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**CIFI Holdings (Group) Co. Ltd.**  
**旭輝控股(集團)有限公司**  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock code: 00884)**

**CONTINUING CONNECTED TRANSACTIONS  
IN RELATION TO  
MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

**MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

On 22 April 2021, the Company entered into the Merchandise Procurement Framework Agreement with Ever Sunshine Lifestyle, pursuant to which the Group agrees to purchase from Ever Sunshine Lifestyle Group, and Ever Sunshine Lifestyle Group agrees to procure for the Group, the Relevant Goods needed from time to time in the ordinary course of property development of the Group and for the property projects of the Group for a term commencing from 22 April 2021 to 31 December 2023 (both days inclusive).

**LISTING RULES IMPLICATIONS**

**The Company**

As at the date of this announcement, Ever Sunshine Lifestyle is a subsidiary of the Company after the Entrusted Voting Arrangement took effect. Ever Sunshine Lifestyle is a connected subsidiary of the Company under Rules 14A.16 of the Listing Rules by virtue of more than 10% of the voting right in Ever Sunshine Lifestyle being held by Best Legend, and Best Legend in turn is entirely held by Mr. LIN Feng, an executive Director of the Company. Therefore, the transactions contemplated under the Merchandise Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As far as the purchase of the Relevant Goods by the Group from Ever Sunshine Lifestyle Group is concerned, since one or more of the applicable percentage ratios in respect of the annual caps are above 0.1% but below 5%, the Company is only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

### **Ever Sunshine Lifestyle**

As at the date of this announcement, the Controlling Shareholders, acting in a consensual manner, are entitled to exercise the voting rights of approximately 56.43% of the issued share capital of Ever Sunshine Lifestyle through the Company and other investment holding companies controlled by them, and together they constitute a group of controlling shareholders of Ever Sunshine Lifestyle. The Company, being one of the controlling shareholders of Ever Sunshine Lifestyle, is therefore a connected person of Ever Sunshine Lifestyle under Chapter 14A of the Listing Rules. The transactions contemplated under the Merchandise Procurement Framework Agreement will constitute continuing connected transactions of Ever Sunshine Lifestyle under Chapter 14A of the Listing Rules.

As far as the procurement of the Relevant Goods by Ever Sunshine Lifestyle for the Group is concerned, since one or more of the applicable percentage ratios in respect of the annual caps are above 0.1% but below 5%, Ever Sunshine Lifestyle is only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholder's approval requirements under Chapter 14A of the Listing Rules. Please also refer to the announcement made by Ever Sunshine Lifestyle on the even date in respect of continuing connected transactions for further details.

## **THE MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT**

On 22 April 2021, the Company entered into the Merchandise Procurement Framework Agreement with Ever Sunshine Lifestyle, pursuant to which the Group agrees to purchase from Ever Sunshine Lifestyle Group, and Ever Sunshine Lifestyle Group agrees to procure for the Group, the Relevant Goods needed from time to time in the ordinary course of property development of the Group and for the property project of the Group. The principal terms of the Merchandise Procurement Framework Agreement are set out below:

**Date:** 22 April 2021

**Parties:** (a) the Company  
(b) Ever Sunshine Lifestyle

**Term:** Effective from 22 April 2021 to 31 December 2023 (both days inclusive) renewable upon mutual consent and subject to applicable laws and regulations.

**Subject matter:**

Pursuant to the Merchandise Procurement Framework Agreement, the Group will, in its ordinary course of property development and for the property projects of the Group, purchase from Ever Sunshine Lifestyle Group, and Ever Sunshine Lifestyle Group will procure the Relevant Goods for the Group needed from time to time, and such procurement will include sourcing suitable goods according to the need of individual projects and/or for the enhancement of the properties, coordinating with the suppliers, arranging for the ordering and delivery of the Relevant Goods and the required storage, installation, etc.

**Price and pricing policy:**

The detailed terms and conditions, manner of payment, specification, price, quantity and delivery date in relation to the goods to be procured and the incidental services under the Merchandise Procurement Framework Agreement shall be reflected in the specific agreements made between relevant members of the Group and Ever Sunshine Lifestyle Group and determined in accordance with the following principles:

- (a) each transaction is to be negotiated on a case-by-case and arm's length basis and on normal commercial terms in the ordinary and usual course of business;
- (b) prices of the Relevant Goods to be provided to the Group by Ever Sunshine Lifestyle Group shall be determined with reference to the prevailing market price of same or comparable goods, those charged by independent third parties on the Group and those charged by Ever Sunshine Lifestyle Group on independent third parties for provision of the same or comparable goods; and
- (c) the terms and conditions of the specific agreements shall be determined with those being offered to the Group by independent third parties and those being offered to independent third parties by Ever Sunshine Lifestyle Group for provision of the same or comparable goods.

## Annual cap and basis of determination

The annual aggregate maximum amounts of fee to be payable by the Group to Ever Sunshine Lifestyle Group for the transactions contemplated under the Merchandise Procurement Framework Agreement for the three years ended 31 December 2023 are as follows:

<b>For the year ended 31 December 2021</b> <i>(RMB'000)</i>	<b>For the year ended 31 December 2022</b> <i>(RMB'000)</i>	<b>For the year ended 31 December 2023</b> <i>(RMB'000)</i>
86,000	110,000	110,000

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

- (i) no historical amounts available as the Group has not entered into any transactions in respect of goods procurement with Ever Sunshine Lifestyle Group previously;
- (ii) the estimated transaction amounts for the Relevant Goods to be procured by Ever Sunshine Lifestyle Group for the Group for each of the three years ended 31 December 2023, with reference to the estimated number of development and investment projects of the Group for which the goods procurement would be required; and
- (iii) the Group's reference to the market price of same or comparable goods in the open market.

The payments under the Merchandise Procurement Framework Agreement are expected to be financed by the internal resources of the Group.

## REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group has engaged Ever Sunshine Lifestyle Group for property management services in respect of properties developed by the Group. The Board believes that the Group could make use of Ever Sunshine Lifestyle Group's nation-wide goods procurement platforms, good and longstanding relationships with suppliers, advantageous supply chain, market information and knowhow in products procurement. Entering into the Merchandise Procurement Framework Agreement allows the Group, through Ever Sunshine Lifestyle Group, to centralise its procurement channels by leveraging Ever Sunshine Lifestyle Group's experience and resources in sourcing the Relevant Goods, which is expected to enhance procurement and management efficiency, lower administrative costs of the Group.

## **INFORMATION ON THE GROUP AND EVER SUNSHINE LIFESTYLE GROUP**

The Group is principally engaged in the property development and property investment business in the PRC.

Ever Sunshine Lifestyle Group is a property management service provider offering a comprehensive portfolio of quality services to its customers in the PRC with over 19 years of experience. It has three business lines, namely property management services, community value-added services and value-added services to non-property owners, covering the entire value chain of property management.

### **LISTING RULES IMPLICATIONS**

#### **The Company**

As at the date of this announcement, Ever Sunshine Lifestyle is a subsidiary of the Company after the Entrusted Voting Arrangement took effect. Ever Sunshine Lifestyle is a connected subsidiary of the Company under Rules 14A.16 of the Listing Rules by virtue of more than 10% of the voting right in Ever Sunshine Lifestyle being held by Best Legend, and Best Legend in turn is entirely held by Mr. LIN Feng, an executive Director of the Company. Therefore, the transactions contemplated under the Merchandise Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As far as the purchase of the Relevant Goods by the Group from Ever Sunshine Lifestyle Group is concerned, since one or more of the applicable percentage ratios in respect of the annual caps are above 0.1% but below 5%, the Company is only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholder's approval requirements under Chapter 14A of the Listing Rules.

#### **Ever Sunshine Lifestyle**

As at the date of this announcement, the Controlling Shareholders, acting in a consensual manner, are entitled to exercise the voting rights of approximately 56.43% of the issued share capital of Ever Sunshine Lifestyle through the Company and other investment holding companies controlled by them, and together they constitute a group of controlling shareholders of Ever Sunshine Lifestyle. The Company, being one of the controlling shareholders of Ever Sunshine Lifestyle, is therefore a connected person of Ever Sunshine Lifestyle under Chapter 14A of the Listing Rules. The transactions contemplated under the Merchandise Procurement Framework Agreement will constitute continuing connected transactions of Ever Sunshine Lifestyle under Chapter 14A of the Listing Rules.

As far as the procurement of the Relevant Goods by Ever Sunshine Lifestyle for the Group is concerned, since one or more of the applicable percentage ratios in respect of the annual caps are above 0.1% but below 5%, Ever Sunshine Lifestyle is only subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholder's approval requirements under Chapter 14A of the Listing Rules. Please also refer to the announcement made by Ever Sunshine Lifestyle on the even date in respect of continuing connected transactions for further details. The Board was informed that on the even date, Ever Sunshine Lifestyle also entered into a separate merchandise procurement framework agreement with the Controlling Shareholders, pursuant to which Ever Sunshine Lifestyle Group will procure various kinds of goods to the Controlling Shareholders Entities in which the Group has non-controlling interest but are not consolidated as member of the Group. As such, the transactions contemplated under that separate merchandise procurement framework agreement would not be taken into account for the purpose of ascertaining the annual caps of fee payable by the Group to Ever Sunshine Lifestyle Group under the Merchandise Procurement Framework Agreement as disclosed in the paragraph headed "Annual cap and basis of determination" above in this announcement.

### **Board approval of the Company**

Further to the interest of the Controlling Shareholders in the voting right in the shares of Ever Sunshine Lifestyle as disclosed above, as Mr. LIN Zhong is the chairman of the board of directors and an executive director of Ever Sunshine Lifestyle, and Mr. LIN Feng is a non-executive director of Ever Sunshine Lifestyle, Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, who are brothers and the executive Directors of the Company, are considered to have material interest in the Merchandise Procurement Framework Agreement and transactions contemplated thereunder.

Another two executive Directors, namely Mr. CHEN Dongbiao and Mr. YANG Xin, holds approximately 0.19% and 0.04% shareholding respectively in Ever Sunshine Lifestyle as at the date of this announcement. Given that the shareholding held by them in Ever Sunshine Lifestyle is considered to be immaterial and they are merely passive minority investors without holding any management role or position in Ever Sunshine Lifestyle Group, they are not considered to have any material interest in the transactions contemplated under the Merchandise Procurement Framework Agreement. Therefore, save for Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, none of the Directors is required to abstain from voting in respect of the relevant Board resolutions pursuant to the articles of association of the Company.

All independent non-executive Directors, the non-executive Director and the executive Directors (in respect of the executive Directors, they have expressed their views although they have abstained from voting) are of the opinion that the Merchandise Procurement Framework Agreement is made on normal commercial terms and in the ordinary and usual course of business of the Group and the terms and the annual caps of which are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## DEFINITIONS

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

“associate(s)”	has the same meaning as ascribed to it under the Listing Rules
“Best Legend”	Best Legend Development (PTC) Limited, a company incorporated in the BVI and directly owns 171,683,500 shares of Ever Sunshine Lifestyle, representing approximately 10.28% of the total number of issued shares of Ever Sunshine Lifestyle as at the date of this announcement
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“Company”	CIFI Holdings (Group) Co. Ltd. (旭輝控股(集團)有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00884)
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Controlling Shareholders”	collectively, Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, being the executive Directors and controlling shareholders of the Company
“controlling shareholder(s)”	has the same meaning ascribed to it under the Listing Rules
“Controlling Shareholders Entities”	the associates of the Controlling Shareholders, including the entities conducting property development business in which the Group has non-controlling interest (not consolidated as member of the Group), and the entities conducting other businesses, and for the purpose of this announcement, excluding the Group
“Directors”	the directors of the Company

“Elite Force”	Elite Force Development Limited, a company incorporated in the BVI and held by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng as to 50%, 25% and 25% respectively
“Entrusted Voting Arrangement”	the voting arrangement contemplated under the voting rights entrustment agreement dated 29 May 2020 and the supplemental agreement dated 28 June 2020 entered into between Elite Force, Spectron and the Controlling Shareholders pursuant to which Elite Force entrusts Spectron to exercise the voting rights in respect of 363,180,000 shares of Ever Sunshine Lifestyle, such arrangement took effect on 30 June 2020
“Ever Sunshine Lifestyle”	Ever Sunshine Lifestyle Services Group Limited (永升生活服務集團有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 01995)
“Ever Sunshine Lifestyle Group”	Ever Sunshine Lifestyle and its subsidiaries
“Group”	the Company and its subsidiaries; and for the purpose of this announcement, excluding Ever Sunshine Lifestyle Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Merchandise Procurement Framework Agreement”	the Merchandise Procurement Framework agreement entered into between the Company and Ever Sunshine Lifestyle dated 22 April 2021 in relation to procurement of the Relevant Goods by Ever Sunshine Lifestyle Group for the Group
“percentage ratios”	has the same meaning ascribed to it under the Listing Rules
“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan



“Relevant Goods”	the goods procured by Ever Sunshine Lifestyle Group for the Group under the Merchandise Procurement Framework Agreement, including but not limited to gifts, smart home appliances, lightings, furnitures and other goods needed from time to time in the ordinary course of property development of the Group and for the property projects of the Group
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	holders of the ordinary share(s) of HK\$0.1 each of the Company
“Spectron”	Spectron Enterprises Limited, a limited liability company incorporated in the BVI, which is an indirect wholly-owned subsidiary of the Company and is one of the controlling shareholders of Ever Sunshine Lifestyle
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By order of the Board  
**CIFI Holdings (Group) Co. Ltd.**  
**LIN Zhong**  
*Chairman*

Hong Kong, 22 April 2021

*As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei, Mr. LIN Feng, Mr. CHEN Dongbiao and Mr. YANG Xin as executive Directors; Mr. WANG Wei as non-executive Director; and Mr. GU Yunchang, Mr. ZHANG Yongyue and Mr. TAN Wee Seng as independent non-executive Directors.*