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Ever Sunshine Lifestyle Services Group Limited
永升生活服务集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1995)

VOLUNTARY ANNOUNCEMENT
IN RELATION TO ESTABLISHMENT OF THE VIE ARRANGEMENT

INTRODUCTION

To enable the Group (through the Target Company) to tap into the Qualified Business in the PRC which is currently subject to foreign investment restrictions, on 29 July 2020, Linjiu Wisdom, the Target Company and the Registered Shareholders entered into the Structured Contracts for establishing the VIE Arrangement. The VIE Arrangement would allow the Company to have effective control over the finance, operations and enjoy the entire economic interests and benefits of the Target Company. Upon the establishment of the VIE Arrangement, the financial results of the Target Company will be consolidated into the financial statements of the Group and the Target Company will become a subsidiary of the Company.

REASONS FOR AND RISKS ASSOCIATED WITH THE USE OF THE VIE ARRANGEMENT

The main reason for the Group to adopt the VIE Arrangement is because the Provisions and Guidelines do not allow a foreign investor to own, whether directly or indirectly, any company that engages in the Qualified Business in the PRC. Linjiu Wisdom will not have any direct equity ownership of the Target Company and will rely on the Structured Contracts to control, operate and be entitled to the economic benefits of the Qualified Business conducted by the Target Company. As such, there are risks associated with the use of the VIE Arrangement.

LISTING RULES IMPLICATION

Based on the consideration to be injected into the Target Company, all the applicable percentage ratios are less than 5%. Therefore, the establishment of the VIE Arrangement and the capital contribution to the Target Company do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

INTRODUCTION

To enable the Group (through the Target Company) to tap into the Qualified Business in the PRC which is currently subject to foreign investment restrictions, on 29 July 2020, Linjiu Wisdom, the Target Company and the Registered Shareholders entered into the Structured Contracts for establishing the VIE Arrangement. The VIE Arrangement would allow the Company to have effective control over the finance, operations and enjoy the entire economic interests and benefits of the Target Company. Upon the establishment of the VIE Arrangement, the financial results of the Target Company will be consolidated into the financial statements of the Group and the Target Company will become a subsidiary of the Company.

STRUCTURED CONTRACTS

(1) Exclusive Technology Consulting and Business Cooperation Agreement

On 29 July 2020, Linjiu Wisdom and the Target Company entered into the Exclusive Technology Consulting and Business Cooperation Agreement, pursuant to which Linjiu Wisdom shall, within the service period stipulated in the agreement, agree to provide exclusive business, technical, and consulting support services to the Target Company. At the same time, Linjiu Wisdom non-exclusively permits the Target Company to use the intellectual property rights legally owned by Linjiu Wisdom in a non-transferrable manner. Pursuant to the Exclusive Technology Consulting and Business Cooperation Agreement, the Target Company shall pay Linjiu Wisdom annually for the technical consulting services and intellectual property rights according to the prices to be agreed, which shall be equivalent to the profit before tax of the Target Company after deducting related costs and reasonable expenses. Linjiu Wisdom has the absolute right to adjust the services fees charged during the term of the Exclusive Technology Consulting and Business Cooperation Agreement.

The Exclusive Technology Consulting and Business Cooperation Agreement also provides that Linjiu Wisdom shall have the exclusive proprietary rights and interests in any and all intellectual property rights developed or created by the Target Company during the performance of the Exclusive Technology Consulting and Business Cooperation Agreement. Should the intellectual rights be owned by the Target Company for business reasons or in compliance with the relevant laws and regulations, the Target Company shall transfer the intellectual rights to Linjiu Wisdom at the lowest price permitted by the PRC laws (or at nil consideration without any conditions if no such legal restriction) when such reasons are no longer valid or the legal restrictions relating to the intellectual rights cease to exist.

Pursuant to the Exclusive Technology Consulting and Business Cooperation Agreement, the Target Company, without prior written consent of Linjiu Wisdom, shall not:

- (i) sell, transfer, pledge or dispose of assets, legal or beneficial interests in the business or revenue of the Target Company except for assets required in the daily operations with value less than RMB200,000, or provide any loans or guarantee to any third party, or allow the encumbrance thereon of any security interest;
- (ii) incur, inherit, guarantee or assume any debts, except for debts incurred in the ordinary course of business of less than RMB200,000;
- (iii) enter into any material contracts except for contracts executed in the ordinary course of business with the value less than RMB200,000;
- (iv) be merged, amalgamated with or formed as a joint entity or be acquired or controlled by another party or acquire or invest in another party;
- (v) change or dismiss any of its directors, supervisors or senior management. The Target Company shall appoint any candidates recommended by Linjiu Wisdom as its directors, supervisors or senior management as permitted by the PRC laws;
- (vi) increase or decrease its registered capital, or change its capital structure or supplement, change or amend its constitutional documents; and
- (vii) declare or distribute dividends or distribute profits to its shareholders, provided that upon written request of Linjiu Wisdom, the Target Company shall distribute all distributable profits to its shareholders in compliance with the PRC laws and its constitutional documents.

In case of the death of the Registered Shareholders or when the Registered Shareholders have become incapable to act or any occurrence of events which may affect their shareholding in the Target Company, successors of the Registered Shareholders shall be deemed to be the signing party to the Exclusive Technology Consulting and Business Cooperation Agreement, and assume all rights and obligations of the Registered Shareholders under the Exclusive Technology Consulting and Business Cooperation Agreement.

If there are any changes in relevant laws and regulations in the PRC which would allow Linjiu Wisdom to have a direct shareholding in the Target Company and enable the Group to operate the business of the Target Company in compliance with all relevant laws and regulations, and Linjiu Wisdom has

decided to do so, the Exclusive Technology Consulting and Business Cooperation Agreement shall be terminated immediately and the Target Company shall help to complete all the transfer procedures upon request by Linjiu Wisdom.

The Exclusive Technology Consulting and Business Cooperation Agreement shall remain effective unless Linjin Wisdom having exercised the option under the Exclusive Option Agreement and the entire interest of the Target Company held by the Registered Shareholders or all assets of the Target Company having been transferred to Linjin Wisdom or the entity or person designated by Linjin Wisdom.

(2) *Exclusive Option Agreement*

On 29 July 2020, Linjiu Wisdom, the Target Company and the Registered Shareholders entered into the Exclusive Option Agreement, pursuant to which the Registered Shareholders shall agree to irrevocably and unconditionally grant an exclusive option to Linjiu Wisdom which entitles Linjiu Wisdom to unconditionally elect, at its discretion, to purchase at any time, all or any part of the equity interest in the Target Company by itself or through its designated person(s), for one or more times, when permitted by the then applicable PRC laws, within a specific period as stipulated under the Exclusive Option Agreement. Unless it is required by PRC laws to appraise the value of the Target Company, the consideration shall be equal to a nominal value or other value which is required by PRC governmental authorities of which the same shall be returned to Linjiu Wisdom or/and the person designated by Linjiu Wisdom as soon as practicable.

Under the Exclusive Option Agreement, the Registered Shareholders and the Target Company have jointly and severally undertaken, among others that:

- (i) without prior written consent of Linjiu Wisdom, the Target Company shall not increase or decrease its registered capital, or change its capital structure or supplement, change or amend its constitutional documents in any forms;
- (ii) without prior written consent of Linjiu Wisdom, the Target Company shall not sell, transfer, pledge or dispose of assets, legal or beneficial interests in the business or revenue of the Target Company except for assets required in the daily operations with value less than RMB200,000, or allow the encumbrance thereon of any security interest, or enter into voluntary bankruptcy liquidation procedure;
- (iii) without prior written consent of Linjiu Wisdom, the Target Company shall not be merged, amalgamated with or acquire or invest in another party;

- (iv) without prior written consent of Linjiu Wisdom, the Target Company shall not incur, inherit, guarantee or assume any debt, except for debts incurred in the ordinary course of business of less than RMB200,000 or liabilities which have been disclosed to and approved by Linjiu Wisdom;
- (v) without prior written consent of Linjiu Wisdom, the Target Company shall not provide loans, financial assistance, credit or guarantee in any form to any person;
- (vi) without prior written consent of Linjiu Wisdom, the Target Company shall not enter into or terminate any material contracts, or execute any material contracts or any agreements which may be in conflict with signed material contracts of the Target Company, except for the non-material contracts which were executed in the ordinary course of business (for the purpose of this paragraph, a contract with an amount more than RMB200,000 would be deemed as a material contract);
- (vii) the Target Company shall provide its operating and financial information to Linjiu Wisdom at the request of Linjiu Wisdom;
- (viii) the Target Company shall not distribute dividends to its shareholders in any form;
- (ix) at the request of Linjiu Wisdom, the Registered Shareholders shall appoint any persons designated by Linjiu Wisdom as directors, supervisors or senior management of the Target Company; and/or dismiss any directors, supervisors or senior management of the Target Company at the request of Linjiu Wisdom;
- (x) at the request of Linjiu Wisdom, a shareholders' meeting of the Target Company shall be called and a resolution shall be passed at the such meeting agreeing to the transfer of the entire interest and assets of the Target Company as set forth in the Exclusive Option Agreement, and help to complete all the transfer procedures required;
- (xi) without prior written consent of Linjiu Wisdom, the Registered Shareholders shall not directly or indirectly engage in, own or acquire any business which may be in competition with the Target Company and its subsidiaries; and
- (xii) in case of dissolution of the Target Company, the Registered Shareholders shall pay or procure to pay or transfer any residual value of assets or consideration receivable by them (after paying dissolution expenses, staff expenses and welfare and all statutory compensation, tax and all liabilities of the Target Company) to Linjiu Wisdom or any person designated by Linjiu Wisdom at no consideration or at the lowest price as permitted by

PRC laws, in compliance with the PRC laws and arbitration rules. If Linjiu Wisdom is required to pay any consideration as required by the PRC laws, the Registered Shareholders shall refund such to Linjiu Wisdom or any person designated by Linjiu Wisdom.

The Registered Shareholders have also undertaken, among others, that:

- (i) without prior written consent of Linjiu Wisdom, the Registered Shareholders shall not sell, transfer, mortgage or otherwise dispose of any legal or beneficial rights in the equity interest of the Target Company, or permit creation of encumbrance over any security interest, except for pledges created over such equity interests by the Registered Shareholders under the Exclusive Option Agreement;
- (ii) the Registered Shareholders shall not require the Target Company to declare or distribute profits in any form. In any event, if the Registered Shareholders receive any revenue, profit distributions or dividends from the Target Company, they shall, to the extent permitted under the PRC laws, immediately pay or transfer such profits, profit distributions or dividends to Linjiu Wisdom or any party designated by Linjiu Wisdom in the form of service fee payable by Target Company to Linjiu Wisdom under the Exclusive Technology Consulting and Business Cooperation Agreement;
- (iii) the Registered Shareholders shall procure that, without prior written consent from Linjiu Wisdom, the Target Company's shareholders meeting and/or board of directors shall neither approve any sale, transfer, mortgage or other disposal of any legal or beneficiary rights in the Target Company's equity interest owned by the Registered Shareholders nor permit creation of encumbrance over any security interests, except for any pledge created over such equity interests by the Registered Shareholders under the Exclusive Option Agreement;
- (iv) the Registered Shareholders shall procure that, without prior written consent from Linjiu Wisdom, the Target Company's shareholders meeting or board of directors will not approve any merger or amalgamation with any person or acquisition of or investment in any person;
- (v) the Registered Shareholders shall procure that Target Company's shareholders meeting or board of directors will vote on the transfer of equity interests transfer under the Exclusive Option Agreement as approved by it, and will take any and all other actions Linjiu Wisdom may request;
- (vi) the Registered Shareholders shall, upon request by Linjiu Wisdom, immediately and unconditionally transfer their interests in the Target Company to Linjiu Wisdom or the person designated by Linjiu Wisdom;

- (vii) the Registered Shareholders shall strictly comply with the provisions of the Exclusive Option Agreement and other Structured Contracts, perform their obligations under the Exclusive Option Agreement and other Structured Contracts and not take any action which may affect the validity and enforceability of the Structured Contracts. Should the Registered Shareholders have any residual rights regarding the equity interests under the Exclusive Option Agreement, or the share charge executed by the parties to the Exclusive Option Agreement, or the equity interests pursuant to the Power of Attorney, the Registered Shareholders shall not exercise such rights unless upon receiving written instructions of Linjiu Wisdom; and
- (viii) Should any of the Registered Shareholders cease to be an employee of the Group, such Registered Shareholder shall, at the instruction of Linjiu Wisdom, transfer his/her entire interest in the Target Company to the natural person or legal representative as designated by Linjiu Wisdom, and all necessary procedures for such transfer as required under the Structured Contracts and PRC laws shall be completed prior to his/her departure from Group.

The Registered Shareholders and Target Company have guaranteed that if the Target Company is under dissolution or liquidation, the Target Company, shall sell all its assets to Linjiu Wisdom or any party designated by Linjiu Wisdom at no consideration or at the lowest price as permitted under the PRC laws. Such consideration shall then be returned to Linjiu Wisdom or the entity designated by Linjiu Wisdom in the form of service fee under the Exclusive Technology Consulting and Business Cooperation Agreement, as permitted by the PRC laws.

The Exclusive Option Agreement shall remain effective unless termination takes place in the event that the entire interests of the Target Company held by the Registered Shareholders having been transferred to Linjin Wisdom or the entity or person designated by Linjin Wisdom or terminate under the request of Linjiu Wisdom.

(3) *Power of Attorney*

On 29 July 2020, the Registered Shareholders executed a power of attorney, pursuant to which each of the Registered Shareholders shall agree to irrevocably appoint Linjiu Wisdom or its designated person(s) as its attorney-in-fact to act for all matters pertaining to the Target Company and to exercise all of their rights as shareholders of the Target Company under applicable laws and regulations and the articles of association of the Target Company, under the premise of compliance with PRC law.

The Registered Shareholders have undertaken, among others, that in the case of bankruptcy of the Target Company, they shall unconditionally transfer all

remaining assets and residual value (including their equity interests in the Target Company) after liquidation to Linjin Wisdom or the party designated by Linjin Wisdom at no consideration or at the lowest price as permitted by the PRC laws. Any such consideration shall then be returned to Linjin Wisdom.

The Power of Attorney shall remain effective for so long as the Registered Shareholders hold equity interest in the Target Company.

(4) Equity Pledge Agreement

On 29 July 2020, Linjiu Wisdom, the Target Company and the Registered Shareholders entered into the Equity Pledge Agreement, pursuant to which each of the Registered Shareholders shall agree to pledge all of his/her respective equity interests in the Target Company to Linjiu Wisdom to secure the due performance of obligations of the Target Company and the Registered Shareholders under the VIE Arrangement. The rights under the Equity Pledge Agreement shall be effective from the date of registration with the industrial and commercial administration department where the Target Company is located.

Under each of the Structured Contracts, only Linjiu Wisdom has the right to unilaterally terminate the relevant agreement without any restrictive conditions.

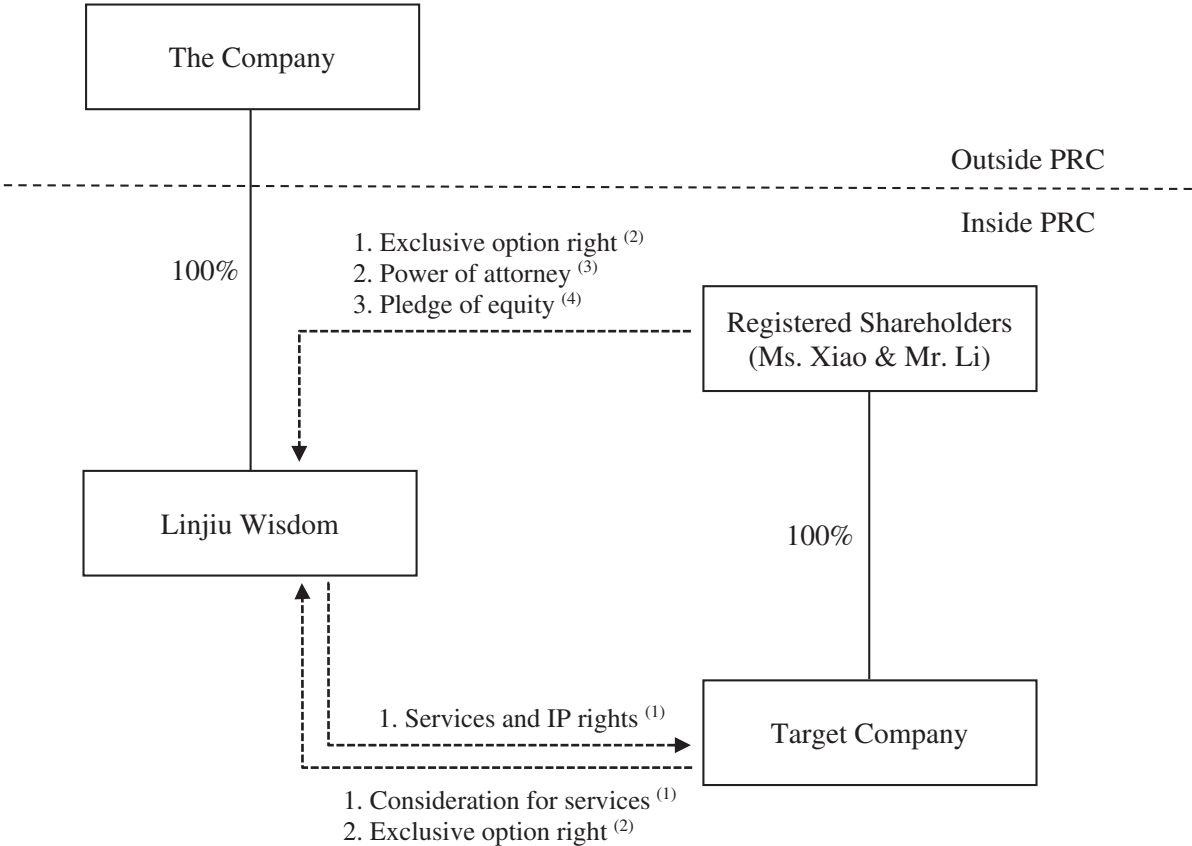
Spouse's Undertaking

On 29 July 2020, the spouse of Mr. Li, one of the Registered Shareholders, also executed a Spouse's Undertaking pursuant to which she irrevocably undertakes, among other things, that:

- (i) she is fully aware of the Structured Contracts and consented that her spouse is the sole beneficiary of all the rights and interests and solely assumes obligations under the Structured Contracts;
- (ii) all the equity interest held by her spouse in the Structured Contracts shall be deemed as assets solely held by her spouse but not mutual assets jointly owned by her and her spouse;
- (iii) she will not participate in the operation or management of the Target Company and nor will claim any rights or entitlements to the equity interests of the Target Company; and
- (iv) she shall be bound by the relevant VIE Arrangements in the event that she obtain any equity interest in the Target Company held by her spouse.

ILLUSTRATIVE DIAGRAM OF THE VIE ARRANGEMENT

The following diagram illustrates the VIE Arrangement:



Notes:

1. Under the Exclusive Technology Consulting and Business Cooperation Agreement.
2. Under the Exclusive Option Agreement.
3. Under the Power of Attorney.
4. Under the Equity Pledge Agreement.

LEGAL COMPLIANCE OF THE STRUCTURED CONTRACTS

Based on the review of the form and the substance of the Structured Contracts, the PRC Legal Adviser has confirmed that (i) the Structured Contracts do not contravene the PRC laws, rules and regulations and the articles of association of the Company, Linjiu Wisdom and the Target Company; and (ii) there are no relevant PRC laws and regulation which impose conditions for the taking effect of the Structured Contracts except for the following circumstances: (a) the taking effect of the Equity Pledge Agreement after the registration requirement with the industrial and commercial administration department; (b) the taking effect of the equity transfer under the

Exclusive Option Agreement after approval and registration in accordance with the relevant laws and regulations; (c) if the implementation of the Structure Contracts involves arbitration awards or judgements made by overseas courts, an applicant shall apply to the PRC courts for recognition and execution of the relevant awards or judgements; and (d) arbitrators are not empowered to grant injunction orders or to order a company to liquidate or dissolve under the PRC laws. Based on the advice from the PRC Legal Adviser, the Directors are of the view that the VIE Arrangement is valid under the relevant laws, rules and regulations in the PRC.

DISPUTE RESOLUTIONS UNDER THE STRUCTURED CONTRACTS

Each of the Structured Contracts contains a dispute resolution provision, which stipulates that in the event of any dispute relating to the interpretation and performance of the Structured Contracts, the parties shall negotiate in good faith to resolve such disputes. If the parties fail to reach an agreement on the resolution of such a dispute within 30 days, the relevant dispute may be submitted to the China International Economic and Trade Arbitration Commission for arbitration in accordance with the then effective arbitration rules. Further, the Structured Contracts also contain provisions to the effect that the arbitrators may award remedies over the shares and/or assets of the registered shareholders of the Target Company and make an order for injunctive reliefs (such as mandatory transfer of assets) and/or winding up of the Target Company. In addition, the Structured Contracts contain provisions to the effect that courts with jurisdiction, including but not limited to the courts in the PRC, Hong Kong and the Cayman Islands are empowered to grant interim remedies over the shares and/or assets of the registered shareholders of the Target Company in support of the arbitral award and the enforcement thereof.

INTERNAL CONTROL

As part of the Group, both Linjin Wisdom and the Target Company are subject to the Group's internal control policies and procedures. As the operation of the Target Company is controlled by the Group solely through the Structured Contracts, the Company has the following controls to safeguard its interest in the Target Company:

- (i) the directors and senior management of the Target Company shall be nominated by Linjiu Wisdom by exercising its rights under the Power of Attorney and the Exclusive Technology Consulting and Business Cooperation Agreement and actively involve in the daily managerial and operational activities of the Target Company;
- (ii) restrictive provisions contained in the Structured Contracts imposing on the Target Company to seek prior consent from Linjin Wisdom in respect of certain matters including but not limited to the sales and disposal of assets, entering of

material contract, provision of guarantee, change of capital structure and constitutional documents of the Target Company, merger and amalgamation of the Target Company, declaration of dividend or profit distribution and change of directors and senior management of the Target Company;

- (iii) the seals, chops, incorporation documents of the Target Company are kept by Linjin Wisdom;
- (iv) the profit extraction from the Target Company to the Group in the form of service fee which is solely decided by Linjin Wisdom;
- (v) options exercisable by Linjin Wisdom any time during the terms of the Structured Contracts with proceeds which shall be returned to Linjin Wisdom;
- (vi) the Power of Attorney has been granted to, and exercisable by Linjiu Wisdom, which is under the control of the Board;
- (vii) undertakings obtained from the Target Company and the Registered Shareholders in relation to their performance obligation under the Structured Contracts;
- (viii) undertakings obtained from the spouses of the Registered Shareholders to ensure that they have no rights to the interest of the Target Company held by the Registered Shareholders;
- (ix) procedures to address circumstances such as resignation of the Registered Shareholders as the Group's employees, liquidation and bankruptcy of the Target Company to ensure that all the Registered Shareholders' interests in Target Company will be transferred to the Group;
- (x) the grant of unilateral termination right of the Structured Contract to Linjin Wisdom; and
- (xi) the Directors will review the VIE Arrangement and implement appropriate procedures from time to time to ensure terms set out in the Structured Contracts are strictly adhered to and the transactions carried out have been entered into in accordance with the relevant provisions of the Structured Contracts and are in the interests of the Shareholders as a whole.

RISK FACTORS RELATING TO THE VIE ARRANGEMENT

Linjiu Wisdom will not have any direct equity ownership in the Target Company and will rely on the Structured Contracts to control, operate and be entitled to the economic benefits from the Qualified Business to be conducted through the Target Company. As such, there are risks associated with the use of the VIE Arrangement, including:

There is no assurance that the Structured Contracts could comply with future changes in the regulatory requirements in the PRC and the PRC government may determine that the Structured Contracts do not comply with applicable regulations.

Despite there is currently no indication that the Structured Contracts will be interfered or objected by any PRC regulatory authorities may have different opinions on the interpretation of the relevant regulations and would not agree that the Structured Contracts comply with the current PRC laws, regulations or rules or those that may be adopted in the future, and the authorities may deny the validity, effectiveness and enforceability of the Structured Contracts.

The VIE Arrangement may not be as effective in providing control over and entitlement to the economic benefits in the Target Company as compared to direct ownership

The VIE Arrangement may not be as effective as direct ownership in providing Linjiu Wisdom with control over and entitlement to the economic benefits in the Target Company. Under the VIE Arrangement, the Group will have to rely on Linjiu Wisdom's contractual rights under the Structured Contracts to effect controls in the management of the Target Company and make an impact on its business decision making, as opposed to exercising its rights directly as a shareholder. If the Target Company refuses to cooperate, Linjiu Wisdom may face difficulties in effecting control over the Target Company through the VIE Arrangement and may be required to take legal actions which is time consuming and costly, which would, in turn, result in a adverse effect on the Group's business, financial condition and results of operations.

The Group does not have any insurance which covers the risks relating to the VIE Arrangement

The Group does not have insurance to cover the risks relating to the VIE Arrangement and the Group cannot identify appropriate insurance product to cover such risk. If there is any loss arising from the VIE Arrangement in the future, such as the legal costs for enforcing the Structured Contracts, the Group may be required to bear such cost and the results of operations of the Group may be adversely affected.

REASONS FOR AND BENEFITS OF THE VIE ARRANGEMENT

The Qualified Business is currently subject to foreign investment restrictions under the Provisions and Guidelines which do not allow a foreign investor to own, whether directly or indirectly, any company that engages in the Qualified Business in the PRC. In compliance with the Provisions and Guidelines, a foreign-funded telecom enterprise which engages in the Qualified Business would need to satisfy that: (i) the ultimate proportion of contribution of its foreign investors shall not be more than 50%; and (ii) its major foreign investor shall have good performances and operation experiences in managing the value-added telecom businesses.

In light of the Provisions and Guidelines currently in force and taking into account of the shareholding structure of the Company, the Group could not engage in the Qualified Business through direct acquisition of the equity interest of the Target Company. In order for the Group to tap into the Qualified Business which has a great growth potential and can expand the scope of and create synergy effect with the Group's existing business, and to comply with the Provision and Guidelines and obtain the entire economic benefits attributable to the Target Company, the Group proposes to, through the VIE Arrangement, enter into the Structured Contracts to qualify for engaging in the Qualified Business in the PRC. The Group does not require to pay any consideration for indirect acquisition of the Target Company through the adoption of the VIE Arrangement, but will pay up the registered capital of the Target Company amounted to RMB1 million after the establishment of the VIE Arrangement.

The Directors are of the view that that the terms of the Structured Contracts are fair and reasonable, on normal commercial terms or better to the Group and are in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATION

Based on the consideration to be injected into the Target Company, all the applicable percentage ratios are less than 5%. Therefore, the establishment of the VIE Arrangement and the capital contribution to the Target Company do not constitute a notifiable transaction of the Company under Chapter 14 of the Listing Rules.

INFORMATION OF THE GROUP, LINJIU WISDOM AND THE TARGET COMPANY

The Group

The Group is a property management service provider offering a comprehensive portfolio of quality services to its customers in the PRC with over 18 years of experience. It has three business lines, namely property management services, value-added services to non-property owners and community value-added services, covering the entire value chain of property management.

Linjiu Wisdom

Linjiu Wisdom is a company established in the PRC and an indirect wholly-owned subsidiary of the Company principally engaged in the provision of software and technology services in the PRC.

The Target Company

The Target Company is a company established in the PRC, which owns the Business License and will be primarily engaging in value-added telecommunication business in the PRC. As at the date of this announcement, the registered capital of the Target Company is RMB1 million and is unpaid.

DEFINITIONS

“Board”	the Board of Directors;
“Business License”	the “License for Value-added Telecommunications Business” (《增值電信業務經營許可證》) (License No.: 京B2-20190057) dated 14 August 2019 granted to the Target Company by the Beijing Communications Administration (北京市通信管理局);
“Company”	Ever Sunshine Lifestyle Services Group Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Directors”	director(s) of the Company;

“Equity Pledge Agreement”	the equity pledge agreement dated 29 July 2020 entered into among Linjiu Wisdom, the Target Company and the Registered Shareholders;
“Exclusive Option Agreement”	the exclusive option agreement dated 29 July 2020 entered into among Linjiu Wisdom, the Target Company and the Registered Shareholders;
“Exclusive Technology Consulting and Business Cooperation Agreement”	the exclusive technology consulting and business cooperation agreement dated 29 July 2020 entered into between Linjiu Wisdom and the Target Company;
“Group”	the Company and its subsidiaries;
“HK” or “Hong Kong”	Hong Kong Special Administrative Region of the PRC;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Linjiu Wisdom”	Linjiu Zhihui Technology (Guangdong) Company Limited (霖久智慧(廣東)科技有限公司), a company incorporated in the PRC which is an indirectly wholly-owned subsidiary of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited;
“Main Board”	the stock exchange (excluding the option market) operated by the Stock Exchange which is independent from and operates in parallel with the Growth Enterprise Market of the Stock Exchange;
“Power of Attorney”	the power of attorney dated 29 July 2020 granted by the Registered Shareholders in favour of Linjiu Wisdom;
“PRC”	the People’s Republic of China;
“PRC Legal Advisor”	Commerce & Finance Law Offices, the PRC legal advisor to Linjiu Wisdom;

“Provisions and Guidelines”	《外商投資電信企業管理規定》(Provisions on the Administration of Foreign-funded Telecommunications Enterprises), implemented on 2 June 2016, and 《外商投資准入特別管理措施(負面清單)(2019年版)》(Special Administrative Measures (Negative List) for the Access of Foreign Investment (2019)), implemented on 30 July 2019, and 《外商投資經營電信業務審批申請服務指南》(Guidelines for Foreign Investors on the Approval and Application of Engaging in the Telecommunications Business), promulgated and implemented by the Information and Communications Development Department of the Ministry of Industry and Information Technology (工業和信息化部信息通信發展司) on 8 April 2019;
“Qualified Business”	the types of value-added telecommunication businesses which the Target Company is permitted to carry out under the Business License;
“Registered Shareholders”	the registered shareholders of the Target Company, being Ms. Xiao and Mr. Li;
“RMB”	Renminbi, the lawful currency of China;
“Spouse’s Undertaking”	The undertaking dated 29 July 2020 executed by the spouse of Mr. Li;
“Stock Exchange”	the Stock Exchange of Hong Kong Limited;
“Structured Contracts”	collectively, the Exclusive Technology Consulting and Business Cooperation Agreement, the Exclusive Option Agreement, the Power of Attorney, and the Equity Pledge Agreement;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Target Company”	Beijing Dayi Tianxia Technology Co., Limited (北京達易天下科技有限公司), a company established in the PRC with limited liability which is owned by Ms. Xiao and Mr. Li;

“VIE Arrangement”	the variable interest entity (VIE) arrangement established through the entering into of the Structured Contracts, which enables the Group to have effective control over the finance, operations and the entire economic interest and benefits of the Target Company;
“Mr. Li”	Mr. Li Chuan (李川), the registered owner of 33% equity interest in the Target Company as at the date of this announcement, an employee of the Group and not a connected person of the Group;
“Ms. Xiao”	Ms. Xiao Wenfeng (肖文鳳), the registered owner of 67% equity interest in the Target Company as at the date of this announcement, an employee of the Group and not a connected person of the Group; and
“%”	per cent.

By order of the Board
Ever Sunshine Lifestyle Services Group Limited
LIN Zhong
Chairman

Hong Kong, 29 July 2020

As at the date of this announcement, the executive Directors are Mr. Lin Zhong, Mr. Zhou Hongbin and Mr. Zhou Di; the non-executive Director is Mr. Lin Feng; and the independent non-executive Directors are Mr. Ma Yongyi, Mr. Wang Peng and Mr. Cheung Wai Chung.