voting as more particularly described below) is of the view that (i) the 2025 CIFI Sales Agency Services Framework Agreement and the transactions (including the provision of CIFI Agency Services and the payment of Deposits) contemplated thereunder are in the ordinary and usual course of business of the Group, and the terms of the 2025 CIFI Sales Agency Services Framework Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Group and the Shareholders taken as a whole; and (ii) the annual caps for the Commission, are fair and reasonable, and in the interests of the Company and its Shareholders taken as a whole.

### **Payment of Deposits**

The reasons for and benefits of the payment of the Deposits are as follows:

- (i) the Deposits are required to secure the CIFI Agency Services, rendered on an exclusive basis by the relevant member of the Group. This allows the Group to secure a stable income stream and enhance profitability of the Group without competition from other property agents;
- (ii) the payment of the Deposits is an industry norm and consistent with the industry practice in relation to sales agency services in relation to residential properties (including storage spaces), shops and/or car parking spaces and similar sales agency services that the Group provided to Independent Third Parties;
- (iii) the payment of the Deposits generally allows the Group to charge higher commission as compared to the CIFI Agency Services rendered by the Group without the payment of Deposits; and

- (iv) the use of the Group's cash for the Deposits indirectly generates higher returns for the Group (as a result of the receipt of the relevant commission) compared to leaving it as idle cash or putting it in financial institutions as bank deposit.

The Board (excluding the Director who has abstained from voting as more particularly described below and the independent non-executive Directors whose opinions will be included in the letter from the Independent Board Committee contained in the circular to be sent to the Shareholders after taking into account the advice from the Independent Financial Adviser) is of the view that the Proposed Caps are fair and reasonable and in the interest of the Company and the Shareholders taken as a whole.

## **PRICING POLICY**

Each of Individual Agreements to be entered into under the 2025 CIFI Sales Agency Services Framework Agreement will be subject to the following pricing policies:

- (i) each Individual Agreement will be negotiated on an arm's length basis to ensure the relevant pricing terms are fair and reasonable and on normal commercial terms;
- (ii) the relevant member of the Group shall conduct market research on (if available) three Independent Third Parties in the surrounding areas of the relevant property project and make reference to (a) the prevailing prices charged by such Independent Third Parties for providing similar services to ensure that the Commissions is no less favourable to the Group than those available from Independent Third Parties; and/or (b) the prevailing market practice of rate and term of deposits payable by such Independent Third Parties for exclusive agency rights to ensure that the Base Price and the rate of the Deposits are no less favourable to the Group than those offered by Independent Third Parties with respect to residential properties (including storage spaces), shops and/or car parking spaces in the surrounding area;
- (iii) the Group will also determine the price by making reference to (if available) other market reference prices such as prices of similar transactions conducted by other sales agency companies in the PRC which the Group considers to be matching, fair and competitive, to ensure the relevant Commissions would not be lower than those charged by Independent Third Parties and the relevant rate of Deposits would not be higher than those offered by Independent Third Parties; and
- (iv) should there be any material discrepancies between the price charged and/or offered by the Group and that charged and/or offered by Independent Third Parties, the price chargeable and/or payable by the Group will be adjusted accordingly.

## INTERNAL CONTROL MEASURES

To ensure that the Individual Agreements will be entered into on normal commercial terms and in accordance with the terms of the 2025 CIFI Sales Agency Services Framework Agreement, and on terms no less favourable to the Group than those available from Independent Third Parties, the Group has adopted the following measures:

- (i) compliance with the Group's pricing policy for all the continuing connected transactions of the Group will be supervised and monitored by the finance department of the Group to ensure the relevant continuing connected transactions are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and its Shareholders as a whole. The relevant personnel and management of the Group will review and assess the terms before any Individual Agreements are entered into to ensure (a) the terms and conditions under respective Individual Agreements are no less favourable to the Group than those offered by Independent Third Parties with respect to residential properties (including storage spaces), shops and car parking spaces in the surrounding area; (b) the terms of Individual Agreements are consistent with the 2025 CIFI Sales Agency Services Framework Agreement; and (c) the proposed receipt of Commissions and/or the commitment to pay Deposits under the new Individual Agreements would not result in the relevant annual caps being exceeded before the relevant requirements under the Listing Rules for increasing the relevant caps have been complied with, before the entering into of the relevant Individual Agreements are to be approved by the finance department of the Group;
- (ii) the management and the finance department of the Group will monitor transactions pursuant to each Individual Agreements (including actual sales rates and timing receipts of the Commissions and/or refunds of the Deposits) in the context of the applicable caps and assess the risk of caps being exceeded;
- (iii) the management of the Group has developed standards for selection of projects and would consider the results of a "four-dimensional evaluation" for the potential projects and ongoing projects, the scores of which are allocated based on factors including (1) the type of development property (e.g. residential, villa and/or furnished apartments), pricing, status of delivery of residential units and occupancy rates; (2) the availability of properties (including storage spaces), shops and car parking spaces within the development and in the neighbourhood; (3) the proportion of properties (including storage spaces), shops and car parking spaces to units, number of saleable properties (including storage spaces), shops and car parking spaces, prior selling efforts in respect of the properties (including storage spaces), shops and car parking spaces, pricing and/or period of sales moratorium; and (4) the quality/condition of the properties

(including storage spaces), shops and car parking spaces. Such evaluation, together with the expected project sales rate of the number of units under the CIFI Agency Services, will determine the rate of Deposits which will be payable. The same standards are applicable to both connected persons and customers which are Independent Third Parties. The Group does not give preferential treatment to connected persons. If comparable market rates of deposits are available, the proposed rate of Deposits and the payment of the Deposits will generally be compared with the market rate of at least three projects with similar features to ensure that such proposed rate of Deposits and the payment of the Deposits is not higher than those projects; if no comparable market rates of deposits is available, the fairness and reasonableness of the proposed rate of Deposits and the payment of the Deposits will be determined based on the pricing policies mentioned in the paragraph headed “Basis of Determination of the Annual Caps” above to ensure that the Group can achieve a reasonable return in participating in the project(s);

- (iv) conducting regular checks to review and assess whether the transactions contemplated under the Individual Agreements are conducted in accordance with the terms of the 2025 CIFI Sales Agency Services Framework and the price chargeable and/or payable for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy; and
- (v) reviewing by the relevant department of the Group of the status of the Commissions received and/or the Deposits refunded on a regular basis to ensure that the recovery of the Commissions and/or the Deposits is carried out in accordance with the Individual Agreements. In the event of a delay in the payment of Commissions and/or refund of Deposits by the CIFI Group, the relevant member of the Group will closely follow up with the relevant department of the CIFI Group in a timely manner. Depending on the circumstances of the delay, the relevant member of the Group will take appropriate actions in order to protect its interest under the 2025 CIFI Sales Agency Services Framework Agreement, such as negotiation, issuing collection letter(s) or potentially issuing attorney letter(s) or taking other legal measures to ensure that the Commissions to be received by and/or the Deposits be refunded to the Group in accordance with the Company’s policy on collection of outstanding payments as and when required, which are consistent with the case of Independent Third Party customers.

In view of the foregoing, the Directors consider that the internal control mechanism to be effective to ensure that the transactions contemplated under the 2025 CIFI Sales Agency Services Framework Agreement will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders taken as a whole.

In addition to the above internal control measures, the independent non-executive Directors will continue to review the transactions contemplated under the 2025 CIFI Sales Agency Services Framework Agreement, and the auditors of the Company will also report on the Group's continuing connected transactions (including the transactions contemplated under the 2025 CIFI Sales Agency Services Framework Agreement) in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, CIFI Holdings is one of the controlling shareholders of the Company. CIFI Holdings is therefore a connected person of the Company under Chapter 14A of the Listing Rules. Therefore, the transactions contemplated under the 2025 CIFI Sales Agency Services Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

### **Commissions**

As the highest applicable percentage ratio in respect of the proposed annual caps for the Commissions exceeds 0.1% but are all less than 5%, the Commissions is subject to reporting, annual review and announcement requirements but is exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **Deposits**

As the highest applicable percentage ratio in respect of the proposed annual caps for the Deposits (i.e., the Proposed Caps) is more than 5%, the Deposits is subject to the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

## **THE EGM**

The Company will convene the EGM for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Proposed Caps. Each of (i) Mr. Lin Zhong, Mr. Lin Feng, Mr. Lin Wei and their respective associates; and (ii) Mr. Ru Hailin, Mr. Yang Xin and Mr. Ge Ming, each being a director of CIFI Holdings and holding Shares, shall abstain from voting on the proposed resolution approving the Proposed Caps at the EGM.

The Independent Board Committee, comprising all independent non-executive Directors, has been established to advise the Independent Shareholders in relation to the Proposed Caps. Gram Capital has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders on the aforesaid matters.

A circular containing, among others, (a) further details of the Deposits (including the Proposed Caps); (b) a letter of advice from Gram Capital to the Independent Board Committee and the Independent Shareholders; (c) a letter from the Independent Board Committee to the Independent Shareholders on the same and its recommendation on voting; and (d) the notice of the EGM, is expected to be sent to the Shareholders on or before 30 November 2024 as additional time is required to prepare and finalise certain information to be included in the circular.

## **BOARD APPROVAL**

At the Board meeting held to approve the 2025 CIFI Sales Agency Services Framework Agreement and the annual caps of the Commissions and the Deposits, Mr. Lin Zhong, being a Director who also holds office in CIFI Holdings and is interested in approximately 39.17% of the issued share capital of CIFI Holdings, was considered as having a material interest in the transactions contemplated under the 2025 CIFI Sales Agency Services Framework Agreement. Accordingly, Mr. Lin Zhong abstained from voting on the Board resolutions for approving the 2025 CIFI Sales Agency Services Framework Agreement and the annual caps for the Commission and the Deposits.

Save as disclosed above, none of the Directors had material interest in the aforesaid transactions and was required by the Listing Rules to abstain from voting on the Board resolutions in respect of the 2025 CIFI Sales Agency Services Framework Agreement and the annual caps for the Commission and the Deposits.

## **GENERAL INFORMATION**

### **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.

### **CIFI Holdings**

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

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

## DEFINITIONS

In this announcement, unless the content otherwise requires, the following terms and expressions have the following meanings:

“2022 CIFI Sales Agency Services Framework Agreement”	the sales agency services framework agreement entered into between the Company and CIFI Holdings on 23 December 2021
“2025 CIFI Sales Agency Services Framework Agreement”	the sales agency services framework agreement entered into between the Company and CIFI Holdings on 29 October 2024
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Base Price”	being the minimum sale price of the property to be sold under the relevant Individual Agreements
“Board”	the board of Directors
“CIFI Agency Services”	the sales agency services provided by the Group to the CIFI Group in respect of unsold residential properties (including storage spaces), unsold shops and unsold car parking spaces in the development projects in the PRC of the CIFI Group
“CIFI Group”	CIFI Holdings and its subsidiaries; for the purpose of this announcement only, excluding the Group
“CIFI Holdings”	CIFI Holdings (Group) Co. Ltd. (stock code:00884), an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange
“Commissions”	the commissions to be charged by the Group for the CIFI Agency Services
“Company”	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 meaning ascribed to it under the Listing Rules



“connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Deposits”	the refundable deposits to be paid by the Group to the CIFI Group for the CIFI Agency Services
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company (or any adjournment thereof) to be convened and held for the purpose of considering and, if thought fit, approving the Proposed Caps
“Group”	the Company and its subsidiaries
“Independent Board Committee”	the independent board committee established by the Board, comprising all the independent non-executive Directors, namely Mr. MA Yongyi, Mr. YU Tiecheng and Mr. CHEUNG Wai Chung, to advise the Independent Shareholders in respect of the Proposed Caps
“Independent Financial Adviser” or “Gram Capital”	Gram Capital, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Proposed Caps
“Independent Shareholders”	the Shareholders who are not required to abstain from voting at the EGM for the relevant resolution with respect to the Proposed Caps
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and Directors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates

“Individual Agreements”	the individual agreements entered into between the members of the Group and the members of the CIFI Group from time to time in relation to the CIFI Agency Services
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC” or “China”	the People’s Republic of China which for the purpose of this announcement does not include the Hong Kong Special Administrative Region, the Macau Special Administrative Region and Taiwan
“Proposed Caps”	the proposed annual caps for maximum daily balance of Deposits to be paid by the Group to the CIFI Group for the three years ending 31 December 2025, 2026 and 2027 for the CIFI Agency Services
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	ordinary share(s) with nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	percentage

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

Hong Kong, 29 October 2024

*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 Ms. CUI Xiaoqing; and the independent non-executive Directors are Mr. MA Yongyi, Mr. YU Tiecheng and Mr. CHEUNG Wai Chung.*