

---

**THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

---

**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in Ever Sunshine Services Group Limited, you should disregard this circular and the proxy form.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

---



**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)**

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO THE PAYMENT OF DEPOSITS UNDER  
THE 2025 CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT  
AND  
NOTICE OF EGM**

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



---

A notice convening the EGM of the Company to be held at No.1 Conference Room, 9/F, Building 39 Henderson CIFI Centre, Lane 1088, Shenhong Road, Minhang District, Shanghai, the PRC on Tuesday, 31 December 2024 at 10:00 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is also published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company ([www.ysservice.com.cn](http://www.ysservice.com.cn)).

Shareholders who intend to appoint a proxy to attend the EGM shall complete the form of proxy in accordance with the instructions stated thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 10:00 a.m. on Sunday, 29 December 2024) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM (or any adjournment thereof) if they so wish and in such event, the proxy shall be deemed to be revoked.

References to times and dates in this circular are to Hong Kong times and dates.

9 December 2024

---

## CONTENTS

---

	<i>Page</i>
<b>DEFINITIONS</b> .....	1
<b>LETTER FROM THE BOARD</b> .....	4
<b>LETTER FROM THE INDEPENDENT BOARD COMMITTEE</b> .....	22
<b>LETTER FROM GRAM CAPITAL</b> .....	24
<b>APPENDIX I — GENERAL INFORMATION</b> .....	App I-1
<b>NOTICE OF EGM</b> .....	EGM-1

---

## DEFINITIONS

---

*In this circular, unless the context otherwise requires, the following expressions shall 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
“Best Legend”	Best Legend Development (PTC) Limited, a private trust company limited by shares incorporated in the BVI
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“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 residential 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 circular, excluding the Group)
“CIFI Holdings”	CIFI Holdings (Group) Co. Ltd. (旭輝控股(集團)有限公司) (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
“close associate(s)”	has the meaning ascribed to it under the Listing Rules
“Company”	Ever Sunshine Services Group Limited (永升服务集团有限公司), 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 shareholders”	has the meaning ascribed to it under the Listing Rules

---

## DEFINITIONS

---

“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 to be convened and held at No.1 Conference Room, 9/F, Building 39 Henderson CIFI Centre, Lane 1088, Shenhong Road, Minhang District, Shanghai, the PRC on Tuesday, 31 December 2024 at 10:00 a.m. or any adjournment thereof (as the case may be), the notice of which is set out on pages EGM-1 to EGM-2 of this circular
“Elite Force”	Elite Force Development Limited, a limited liability company incorporated in the BVI and is one of the controlling shareholders of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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 Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, 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 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

---

## DEFINITIONS

---

“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
“Latest Practicable Date”	5 December 2024, being the latest practicable date prior to the finalisation of this circular for the purpose of ascertaining certain information contained in this circular
“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 circular does not include Hong Kong, the Macau Special Administrative Region and Taiwan
“Premium Commission”	the commission separately agreed between the Group and the end purchasers of residential properties (including storage spaces), shops and residential car parking spaces, representing the difference between the sale price paid by the end purchaser and the Base Price
“Proposed Caps”	the proposed annual caps for maximum daily balance of Deposits to be paid by the Group to the CIFI Group for each of the three years ending 31 December 2027 for the CIFI Agency Services
“Prospectus”	the prospectus of the Company dated 4 December 2018
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong
“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 the Share(s)
“Spectron”	Spectron Enterprises Limited, a limited liability company incorporated in the BVI and is one of the controlling shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	percent

---

LETTER FROM THE BOARD

---



**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)**

*Executive Directors:*

Mr. LIN Zhong (*Chairman*)

Mr. ZHOU Hongbin

Mr. ZHOU Di

*Registered Office:*

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

*Non-executive Director:*

Ms. CUI Xiaoqing

*Principal Place of Business in Hong Kong:*

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai, Hong Kong

*Independent Non-executive Directors:*

Mr. MA Yongyi

Mr. YU Tiecheng

Mr. CHEUNG Wai Chung

9 December 2024

*To the Shareholders*

Dear Sir and Madam,

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO THE PAYMENT OF DEPOSITS UNDER  
THE 2025 CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT  
AND  
NOTICE OF EGM**

**INTRODUCTION**

Reference is made to the announcement of the Company dated 29 October 2024 in relation to the CIFI Agency Services (including the payment of Deposits) and the Proposed Caps.

The purpose of this circular is to provide the Shareholders with, among other things, (i) further information on the Deposits and the Proposed Caps; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in relation to the Proposed Caps; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in relation to the Proposed Caps; and (iv) a notice of EGM.

---

## LETTER FROM THE BOARD

---

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

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 (including 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.

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.

---

## LETTER FROM THE BOARD

---

When determining the payment and the rates of Deposits, the relevant member of the Group would consider the following factors:

- (i) ***exclusivity*** — where the Group is engaged by the CIFI Group on an exclusive basis to provide the CIFI Agency Services, the Group would normally be required to pay Deposits to the CIFI Group, which is consistent with the prevailing market practice. As shown in the table in the paragraph headed “Comparable Transactions” below, deposits were required in all comparable transactions where agency services were rendered on an exclusive basis;
- (ii) ***type of sales agency services required*** — where the CIFI Agency Service is solely provided by the Group without support from the CIFI Group and the Group is able to charge the end purchaser a Premium Commission, the Group would normally be more inclined to pay Deposits at a higher rate. Conversely, where the CIFI Agency Service is supported by the CIFI Group, in particular in terms of marketing program planning, the Group will normally charge the CIFI Group a fixed-rate commission and the Group would normally be less inclined to pay Deposits at a high rate;
- (iii) ***nature of the sales units involved*** — the Group ascribes an overall score for each development project of the CIFI Group taking into account various factors. Development projects with higher scores are more attractive to the Group and as such payment of Deposits is more acceptable to the Group. Development projects with higher scores in general have the following features:
  - (a) located closer to the city centre, with higher sale prices, a shorter period of delivery, and higher occupancy rates;
  - (b) less available residential properties (including storage spaces), shops and/or residential car parking spaces within the development and in the neighbourhood leading to a higher demand for such residential properties (including storage spaces), shops and residential car parking spaces; and/or
  - (c) the Base Price is at a higher discount to the market price so that the Group can generate higher Premium Commission; and
- (iv) ***confidence to sell*** — the more confident the Group is in selling the relevant units, the more likely it is to accept the payment of a higher Deposit amount.

### **Payment Terms for the 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.



---

## LETTER FROM THE BOARD

---

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, of which the contract term is generally one year or above and will not have a term beyond 31 December 2027, the remaining balance of the Deposits will be refunded to the Group. Upon the 2025 CIFI Sales Agency Services Framework Agreement taking effect, the existing Individual Agreements under the 2022 CIFI Agency Services Framework Agreement will be automatically renewed, and the remaining balance of the Deposits will be kept with the CIFI Group as Deposits payable under the renewed Individual Agreements.

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 a member of the CIFI Group receives the Base Price and/or sale price directly either from the end purchasers or their financing banks (as the case may be), an amount equivalent to the Deposits paid by the Group in respect of units sold by it (usually representing 100% of the Base Price) received by the member of CIFI Group could (i) either be refunded on a periodic basis, or (ii) be set off from the Deposits the relevant member of the Group needs to pay the CIFI Group in the future 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.

To the best of knowledge of the Company, similar refund mechanisms of deposits have also been adopted by other industry players, including but not limited to those identified in the table in the paragraph headed “Comparable Transactions” below. Accordingly, the Board is of the view that the above refund mechanism of the Deposits is comparable to those adopted by other industry peers and in line with the market practice, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As at the Latest Practicable Date, the CIFI Group has timely refunded the Deposits paid by the Group under the 2022 CIFI Sales Agency Services Framework Agreement, which were refundable periodically. Where the Deposits were refundable through a set-off against the sale prices of units received by the Group, the Group has promptly deducted the Deposits from the sale prices.

As announced by CIFI Holdings, the CIFI Group has put tremendous efforts in preserving value for all stakeholders by ensuring delivery of completed units, stabilising its normal business operations and maintaining its onshore financing arrangements. The CIFI Group recorded an aggregated contracted sales (including contracted sales by joint ventures and associated companies) of approximately RMB26.13 billion with contracted GFA of approximately 2,137,800 sq.m. from January to September 2024, and had cash and bank balances (other than pledged bank deposits and funds under supervision by banks) of approximately RMB2,925.3 million as at 30 June 2024.

---

## LETTER FROM THE BOARD

---

Furthermore, according to the announcement of CIFI Holdings dated 28 October 2024, the proposed restructuring plan in relation to the CIFI Group's offshore indebtedness has achieved a high accession rate among creditors, representing approximately 77.88% of the outstanding principal amount of the CIFI Group's offshore bank loans, senior notes and convertible bonds held by these creditors. Therefore, taking into account (i) the financial results published by CIFI Holdings, (ii) the long-term cooperation between the CIFI Group and the Group, (iii) the historical payment record of payments due from the CIFI Group to the Group (including refunding of Deposits), (iv) the stable income stream that has been generated by the Group from the provision of the CIFI Agency Services, and (v) despite the liquidity issue (if any) faced by the CIFI Group, including a net loss attributable to equity owners of CIFI Holdings of approximately RMB4,939,432,000 was recorded for the six months ended 30 June 2024 and inability to repay the principal and the interest of certain bank borrowings, offshore senior notes, offshore convertible bonds (including debt and derivative components) and corresponding interest payables amounting to approximately RMB28,917,281,000, RMB17,425,250,000, RMB1,628,990,000 and RMB4,629,429,000 respectively defaulted or cross-defaulted as at 30 June 2024, these liquidity issues mainly relate to the CIFI Group's offshore indebtedness and proposed restructuring and would not be expected to affect the CIFI Group's ability to fulfil its onshore liabilities as (i) the PRC subsidiaries of the CIFI Group (i.e. being parties to the relevant Individual Agreements) have not guaranteed any of the CIFI Group's offshore bank loans, senior notes and convertible bonds; (ii) the PRC subsidiaries of the CIFI Group will provide their financial statements to the Group to assess their financial capability to refund deposits before entering into the respective Individual Agreements; and (iii) the CIFI Group's offshore indebtedness do not materially affect its onshore financing arrangements as a whole, the Board is of the view that the repayment capacity of such PRC subsidiaries of the CIFI Group has not been adversely affected and the credit risk of the Deposits paid to the CIFI Group is therefore relatively low.

As at the Latest Practicable Date, the Group had not been provided with any guarantees over the repayment of the Deposits by the CIFI Group. As shown in the table in the paragraph headed "Comparable Transactions" below, none of the deposits in the comparable transactions were secured. To minimise the credit risk in relation to the payment of the Deposits, the Company will (i) perform credit assessment procedures including but not limited to evaluating occupants' feedback of the sold residential properties (including storage spaces), shops and car parking spaces of the CIFI Group, conducting market research on the business reputation of relevant members of the CIFI Group and reviewing the financial statements of the members of the CIFI Group from time to time, and (ii) request the members of the CIFI Group to provide financial metrics to the Group on a regular basis for ongoing credit assessment so as to monitor the refunding status of the Deposits regularly. In the event of a delay in the refund of Deposits to the Group, the relevant member of the Group will promptly take appropriate actions in order to protect its interest under the Individual Agreements and the 2025 CIFI Sales Agency Services Framework Agreement. For further details, please refer to the paragraph headed "Internal Control Measures" in this circular. Based on the above, the Directors are of the view that the Deposits being unsecured is fair and reasonable and in the interest of the Company and the Shareholders as a whole, and in line with the market practice and on normal commercial terms.

### **Source of funding**

The payment of the Deposits by the Group had been and will continue to be funded by the Group's internal resources generated from its operations, without using the unutilised proceeds from the Company's initial public offering.

---

## LETTER FROM THE BOARD

---

The working capital generated by the Group for the year ended 31 December 2023 amounted to approximately RMB913.10 million and the cash and cash equivalents of the Group as at 30 June 2024 amounted to approximately RMB2,256.56 million. The following table sets forth the amount of Deposits expected to be paid by the Group to the CIFI Group after deducting the refundable amounts for the years ending 31 December 2025, 2026 and 2027 pursuant to Individual Agreements:

	For the year ending 31 December		
	2025	2026	2027
Amount of Deposits expected to be paid to the CIFI Group after deducting the refundable amounts	RMB31.79 million	nil <sup>(1)</sup>	nil <sup>(1)</sup>
As % of the working capital generated by the Group for the year ended 31 December 2023	3.48%	nil <sup>(1)</sup>	nil <sup>(1)</sup>
As % of the cash and cash equivalents of the Group as at 30 June 2024	1.41%	nil <sup>(1)</sup>	nil <sup>(1)</sup>

*Note:*

- (1) The Proposed Cap for the year ending 31 December 2026 and 2027 represent the balance of the Deposits pursuant to Individual Agreements. The Company does not expect to use any additional fund to pay Deposits to the CIFI Group for the year ending 31 December 2026 and 2027 pursuant to Individual Agreements as the Company will use the Deposits to be refunded from sale prices of the units sold for paying the Deposits thereunder.

Taking into account (i) the expected income stream to be generated by the Group through the payment of the Deposits, (ii) other steady revenue streams from the Group's principal business, and (iii) the Proposed Caps represent no more than 35% of the Group's cash and cash equivalents as at 30 June 2024, the Company believes that the Group will have sufficient working capital after the payment of the Deposits. The Group will continue to monitor its working capital level and will estimate in advance the working capital required for the next 12 months through a rolling budget.

Based on the above, the Board is of the view that the payment of the Deposits will not have a material impact to the Company's working capital and operation.

### Comparable Transactions

Below is a list of comparable transactions identified on a best-effort basis and without any findings being carved out subjectively that involved payment of refundable deposits in respect of the exclusive sales agency rights for the relevant units announced by property management companies listed on the Stock Exchange, with main operations in the PRC, during the period of approximately two years prior to the Latest Practicable Date. Despite that the comparable transactions were identified on a non-exhaustive basis, they are considered sufficient as they included transactions of various Hong Kong listed companies which the Company identified via the HKEXnews website on a best-effort basis.

## LETTER FROM THE BOARD

Company Name (stock code)	Announcement date	Counterparty	Exclusivity	Deposit rate	Guarantee	Interest rate	Refund mechanism
Kangqiao Service Group Ltd. (2205)	14 November 2023	A connected person, the group of which is primarily engaged in property development	Yes	20% to 40% of the value of relevant properties	Unsecured	Nil	Periodical refund <sup>(1)</sup> , and refund remaining balance upon contract expiry/termination
Jinmao Property Services Co., Limited (816)	26 October 2023	A connected person which is a property developer	Yes	Up to 100% of base price	No relevant information has been disclosed	Nil	Periodical refund <sup>(1)</sup> /set-off, and refund remaining balance upon contract expiry/termination
Redsun Services Group Limited (1971)	7 June 2023	A connected person which is a property developer	Yes	100% of base price	No relevant information has been disclosed	Nil	Set-off corresponding amount upon completion of sales and refund remaining balance within a period after relevant contract expiry
S-Enjoy Service Group Co., Limited (1755)	21 April 2023 and 8 May 2023	A connected person whose associates, with whom the company has specific agreements, are primarily engaged in property development	Yes	100% of base price	No relevant information has been disclosed	Not available	Refund corresponding amount upon completion of sales and refund remaining balance upon contract expiry
Times Neighborhood Holdings Limited (9928)	21 March 2023	A connected person which is a property developer	Yes	Not available	No relevant information has been disclosed	Nil	Nil
Shimao Services Holdings Limited (873)	6 December 2022	A connected person which is a property developer	Yes	Not more than 35% of the sale price	No relevant information has been disclosed	Nil	Periodical refund <sup>(1)</sup> /set-off, and refund remaining balance upon contract expiry
Ronshine Service Holding Co., Limited (2207)	23 November 2022	A connected person, the group of which is primarily engaged in property development	Yes	15% of the estimated market value	No relevant information has been disclosed	Nil	Periodical refund <sup>(1)</sup> , and refund remaining balance upon contract completion/expiry

## LETTER FROM THE BOARD

Company Name (stock code)	Announcement date	Counterparty	Exclusivity	Deposit rate	Guarantee	Interest rate	Refund mechanism
Poly Property Services Co Limited (6049)	16 November 2022	A connected person which is a property developer	Yes	No more than 50% of base price (which shall not exceed 80% of the agreed price for sales)	No relevant information has been disclosed	Not available	Periodical refund <sup>(1)</sup> , and refund remaining balance upon contract completion/expiry/termination
Roiserv Lifestyle Services Co Limited (2146)	15 November 2022	An independent third party which is primarily engaged in the wholesale business of building materials	Yes	100% of base price (which is 70%-80% of the agreed market price)	No relevant information has been disclosed	Not available	Set-off, and refund remaining balance upon contract expiry/termination
The Company	29 October 2024	A connected person which is a property developer	Yes	100% of base price	Unsecured	Nil	Periodical set-off, and refund remaining balance upon contract expiry/termination

*Note:*

- (1) As disclosed in the relevant announcements of the above-listed companies, refundable deposits payable by these companies shall be refunded on a periodic basis (i.e., monthly, every six months, or annually).

### Historical Transaction Amounts

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

	<b>For the year ended 31 December 2023</b>	<b>For the nine months ended 30 September 2024</b>
	<i>(RMB' million)</i>	
<b>Maximum daily balance of Deposits</b>		
Annual caps <sup>(1)</sup>	510.06	525.10 <sup>(2)</sup>
Historical transaction amounts <sup>(1)</sup>	338.30	323.62

*Note:*

- (1) 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.
- (2) For the entire year ending 31 December 2024.

---

## LETTER FROM THE BOARD

---

As at 30 June 2024 and the Latest Practicable Date, the remaining balance of Deposits paid by the Group to the CIFI Group pursuant to the Individual Agreements entered into before 1 July 2023 that were excluded from the historical annual caps were approximately RMB307.84 million and RMB301.74 million, respectively.

### Proposed Caps

The following table sets forth the annual caps for 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 Caps</b>	756.40	705.30	631.80

### Basis of Determination of the Proposed Caps

In determining the Proposed Caps, the Directors have considered the following factors:

- (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, despite a significant decrease in the proposed annual caps of the commission payable under the 2025 CIFI Agency Services Framework Agreement, as (i) except for five Individual Agreements where the Premium Commission is expected to be paid by the CIFI Group to the Group, the remaining Individual Agreements with Premium Commission as such commission is to be paid by the end purchasers to the Group will not be covered under these proposed annual caps of the commission; (ii) a strategic shift from the pre-determined price method<sup>1</sup>, where the fixed-rate commission applies and the Group would normally be less inclined to pay high deposit rates, towards the Base Price method, which allows the Group to receive Premium Commissions and become more inclined to pay higher deposit rates; and (iii) the latter only covers 28 Individual Agreements, which were entered into on

<sup>1</sup> Where the relevant units are sold using the pre-determined price method, the Group is normally required to sell the relevant unit at not less than a pre-determined sale price which is closer to the market price of such unit and to pay the Deposits (if any) on a lump sum basis, as opposed to the Base Price method, i.e., the Group is required to sell the relevant unit above the Base Price which is determined with reference to a discount to the market price of such unit and to pay the Deposits on an instalment basis. As the Group has agreed with the CIFI Group to gradually shift towards using the Base Price method, the proportion of Individual Agreements using pre-determined price method decreased from 14.6% for the financial year ended 31 December 2023 to 3.4% for the nine months ended 30 September 2024, and the Company anticipates that all Individual Agreements under the 2025 CIFI Sales Agency Services Framework Agreement, under which the Group will be required to pay Deposits to the CIFI Group, will use the Base Price method.

---

## LETTER FROM THE BOARD

---

or after 1 July 2023 (as more particularly described in the announcement of the Company dated 26 September 2023 and the circular of the Company dated 31 January 2024), whereas the Proposed Cap for the year ending 31 December 2025 is expected to cover 95 Individual Agreements, which includes (a) the 28 Individual Agreement mentioned above; (b) 64 Individual Agreements entered into prior to 1 July 2023 and will be automatically renewed upon the 2025 CIFI Sales Agency Services Framework Agreement taking effect and be effective on or before 31 December 2027; and (c) three out of six new Individual Agreements referred to in the paragraph (ii) below which will be entered into in 2025;

- (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 to cater for potential fluctuations in the Base Price which is determined with reference to the market price of the relevant units, and also taking into consideration factors such as the discount to the market price and the timing at which the Deposits are to be paid to the CIFI Group as a result of the potential improvement in the market conditions, as well as to accommodate, as well as to accommodate additional Individual Agreements for projects other than those referred to in paragraphs (i) and (ii) above and 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:

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

; and

---

## LETTER FROM THE BOARD

---

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

$$\begin{array}{ccccccc} \text{The Deposits} & & \text{The number of} & & \text{Base Price}^2 & & \text{expected} \\ \text{payable for each} & & \text{units under each} & & \text{for} & & \text{project} \\ \text{of the three} & - ( & \text{of the Individual} & \times & \text{such units} & \times & \text{sales rates} \\ \text{years ending 31} & & \text{Agreements} & & & & \\ \text{December 2027}^1 & & & & & & \end{array}$$

*Notes:*

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

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

- (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 circular.

### **Reasons for and Benefits of the 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. As shown in the table in the paragraph headed "Comparable Transactions" above, the deposits rate of up to 100% of the base price are not uncommon as compared to the market practice and the Directors are, therefore, of the view that the rates of Deposits (i.e., up to 100% of the Base Price) are on normal commercial terms, within market range and are comparable to the comparable transactions offered by the Group to the Independent Third Parties, and that the pricing policy of the Deposit is fair and reasonable;



---

## LETTER FROM THE BOARD

---

- (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. Based on historical transactions, the percentage of commission charged by the Group for rendering the CIFI Agency Services with Deposit arrangements was approximately 5% to 75% of the final sale prices, whereas commission for CIFI Agency Services without Deposit arrangements was approximately 5% to 10% of the final sale prices;
- (iv) the Deposits being interest free is in line with the general market practice of similar transactions. As shown in the table in the paragraph headed “Comparable Transactions” above, the deposits in all comparable transactions were interest-free; and
- (v) 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 estimated annual return rates of the Deposits<sup>(i)</sup> with respect to the CIFI Agency Services rendered to the CIFI Group for the years ended 31 December 2022 and 2023 were approximately 35.2% and 7.5%, respectively, which is higher than the benchmark lending rate by banks in the PRC (being 3.1% per annum for one-year loans, based on the Renminbi loan prime rate promulgated by the People’s Bank of China as at the Latest Practicable Date). The decline in the estimated annual return rates of the Deposits was primarily due to the reduced commissions received by the Group under the CIFI Agency Services, resulting from lower sales unit prices and a decrease in total contracted sales amount, which can be attributed to the sluggish real estate market in the PRC in 2023, compared to 2022. Based on the reasons mentioned in the paragraph (iv) above and this paragraph, the Directors are of the view that the Deposits being interest-free is fair and reasonable and in the interest of the Company and the Shareholders as a whole, and in line with the market practice and on normal commercial terms.

*Note:*

- (i) Annual return rate of Deposits is calculated as follows:

$$\begin{array}{l} \text{Annual return rate of Deposits for CIFI Agency} \\ \text{Services rendered to the CIFI Group} \end{array} = \frac{\begin{array}{l} \text{Revenue generated from CIFI Agency Services} \\ \text{rendered to the CIFI Group involving payment of} \\ \text{Deposits in the year} \end{array}}{\begin{array}{l} \text{(Opening balance of Deposits in the year +} \\ \text{Closing balance of Deposits in the year)/2} \end{array}}$$

Based on the above, the Directors (including the independent non-executive Directors after considering the advice from the Independent Financial Adviser) are of the view that the payment of the Deposits is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

---

## LETTER FROM THE BOARD

---

### 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 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 rate of Deposits would not be higher than those offered by Independent Third Parties;
- (iv) where market research on three Independent Third Parties and other market reference prices, as mentioned in the paragraphs (ii) and (iii) above, respectively, are not available, the Group will determine the price with reference to the Base Price. If the Base Price represents a higher discount to the market price, which is arrived with reference to the previously agreed Base Price applicable to the CIFI Agency Services, the Group will generally anticipate incurring lower costs for rendering the CIFI Agency Services and would therefore be more inclined to pay Deposits at a higher rate; and
- (v) should there be any material discrepancies between the price offered by the Group and that offered by Independent Third Parties, the price 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 finance team, legal team and management of the Group will review and assess the terms before any Individual Agreements are entered into to ensure (a) the terms and

---

## LETTER FROM THE BOARD

---

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 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 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 Proposed 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 Agreement and the Deposits payable for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy; and

---

## LETTER FROM THE BOARD

---

- (v) reviewing by the business and/or finance department of the Group of the status of the Deposits refunded on a regular basis to ensure that the recovery of the Deposits is carried out in accordance with the Individual Agreements. In the event of a delay in the refund of Deposits by the CIFI Group, the business department of the involved member of the Group (as the case may be) will closely follow up with the business department of the CIFI Group in a timely manner. Depending on the circumstances of the delay, the finance department and/or the legal team of the involved member of the Group (as the case may be) 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 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.

### 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.

#### **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.

---

## LETTER FROM THE BOARD

---

### LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, 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 CIFI Agency Services (including the Deposits) 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.

As the highest applicable percentage ratio in respect of 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.

As at the Latest Practicable Date, Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei, acting in a consensual manner, are entitled to exercise the voting rights of approximately 39.43% of the total issued share capital of the Company through investment holding companies controlled by them, including Elite Force, Spectron, Rosy Fortune and Sun-Mountain Trust, and therefore are deemed to have material interests in the transactions contemplated under the Individual Agreements. Furthermore, Mr. Ru Hailin, Mr. Yang Xin and Mr. Ge Ming, each being a director of CIFI Holdings, also holds Shares, they are therefore considered to have material interests in the transactions contemplated under the Individual Agreements. As a result, each of Mr. Lin Zhong, Mr. Lin Feng, Mr. Lin Wei, CIFI Holdings and the abovementioned investment holding companies, as well as Mr. Ru Hailin, Mr. Yang Xin and Mr. Ge Ming is required to abstain from voting on the resolution in relation to the Proposed Caps at the EGM. As at the Latest Practicable Date, (a) Mr. Lin Zhong, Mr. Lin Feng, Mr. Lin Wei and their respective associates, directly and indirectly, held 681,500,000 Shares (representing approximately 39.43% of the total issued share capital of the Company), and (b) Mr. Ru Hailin, Mr. Yang Xin and Mr. Ge Ming held 1,050,000 Shares, 1,020,000 Shares and 1,900,000 Shares (representing approximately 0.06%, 0.06% and 0.11% of the total issued share capital of the Company), respectively.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, save for the above, none of the Shareholders is required to abstain from voting on the resolution in relation to the Proposed Caps to be proposed at the EGM.

### BOARD APPROVAL

At the Board meeting held to approve the Proposed Caps, 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 has abstained from voting on the Board resolution for approving the Proposed Caps.

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 resolution in respect of the Proposed Caps.

---

## LETTER FROM THE BOARD

---

### RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee as set out on pages 22 to 23 of this circular which contains the recommendation of the Independent Board Committee to the Independent Shareholders in relation to the Proposed Caps; and (ii) the letter from Gram Capital as set out on pages 24 to 39 of this circular which contains its advice to the Independent Board Committee and the Independent Shareholders on the same matter, as well as the principal factors and reasons taken into account by Gram Capital in arriving at its advise.

The Directors (excluding the Director who has abstained from voting as more particularly described above and the independent non-executive Directors whose opinions are given in the letter from the Independent Board Committee contained in this circular) are of the view that the Proposed Caps are fair and reasonable, on normal commercial terms and are set under the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole and therefore recommend the Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM.

### INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

An Independent Board Committee (comprising all the 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 in relation to the Proposed Caps.

### EGM

Set out on pages EGM-1 to EGM-2 of this circular is the notice of the EGM which will be held at No.1 Conference Room, 9/F, Building 39 Henderson CIFI Centre, Lane 1088, Shenhong Road, Minhang District, Shanghai, the PRC on Tuesday, 31 December 2024 at 10:00 a.m. At the EGM, an ordinary resolution will be proposed to the Shareholders to consider and, if thought fit, to approve the Proposed Caps.

### Voting by poll

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, voting on the resolution set out in the notice of EGM shall be taken by way of poll. Any Shareholders and his/her/its associate(s) who are involved or interested in the resolutions are required to abstain from voting.

On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised representative shall have one vote for each share registered in his/her name in the register. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way. The results of the poll will be published on the websites of the Company and the Stock Exchange after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

---

## LETTER FROM THE BOARD

---

### Closure of register of members

For the purpose of ascertaining the Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 24 December 2024 to Tuesday, 31 December 2024, both days inclusive, during which period no transfer of the Shares can be registered.

In order to be eligible to attend and vote at the EGM, all Share transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Monday, 23 December 2024.

### Form of proxy

A form of proxy is published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.ysservice.com.cn](http://www.ysservice.com.cn)). Shareholders who intend to appoint a proxy to attend the EGM shall complete the form of proxy in accordance with the instructions stated thereon and return it to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude the Shareholders from attending and voting in person at the EGM (or any adjourned meeting thereof) if they so wish and in such event, the proxy shall be deemed to be revoked.

### GENERAL INFORMATION

Your attention is drawn to the appendix headed "General Information" to this circular.

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

---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

*The following is the text of the letter of recommendation, prepared for the purpose of incorporation in this circular, from the Independent Board Committee to the Independent Shareholders in respect of approving the Proposed Caps.*



### **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)**

9 December 2024

*To the Independent Shareholders*

Dear Sir and Madam,

#### **CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE PAYMENT OF DEPOSITS UNDER THE 2025 CIFI SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

We refer to the circular dated 9 December 2024 (the “**Circular**”) issued by the Company to the Shareholders of which this letter forms part. Unless the context requires otherwise, capitalised terms used in this letter shall have the same meanings as defined in the Circular.

We have been appointed by the Board as the Independent Board Committee to advise the Independent Shareholders as to whether, in our opinion, the Proposed Caps are fair and reasonable, on normal commercial terms and are set under the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole, and how the Independent Shareholders should vote at the EGM, after taking into account the recommendation of Gram Capital.

Gram Capital has been appointed by the Board as the Independent Financial Adviser to advise the Independent Board Committee and Independent Shareholders in connection with the Proposed Caps. Details of the advice from Gram Capital, together with the reasons for its opinion, the key assumptions made and the factors taken into consideration in forming its opinion, are set out in its letter on pages 24 to 39 of the Circular.

Your attention is also drawn to the letter from the Board set out on pages 4 to 21 of the Circular and the general information set out in the Appendix I of the Circular.



---

## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

---

Having considered the information as set out in the letter from the Board, the Proposed Caps, the factors and reasons considered by, and the opinion of Gram Capital as set out in its letter of advice, we are of the view that the Proposed Caps are fair and reasonable, on normal commercial terms and are set under the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolution in relation to the approval of the Proposed Caps to be proposed at the EGM.

Yours faithfully  
For and on behalf of the  
Independent Board Committee  
**Ever Sunshine Services Group Limited**

**Mr. MA Yongyi**  
*Independent Non-executive  
Director*

**Mr. YU Tiecheng**  
*Independent Non-executive  
Director*

**Mr. CHEUNG Wai Chung**  
*Independent Non-executive  
Director*

---

## LETTER FROM GRAM CAPITAL

---

*Set out below is the text of a letter received from Gram Capital, the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the Deposits for the purpose of inclusion in this circular.*



Room 1209, 12/F.  
Nan Fung Tower  
88 Connaught Road Central/  
173 Des Voeux Road Central  
Hong Kong

9 December 2024

*To: The independent board committee and the independent shareholders  
of Ever Sunshine Services Group Limited*

Dear Sirs,

### RENEWAL OF CONTINUING CONNECTED TRANSACTION

#### INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Deposits, details of which are set out in the letter from the Board (the “**Board Letter**”) contained in the circular dated 9 December 2024 issued by the Company to the Shareholders (the “**Circular**”), of which this letter forms part. Terms used in this letter shall have the same meanings as defined in the Circular unless the context requires otherwise.

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, 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 for each of the three years ending 31 December 2027.

With reference to the Board Letter, the Deposits constitute continuing connected transactions of the Company and are subject to the reporting, announcement, annual review and Independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

The Independent Board Committee comprising Mr. MA Yongyi, Mr. YU Tiecheng and Mr. CHEUNG Wai Chung (all being independent non-executive Directors) has been established to advise the Independent Shareholders on (i) whether the terms of the Deposits are on normal commercial terms and are fair and reasonable; (ii) whether the Deposits are in the interests of the Company and the Shareholders as a whole and are conducted in the ordinary and usual course of business of the Group; and (iii) how the Independent Shareholders should vote in respect of the resolution to approve the Deposits and the Proposed Caps at the EGM. We, Gram Capital Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this respect.

---

## LETTER FROM GRAM CAPITAL

---

### INDEPENDENCE

During the past two years immediately preceding the Latest Practicable Date, Gram Capital was engaged as the independent financial adviser in relation to the Company's continuing connected transactions in relation to Deposits under 2022 CIFI Sales Agency Services Framework Agreement as set out in the Company's circular dated 31 January 2024. Save for the aforesaid engagement, there was no other service provided by Gram Capital to the Company during the past two years immediately preceding the Latest Practicable Date.

Besides, apart from the normal advisory fee and expenses payable to us in connection with this engagement as the Independent Financial Adviser, there is no arrangement whereby we shall be entitled to receive any other fees or benefits from the Company.

Notwithstanding the aforesaid engagement, we were not aware of any relationships or interests between Gram Capital and the Company, or any other parties during the past two years immediately preceding the Latest Practicable Date that could be reasonably regarded as hindrance to Gram Capital's independence to act as the Independent Financial Adviser.

Having considered the above and that (i) none of the circumstances as set out under the Rule 13.84 of the Listing Rules existed as at the Latest Practicable Date; and (ii) the aforesaid past engagement was only independent financial adviser engagement and will not affect our independence to act as the Independent Financial Adviser, we are of the view that we are independent to act as the Independent Financial Adviser.

### BASIS OF OUR OPINION

In formulating our opinion to the Independent Board Committee and the Independent Shareholders, we have relied on the statements, information, opinions and representations contained or referred to in the Circular and the information and representations as provided to us by the Directors/the Company's management (the "**Management**"). We have assumed that all information and representations that have been provided by the Directors/the Management, for which they are solely and wholly responsible, are true and accurate at the time when they were made and continue to be so as at the Latest Practicable Date. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its advisers and/or the Directors, which have been provided to us. Our opinion is based on the Management's representation and confirmation that there is no undisclosed private agreement/arrangement or implied understanding with anyone concerning the Deposits. We consider that we have taken sufficient and necessary steps on which to form a reasonable basis and an informed view for our opinion in compliance with Rule 13.80 of the Listing Rules.

The Circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in the Circular is accurate and complete

---

## LETTER FROM GRAM CAPITAL

---

in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement as contained therein or the Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of the Circular, save and except for this letter of advice.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs of the Company, CIFI Holdings or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Deposits. Our opinion is necessarily based on the financial, economic, market and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including any material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. In addition, nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

Lastly, where information in this letter has been extracted from published or otherwise publicly available sources, it is the responsibility of Gram Capital to ensure that such information has been correctly extracted from the relevant sources.

### **PRINCIPAL FACTORS AND REASONS CONSIDERED**

In arriving at our opinion in respect of the Deposits, we have taken into consideration the following principal factors and reasons:

#### **1. Background of and reasons for the Deposits**

##### **Business overview of the Group**

With reference to the Board Letter, 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.

---

## LETTER FROM GRAM CAPITAL

---

Set out below is a summary of the audited consolidated financial information of the Group for the two years ended 31 December 2023 as extracted from the Company’s annual report for the year ended 31 December 2023 (the “**2023 Annual Report**”):

	<b>For the year ended 31 December 2023</b>	<b>For the year ended 31 December 2022</b>	<b>Change</b>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>%</i>
Revenue	6,537,423	6,276,479	4.16
- <i>Property management services</i>	4,463,188	3,887,811	14.80
- <i>Community value-added services</i>	890,282	1,020,063	(12.72)
- <i>Value-added services to non-property owners</i>	777,557	964,429	(19.38)
- <i>City services</i>	405,953	403,350	0.65
- <i>Others</i>	443	826	(46.37)
Gross profit	1,253,008	1,293,283	(3.11)
Profit and total comprehensive income attributable to owners of the Company	434,472	480,111	(9.51)

As illustrated in the above table, the Group’s revenue was approximately RMB6,537 million for the year ended 31 December 2023 (“**FY2023**”), representing an increase of approximately 4.16% as compared to that for the year ended 31 December 2022 (“**FY2022**”). With reference to the 2023 Annual Report, such increase was mainly due to increase in revenue generated from property management services (primarily driven by growth of the Group’s total gross floor area under management), as partially offset by decrease in revenue generated from community value-added services and value-added services to non-property owners.

Despite the increase in the Group’s revenue from FY2022 to FY2023, the Groups’ gross profit decreased by approximately 3.11% from FY2022 to FY2023. Profit and total comprehensive income attributable to owners of the Company for FY2023 also decreased by approximately 9.51% as compared to that for FY2022. With reference to the 2023 Annual Report and as confirmed by the Management, such decrease was mainly due to decrease in gross profit, other income and other gains and losses, as partially offset by decrease in expected credit loss on financial assets.

---

## LETTER FROM GRAM CAPITAL

---

Set out below is a summary of the unaudited consolidated financial information of the Group for the six months ended 30 June 2024 (with comparative figures) as extracted from the Company's interim report for the six months ended 30 June 2024 (the "2024 Interim Report"):

	For the six months ended 30 June 2024	For the six months ended 30 June 2023	Change
	<i>RMB'000</i>	<i>RMB'000</i>	%
Revenue	3,371,025	3,183,694	5.88
- <i>Property management services</i>	2,462,483	2,190,093	12.44
- <i>Community value-added services</i>	399,398	410,021	(2.59)
- <i>Value-added services to non-property owners</i>	356,613	371,694	(4.06)
- <i>City services</i>	149,021	208,543	(28.54)
- <i>Others</i>	3,510	3,343	5.00
Gross profit	716,757	643,253	11.43
Profit and total comprehensive income attributable to owners of the Company	265,053	240,435	10.24

As illustrated in the above table, the Group's revenue was approximately RMB3,371 million for the six months ended 30 June 2024 ("1H2024"), representing an increase of approximately 5.88% as compared to that for the six months ended 30 June 2023 ("1H2023"). With reference to the 2024 Interim Report, such increase was mainly due to the increase in revenue generated from property management services (primarily driven by the Group's steady cooperation with CIFI Group and continuous efforts to expand third-party customer base) as partially offset by decrease in revenue generated from city services (mainly caused by the Group's strategy of reallocating resources and withdrawing from some less profitable engagements during 1H2024 to improve efficiency).

Along with the Group's revenue increase, the Group's gross profit increased by approximately 11.43% from 1H2023 to 1H2024. Profit and total comprehensive income attributable to owners of the Company for 1H2024 also increased by approximately 10.24% as compared to that for 1H2023. With reference to the 2024 Interim Report and as confirmed by the Management, such increase was mainly due to increase in gross profit as partially offset by decrease in other income and other gains and losses.

With reference to the 2024 Interim Report, the Group will remain committed to the Company's effective expansion of scale with stronger execution capabilities. Based on the comprehensive strength brand that the Group had formed over the past years, the Group will continue to optimize the Company's strategic approach to enhance the efficiency of scale acquisition. In the face of the development environment in the new period, the Group has put forward the strategy of city deep ploughing, industry deep ploughing, project deep ploughing, customer deep ploughing and deep ploughing of 100 cities, and consider scale expansion with satisfaction, operating cash flow, profit and scale.

---

## LETTER FROM GRAM CAPITAL

---

### Information of CIFI Holdings

With reference to the Board Letter, 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: 884). 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.

### Reasons for and benefits of the Deposits

With reference to the Company's announcement dated 29 October 2024 and the Board Letter:

- (i) 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.
- (ii) As part of the provision of the CIFI Agency Services, the relevant member of the Group may agree after negotiations with the relevant member of the CIFI Group to the payment of Deposits under the relevant Individual Agreement.
- (iii) The rates of the Deposits are on normal commercial terms, within market range and are comparable to those applicable to the sales agency transactions of the Group with property developers who are Independent Third Parties.

With reference to the 2023 Annual Report, as a long-term service partner of CIFI Group, the Group has been building a stable market-oriented collaborative partnership with CIFI Group. The Group still adhered to the "dependence but not reliance" development principle with CIFI Group and continued to improve and adjust its strategies to ensure that its cooperation with CIFI Group continues to develop steadily.

As advised by the Management, the revenue generated from the CIFI Agency Services was accounted for the Group's revenue under community value-added services segment (in particular, property agency services). We further noted from 2024 Interim Report that the Group will take a more pragmatic approach in advancing the progress of its various businesses, with particular focus on the development of the community value-added services sector. Provision of the CIFI Agency Services is in-line with the Group's development strategy.

---

## LETTER FROM GRAM CAPITAL

---

Having considered that (i) the Deposits payable under the Individual Agreements are part and parcel of the 2025 CIFI Sales Agency Services Framework Agreement; and (ii) the revenue generated from the CIFI Agency Services was accounted for the Group's revenue under community value-added services segment (in particular, property agency services), we are of the view that payment of the Deposits is conducted in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole.

With reference to the Board Letter:

- (i) As at the Latest Practicable Date, the CIFI Group has timely refunded the Deposits paid by the Group under the 2022 CIFI Sales Agency Services Framework Agreement, which were refundable periodically. Where the Deposits were refundable through a set-off against the sale prices of units received by the Group, the Group has promptly deducted the Deposits from the sale prices.
- (ii) Despite the liquidity issue (if any) faced by the CIFI Group, including a net loss attributable to equity owners of CIFI Holdings recorded for 1H2024 and inability to repay the principal and the interest of certain bank borrowings, offshore senior notes, offshore convertible bonds (including debt and derivative components) and corresponding interest payables defaulted or cross-defaulted as at 30 June 2024, these liquidity issues mainly relate to the CIFI Group's offshore indebtedness and proposed restructuring, and would not be expected to affect the CIFI Group's ability to fulfil its onshore liabilities as (a) the PRC subsidiaries of the CIFI Group (i.e. being parties to the relevant Individual Agreements) have not guaranteed any of the CIFI Group's offshore bank loans, senior notes and convertible bonds; and (b) the CIFI Group's offshore indebtedness do not materially affect its onshore financing arrangements as a whole, the Board is of the view that the repayment capacity of such PRC subsidiaries of the CIFI Group has not been adversely affected and the credit risk of the Deposits paid to the CIFI Group is therefore relatively low.

With reference to CIFI Holdings' interim report for 1H2024, CIFI Group's net assets was approximately RMB57.2 billion and net current assets was approximately RMB3.8 billion. We also noted from CIFI Holdings' announcement dated 28 October 2024 that (i) as at 5:00 p.m. Hong Kong time on 27 October 2024, creditors holding approximately 77.88% (updated to approximately 87.36% as at 27 November 2024 according to CIFI Holdings' announcement dated 28 November 2024) of the outstanding principal amount of the in-scope debts (being the CIFI Holdings' offshore indebtedness under its unsecured loan facilities, US\$-denominated senior notes, senior perpetual securities and convertible bonds, and the interests accrued (at non-default rate) thereunder up to the effective date of the proposal on the holistic solution) have either duly executed or acceded to the restructuring support agreement; and (ii) it was a significant milestone for CIFI Holdings towards implementation of the proposed restructuring, which, when completed, will alleviate the CIFI Group's liquidity pressure and provide the CIFI Group with a sustainable capital structure to deliver long-term value for all of CIFI Group's stakeholders. With reference to the Board Letter, the CIFI Group's PRC subsidiaries will provide their financial statements to the Group to assess their financial capability to refund deposits before entering into the respective Individual Agreements. For our due diligence purpose, we obtained from the Company an internal record of the aforesaid credit assessment for a project in FY2023 which indicated that the possibility of default with respect to the refund obligation of the Deposits by the counterparty was low.



---

## LETTER FROM GRAM CAPITAL

---

Given the above, we consider the credit risk of the Deposits to be acceptable.

### Principal terms of the Deposits

Set out below are the key terms of the 2025 CIFI Sales Agency Services Framework Agreement (including those relating to the Deposits), details of which are set out under the section headed “2025 CIFI Sales Agency Services Framework Agreement” of the Board Letter.

<b>Date:</b>	29 October 2024
<b>Parties:</b>	(i) The Company; and (ii) CIFI Holdings
<b>Term:</b>	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).
<b>Subject matter:</b>	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.

---

## LETTER FROM GRAM CAPITAL

---

### **Payment terms relating to the 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 a member of the CIFI Group receives the Base Price and/or sale price directly either from the end purchasers or their financing banks (as the case may be), an amount equivalent to the Deposits paid by the Group in respect of units sold by it (usually representing 100% of Base Price) received by the member of CIFI Group could (i) either be refunded on a periodic basis, or (ii) be set off from the Deposits the relevant member of the Group needs to pay the CIFI Group in the future 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.

For our due diligence purpose,

- (a) we obtained from the Company, lists of individual agreements in respect of sales agency transactions of the Group with (i) CIFI Group (connected persons); and (ii) third parties who are not connected persons of the Company, for FY2023. As advised by the Management, there was no Individual Agreement and similar agreement with Independent Third Party signed during the nine months ended 30 September 2024. Accordingly, we adopted the latest full financial year of the Company as the sampling period;
- (b) we randomly selected from the aforesaid lists and obtained from the Company, three individual agreements with CIFI Group and three individual agreements with third parties who are not connected persons of the Company (as such samples cover the latest full financial year of the Company, we consider the number of samples to be fair and representative);

## LETTER FROM GRAM CAPITAL

- (c) we noted from the aforesaid documents that the transaction mechanism (including scope of services, deposit payment methods (by instalment) and deposit refund method (by periodical set-off against purchase price received by sales agent and full refund of remaining balance (if any) upon agreement expiry/termination)) under individual agreements with CIFI Group was the same with those under individual agreements with third parties who are not connected persons of the Company; and
- (d) we noted from the aforesaid documents that (i) deposits rates under individual agreements with CIFI Group were no less favourable than those under individual agreements with third parties who are not connected persons of the Company; and (ii) all individual agreements have same deposit duration and instalment patterns of deposit (i.e. same proportion within same timeframe), no interest and no guarantee.

We also conducted an independent research on comparable transactions (“**Comparable Transactions**”) involving payment of refundable deposits in respect of sales agency services for residential units, shops and/or parking spaces which were announced by Hong Kong listed companies engaged in property management in the PRC during 29 October 2022 to 29 October 2024 (being a period of approximately two years prior to and including the date of the 2025 CIFI Sales Agency Services Framework Agreement). Given that 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 pursuant to the 2025 CIFI Sales Agency Services Framework Agreement, we consider the Comparable Transactions to be comparable to the CIFI Agency Services. We identified Comparable Transactions on a best-effort basis and did not subjectively carve out any findings. We consider the aforesaid review period to be reasonable for including sufficient Comparable Transactions on a non-exhaustive basis. Despite that the Comparable Transactions were identified on a non-exhaustive basis, we consider the Comparable Transactions to be sufficient as they included transactions of various Hong Kong listed companies which were engaged in property management in the PRC. Accordingly, we consider the Comparable Transactions to be appropriate and representative for our analysis. Details of the Comparable Transactions are set out below:

Company name (stock code)	Announcement date	Deposit rate	Interest rate	Secured by collaterals	Refund mechanism	Counterparty’s principal business	Whether counter party is connected person?
Roiserv Lifestyle Services Co., Ltd. (2146)	15 November 2022	100% of base price (which is 70% to 80% of the agreed market price)	Not disclosed	Not disclosed	Set-off, and refund remaining balance upon contract expiry/termination	Not disclosed	No
Poly Property Services Co., Ltd. (6049)	16 November 2022	No more than 50% of base price (which shall not exceed 80% of the agreed price for sales)	Not disclosed	Not disclosed	Periodical refund, and refund remaining balance upon contract completion/expiry/ termination	Real estate development and operation in the PRC	Yes
Ronshine Service Holding Co., Ltd (2207)	23 November 2022	15% of estimated market value	Nil	Not disclosed	Periodical refund, and refund remaining balance upon contract completion/expiry	Property development in the PRC	Yes

## LETTER FROM GRAM CAPITAL

Company name (stock code)	Announcement date	Deposit rate	Interest rate	Secured by collaterals	Refund mechanism	Counterparty's principal business	Whether counter party is connected person?
Shimao Services Holdings Limited (873)	6 December 2022	No more than 35% of base price	Nil	Not disclosed	Periodical refund/set-off, and refund remaining balance upon contract expiry	Development and investment of residential and commercial properties, property management, commercial properties operation and hotel operation in the PRC	Yes
Times Neighborhood Holdings Limited (9928)	21 March 2023	Not disclosed	Nil	Not disclosed	Not disclosed	Property development, urban re-development business and property leasing in the PRC	Yes
S-Enjoy Service Group Co., Limited (1755)	21 April 2023 and 8 May 2023	100% of base price	Not disclosed	Not disclosed	Refund corresponding amount upon completion of sales and refund remaining balance upon contract expiry	Property development and property investment in the PRC	Yes
Redsun Services Group Limited (1971)	7 June 2023	100% of base price	Nil	Not disclosed	Set-off corresponding amount upon completion of sales and refund remaining balance within a period after relevant contract expiry	Comprehensive property development in the PRC	Yes
Jinmao Property Services Co., Limited (816)	26 October 2023	Up to 100% of base price	Nil	Not disclosed	Refund corresponding amount upon contract completion or termination	Property development and operation in the PRC	Yes
Kangqiao Service Group Limited (2205)	14 November 2023	20% to 40% of the value of relevant properties/100% of base price of the relevant parking spaces	Nil	No	Periodical refund/set-off, refund in full upon the expiration	Property development in the PRC	Yes
The Company	29 October 2024	100% of base price	Nil	No	Periodical set-off, and refund remaining balance upon contract expiry/termination	Property development and property investment in the PRC	Yes

As depicted from the above table, (i) maximum deposit rate of the Comparable Transactions is 100% of base price (as compared to “up to 100% of the Base Price” for the Deposits); (ii) refund mechanisms of the Comparable Transactions involve periodical refund/set-off and refund of remaining balance upon contract completion/expiry/termination; (iii) none of the deposits in the above Comparable Transactions were secured by collaterals and interest-bearing; and (iv) eight out of nine Comparable Transactions were conducted with connected persons which engage in property development in the PRC. Accordingly, we consider the deposit rate, refund mechanism of the Deposits and that the Deposits being unsecured are not uncommon as compared to the market practices.

---

## LETTER FROM GRAM CAPITAL

---

With reference to the Board Letter, 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 measures as set out under the section headed “INTERNAL CONTROL MEASURES” of the Board Letter (the “IC Measures”). For our due diligence purpose, we obtained from the Company a set of transaction documents (including assessment/approval forms, contract and refund record) in respect of provision of the CIFI Agency Services for a project during 2022, 2023 and 2024. Nothing from the aforesaid transaction documents came to our attention which caused us to doubt their compliance with the IC Measures in respect of transaction approvals and refund. We consider that a set of transaction documents is sufficient for our due diligence purpose from an independent financial adviser’s perspective.

### 2. The Proposed Caps

Set out below are (i) the historical maximum daily balances and the annual caps of the Deposits for the two financial years ending 31 December 2024; and (ii) the Proposed Caps for three financial years ending 31 December 2027:

	<b>For the year ended 31 December 2023</b>	<b>For the year ending 31 December 2024</b>
	<i>RMB'million</i>	<i>RMB'million</i>
Maximum daily balances of Deposits	338.31	323.62 <i>(Note 1)</i>
Annual caps	510.06 <i>(Note 2)</i>	525.10
Utilisation rate	66%	Undetermined yet

  

	<b>For the year ending 31 December 2025</b>	<b>For the year ending 31 December 2026</b>	<b>For the year ending 31 December 2027</b>
	<i>RMB'million</i>	<i>RMB'million</i>	<i>RMB'million</i>
Proposed Caps	756.40	705.30	631.80

*Notes:*

1. The figure was for the nine months ended 30 September 2024.
2. The annual cap was for the period from 1 July 2023 to 31 December 2023.

---

## LETTER FROM GRAM CAPITAL

---

With reference to the Board Letter, in determining the Proposed Caps, the Directors have considered the following factors:

- (i) The estimated daily balance of Deposits expected with reference to (a) the estimated year-end balance of Deposits for the year ending 31 December 2024 (the “**Estimated 2024 Year-end Balance of Existing Agreements**”), (b) 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 (the “**Existing Agreements**”), and (c) the amount of Deposit that may be offset as a result of the sale of the relevant units under such existing Individual Agreements.
- (ii) Six new Individual Agreements expected to be entered into by the Group (the “**New Agreement(s)**”) 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 Existing Agreements and expected project sales rates of 5% to 12% for the New Agreements (the “**Sales Rates**”). 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.
- (iv) A buffer of 10% (the “**Buffer**”) 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.

To assess the fairness and reasonableness of the Proposed Caps, we obtained the calculation of the Proposed Caps (the “**Calculation**”) from the Company.

### *The Estimated 2024 Year-end Balance of Existing Agreements*

According to the Calculation, the Estimated 2024 Year-end Balance of Existing Agreements was estimated based on (i) Deposits balance as at 30 June 2024; and (ii) the Deposits instalment payable under the Existing Agreements minus the amount to be set-off (i.e. number of units to be sold multiplied by Base Prices) during the period from 1 July 2024 to 31 December 2024.

### *The estimated Deposits balance of Existing Agreements during the three years ending 31 December 2027*

According to the Calculation, the Deposits balance of Existing Agreements during the three years ending 31 December 2027 was estimated based on (i) the Estimated 2024 Year-end Balance of Existing Agreements; and (ii) the Deposits instalment payable under the Existing Agreements minus the amount to be set-off (i.e. number of units to be sold multiplied by Base Prices) during the three years ending 31 December 2027.

---

## LETTER FROM GRAM CAPITAL

---

For our due diligence purpose, we randomly selected and obtained 10 Existing Agreements with relevant transaction records from the Company, together with corresponding historical sales record, which substantiate the relevant Deposits instalment payable, the Sales Rates and the Base Prices adopted under the Calculation. We noted that (i) the adopted Deposits instalments are consistent with those stated in the said Existing Agreements; (ii) the adopted annual sales rates are consistent with the actual historical sales rates of relevant projects; and (iii) the adopted Base Prices are the actual existing Base Prices. We consider the sample size of 10 out of 92 Existing Agreements to be appropriate as it is over 10% of the population.

### *The estimated Deposits balance of New Agreements during the three years ending 31 December 2027*

According to the Calculation, the Deposits balance of New Agreements during the three years ending 31 December 2027 was estimated based on the Deposits instalment payable under the New Agreements minus the amount to be set-off (i.e. number of units to be sold multiplied by Base Prices) during the three years ending 31 December 2027.

For our due diligence purpose, we randomly selected and obtained project plan and project forecast document of one New Agreement from the Company, which substantiate the relevant Deposits instalment payable, the Sales Rates and the Base Prices adopted under the Calculation. We consider the sample size of 1 out of 6 New Agreements to be appropriate as it is over 10% of the population. In addition, we noted that (a) the Sales Rates of the New Agreements are within the range of the Sales Rates of the Existing Agreements (which were estimated based on historical sales); and (b) the Base Prices of the New Agreements are determined by multiplying (i) target sale prices of the units concerned; and (ii) expected discount rates, which were determined based on (a) overall score of a project after assessing market conditions, selling price of properties in neighbourhood, economic conditions and particular area where the property is situated; and (b) that lower discount rate is expected for a project with higher overall score (as less sales effort is expected). We are of the view that the Bases Prices determination is reasonable as the underlying factors as set out above are normally considered in respect of a property project.

### *The maximum balance of Deposits (including both under the Existing Agreements and the New Agreements)*

In the Calculation, the estimated Deposits balance comprises the aforesaid estimated Deposits balance of Existing Agreements and estimated Deposits balance of New Agreements. The Company also conducted sensitivity analysis by examining the estimated maximum balance of Deposits (including both under the Existing Agreements and the New Agreements) in different months to determine the “peak month” for each of the three years ending 31 December 2027 in which the estimated balance of Deposits will be highest during each year. The sensitivity analysis examines when the highest estimated balance of Deposits will be after taking into account Deposits to be set-off (balance decreases) and Deposits to be paid (balance increases) prior to and including each particular month. During our discussion with the Company on the sensitivity analysis, we did not identify any circumstance which caused us to doubt the reasonableness of the sensitivity analysis.

---

## LETTER FROM GRAM CAPITAL

---

### *The Buffer*

As aforementioned, the Proposed Caps were formulated by adding a 10% buffer on the estimated maximum balance of Deposits for each of the three years ending 31 December 2027. We searched for circulars regarding continuing connected transactions published by Hong Kong listed companies (regardless of industries) during the period from 29 July 2024 to 29 October 2024 (being a period of three months prior to and including the date of the 2025 CIFI Sales Agency Services Framework Agreement) for our general reference. We noted that out of the 48 circulars published by other Hong Kong listed companies that incorporated buffer in their proposed annual caps regarding continuing connected transactions, 12 of which incorporated buffer of 10%. We consider the buffer of 10% to be moderate and that it is not uncommon for Hong Kong listed companies to incorporate buffer of 10% in proposed annual caps.

Having considered the Calculation as explained above, we consider the Proposed Caps to be fair and reasonable.

We noted that the trend of proposed annual caps for commissions to be charged by the Group for the CIFI Agency Services for the three years ending 31 December 2027 (the “**Commissions Caps**”) (as set out under the Company’s announcement dated 29 October 2024) are different from the Proposed Caps (i.e. the Commissions Caps are less than previous annual caps and on an increasing trend during the three years ending 31 December 2027, whereas the Proposed Caps are higher than previous annual caps and on a decreasing trend during the three years ending 31 December 2027). Nevertheless, we understood from the Company that the underlying basis of the Commissions Caps is different from the underlying basis of the Proposed Caps. In particular, the Commissions Caps cover the commissions to be paid by the CIFI Group under fixed-rate commission method (usually no deposit required) and certain projects under premium commission method, whereas the Proposed Caps cover the Deposits under premium commission method. Accordingly, the aforesaid difference in trends does not affect our assessment on the Proposed Caps.

### **3. Listing Rules implication**

The Management confirmed that the Company shall comply with the requirements of Rules 14A.53 to 14A.59 of the Listing Rules pursuant to which (i) the maximum daily balance of the Deposits must be restricted by the Proposed Caps; (ii) the terms of the Deposits must be reviewed by the independent non-executive Directors annually; and (iii) details of independent non-executive Directors’ annual review on the terms of the Deposits must be included in the Company’s subsequent published annual reports and financial accounts. Furthermore, it is also required by the Listing Rules that the auditors of the Company must provide a letter to the Board confirming, among other things, whether anything has come to their attention that causes them to believe that the Deposits (i) have not been approved by the Board; (ii) were not entered into, in all material respects, in accordance with the relevant agreement governing the transactions; and (iii) have exceeded the Proposed Caps. In the event that the Proposed Caps are anticipated to be exceeded, or that there is any proposed material amendment to the terms of the Deposits, as confirmed by the Management, the Company shall comply with the applicable provisions of the Listing Rules governing continuing connected transaction.



---

## LETTER FROM GRAM CAPITAL

---

With the stipulation of the above requirements for continuing connected transactions pursuant to the Listing Rules, we are of the view that there are adequate measures in place to monitor the Deposits and hence the interest of the Independent Shareholders would be safeguarded.

### RECOMMENDATION

Having taken into account the above factors and reasons, we are of the opinion that (i) the payment of Deposits is conducted under the ordinary and usual course of business of the Group and is in the interests of the Company and the Shareholders as a whole; and (ii) the Deposits are on normal commercial terms and are fair and reasonable. Accordingly, we recommend the Independent Board Committee to advise the Independent Shareholders to vote in favour of the relevant ordinary resolution to be proposed at the EGM to approve the Deposits and the Proposed Caps and we recommend the Independent Shareholders to vote in favour of the resolution in this regard.

Yours faithfully,  
**For and on behalf of**  
**Gram Capital Limited**  
**Graham Lam**  
*Managing Director*

*Note: Mr. Graham Lam is a licensed person registered with the Securities and Futures Commission and a responsible officer of Gram Capital Limited to carry out Type 6 (advising on corporate finance) regulated activity under the SFO. He has around 30 years of experience in investment banking industry.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Interests of Directors

As at the Latest Practicable Date, the Directors and chief executives of the Company had the following interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which are required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuer (the “**Model Code**”) set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange:

#### *Long positions in the Shares*

Name of Director	Nature of interest	Number of Shares/ underlying shares held <sup>(1)</sup>	Approximate percentage of shareholding in the Company (%) <sup>(1)</sup>
Mr. LIN Zhong <sup>(2)(3)(4)(5)</sup>	Interest in a controlled corporation, and co-founder of a discretionary trust	681,500,000	39.43
Mr. ZHOU Hongbin	Beneficial owner	63,060,750	3.65
Mr. ZHOU Di	Beneficial owner	3,450,800	0.20

#### *Notes:*

- (1) As at the Latest Practicable Date, the Company had 1,728,554,000 Shares in issue.
- (2) Elite Force is owned as to 50% by Mr. Lin Zhong, 25% by Mr. Lin Feng and 25% by Mr. Lin Wei. Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei signed an acting in concert deed on 6 August 2018. Elite Force entrusted Spectron to exercise voting rights of the Shares directly held by Elite Force since 30 June 2020, while Elite Force continues to beneficially own the said Shares and have rights to the dividends and distributions etc. attaching thereto. For details, please see “History, Reorganization and Corporate Structure” in the Prospectus and the announcements of the Company dated 29 May 2020 and 28 June 2020, respectively. By virtue of the SFO and based on the public information available, Mr. Lin Zhong is deemed to be interested in the Shares held by Elite Force.

- (3) Spectron is indirectly wholly owned by CIFI Holdings. Mr. Lin Zhong, Mr. Lin Feng, Mr. Lin Wei signed an acting in concert deed on 6 August 2018. For details, please see “History, Reorganization and Corporate Structure” in the Prospectus. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the Shares held by Spectron.
- (4) Rosy Fortune Investments Limited (“**Rosy Fortune**”) is wholly-owned by Gentle Beauty Assets Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust (Singapore) Limited (“**Standard Chartered Trust**”) as the trustee of the Lin’s Family Trust via SCTS Capital Pte. Ltd. (“**SCTS Capital**”). The Lin’s Family Trust is a discretionary trust set up jointly by our ultimate controlling shareholders as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Lin’s Family Trust include certain family members of Mr. Lin Zhong. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the 1,000,000 Shares held by Rosy Fortune.
- (5) Sun-Mountain Trust is a discretionary trust set up by Mr. Lin Feng as settlor and the beneficiary objects of the Sun-Mountain Trust include certain family members of Mr. Lin Feng. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the 500,000 Shares held by Sun-Mountain Trust.

*Interest in associated corporations*

Name of Director	Associated corporation	Capacity/nature of interest	Number of shares	Approximate percentage of shareholding interest (%)
Mr. LIN Zhong <sup>(1)(2)</sup>	CIFI Holdings	Founder of a discretionary trust, co-founder of a discretionary trust, beneficial owner and interest of his spouse	4,111,527,727	39.15
Mr. ZHOU Hongbin	CIFI Holdings	Beneficial owner	630,000	0.01
Mr. ZHOU Di	CIFI Holdings	Beneficial owner	80,000	0.001
Ms. Cui Xiaoqing	CIFI Holdings	Beneficial owner	489,216	0.005
Mr. LIN Zhong <sup>(3)</sup>	Xu Sheng	Interested in a controlled corporation	1	100
Mr. LIN Zhong <sup>(4)</sup>	Spectron	Interested in a controlled corporation	1	100
Mr. LIN Zhong <sup>(5)</sup>	Elite Force	Beneficial owner	100	100

*Notes:*

- (1) 1,363,754,301 shares of CIFI Holdings are held by Ding Chang Limited (“**Ding Chang**”). The entire issued share capital of Ding Chang is wholly owned by Eternally Success International Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Sun Success Trust via SCTS Capital. The Sun Success Trust is a discretionary trust set up by Mr. Lin Zhong as settlor and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Sun Success Trust include certain family members of Mr. Lin Zhong. Mr. Lin Zhong as founder of the Sun Success Trust is taken to be interested in the 1,363,754,301 shares of CIFI Holdings held by Ding Chang pursuant to Part XV of the SFO.

- (2) 2,737,372,105 shares of CIFI Holdings are held by Rosy Fortune. The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty Assets Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Lin's Family Trust via SCTS Capital. The Lin's Family Trust is a discretionary trust set up jointly by our ultimate controlling shareholders as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Lin's Family Trust include certain family members of Mr. Lin Zhong. Mr. Lin Zhong as one of the co-founders of the Lin's Family Trust is taken to be interested in the 2,737,372,105 shares of CIFI Holdings held by Rosy Fortune pursuant to Part XV of the SFO.
- (3) Xu Sheng Limited ("**Xu Sheng**") is wholly owned by CIFI Holdings. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the shares of Xu Sheng held by CIFI Holdings.
- (4) Spectron is wholly owned by Xu Sheng, which is a wholly-owned subsidiary of CIFI Holdings. By virtue of the SFO, Mr. Lin Zhong is deemed to be interested in the shares of Spectron held by CIFI Holdings.
- (5) The entire issued share capital of Elite Force is owned as to 50% by Mr. Lin Zhong, 25% by Mr. Lin Feng and 25% by Mr. Lin Wei. Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei has entered into an acting in concert deed on 6 August 2018. For details, please see "History, Reorganization and Corporate Structure" in the Prospectus. Mr. Lin Zhong is taken to be interested in the shares of Elite Force pursuant to Part XV of the SFO.

### *Interests in Debentures of Associated Corporation*

Name of Director	Associated corporation	Capacity/nature of interest	Approximate percentage of aggregate	
			Principal amount of relevant debentures held	principal amount of the relevant debentures issued (%)
Mr. LIN Zhong <sup>(1)(2)(3)(4)</sup>	CIFI Holdings	Co-founder of a discretionary trust	US\$1 million	0.18
		Co-founder of a discretionary trust	US\$1 million	0.24
		Co-founder of a discretionary trust	US\$1 million	0.67

#### *Notes:*

- (1) The 6% senior notes (securities stock code: 40120) due 2025 with the aggregate principal amount of US\$567 million were issued by CIFI Holdings in January 2020, which are listed on the Stock Exchange (the "**6% Senior Notes**"). For details of the 6% Senior Notes, please refer to the announcements of CIFI Holdings dated 8 January 2020 and 10 January 2020 respectively.
- (2) The 4.375% senior notes due 2027 with the aggregate principal amount of US\$419 million were issued by CIFI Holdings in January 2021, which are listed on the Stock Exchange (the "**4.375% Senior Notes**").
- (3) The 4.8% senior notes due 2028 with the aggregate principal amount of US\$150 million were issued by CIFI Holdings in May 2021, which are listed on the Stock Exchange (the "**4.8% Senior Notes**").

- (4) The principal amounts of each of US\$1 million of the 6% Senior Notes, 4.375% Senior Notes and 4.8% Senior Notes are held by Rosy Fortune. The entire issued share capital of Rosy Fortune is wholly owned by Gentle Beauty Assets Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Lin's Family Trust via SCTS Capital. The Lin's Family Trust is a discretionary trust set up jointly by our Ultimate Controlling Shareholders as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Lin's Family Trust include certain family members of Mr. Lin Zhong. Mr. Lin Zhong as a co-founder of the Lin's Family Trust is taken to be interested in the principal amount of such senior notes held by Rosy Fortune pursuant to Part XV of the SFO.

Save from disclosed above, as at the Latest Practicable Date, none of the Directors nor chief executive of the Company had interests or short positions in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which are required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or which are required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which are required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

#### (b) Interests of Substantial Shareholders

As at the Latest Practicable Date, to the best knowledge of the Directors, as indicated by the register recording share interests and short positions required to be kept under Section 336 of Part XV of the SFO, the persons (not being Directors or chief executives of the Company) listed in the following table had interest and/or short positions in the Shares or underlying shares of the Company:

##### *Long positions in the Shares*

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding interest (%)
Mr. LIN Wei <sup>(2)(3)(4)(5)</sup>	Interest in a controlled corporation, and co-founder of a discretionary trust	681,500,000	39.43
Mr. LIN Feng <sup>(2)(3)(4)(5)</sup>	Interest in a controlled corporation, and co-founder of a discretionary trust	681,500,000	39.43
Elite Force <sup>(2)</sup>	Beneficial owner	273,180,000	15.80
Spectron	Beneficial owner	406,820,000	23.54
Xu Sheng <sup>(3)</sup>	Interest in a controlled corporation	406,820,000	23.54
CIFI Holdings <sup>(4)</sup>	Interest in a controlled corporation	406,820,000	23.54
Best Legend	Beneficial owner	104,478,750	6.04

Name of Shareholder	Nature of interest	Number of Shares	Approximate percentage of shareholding interest (%)
Mr. YU Chieh Jet <sup>(6)</sup>	Interest in a controlled corporation	104,478,750	6.04

*Notes:*

- (1) As at the Latest Practicable Date, the Company had 1,728,554,000 Shares in issue.
- (2) Elite Force is owned as to 50% by Mr. Lin Zhong, 25% by Mr. Lin Feng and 25% by Mr. Lin Wei. Mr. Lin Zhong, Mr. Lin Feng and Mr. Lin Wei signed an acting in concert deed on 6 August 2018. Elite Force entrusted Spectron to exercise voting rights of the Shares directly held by Elite Force since 30 June 2020, while Elite Force continues to beneficially own the said Shares and have rights to the dividends and distributions etc. attaching thereto. For details, please see “History, Reorganization and Corporate Structure” in the Prospectus and the announcements of the Company dated 29 May 2020 and 28 June 2020, respectively. By virtue of the SFO and based on the public information available, each of Mr. Lin Wei and Mr. Lin Feng is deemed to be interested in the Shares held by Elite Force.
- (3) Spectron is wholly owned by Xu Sheng. By virtue of the SFO, Xu Sheng is deemed to be interested in Shares held by Spectron.
- (4) Xu Sheng is wholly owned by CIFI Holdings. By virtue of the SFO, CIFI Holdings is deemed to be interested in Shares held by Xu Sheng.
- (5) Rosy Fortune is wholly owned by Gentle Beauty Assets Limited, the entire issued share capital of which is in turn held by Standard Chartered Trust as the trustee of the Lin’s Family Trust via SCTS Capital. The Lin’s Family Trust is a discretionary trust set up jointly by our Ultimate Controlling Shareholders as settlors and Standard Chartered Trust as trustee on 11 May 2012. The beneficiary objects of the Lin’s Family Trust include certain family members of Mr. Lin Wei and Mr. Lin Feng. By virtue of the SFO, each of Mr. Lin Wei and Mr. Lin Feng is deemed to be interested in the Shares held by Rosy Fortune.
- (6) Best Legend is wholly owned by Mr. Yu Chieh Jet (an employee of the Company who is not a connected person of the Company) to administer the share award scheme adopted by Best Legend on 18 June 2019.

Save as disclosed above, as at the Latest Practicable Date, the Directors or chief executive of the Company are not aware of any other person (other than the Directors or chief executives of the Company) having an interest or short position in the Shares or underlying Shares which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of SFO.

### 3. DIRECTORS’ INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, Mr. Lin Zhong, being an executive Director, was a substantial shareholder of and held directorship in CIFI Holdings. In 2021, CIFI Group commenced operation of its own property management business in some projects, which was considered to be competing business for the Group. Therefore, Mr. Lin Zhong was considered to have interests in competing business for the Group which were required to be disclosed pursuant to Rule 8.10(2) of the Listing Rules.

Save as disclosed above, none of the Directors or their respective close associates (as defined in the Listing Rules) is interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group as would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder, other than being a director of the Company and/or its subsidiaries.

#### **4. DIRECTORS' INTERESTS IN ASSETS**

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up.

#### **5. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which is not expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

#### **6. DIRECTORS' INTERESTS IN CONTRACTS OR ARRANGEMENTS**

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement which was significant in relation to the business of the Group.

#### **7. MATERIAL LITIGATION**

As at the Latest Practicable Date, there were no litigation or claims of material importance known to the Directors to be pending or threatened against any member of the Group.

#### **8. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors confirmed there had been no material adverse change in the financial or trading position of the Group since 31 December 2023, being the date to which the latest published audited accounts of the Company were made up.

#### **9. EXPERT AND CONSENT**

The following is the qualification of the expert or professional adviser who has given its opinion or advice contained in this circular:

<b>Name</b>	<b>Qualification</b>
Gram Capital Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, the above expert:

- (a) has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name, in the form and context in which it appears;
- (b) did not have any shareholding in any member of the Group or the rights (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (c) did not have any direct or indirect interest in any assets which had been since 31 December 2023 (the date to which the latest published audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to any member of the Group or were proposed to be acquired or disposed of by, or leased to any member of the Group.

#### **10. DOCUMENTS ON DISPLAY**

Copies of the following documents will be available on the Company's website ([www.ysservice.com.cn](http://www.ysservice.com.cn)) and the HKEXnews website ([www.hkexnews.hk](http://www.hkexnews.hk)) from the date of this circular up to and including the date of the EGM (being not less than 14 days):

- (a) the 2025 CIFI Sales Agency Services Framework Agreement; and
- (b) the written consent of Gram Capital referred to in the paragraph headed "Expert and Consent" in this paragraph.

#### **11. MISCELLANEOUS**

This circular and the accompanying proxy form have been prepared in both English and Chinese. In the event of discrepancies, the English text of this circular shall prevail over the Chinese text.

*\* For identification purpose only*



---

## NOTICE OF EGM

---



### 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)**

## NOTICE OF EXTRAORDINARY GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that an extraordinary general meeting (the “**EGM**”) of Ever Sunshine Services Group Limited (the “**Company**”) will be convened and held at No.1 Conference Room, 9/F, Building 39 Henderson CIFI Centre, Lane 1088, Shenhong Road, Minhang District, Shanghai, the PRC on Tuesday, 31 December 2024 at 10:00 a.m. for the following purposes:

### ORDINARY RESOLUTION

To consider and, if thought fit, pass the following resolution (with or without amendments) as ordinary resolution of the Company:

1. “**THAT**

- (a) the proposed caps for the maximum daily balance of the refundable deposits (the “**Deposits**”) to be paid by the Company and its subsidiaries (together, the “**Group**”) to CIFI Holdings (Group) Co. Ltd. and its subsidiaries (together, the “**CIFI Group**”) pursuant to individual agreements to be entered into between the members of the Group and the members of the CIFI Group from time to time in relation to the sale agency services provided by the Group to the CIFI Group in respect of unsold residential properties (including storage spaces), unsold shops and unsold residential car parking spaces in the development projects in the PRC of the CIFI Group (the “**Individual Agreements**”) for each of the three years ending 31 December 2027 as set out in the circular of the Company dated 9 December 2024 be and are hereby confirmed, approved and ratified; and
- (b) the directors of the Company (the “**Directors**”) be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the payment of the Deposits pursuant to the Individual Agreements.”

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

Hong Kong, 9 December 2024

---

## NOTICE OF EGM

---

*Registered Office:*  
Cricket Square, Hutchins Drive  
P.O. Box 2681  
Grand Cayman KY1-1111  
Cayman Islands

*Principal place of business in Hong Kong:*  
40th Floor, Dah Sing Financial Centre  
No. 248 Queen's Road East  
Wanchai, Hong Kong

*Notes:*

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her/its proxy to attend and vote instead of him/her/it; a proxy need not be a shareholder of the Company.
- (ii) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, the form of proxy must be deposited at the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the EGM (i.e. before 10:00 a.m. on Sunday, 29 December 2024) or any adjournment thereof. The completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the EGM (or any adjourned meeting thereof) if they so wish and in such event, the proxy shall be deemed to be revoked.
- (iv) For the purpose of ascertaining shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 24 December 2024 to Tuesday, 31 December 2024, both days inclusive and during which period no share transfer will be registered. In order to be eligible to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, 23 December 2024.
- (v) In respect of the ordinary resolution above, general information containing further details is set out in Appendix I to the accompanied circular dated 9 December 2024.
- (vi) References to time and dates in this notice are to Hong Kong time and dates.

*As at the date of this notice, 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.*