

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 THE RENEWAL OF
(1) THE CONTROLLING SHAREHOLDERS
PROPERTY MANAGEMENT
SERVICES MASTER AGREEMENT AND
(2) THE MERCHANDISE PROCUREMENT
FRAMEWORK AGREEMENT**

**RENEWAL OF THE 2020 CONTROLLING SHAREHOLDERS PROPERTY
MANAGEMENT SERVICES MASTER AGREEMENT**

The Board was informed that, on 26 September 2023 (after trading hours), CIFI Ever Sunshine, a subsidiary of the Company whose shares are listed on the Stock Exchange (Stock Code: 01995), entered into the 2023 Controlling Shareholders Property Management Services Master Agreement with the Controlling Shareholders to renew the transactions contemplated under the 2020 Controlling Shareholders Property Management Services Master Agreement for another term of three years from 1 January 2024 to 31 December 2026 (both days inclusive), following the expiry of the term of the 2020 Controlling Shareholders Property Management Services Master Agreement on 31 December 2023.

**RENEWAL OF THE 2021 MERCHANDISE PROCUREMENT FRAMEWORK
AGREEMENT**

The Board announces that, on the same day (after trading hours), the Company entered into the 2023 Merchandise Procurement Framework Agreement with CIFI Ever Sunshine to renew the transactions contemplated under the 2021 Merchandise Procurement Framework Agreement for another term of three years from 1 January 2024 to 31 December 2026 (both days inclusive), following the expiry of the term of the 2021 Merchandise Procurement Framework Agreement on 31 December 2023.

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 23.26%, 15.62% and 7.88% respectively. Spectron is an indirect wholly-owned subsidiary of the Company. Elite Force is controlled by the executive Directors and the Controlling Shareholders, namely 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 pursuant to the Entrusted Voting Arrangement. Best Legend holds the shares of CIFI Ever Sunshine on trust pursuant to a share award scheme of CIFI Ever Sunshine. 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 7.88% 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 7.88% voting rights of CIFI Ever Sunshine. Each of Lin's Family Trust, of which Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are the founders, and Sun-Mountain Trust, of which Mr. LIN Feng is the founder, further owns approximately 0.06% and 0.03% shareholding in CIFI Ever Sunshine.

The 2023 Controlling Shareholders Property Management Services Master Agreement

CIFI Ever Sunshine is a subsidiary of the Company as it is accounted for and consolidated in the consolidated financial statements of the Company by virtue of applicable accounting principles. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are executive Directors and controlling shareholders of the Company and therefore they are connected persons of the Company. Accordingly, the transactions contemplated under the 2023 Controlling Shareholders Property Management Services Master Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Company, as one or more of the applicable percentage ratios (excluding the profit ratio) for the annual caps contemplated under the 2023 Controlling Shareholders Property Management Services Master Agreement exceed 0.1% but all such ratios are below 5%, the continuing connected transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements but are exempt from the requirements of obtaining approval from independent shareholders of the Company in accordance with Chapter 14A of the Listing Rules.

The 2023 Merchandise Procurement Framework Agreement

CIFI Ever Sunshine is regarded as a connected subsidiary of the Company by virtue of Rule 14A.16(1) of the Listing Rules. Accordingly, the transactions contemplated under the 2023 Merchandise Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Company, as one or more of the applicable percentage ratios (excluding the profit ratio) for the annual caps contemplated under the 2023 Merchandise Procurement Framework Agreement exceed 0.1% but all such ratios are below 5%, the continuing connected transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements but are exempt from the requirements of obtaining approval from independent shareholders of the Company in accordance with 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 46.84% of the issued share capital of CIFI Ever Sunshine through the Company, other investment holding companies and family trusts controlled by them, and together they constitute a group of controlling shareholders of CIFI Ever Sunshine. Both the Controlling Shareholders and the Company, being the controlling shareholders of CIFI Ever Sunshine, are therefore connected persons of CIFI Ever Sunshine under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 Merchandise Procurement Framework Agreement will constitute continuing connected transactions of CIFI Ever Sunshine under Chapter 14A of the Listing Rules.

In respect of CIFI Ever Sunshine, as one or more of the applicable percentage ratios (excluding the profit ratio) for the annual caps contemplated under each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 Merchandise Procurement Framework Agreement exceeds 0.1% but all such ratios are below 5%, the continuing connected transactions contemplated thereunder are 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 contemplated under each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 Merchandise Procurement Framework Agreement for further details.

I. RENEWAL OF THE 2020 CONTROLLING SHAREHOLDERS PROPERTY MANAGEMENT SERVICES MASTER AGREEMENT

1. BACKGROUND

Reference is made to the announcements of the Company dated 25 September 2020 and 5 November 2020 in respect of, among other things, the 2020 Controlling Shareholders Property Management Services Master Agreement entered into between CIFI Ever Sunshine and the Controlling Shareholders, and the annual caps thereunder.

As the 2020 Controlling Shareholders Property Management Services Master Agreement will be expiring on 31 December 2023 and CIFI Ever Sunshine is expected to carry on the transactions contemplated thereunder upon its expiry, CIFI Ever Sunshine and the Controlling Shareholders entered into the 2023 Controlling Shareholders Property Management Services Master Agreement on 26 September 2023 (after trading hours).

2. THE 2023 CONTROLLING SHAREHOLDERS PROPERTY MANAGEMENT SERVICES MASTER AGREEMENT

The principal terms of the 2023 Controlling Shareholders Property Management Services Master Agreement are set out as below:

- Date : 26 September 2023 (after trading hours)
- Parties : (1) CIFI Ever Sunshine, a subsidiary of the Company
(2) the Controlling Shareholders
- Scope of property management services : The services to be provided by the CIFI Ever Sunshine Group, including but without limitation to (i) preliminary planning and design consultancy services (the “**Planning Services**”); (ii) property management services for unsold properties, car parking lots and the properties held by the Controlling Shareholders Entities; (iii) on-site security, cleaning, greening, as well as customer services to property sales offices; and (iv) cleaning and house inspection services to the property projects developed by the Controlling Shareholders Entities upon completion of construction and before delivery of the same to homeowners, and other value-added services (scope (ii) to (iv) collectively, the “**Property Management Services**”).
- Term : Three years commencing from 1 January 2024 and ending on 31 December 2026 (both days inclusive).

Pricing and other terms : The parties to the 2023 Controlling Shareholders Property Management Services Master Agreement have agreed as follows:

- (i) the parties may enter into specific agreements to set out the detailed terms for the relevant transactions contemplated under the 2023 Controlling Shareholders Property Management Services Master Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms;
- (ii) the specific agreements shall conform with the principles and terms set out in the 2023 Controlling Shareholders Property Management Services Master Agreement;
- (iii) fees for the Planning Services and the Property Management Services to be provided by the CIFI Ever Sunshine Group shall be determined in the specific agreements and should be set, after arm's length negotiations with reference to the prevailing market rate (taking into consideration the location of the property, the condition and type of the property and the scope of the Planning Services and the Property Management Services) and the prices charged by the CIFI Ever Sunshine Group when providing similar services to the Independent Third Parties; and
- (iv) the terms and conditions of the specific agreements shall be not less favourable than those being offered by the CIFI Ever Sunshine Group to the Independent Third Parties for comparable services.

Existing annual caps : The existing annual caps under the 2020 Controlling Shareholder Property Management Services Master Agreement for the two financial years ended 31 December 2022 and the financial year ending 31 December 2023 are as follows:

	For the year ended		For the year
	31 December		ending
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Planning Services	26,000	27,000	27,000
Property Management Services	164,000	173,000	173,000
	<hr/>	<hr/>	<hr/>
Total	190,000	200,000	200,000
	<hr/>	<hr/>	<hr/>

Historical aggregate amounts : The approximate historical aggregate amounts of service fees received by the CIFI Ever Sunshine Group for the two financial years ended 31 December 2022 and the six months ended 30 June 2023 are as follows:

	For the year ended 31 December		For the six months ended
	2021	2022	30 June
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Planning Services	20,800	11,000	4,700
Property Management Services	<u>157,600</u>	<u>145,000</u>	<u>55,500</u>
Total	<u>178,400</u>	<u>156,000</u>	<u>60,200</u>

Annual caps : Pursuant to the 2023 Controlling Shareholders Property Management Services Master Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for each of the three financial years ending 31 December 2026 are as follows:

	For the year ending 31 December		
	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Planning Services	11,500	12,000	12,500
Property Management Services	<u>168,500</u>	<u>178,000</u>	<u>187,500</u>
Total	<u>180,000</u>	<u>190,000</u>	<u>200,000</u>

The proposed annual caps for the transactions contemplated under the 2023 Controlling Shareholders Property Management Services Master Agreement were determined after considering the following factors:

- (i) the historical transaction amount under the 2020 Controlling Shareholders Property Management Services Master Agreement;
- (ii) the estimated revenue to be recognised based on the existing signed contracts between the CIFI Ever Sunshine Group and the Controlling Shareholders Entities;

- (iii) the expected volume of sale, size and number of the properties held by the Controlling Shareholders Entities to be managed by the CIFI Ever Sunshine Group based on the total gross floor area of properties developed by the Controlling Shareholders Entities under the CIFI Ever Sunshine Group's management as of 30 June 2023; and
- (iv) the expected demand of the Controlling Shareholders Entities for the Planning Services and the Property Management Services, the relevant services and standard being proposed by the CIFI Ever Sunshine Group, and the price to be charged by the CIFI Ever Sunshine Group for the provision of such services.

3. PRICING POLICY

The Board was informed that during the term of the 2023 Controlling Shareholders Property Management Services Master Agreement, the CIFI Ever Sunshine Group shall from time to time enter into specific agreements with the Controlling Shareholders Entities for the provision of relevant services in accordance with the terms of the 2023 Controlling Shareholders Property Management Services Master Agreement. The CIFI Ever Sunshine Group adopts the following pricing policy to ensure that the terms offered to the Controlling Shareholders Entities under the 2023 Controlling Shareholders Property Management Services Master Agreement are on normal commercial terms and shall not be less favourable to the CIFI Ever Sunshine Group than terms offered by the CIFI Ever Sunshine Group to Independent Third Parties as follows:

- (a) for all property management services except for those for unsold properties, car parking lots and the properties owned by the Controlling Shareholders Entities and preliminary planning and design consultancy services under the 2023 Controlling Shareholders Property Management Services Master Agreement, the CIFI Ever Sunshine Group would charge the Controlling Shareholders Entities at prices based on a standard price list prepared by the CIFI Ever Sunshine Group which is applicable to the Controlling Shareholders Entities as well as Independent Third Parties after taking into account:
 - (i) the CIFI Ever Sunshine Group's other contemporaneous transactions of similar services (in terms of the scope and requirement of services, the location and condition of properties, and level of difficulty of management, etc.) carried out with Independent Third Parties; and
 - (ii) prices charged by other property management companies in the PRC of comparable transactions with independent third parties (if available).

The standard price list shall be compiled based on the above by obtaining at least three transactions for reference by relevant operating departments, and reviewed and approved semi-annually by the heads of relevant operating departments, the chief financial officer and president of the CIFI Ever Sunshine Group to ensure the price list maintained by the CIFI Ever Sunshine Group reflecting the prevailing market conditions.

- (b) for the Planning Services, the CIFI Ever Sunshine Group would charge the Controlling Shareholders Entities at a fixed amount per square metre based on the standard price list mentioned above and for the initial project acceptance fee, fixed amount per site for the first 200,000 square metres, and a fixed rate per an extra square metre after the initial 200,000 square metres in accordance with such standard price list after taking into account:
 - (i) the CIFI Ever Sunshine Group's other contemporaneous transactions of similar services (in terms of the scope and requirement of services, the size and condition of construction site, and level of difficulty of planning and design, etc.) carried out with Independent Third Parties; and
 - (ii) prices charged by other property management companies in the PRC of comparable transactions with independent third parties (if available).

- (c) for property management services for unsold properties, car parking lots and the properties owned by the Controlling Shareholders Entities, before determining the price for the provision of services, the CIFI Ever Sunshine Group would make reference to:
 - (i) the CIFI Ever Sunshine Group's other contemporaneous transactions of similar services (in terms of the scope and requirement of services, the location and condition of properties, and level of difficulty of management, etc.) carried out with Independent Third Parties;
 - (ii) prices charged by other property management companies in the PRC of comparable transactions with independent third parties; and
 - (iii) guidance prices issued by the government in this connection (if any) depending on the location of the property project.

After the relevant information is collected, the marketing department of the CIFI Ever Sunshine Group would determine a price to be offered to the Controlling Shareholders Entities which would not be less than the prices offered to Independent Third Parties by the CIFI Ever Sunshine Group. Relevant information together with the specific agreement will be submitted to the heads of the marketing department and the accounting department of the CIFI Ever Sunshine Group, and president of the CIFI Ever Sunshine Group for approval.

II. RENEWAL OF THE 2021 MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT

1. BACKGROUND

Reference is made to the announcements of the Company dated 22 April 2021 and 3 June 2021 in respect of, among other things, the 2021 Merchandise Procurement Framework Agreement entered into between the Company and CIFI Ever Sunshine, and the annual caps thereunder.

As the 2021 Merchandise Procurement Framework Agreement will be expiring on 31 December 2023 and the Company and CIFI Ever Sunshine is expected to carry on the transactions contemplated thereunder upon its expiry, the Company and CIFI Ever Sunshine entered into the 2023 Merchandise Procurement Framework Agreement on 26 September 2023 (after trading hours).

2. THE 2023 MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT

The principal terms of the 2023 Merchandise Procurement Framework Agreement are set out as below:

- Date : 26 September 2023 (after trading hours)
- Parties : (1) the Company
(2) CIFI Ever Sunshine, a subsidiary of the Company
- Subject matter : The Group will, in its ordinary course of property development and for the property projects of the Group, purchase from the CIFI Ever Sunshine Group, and the CIFI Ever Sunshine 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.
- Term : Three years commencing from 1 January 2024 to 31 December 2026 (both days inclusive) renewable upon mutual consent and subject to applicable laws and regulations.

Pricing and other terms : The detailed terms and conditions, specification, price, quantity and delivery date in relation to the goods to be procured and the incidental services under the 2023 Merchandise Procurement Framework Agreement shall be reflected in the specific agreements made between relevant members of the Group and the CIFI Ever Sunshine 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 the CIFI Ever Sunshine Group shall be determined with reference to, among others, the prevailing market price (taking into consideration the specifications, conditions, quantity and delivery of same or comparable goods), those charged by Independent Third Parties on the Group, those charged by the CIFI Ever Sunshine Group on Independent Third Parties for provision of the same or comparable goods, and the cost and mark-up rate of the Relevant 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 CIFI Ever Sunshine Group for provision of the same or comparable goods.

Existing annual caps : The existing annual caps under the 2021 Merchandise Procurement Framework Agreement for the two financial years ended 31 December 2022 and the financial year ending 31 December 2023 are as follows:

	For the year ended		For the year
	31 December		ending
	2021	2022	31 December
	<i>RMB'000</i>	<i>RMB'000</i>	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Existing annual caps	<u>86,000</u>	<u>110,000</u>	<u>110,000</u>

Historical aggregate amounts : The approximate historical aggregate amounts of fees paid by the Group to the CIFI Ever Sunshine Group for the two financial years ended 31 December 2022 and the six months ended 30 June 2023 are as follows:

	For the year ended 31 December		For the six months ended
	2021	2022	30 June 2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Historical aggregate amounts	<u>21,000</u>	<u>5,400</u>	<u>18,300</u>

Annual caps : Pursuant to the 2023 Merchandise Procurement Framework Agreement, it is proposed that the annual caps for the transactions contemplated thereunder for each of the three financial years ending 31 December 2026 are as follows:

	For the year ending 31 December		
	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Annual caps	<u>110,000</u>	<u>110,000</u>	<u>110,000</u>

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

- (i) the estimated fees to be paid by the Group in relation to the Relevant Goods to be procured by the CIFI Ever Sunshine Group pursuant to existing contracts;
- (ii) the estimated transaction amounts for the Relevant Goods to be procured by the CIFI Ever Sunshine Group for the Group for each of the three financial years ending 31 December 2026, with reference to the estimated number of development and investment projects of the Group for which the goods procurement would be required;
- (iii) the Group's reference to the market price of same or comparable goods in the open market; and
- (iv) the historical transaction amounts under the 2021 Merchandise Procurement Framework Agreement, in consideration of which were affected by fluctuation conditions of COVID-19 pandemic and the generally weak sentiments of the property market.

The payments under the 2023 Merchandise Procurement Framework Agreement are expected to be financed by the internal resources of the Group.

3. PRICING POLICY AND PROCEDURE

Before entering into of any specific agreement in respect of the Relevant Goods to be procured and the incidental services under the 2023 Merchandise Procurement Framework Agreement, the Group will determine the prices payable to the CIFI Ever Sunshine Group on arm's length basis with reference to the following factors:

- (a) the prices for the Relevant Goods chargeable by the CIFI Ever Sunshine Group will be determined with reference to the prevailing market price of same or comparable goods, which is determined through pricing procedure conducted by the procurement department of the Group as stated below in this announcement; and
- (b) as informed by the CIFI Ever Sunshine Group, after taking into account the cost involved, the mark-up rate to be received by the CIFI Ever Sunshine Group in respect of the Relevant Goods to be procured and the incidental services under the 2023 Merchandise Procurement Framework Agreement would currently not exceed 30%. The prices of the Relevant Goods, taking into account the said mark-up rate, are not more than the price level at which the Group can obtain from suppliers who are Independent Third Parties for purchase of the same or comparable goods.

In addition, the Group adopts the following pricing procedures to ascertain the fairness and reasonableness of the prices payable by the Group under the 2023 Merchandise Procurement Framework Agreement:

- (a) periodic price researches will be conducted by the procurement department of the Group to obtain the prices of goods offered by at least three Independent Third Parties in the market for same or comparable goods supplied under the 2023 Merchandise Procurement Framework Agreement;
- (b) the procurement department of the Group will also regularly update the market prices for the purpose of considering if the prices charged for specific transactions are fair and reasonable and in accordance with the Group's pricing policies; and
- (c) should there be any material discrepancies between the price charged by the CIFI Ever Sunshine Group and that charged by Independent Third Parties, the price chargeable by the CIFI Ever Sunshine Group will be adjusted accordingly, and the Group will then assess whether the price of Relevant Goods, after adjustment, is fair and reasonable compared with that offered by Independent Third Parties.

III. REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 CONTROLLING SHAREHOLDERS PROPERTY MANAGEMENT SERVICES MASTER AGREEMENT AND THE 2023 MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT

THE 2023 CONTROLLING SHAREHOLDERS PROPERTY MANAGEMENT SERVICES MASTER AGREEMENT

The Board was informed by the board of directors of the CIFI Ever Sunshine Group that as the 2020 Controlling Shareholders Property Management Services Master Agreement is due to expire on 31 December 2023, the 2023 Controlling Shareholders Property Management Services Master Agreement is being entered to enable the CIFI Ever Sunshine Group to continue to provide the Planning Services and the Property Management Services to the Controlling Shareholders Entities, which could result in satisfactory synergy effect and further promote the business growth of the CIFI Ever Sunshine Group.

The directors of CIFI Ever Sunshine are of the view that the terms of the 2023 Controlling Shareholders Property Management Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary course of business of the CIFI Ever Sunshine Group and in the interests of CIFI Ever Sunshine and its shareholders as a whole.

For internal control measures adopted by the CIFI Ever Sunshine Group in respect of its continuing connected transaction, please refer to the announcement of CIFI Ever Sunshine of even date for further details.

Having considered the views of the board of directors of CIFI Ever Sunshine, the Directors are of the view that the terms of the 2023 Controlling Shareholders Property Management Services Master Agreement and the transactions contemplated thereunder (including the proposed annual caps therefor) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary course of business of the Group (of which the CIFI Ever Sunshine Group forms part) and are in the interests of the Company and its shareholders as a whole.

THE 2023 MERCHANDISE PROCUREMENT FRAMEWORK AGREEMENT

The Group has engaged the CIFI Ever Sunshine Group for property management services in respect of properties developed by the Group. As the 2021 Merchandise Procurement Framework Agreement is due to expire on 31 December 2023, the 2023 Merchandise Procurement Framework Agreement is being entered into to enable the Group to continue make use of the CIFI Ever Sunshine Group's nation-wide goods procurement platforms, good and longstanding relationships with suppliers, advantageous supply chain, market information and knowhow in products procurement. Thereby, it allows the Group, through the CIFI Ever Sunshine Group, to continue centralising its procurement channels by leveraging the CIFI Ever Sunshine Group's experience and resources in sourcing the Relevant Goods, which enhances procurement and management efficiency, and lowers administrative costs of the Group.

IV. INFORMATION ON THE GROUP, THE CIFI EVER SUNSHINE GROUP AND THE CONTROLLING SHAREHOLDERS

The Group is principally engaged in the business of property development, property investment and provision of property management services in the PRC.

The CIFI Ever Sunshine 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.

Other than the Group and the CIFI Ever Sunshine Group, the Controlling Shareholders have invested in the business of property investment, operation of service apartment and educational consultation.

V. 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 23.26%, 15.62% and 7.88% respectively. Spectron is an indirect wholly-owned subsidiary of the Company. Elite Force is controlled by the executive Directors and the Controlling Shareholders, namely 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 pursuant to the Entrusted Voting Arrangement. Best Legend holds the shares of CIFI Ever Sunshine on trust pursuant to a share award scheme of CIFI Ever Sunshine. 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 7.88% 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 7.88% voting rights of CIFI Ever Sunshine. Each of Lin's Family Trust, of which Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are the founders, and Sun-Mountain Trust, of which Mr. LIN Feng is the founder, further owns approximately 0.06% and 0.03% shareholding in CIFI Ever Sunshine.

The 2023 Controlling Shareholders Property Management Services Master Agreement

CIFI Ever Sunshine is a subsidiary of the Company as it is accounted for and consolidated in the consolidated financial statements of the Company by virtue of applicable accounting principles. Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng are executive Directors and controlling shareholders of the Company and therefore they are connected persons of the Company. Accordingly, the transactions contemplated under the 2023 Controlling Shareholders Property Management Services Master Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Company, as one or more of the applicable percentage ratios (excluding the profit ratio) for the annual caps contemplated under the 2023 Controlling Shareholders Property Management Services Master Agreement exceed 0.1% but all such ratios are below 5%, the continuing connected transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements but are exempt from the requirements of obtaining approval from independent shareholders of the Company in accordance with Chapter 14A of the Listing Rules.

The 2023 Merchandise Procurement Framework Agreement

CIFI Ever Sunshine is regarded as a connected subsidiary of the Company by virtue of Rule 14A.16(1) of the Listing Rules. Accordingly, the transactions contemplated under the 2023 Merchandise Procurement Framework Agreement will constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the Company, as one or more of the applicable percentage ratios (excluding the profit ratio) for the annual caps contemplated under the 2023 Merchandise Procurement Framework Agreement exceed 0.1% but all such ratios are below 5%, the continuing connected transactions contemplated thereunder are only subject to the reporting, announcement and annual review requirements but are exempt from the requirements of obtaining approval from independent shareholders of the Company in accordance with 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 46.84% of the issued share capital of CIFI Ever Sunshine through the Company, other investment holding companies and family trusts controlled by them, and together they constitute a group of controlling shareholders of CIFI Ever Sunshine. Both the Controlling Shareholders and the Company, being the controlling shareholders of CIFI Ever Sunshine, are therefore connected persons of CIFI Ever Sunshine under Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 Merchandise Procurement Framework Agreement will constitute continuing connected transactions of CIFI Ever Sunshine under Chapter 14A of the Listing Rules.

In respect of CIFI Ever Sunshine, as one or more of the applicable percentage ratios (excluding the profit ratio) for the annual caps contemplated under each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 Merchandise Procurement Framework Agreement exceeds 0.1% but all such ratios are below 5%, the continuing connected transactions contemplated thereunder are 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 refer to the announcement made by CIFI Ever Sunshine on the even date in respect of continuing connected transactions contemplated under each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 Merchandise Procurement Framework Agreement for further details.

Board approval of the Company

Further to the interest of the Controlling Shareholders in the voting right in the shares of CIFI Ever Sunshine as disclosed above, Mr. LIN Zhong is the chairman of the board of directors and an executive director of CIFI Ever Sunshine. Mr. LIN Feng is a non-executive director of CIFI Ever Sunshine. Therefore, Mr. LIN Zhong, Mr. LIN Wei and Mr. LIN Feng, who are brothers and the executive Directors, are considered to have material interest in each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 Merchandise Procurement Framework Agreement and transactions contemplated thereunder.

Another two executive Directors, namely Mr. RU Hailin and Mr. YANG Xin, respectively holds and is deemed to be holding approximately 0.06% and 0.001% shareholding 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 the CIFI Ever Sunshine Group, they are not considered to have any material interest in the transactions contemplated under each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 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 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 each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 Merchandise Procurement Framework Agreement are made on normal commercial terms and in the ordinary and usual course of business of the Group (of which the CIFI Ever Sunshine Group forms part), and the terms of each of the 2023 Controlling Shareholders Property Management Services Master Agreement and the 2023 Merchandise Procurement Framework Agreement and annual caps therein are fair and reasonable and in the interests of the Company and its shareholders as a whole.

SUSPENSION OF TRADING

At the request of the Company, trading in the ordinary shares, warrants and derivatives of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 31 March 2023. As disclosed in the announcement of the Company dated 26 September 2023 in relation to, among other things, fulfilment of resumption guidance, the Company has made an application to the Stock Exchange for the resumption of trading in the ordinary shares, warrants and derivatives of the Company with effect from 9:00 a.m. on Wednesday, 27 September 2023.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite to them below:

“2018 Controlling Shareholders Property Management Services Master Agreement”	the property management services master agreement entered into between CIFI Ever Sunshine and the Controlling Shareholders on 22 November 2018
“2020 Controlling Shareholders Property Management Services Master Agreement”	the property management services master agreement entered into between CIFI Ever Sunshine and the Controlling Shareholders on 25 September 2020 to renew the transactions contemplated under the 2018 Controlling Shareholders Property Management Services Master Agreement (as amended and supplemented by the supplemental agreement dated 5 November 2020 entered into by the same parties)
“2021 Merchandise Procurement Framework Agreement”	the merchandise procurement framework agreement entered into between the Company and CIFI Ever Sunshine dated 22 April 2021 in relation to procurement of the Relevant Goods by the CIFI Ever Sunshine Group for the Group
“2023 Controlling Shareholders Property Management Services Master Agreement”	the property management services master agreement entered into between CIFI Ever Sunshine and the Controlling Shareholders on 26 September 2023 to renew the transactions contemplated under the 2020 Controlling Shareholders Property Management Services Master Agreement
“2023 Merchandise Procurement Framework Agreement”	the merchandise procurement framework agreement entered into between the Company and CIFI Ever Sunshine dated 26 September 2023 to renew the transactions contemplated under the 2021 Merchandise Procurement Framework Agreement
“applicable percentage ratio”	shall have the same meaning as ascribed to it under Rule 14.07 of the Listing Rules
“associate(s)”	shall have 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 137,826,250 shares of CIFI Ever Sunshine, representing approximately 7.88% 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 CIFI Ever Sunshine 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)”	shall have the same meaning as 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)”	shall have the same meaning as 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
“Director(s)”	the director(s) 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 273,180,000 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 among Elite Force, Spectron and the Controlling Shareholders pursuant to which Elite Force entrusts Spectron to exercise the voting rights in respect of the Entrusted Shares, representing approximately 15.62% of the total issued share capital of CIFI Ever Sunshine as at the date of this announcement and the details of which are disclosed in the announcements of the Company dated 29 May 2020 and 28 June 2020 respectively
“Group”	the Company and its subsidiaries; and for the purpose of this announcement, excluding the CIFI Ever Sunshine Group
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company or CIFI Ever Sunshine and is/are independent of and not connected with the Company or CIFI Ever Sunshine and their directors, chief executives, controlling shareholders and substantial shareholders of the Company or CIFI Ever Sunshine or any of their subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“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 the CIFI Ever Sunshine Group for the Group under the 2023 Merchandise Procurement Framework Agreement, including but not limited to gifts, smart home appliances, lightings, furnitures, decoration materials 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
“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” shall have 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, 26 September 2023

As at the date of this announcement, the Board comprises Mr. LIN Zhong, Mr. LIN Wei, Mr. LIN Feng, Mr. RU Hailin and Mr. YANG Xin as executive Directors; and Mr. ZHANG Yongyue, Mr. TAN Wee Seng and Ms. LIN Caiyi as independent non-executive Directors.