

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, 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 announcement.



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
SALES AGENCY SERVICES FRAMEWORK AGREEMENT**

SALES AGENCY SERVICES FRAMEWORK AGREEMENT

On 23 December 2021 (after trading hours), the Company entered into the 2021 Sales Agency Services Framework Agreement with CIFI Ever Sunshine, a connected subsidiary of the Company, to extend the term of 2019 Sales Agency Services Framework Agreement which is contemplated to expire on 31 December 2021. Pursuant to the 2021 Sales Agency Services Framework Agreement, CIFI Ever Sunshine Group will continue to provide sales agency services to the Group in respect of unsold residential properties and car parking spaces in the development projects of the Group for a further term of three years commencing from 1 January 2022 to 31 December 2024 (both dates inclusive).

LISTING RULES IMPLICATIONS

The Company

As at the date of this announcement, the shareholding of CIFI Ever Sunshine is directly owned by Spectron, Elite Force and Best Legend as to approximately 23.19%, 20.71% and 8.76% respectively. Spectron is an indirect wholly-owned subsidiary of the Company. Elite Force is controlled by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng who own 50%, 25% and 25% shareholding in Elite Force respectively. Elite Force entrusts Spectron to exercise the voting rights in respect of the Entrusted Shares that Elite Force owns directly in CIFI Ever Sunshine as detailed in the announcement of the Company dated 29 May 2020. Best Legend holds the shares of CIFI Ever Sunshine on trust pursuant to a share award scheme of CIFI Ever Sunshine adopted for the purpose of granting share award to recognize the contribution and motivate and incentivize management and personnel of the CIFI Ever Sunshine Group. Prior to vesting of any shares of CIFI Ever Sunshine awarded to the participants under the share award scheme, Best Legend exercises voting rights in respect of the shares of CIFI Ever Sunshine held by it. Best Legend is wholly-owned by Mr. LIN Feng. The aforesaid approximate of 8.76% shareholding in CIFI Ever Sunshine is invested under the share award scheme as at the date of this announcement and Mr. LIN Feng, through Best Legend, holds approximately 8.76% voting rights of CIFI Ever Sunshine. Lin's Family Trust, of which Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are the founders, further owns 0.06% shareholding in CIFI Ever Sunshine.

CIFI Ever Sunshine is accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary of the Company by virtue of applicable accounting principles. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are executive Directors and the Controlling Shareholders of the Company. Mr. LIN Zhong and Mr. LIN Feng are also directors of Spectron who make decisions on matters relating to the voting rights over the Entrusted Shares of CIFI Ever Sunshine in the capacity of Spectron's directors. Accordingly, CIFI Ever Sunshine is regarded as a connected subsidiary of the Company by virtue of Rule 14A.16(1) of the Listing Rules. The transactions contemplated under the 2021 Sales Agency Services Framework Agreement will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As far as the commission payable by the Group (excluding CIFI Ever Sunshine Group for the purpose of this announcement) under the 2021 Sales Agency Services Framework Agreement 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 shareholders' approval requirements under Chapter 14A of the Listing Rules.

CIFI Ever Sunshine

As at the date of this announcement, the Controlling Shareholders, acting in a consensual manner, are entitled to exercise the voting rights of approximately 52.72% of the issued share capital of CIFI Ever Sunshine through the Company and entities controlled by them as mentioned in the section headed “The Company” above, and together they constitute a group of controlling shareholders of CIFI Ever Sunshine. The Company, being one of the controlling shareholders of CIFI Ever Sunshine, is therefore a connected person of CIFI Ever Sunshine under Chapter 14A of the Listing Rules. The transactions contemplated under the 2021 Sales Agency Services Framework Agreement will constitute continuing connected transactions of CIFI Ever Sunshine under Chapter 14A of the Listing Rules.

As far as the commission receivable by the CIFI Ever Sunshine Group under the 2021 Sales Agency Services Framework Agreement is concerned, since one or more of the applicable percentage ratios in respect of the annual caps are above 0.1% but below 5%, CIFI Ever Sunshine 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 CIFI Ever Sunshine on the even date in respect of continuing connected transactions for further details.

THE SALES AGENCY SERVICES FRAMEWORK AGREEMENT

On 22 March 2019, the Company entered into the 2019 Sales Agency Services Framework Agreement with CIFI Ever Sunshine (which is amended and supplemented by a supplemental agreement dated 22 April 2021), pursuant to which CIFI Ever Sunshine Group agrees to provide sales agency services to the Group in respect of unsold residential properties and car parking spaces in the development projects of the Group. Such sales agency services previously constituted a fully exempt continuing connected transaction of the Company. In contemplation of the expiry of the 2019 Sales Agency Services Framework Agreement on 31 December 2021, the Group renewed the continuing connected transactions under the 2019 Sales Agency Services Framework Agreement for another three years commencing from 1 January 2022 to 31 December 2024 by way of executing the 2021 Sales Agency Services Framework Agreement on 23 December 2021 (after trading hours), a summary of the principal terms of which is as follows:

Date:	23 December 2021
Parties:	(a) the Company (b) CIFI Ever Sunshine
Term:	Effective from 1 January 2022 to 31 December 2024 (both days inclusive) renewable upon mutual consent and subject to applicable laws and regulations.

Subject matter:

Pursuant to the 2021 Sales Agency Services Framework Agreement, CIFI Ever Sunshine Group will provide sales agency services to the Group in respect of residential properties and car parking spaces in the PRC which remain unsold after the sales period of the development projects of the Group.

Price and pricing policy:

For the provision of sales agency services, the Group is charged a fixed-rate commission calculated as a percentage of sale price of the relevant residential properties and/or car parking spaces.

The parties to the 2021 Sales Agency Services Framework Agreement have agreed as follows:

- (a) each specific transaction is to be negotiated on a case-by-case and arm's length basis, in writing and on normal commercial terms in the ordinary and usual course of business;
- (b) the range of commission rate to be payable by the Group under each specific transaction shall be no more than 10%;
- (c) the commission payable by the Group shall be determined with reference to the prevailing market rate (taking into consideration the location and condition of the relevant properties and the scope of the sales agency services) and the price charged by CIFI Ever Sunshine Group when providing similar services to independent third parties; and
- (d) the commission payable by the Group shall be not less favourable than that being offered to the Group by independent third parties for comparable services.

Procedure adopted for evaluating fairness and reasonableness of pricing:

The Group adopts the following procedures to evaluate the fairness and reasonableness of the commission payable by the Group under the 2021 Sales Agency Services Framework Agreement:

- (1) the relevant members of the Group shall conduct periodic market research on (if available) three independent third parties in the surrounding areas of the relevant property projects and make reference to the prevailing commission charged by such independent third parties for providing similar services to ensure that the transaction price is no less favourable to the Group than those available from independent third parties;
- (2) the relevant members of the Group will also regularly update the market prices for the purpose of considering if the commission charged for specific transactions are fair and reasonable and in accordance with the Group's pricing policies; and
- (3) should there be any material discrepancies between the commission charged by CIFI Ever Sunshine Group and that charged by independent third parties, the commission chargeable by CIFI Ever Sunshine Group will be adjusted accordingly, and the Group will then assess whether the commission chargeable by CIFI Ever Sunshine Group, after adjustment, is fair and reasonable compared with that offered by independent third parties.

Historical transaction amounts

The historical commission paid by the Group to CIFI Ever Sunshine Group under the 2019 Sales Agency Services Framework Agreement for (i) the two years ended 31 December 2020, and (ii) eleven months ended 30 November 2021 were as follows:

For the year ended 31 December 2019 <i>(RMB'000)</i>	For the year ended 31 December 2020 <i>(RMB'000)</i>	For the eleven months ended 30 November 2021 <i>(RMB'000)</i>
132	11,718	33,961

Annual caps and basis of determination

The annual aggregate maximum amounts of commission to be payable by the Group to the CIFI Ever Sunshine Group for the transactions contemplated under the 2021 Sales Agency Services Framework Agreement for the three financial years ending 31 December 2024 are as follows:

For the year ending 31 December 2022 <i>(RMB'000)</i>	For the year ending 31 December 2023 <i>(RMB'000)</i>	For the year ending 31 December 2024 <i>(RMB'000)</i>
75,000	110,000	140,000

The annual caps have been determined with reference to the following factors:

- (i) the historical transaction amounts between the Group and CIFI Ever Sunshine Group in respect of agency services for the sale of residential properties and car parking spaces for the two years ended 31 December 2020 and eleven months ended 30 November 2021;
- (ii) the estimated commission for the sales agency services provided by CIFI Ever Sunshine Group for the three years ending 31 December 2024, calculated based on the estimated number of development projects of the Group for which the sales agency services are required and the estimated number of residential properties and car parking spaces of the relevant development projects available for sale in the market;
- (iii) the prevailing market rate for the provision of sales agency services in the same industry; and
- (iv) the efforts expected to be made by CIFI Ever Sunshine Group in procuring the sales of the residential properties and car parking spaces with reference to the locations of the development projects of the Group involved, and the occupancy rate of the development projects.

The payments under the 2021 Sales Agency Services Framework Agreement are expected to be financed by the internal resources of the Group.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group has been engaging CIFI Ever Sunshine Group for property management services in respect of properties developed by the Group. The Board believes that CIFI Ever Sunshine Group, through its network of property management offices and in the course of its provision of property management services, has collected market information and established a well-developed resources base, which can be used in its sales of the unsold residential properties and car parking spaces of the Group's development projects.

INFORMATION ON THE GROUP AND CIFI EVER SUNSHINE GROUP

The Group (excluding CIFI Ever Sunshine Group in this context) is principally engaged in the property development and property investment business in the PRC.

CIFI Ever Sunshine Group is a property management service provider offering a comprehensive portfolio of quality services to its customers in the PRC. 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, the shareholding of CIFI Ever Sunshine is directly owned by Spectron, Elite Force and Best Legend as to approximately 23.19%, 20.71% and 8.76% respectively. Spectron is an indirect wholly-owned subsidiary of the Company. Elite Force is controlled by Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng who own 50%, 25% and 25% shareholding in Elite Force respectively. Elite Force entrusts Spectron to exercise the voting rights in respect of the Entrusted Shares that Elite Force owns directly in CIFI Ever Sunshine as detailed in the announcement of the Company dated 29 May 2020. Best Legend holds the shares of CIFI Ever Sunshine on trust pursuant to a share award scheme of CIFI Ever Sunshine adopted for the purpose of granting share award to recognize the contribution and motivate and incentivize management and personnel of the CIFI Ever Sunshine Group. Prior to vesting of any shares of CIFI Ever Sunshine awarded to the participants under the share award scheme, Best Legend exercises voting rights in respect of the shares of CIFI Ever Sunshine held by it. Best Legend is wholly-owned by Mr. LIN Feng. The aforesaid approximate of 8.76% shareholding in CIFI Ever Sunshine is unvested under the share award scheme as at the date of this announcement and Mr. LIN Feng, through Best Legend, holds approximately 8.76% voting rights of CIFI Ever Sunshine. Lin's Family Trust, of which Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are the founders, further owns 0.06% shareholding in CIFI Ever Sunshine.

CIFI Ever Sunshine is accounted for and consolidated in the consolidated financial statements of the Company as a subsidiary of the Company by virtue of applicable accounting principles. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are executive Directors and the Controlling Shareholders of the Company. Mr. LIN Zhong and Mr. LIN Feng are also directors of Spectron who make decisions on matters relating to the voting rights over the Entrusted Shares of CIFI Ever Sunshine in the capacity of Spectron's directors. Accordingly, CIFI Ever Sunshine is regarded as a connected subsidiary of the Company by virtue of Rule 14A.16(1) of the Listing Rules. The transactions contemplated under the 2021 Sales Agency Services Framework Agreement will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As far as the commission payable by the Group (excluding CIFI Ever Sunshine Group for the purpose of this announcement) under the 2021 Sales Agency Services Framework Agreement 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 shareholders' approval requirements under Chapter 14A of the Listing Rules.

CIFI Ever Sunshine

As at the date of this announcement, the Controlling Shareholders, acting in a consensual manner, are entitled to exercise the voting rights of approximately 52.72% of the issued share capital of CIFI Ever Sunshine through the Company and entities controlled by them as mentioned in the section headed “The Company” above, and together they constitute a group of controlling shareholders of CIFI Ever Sunshine. The Company, being one of the controlling shareholders of CIFI Ever Sunshine, is therefore a connected person of CIFI Ever Sunshine under Chapter 14A of the Listing Rules. The transactions contemplated under the 2021 Sales Agency Services Framework Agreement will constitute continuing connected transactions of CIFI Ever Sunshine under Chapter 14A of the Listing Rules.

As far as the commission receivable by the CIFI Ever Sunshine Group under the 2021 Sales Agency Services Framework Agreement is concerned, since one or more of the applicable percentage ratios in respect of the annual caps are above 0.1% but below 5%, CIFI Ever Sunshine 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 CIFI Ever Sunshine on the even date in respect of continuing connected transactions for further details.

Board approval of the Company

Apart from the interest of the Controlling Shareholders in the voting right over the shares of CIFI Ever Sunshine as disclosed above, as Mr. LIN Zhong is the chairman of the board of directors and an executive director of CIFI Ever Sunshine, and Mr. LIN Feng is a non-executive director of CIFI Ever Sunshine, Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, who are brothers and the executive Directors of the Company, are considered to have a material interest in the 2021 Sales Agency Services Framework Agreement and transactions contemplated thereunder.

Another two executive Directors, namely Mr. CHEN Dongbiao and Mr. YANG Xin, holds approximately 0.002% and 0.05% shareholding respectively in CIFI Ever Sunshine as at the date of this announcement. Given that the shareholding held by them in CIFI Ever Sunshine is considered to be immaterial and they are merely passive minority investors without holding any management role or position in CIFI Ever Sunshine Group, they are not considered to have any material interest in the transactions contemplated under the 2021 Sales Agency Services 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 2021 Sales Agency Services 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:

“2019 Sales Agency Services Framework Agreement”	the sales agency services framework agreement entered into between the Company and CIFI Ever Sunshine dated 22 March 2019 (as amended and supplemented by a supplemental agreement dated 22 April 2021) in relation to the provision of sales agency services by CIFI Ever Sunshine Group to the Group
“2021 Sales Agency Services Framework Agreement”	the sales agency services framework agreement entered into between the Company and CIFI Ever Sunshine dated 23 December 2021 in relation to the provision of sales agency services by CIFI Ever Sunshine Group to the Group
“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 153,689,750 shares of CIFI Ever Sunshine, representing approximately 8.76% of the total number of issued shares of CIFI Ever Sunshine as at the date of this announcement
“Board”	the board of Directors
“BVI”	the British Virgin Islands
“CIFI Ever Sunshine”	CIFI Ever Sunshine Services Group Limited (旭輝永升服務集團有限公司) (formerly known as 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)
“CIFI Ever Sunshine Group”	CIFI Ever Sunshine and its subsidiaries

“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
“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 Shares”	the 363,180,000 shares of CIFI Ever Sunshine entrusted by Elite Force to Spectron under the Entrusted Voting Arrangement
“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 CIFI Ever Sunshine, representing approximately 20.71% of the total issued share capital of CIFI Ever Sunshine
“Group”	the Company and its subsidiaries; and for the purpose of this announcement, excluding CIFI Ever Sunshine 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
“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
“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 CIFI Ever Sunshine
“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, 23 December 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. JIANG Daqiang as non-executive Director; and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as independent non-executive Directors.