

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.

A-LIVING SERVICES CO., LTD. *

雅居樂雅生活服務股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 3319)

**CONTINUING CONNECTED TRANSACTIONS
REVISION OF ANNUAL CAP AND
RENEWAL OF FRAMEWORK AGREEMENTS DUE TO EXPIRE IN 2020
AND
CLOSURE OF REGISTER OF MEMBERS FOR
THE 2020 FOURTH EXTRAORDINARY GENERAL MEETING**

REVISION OF ANNUAL CAP AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 23 September 2020 (after trading hours), the Company has entered into the Supplemental Property Management Services Agreement to revise the existing annual cap for the year ending 31 December 2020 in respect of the transactions contemplated under the Existing Property Management Services Framework Agreement and the following 2021 Framework Agreements:

- (i) 2021 Property Management Services Framework Agreement;
- (ii) 2021 Property Agency Services Framework Agreement;
- (iii) 2021 Framework Referral Agreement;
- (iv) 2021 Property Lease Framework Agreement;
- (v) 2021 Turnkey Furnishing Services Framework Agreement;
- (vi) 2021 Advertising and Public Relations Services Framework Agreement;
- (vii) 2021 Pre-delivery Inspection Services Framework Agreement;
- (viii) 2021 Technology Services Framework Agreement; and
- (ix) 2021 Consultation Services Framework Agreement,

to renew the transactions contemplated under the corresponding previous framework agreements.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Agile Holdings is the controlling shareholder of the Company, holding approximately 54% of the issued share capital of the Company. Accordingly, the transactions contemplated under the Supplemental Property Management Services Agreement and each of the 2021 Framework Agreements entered into with Agile Holdings constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the announcement and shareholders' approval requirements.

As one or more of the applicable percentage ratios (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the (i) Supplemental Property Management Services Agreement; (ii) 2021 Property Management Services Framework Agreement; (iii) 2021 Property Agency Services Framework Agreement; and (iv) 2021 Framework Referral Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the (i) 2021 Property Lease Framework Agreement; (ii) 2021 Turnkey Furnishing Services Framework Agreement; (iii) 2021 Advertising and Public Relations Services Framework Agreement; (iv) 2021 Pre-delivery Inspection Services Framework Agreement; (v) 2021 Technology Services Framework Agreement; and (vi) 2021 Consultation Services Framework Agreement exceed 0.1% but all of which are less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

The (i) Supplemental Property Management Services Agreement; (ii) 2021 Property Management Services Framework Agreement; (iii) 2021 Property Agency Services Framework Agreement; and (iv) 2021 Framework Referral Agreement and the transactions respectively contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolution at the EGM.

The EGM is scheduled to be held on Monday, 9 November 2020 and the notice of the EGM will be published and dispatched to the Shareholders accordingly.

The Company has established the Independent Board Committee comprising all three independent non-executive Directors to advise the Independent Shareholders as to whether the continuing connected transactions under the (i) Supplemental Property Management Services Agreement; (ii) 2021 Property Management Services Framework Agreement; (iii) 2021 Property Agency Services Framework Agreement; and (iv) 2021 Framework Referral Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and are entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among other things, (i) a letter from the Board containing details of the Supplemental Property Management Services Agreement; the 2021 Property Management Services Framework Agreement; the 2021 Property Agency Services Framework Agreement; and the 2021 Framework Referral Agreement; (ii) recommendations of the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (iv) a notice of the EGM together with the proxy form, will be despatched to the Shareholders on or before 22 October 2020 as additional time is required to prepare and finalise the circular.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 9 October 2020 to Monday, 9 November 2020, both days inclusive, during which period no transfer of the H Shares will be registered.

Shareholders who wish to attend and vote at the EGM but have not registered the transfer documents shall submit the share certificates together with the properly completed share transfer forms to the share registrar of the H Shares of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for the H Shareholders) or to the Company's principal place of office in the PRC at 35th Floor, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC (for the domestic shareholder(s) of the Company) not later than 4:30 p.m. on Thursday, 8 October 2020, for registration.

Save for Mr. Chan Cheuk Hung and Mr. Huang Fengchao, the executive Directors, who are also the directors and shareholders of Agile Holdings, Ms. Yue Yuan, a non-executive Director who is a member of the senior management of Agile Holdings, none of the other Directors has or is deemed to have a material interest in the Supplemental Property Management Services Agreement, the 2021 Framework Agreements and the transactions contemplated respectively thereunder. Mr. Chan Cheuk Hung, Mr. Huang Fengchao and Ms. Yue Yuan are therefore required to abstain, and have abstained, from voting on the relevant Board resolutions.

I. SUMMARY OF CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 23 September 2020 (after trading hours), the Company has entered into the Supplemental Property Management Services Agreement with Agile Holdings to revise the existing annual cap for the year ending 31 December 2020 in respect of the transactions contemplated under the Existing Property Management Services Framework Agreement and the following 2021 Framework Agreements with Agile Holdings to renew the transactions contemplated under the corresponding previous framework agreements:

| Nature of transactions | Proposed annual caps for the year ending 31 December | | | |
|------------------------|---|---------------|------|------|
| | 2020 | 2021 | 2022 | 2023 |
| | | (RMB million) | | |

Non-exempt continuing connected transactions subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements

| | | | | |
|---|-----|-------|-------|-------|
| Supplemental Property Management Services Agreement | 797 | - | - | - |
| 2021 Property Management Services Framework Agreement | - | 1,030 | 1,300 | 1,530 |
| 2021 Property Agency Services Framework Agreement | - | 1,400 | 1,800 | 2,350 |
| 2021 Framework Referral Agreement | - | 550 | 735 | 985 |

Partially-exempt continuing connected transactions subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement

| | | | | |
|--|---|------|------|------|
| 2021 Property Lease Framework Agreement | - | 8.23 | 8.83 | 9.31 |
| 2021 Turnkey Furnishing Services Framework Agreement | - | 68 | 82 | 99 |
| 2021 Advertising and Public Relations Services Framework Agreement | - | 120 | 160 | 200 |
| 2021 Pre-delivery Inspection Services Framework Agreement | - | 160 | 190 | 230 |
| 2021 Technology Services Framework Agreement | - | 210 | 230 | 250 |
| 2021 Consultation Services Framework Agreement | - | 237 | 240 | 250 |

II. REVISION OF ANNUAL CAP AND RENEWAL OF CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT AND INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENTS

1. Supplemental Property Management Services Agreement and 2021 Property Management Services Framework Agreement

(a) Background

Reference is made to the Prospectus in relation to, among others, the continuing connected transactions under the Existing Property Management Services Framework Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder.

(b) Revision of annual cap for 2020 under the Existing Property Management Services Framework Agreement

Since the COVID-19 pandemic, the Group has been providing additional cleaning services to the property sales centers of Agile Holdings at the pre-delivery stage and disinfection and hygiene services to the properties owned by Agile Group. Therefore, the Directors found that the transaction amount under the Existing Property Management Services Framework Agreement is approaching the existing annual cap for the year ending 31 December 2020.

On 23 September 2020, the Company entered into the Supplemental Property Management Services Agreement with Agile Holdings to revise the existing annual cap for the year ending 31 December 2020 from RMB597 million to RMB797 million. Save for such revision in the annual cap, all other terms of the Existing Property Management Services Framework Agreement shall remain valid and in full force and effect.

Based on the Company's management account, the total actual transaction amount under the Existing Property Management Services Framework Agreement for the eight months ended 31 August 2020 amounted to approximately RMB521.5 million, representing approximately 87.4% of the existing annual cap for the year ending 31 December 2020. The Board confirms that as at the date of this announcement, the transaction amount for the Existing Property Management Services Framework Agreement has not exceeded the original annual cap for the year ending 31 December 2020.

(c) Renewal of the Existing Property Management Services Framework Agreement

As the Existing Property Management Services Framework Agreement will expire on 31 December 2020, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Property Management Services Framework Agreement with Agile Holdings on 23 September 2020.

(d) Principal terms

Date: 23 September 2020

Parties: The Company

Agile Holdings

Term: The 2021 Property Management Services Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023.

Subject matter: The Group will provide to Agile Group property management services, including but not limited to (i) on-site security, cleaning, greening and gardening, repair and maintenance services as well as customer services to the property sales centers of Agile Group at the pre-delivery stage; (ii) operations and management services for the unsold property units; (iii) disinfection and hygiene services; (iv) property management services for the diversified businesses of Agile Holdings, including but not limited to environmental protection, urban renewal and real estate construction; and (v) properties owned by Agile Group requiring the above services.

Pricing and other terms: The services fees to be charged by the Group under the 2021 Property Management Services Framework Agreement will be determined on arm's length basis, with reference to (i) the location of the project; and (ii) the anticipated operational costs (including labor costs, material costs and administrative costs) with reference to the fees for similar services and similar type of projects in the market. The fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2021 Property Management Services Framework Agreement.

(e) Historical amounts

For the two years ended 31 December 2019 and the eight months ended 31 August 2020, the service fees paid to the Group under the Existing Property Management Services Framework Agreement amounted to approximately RMB458.3 million, RMB518.5 million and RMB521.5 million, respectively.

(f) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2021 Property Management Services Framework Agreement for the three years ending 31 December 2023 are expected not to exceed the followings:

| | 2021 | 2022 | 2023 |
|-------------|--------------------------|-------------|-------------|
| | <i>(RMB in millions)</i> | | |
| Annual caps | 1,030 | 1,300 | 1,530 |

In arriving at the above annual caps, the Directors have considered (i) the historical transaction amounts under the Existing Property Management Services Framework Agreement and the revised annual cap under the Supplemental Property Management Services Agreement; (ii) in respect of the property management services to be provided at the pre-delivery stage, the estimated pre-sale value of the properties to be sold by Agile Group which will require property management services from the Group for the three years ending 31 December 2023, based on the development plans of Agile Group provided to the Group; and (iii) the rising demands for additional cleaning, disinfection and hygiene services for property sales centers and properties owned by Agile Group.

Based on the estimated pre-sale performance of Agile Group and the development plans of Agile Group provided to the Group, the Company expects that there will be further rapid growth in the demand for property management services to be provided by the Group to Agile Group for the next three years. Taking into account of the property management services provided to the existing property sales centers and other properties of Agile Group, the Company expects that the transaction amounts under the 2021 Property Management Services Framework Agreement for the three years ending 31 December 2023 will be higher than those under the Existing Property Management Services Framework Agreement and the Supplemental Property Management Services Agreement.

(g) Reasons for and benefits of entering into the Supplemental Property Management Services Agreement and the 2021 Property Management Services Framework Agreement

The Group has been providing property management services to Agile Group since 1997. Under the Existing Property Management Services Framework Agreement, the Group has been able to secure initial property management service engagements for properties developed by Agile Group. In response to the COVID-19 pandemic, the Group has been providing additional cleaning services to the property sales centers of Agile Group at the pre-delivery stage such as disinfection and sterilization, compulsory temperature check, etc.. As a result, the transaction amount between the Group and Agile Group under the Existing Property Management Services Framework Agreement is expected to exceed the existing annual cap for the year ending 31 December 2020.

The Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) therefore considers it beneficial to enter into the Supplemental Property Management Services Agreement and to renew the Existing Property Management Services Framework Agreement. The Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) considers that the entering of the Supplemental Property Management Services Agreement and the 2021 Property Management Services Framework Agreement is in the Group's ordinary course of business, and the respective terms of the Supplemental Property Management Services Agreement and the 2021 Property

Management Services Framework Agreement and the revised annual cap and proposed annual caps respectively set out thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2. 2021 Property Agency Services Framework Agreement

(a) Background

Reference is made to the Prospectus and the announcement of the Company dated 17 August 2018, in relation to, among others, the continuing connected transactions under the Existing Property Agency Services Framework Agreement entered into between A-TRO Properties and Agile Holdings, and the revised annual caps thereunder. As the Existing Property Agency Services Framework Agreement will expire on 31 December 2020, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Property Agency Services Framework Agreement with Agile Holdings on 23 September 2020.

(b) Principal terms

Date: 23 September 2020

Parties: The Company

Agile Holdings

Term: The 2021 Property Agency Services Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023.

Subject matter: The Group will provide to Agile Group property agency services, including but not limited to, providing marketing and sales services for properties developed by Agile Group.

Pricing and other terms: The services fees to be charged by the Group under the 2021 Property Agency Services Framework Agreement will be determined on arm's length basis, with reference (i) the location of the project; (ii) the anticipated operational cost (including labor costs) for providing such services; and (iii) the prevailing market price for similar property agency services for property developers in the open market and any adjustment to commission rate based on the usual market practice. The fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2021 Property Agency Services Framework Agreement.

(c) Historical amounts

For the two years ended 31 December 2019 and the eight months ended 31 August 2020, the service fees paid to the Group under the Existing Property Agency Services Framework Agreement amounted to RMB548.4 million, RMB820.1 million and RMB659.4 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2021 Property Agency Services Framework Agreement for the three years ending 31 December 2023 are expected not to exceed the followings:

| | 2021 | 2022 | 2023 |
|-------------|--------------------------|-------------|-------------|
| | <i>(RMB in millions)</i> | | |
| Annual caps | 1,400 | 1,800 | 2,350 |

In arriving at the above annual caps, the Directors have considered (i) the estimated pre-sale value of the properties to be sold by Agile Group which will require property agency services from the Group for the three years ending 31 December 2023, based on the development plans of Agile Group provided to the Group; and (ii) the estimated service fees and commissions for the provision of property agency services, subject to any necessary adjustment with reference to the location, size and scale of the relevant projects.

Based on the estimated pre-sale performance of Agile Group and the development plans of Agile Group provided to the Group, the Company expects that there will be further significant growth in the business volume of property agency services for the next three years.

(e) Reasons for and benefits of entering into the 2021 Property Agency Services Framework Agreement

The Group has been providing property agency services to Agile Group since 2017. Such services provide a channel for marketing and sales services and for sales agents to access potential customers directly, and is a cost-effective way for Agile Group to drive up the sales volume of properties. The Directors consider that by entering into the 2021 Property Agency Services Framework Agreement with Agile Holdings, the full potential of the agency sales team of the Group will be utilised to meet the Agile Group's growing demand for property agency services.

As the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) considers it beneficial to renew the Existing Property Agency Services Framework Agreement to facilitate the continuous provision of such property agency services to Agile Holdings. The Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) considers that the entering of the 2021 Property Agency Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2021 Property Agency Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. 2021 Framework Referral Agreement

(a) Background

Reference is made to the announcement of the Company dated 28 April 2020, in relation to, among others, the continuing connected transactions under the Existing Framework Referral Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder. As the Existing Framework Referral Agreement will expire on 31 December 2020, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Framework Referral Agreement with Agile Holdings on 23 September 2020.

(b) Principal terms

| | |
|------------------------|--|
| Date: | 23 September 2020 |
| Parties: | The Company Agile Holdings |
| Term: | The 2021 Framework Referral Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023. |
| Subject matter: | The Group will provide marketing referral services in respect of the sales of residential properties and car parking spaces by Agile Group in their development projects to be provided by the Group to Agile Group including but not limited to (i) marketing activities through the utilisation of the community resources and other sales channel of the Group; (ii) customers' information collection; and (iii) customers' referrals. |

Pricing and other terms: The commission rate to be charged by the Group under the 2021 Framework Referral Agreement will be determined on arm's length basis, with reference to (i) the commission rate provided by Agile Group to its independent third parties; (ii) the prevailing market commission rate of comparable transactions; and (iii) any adjustment to the commission rate based on prevailing market conditions. The fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2021 Framework Referral Agreement.

(c) Historical amounts

The Company entered into the Existing Framework Referral Agreement in April 2020. For the two years ended 31 December 2019 and the period commencing from 28 April 2020 to 31 August 2020, the service fees paid to the Group under the Existing Framework Referral Agreement amounted to nil, nil and approximately RMB139.2 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2021 Framework Referral Agreement for the three years ending 31 December 2023 are expected not to exceed the followings:

| | 2021 | 2022 | 2023 |
|-------------|--------------------------|-------------|-------------|
| | <i>(RMB in millions)</i> | | |
| Annual caps | 550 | 735 | 985 |

In arriving at the above annual caps, the Directors have considered (i) the historical transaction amounts under the Existing Framework Referral Agreement; (ii) the expected commission in the range of 4% to 6% to be charged for the provision of the marketing referral services after considering the total value of the saleable residential properties and car parking spaces of Agile Group which will require marketing referral services from the Group for the three years ending on 31 December 2023; and (iii) the prevailing market commission rate for the provision of the marketing referral services for comparable transactions in the same industry.

The Directors believes that the Group is well positioned to expand its capacity for conducting marketing activities and referring potential buyers to the Agile Group by maximising its community resources. Based on the development plans of Agile Group provided to the Group, the Company anticipates that there will be an increasing demand for marketing referral services in relation to the properties to be sold by Agile Group, resulting in increase in commissions to be generated under the 2021 Framework Referral Agreement for the next three years. As such, the transaction amounts under the 2021 Framework Referral Agreement for the three years ending 31 December 2023 are expected to be higher than those under the Existing Framework Referral Agreement.

(e) Reasons for and benefits of entering into the 2021 Framework Referral Agreement

Since the entering of the Existing Framework Referral Agreement, the Group has been providing marketing referral services to Agile Group which adds value to Agile Group in their sales of residential properties and car parking spaces. The Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) therefore considers it beneficial to renew the Existing Framework Referral Agreement with Agile Holdings. The Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) considers that the entering of the 2021 Framework Referral Agreement is in the Group's ordinary course of business, and the terms of the 2021 Framework Referral Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

III. RENEWAL OF CONTINUING CONNECTED TRANSACTIONS SUBJECT TO THE REPORTING, ANNUAL REVIEW, ANNOUNCEMENT REQUIREMENTS BUT EXEMPT FROM THE INDEPENDENT SHAREHOLDERS' APPROVAL REQUIREMENT

1. 2021 Property Lease Framework Agreement

(a) Background

Reference is made to the Prospectus, in relation to, among others, the continuing connected transactions under the Existing Property Lease Framework Agreement entered into between the Company and Agile Holdings and the annual caps thereunder. As the Existing Property Lease Framework Agreement will expire on 31 December 2020, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Property Lease Framework Agreement with Agile Holdings on 23 September 2020.

(b) Principal terms

| | |
|---------------------------------|---|
| Date: | 23 September 2020 |
| Parties: | The Company Agile Holdings |
| Term: | The 2021 Property Lease Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023. |
| Subject matter: | The Company may lease from Agile Group office, clubhouse, employees dormitory and parking lot premises. |
| Pricing and other terms: | <p>The rent to be paid by the Group under the 2021 Property Lease Framework Agreement will be determined on arm's length basis, with reference to the historical transaction amounts and the prevailing market rent of similar properties located in similar areas and on terms no less favourable to the Group than the terms available from Independent Third Parties.</p> <p>Members of the Group and members of Agile Group will enter into separate lease agreements which will set out the specific terms and conditions according to the principles provided in the 2021 Property Lease Framework Agreement.</p> |

(c) Historical amounts

For the two years ended 31 December 2019 and the eight months ended 31 August 2020, the rent paid by the Group under the Existing Property Lease Framework Agreement amounted to RMB5.1 million, RMB5.4 million and RMB1.6 million, respectively.

Due to the impact of the COVID-19 pandemic, the budget for administrative cost was tightened and certain lease contracts of approximately RMB2.85 million in value was temporarily suspended as part of cost-saving measures up till December 2020. Hence, the transaction amount for the year ending 31 December 2020 is expected to be much less than the annual cap for the same year under the Existing Property Lease Framework Agreement. As the effect of the COVID-19 pandemic has gradually subsided, the relevant lease contracts will be resumed in late December 2020. With the continuous development of the Company's business and the expected scale expansion under the Company's three-year plan, the COVID-19 pandemic is expected to bring limited impacts to the leases entered into with Agile Group in the long run.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2021 Property Lease Framework Agreement for the three years ending 31 December 2023 are expected not to exceed the followings:

| | 2021 | 2022 | 2023 |
|-------------|-------------|--------------------------|-------------|
| | | <i>(RMB in millions)</i> | |
| Annual caps | 8.23 | 8.83 | 9.31 |

In arriving at the above annual caps, the Directors have considered (i) the historical rental amounts paid by the Group to Agile Holdings under the Existing Property Lease Framework Agreement; (ii) the rental amounts payable by the Group to Agile Group for lease of new premises to cater for the expansion of the Group and in turn the increased demand for office space; (iii) the terms and conditions, in particular, the rent, under the existing lease agreements; (iv) the full resumption of the existing lease agreements (which are temporarily suspended) in early 2021; (v) the locations of the new properties expected to be leased from the Agile Group; and (vi) the expected increment in rental and area of the premises to be leased by the Group based on the estimated increasing needs of the Group with reference to the Group's future business development plan.

Having considered the scale expansion and business development of the Company, the Company expects to enter into additional lease arrangements with Agile Group in the next three years involving estimated area of approximately 1,650 square metre in aggregate in Guangzhou Agile Centre, the PRC. As such, the transaction amounts under the 2021 Property Lease Framework Agreement for the three years ending 31 December 2023 are expected to be higher than those under the Existing Property Lease Framework Agreement.

(e) Reasons for and benefits of entering into the 2021 Property Lease Framework Agreement

As the Group has been using the properties of Agile Group historically as office units and other use, it is in the interests of the Group in terms of cost, time and stability to enter into the 2021 Property Lease Framework Agreement instead of finding and relocating to alternative properties. The Board (including the independent non-executive Directors) considers it beneficial to renew the Existing Property Lease Framework Agreement with Agile Holdings so long as the relevant rental fees and other terms are favourable to the Group, in order to avoid the relocation costs which may otherwise be incurred, and to secure new premises for to cater for any expansion of the Group's business. The Group will consider, among other factors, location, quality and condition of the relevant premises, rent, duration of the relevant lease, and requirements of the Group before entering into separate lease agreements under the 2021 Property Lease Framework Agreement. The Board (including the independent non-executive Directors) considers that the entering of the 2021 Property Lease Framework Agreement is in the Group's ordinary course of business, and the terms of the

2021 Property Lease Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2. 2021 Turnkey Furnishing Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 27 April 2018 in relation to, among others, the continuing connected transactions under the Existing Turnkey Furnishing Services Framework Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder. As the Existing Turnkey Furnishing Services Framework Agreement will expire on 31 December 2020, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Turnkey Furnishing Services Framework Agreement with Agile Holdings on 23 September 2020.

(b) Principal terms

| | |
|---------------------------------|---|
| Date: | 23 September 2020 |
| Parties: | The Company Agile Holdings |
| Term: | The 2021 Turnkey Furnishing Services Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023. |
| Subject matter: | The Group will provide to Agile Group turnkey furnishing consultancy services and relevant design, supervision, acceptance and ancillary consultancy services for properties developed by Agile Group. |
| Pricing and other terms: | The price to be charged by the Group under the 2021 Turnkey Furnishing Services Framework Agreement will be determined on arm's length basis, with reference to (i) the quality and standard of the renovation requested by the property owners of Agile Group's property projects which will require such turnkey furnishing consultancy services; and (ii) the prevailing market price for similar turnkey furnishing consultancy services for property developers in the open market. The price payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party. |

Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2021 Turnkey Furnishing Services Framework Agreement.

(c) Historical amounts

For the two years ended 31 December 2019 and the eight months ended 31 August 2020, the service fees paid by the Group under the Existing Turnkey Furnishing Services Framework Agreement amounted to RMB29.1 million, RMB49.9 million and RMB33.5 million, respectively.

Although the progress of sales and delivery of real estate in the first half of 2020 was slightly slowed down by the COVID-19 pandemic, the impact of the pandemic has gradually subsided in the second half of the year. Based on Agile Group's progress of delivery of properties in the third and fourth quarter of 2020, the Company expects that the turnkey furnishing consultancy services that have been delayed by the COVID-19 pandemic in the first half of the year will be rapidly recovered in the second half of the year. It follows that the transaction amount for the year ending 31 December 2020 for the provision of turnkey furnishing consultancy services to Agile Group is expected to reach the level of the annual cap for the year ending 31 December 2020 under the Existing Turnkey Furnishing Services Framework Agreement.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2021 Turnkey Furnishing Services Framework Agreement for the three years ending 31 December 2023 are expected not to exceed the followings:

| | 2021 | 2022 | 2023 |
|-------------|--------------------------|-------------|-------------|
| | <i>(RMB in millions)</i> | | |
| Annual caps | 68 | 82 | 99 |

In arriving at the above annual caps, the Directors have considered (i) historical transaction amounts under the Existing Turnkey Furnishing Services Framework Agreement; (ii) the expected consultancy fee for the provision of turnkey furnishing consultancy services; (iii) quality and standard of renovation to be procured by the Agile Group based on the property owners' requests; and (iv) the estimated value of turnkey furnishing and refined decoration which will require consultancy services from Agile Group for the three years ending 31 December 2023.

Consistent with the increase number of existing projects and newly launched projects of Agile Group according to the development plans of Agile Group, the Directors expect that the demand for turnkey furnishing consultancy services will continue to increase in the next three years under the 2021 Turnkey Furnishing Services Framework Agreement. As such, the transaction amounts

under the 2021 Turnkey Furnishing Services Framework Agreement for the three years ending 31 December 2023 are expected to be higher than those under the Existing Turnkey Furnishing Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2021 Turnkey Furnishing Services Framework Agreement

The Board considers that the provision of turnkey furnishing consultancy services is complementary to the Group's principal businesses. The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Turnkey Furnishing Services Framework Agreement with Agile Holdings. The Board (including the independent non-executive Directors) considers that the entering of the 2021 Turnkey Furnishing Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2021 Turnkey Furnishing Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. 2021 Advertising and Public Relations Services Framework Agreement

(a) Background

Reference is made to the Prospectus and the announcement of the Company dated 15 August 2019 in relation to, among others, the continuing connected transactions under the Existing Advertising and Public Relations Services Framework Agreement entered into between Guangzhou Yatao and Agile Holdings, and the revised annual caps thereunder. As the Existing Advertising and Public Relations Services Framework Agreement will expire on 31 December 2020, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Advertising and Public Relations Services Framework Agreement with Agile Holdings on 23 September 2020.

(b) Principal terms

| | |
|------------------------|---|
| Date: | 23 September 2020 |
| Parties: | The Company Agile Holdings |
| Term: | The 2021 Advertising and Public Relations Services Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023. |
| Subject matter: | The Group will provide to Agile Group services such as advertisement design, media agent and public relations. |

Pricing and other terms: The services fees to be charged by the Group under the 2021 Advertising and Public Relations Services Framework Agreement will be determined on arm's length basis, with reference to (i) the anticipated operational costs (including labor costs and material costs); and (ii) the prevailing market price for similar services for corporate customers in the open market. The service fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2021 Advertising and Public Relations Services Framework Agreement.

(c) Historical amounts

For the two years ended 31 December 2019 and the eight months ended 31 August 2020, the service fees paid to the Group under the Existing Advertising and Public Relations Services Framework Agreement amounted to RMB8.5 million, RMB39.5 million and RMB25.4 million, respectively.

The transaction amounts for the year ending 31 December 2020 is expected to be much less than the annual cap for the same year under the Existing Advertising and Public Relations Services Framework Agreement due to the impact of the COVID-19 pandemic. Affected by the COVID-19 pandemic and the government's relevant control measures, majority of the sales centres of Agile Group was temporarily closed due to the pandemic and advertising and public relations activities for the property projects had since been reduced or postponed. Nevertheless, the COVID-19 pandemic is expected to bring limited impacts to the provision of advertising and public relations services to Agile Group in the long run as the effect of the COVID-19 pandemic has gradually subsided in the PRC.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2021 Advertising and Public Relations Services Framework Agreement for the three years ending 31 December 2023 are expected not to exceed the followings:

| | 2021 | 2022 | 2023 |
|-------------|--------------------------|-------------|-------------|
| | <i>(RMB in millions)</i> | | |
| Annual caps | 120 | 160 | 200 |

In arriving at the above annual caps, the Directors have considered (i) the expected demand for media agent and public relations services of Agile Group in connection with its business development and marketing activities for the three years ending 31 December 2023 with reference to the number of properties to be developed by Agile Group; (ii) the estimated capacity of the Group to provide such advertising and public relations services for the three years ending 31 December 2023; and (iii) the estimated increase in agency fees for the provision of media agent services and public relations services due to expansion in scope of services.

In view of Agile Group's continuous replenishment of land bank and geographical expansion plan, the Directors anticipate that the Group will continue to serve as a media agent for Agile Group going forward, and it is expected that a number of large-scale public relation events will be launched in the next three years for new properties to be developed by Agile Group. As such, the transaction amounts under the 2021 Advertising and Public Relations Services Framework Agreement for the three years ending 31 December 2023 are expected to be higher than those under the Existing Advertising and Public Relations Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2021 Advertising and Public Relations Services Framework Agreement

The Group has been providing the advertisement design services to Agile Group. Since March 2019, the Group started to provide the media agent services and public relations services and the need of media agent from Agile Group and number of public relations events for the properties developed by Agile Group is increasing based on the negotiation with the Agile Group and its business development plan. The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Advertising and Public Relations Services Framework Agreement with Agile Holdings. The Board (including the independent non-executive Directors) considers that the entering of the 2021 Advertising and Public Relations Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2021 Advertising and Public Relations Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. 2021 Pre-delivery Inspection Services Framework Agreement

(a) Background

Reference is made to the Prospectus and the announcement of the Company dated 15 August 2019 in relation to, among others, the continuing connected transactions under the Existing Pre-delivery Inspection Services Framework Agreement entered into between Guangzhou Yaxin and Agile Holdings, and the revised annual caps thereunder. As the Existing Pre-delivery Inspection Services Framework Agreement will expire on 31 December 2020, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Pre-delivery Inspection Services

Framework Agreement with Agile Holdings on 23 September 2020.

(b) Principal terms

| | |
|---------------------------------|---|
| Date: | 23 September 2020 |
| Parties: | The Company Agile Holdings |
| Term: | The 2021 Pre-delivery Inspection Services Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023. |
| Subject matter: | The Group will provide to Agile Group pre-delivery inspection services, including but not limited to conducting house inspection on properties developed by Agile Group upon completion of construction and before delivery of the same to homeowners. |
| Pricing and other terms: | <p>The services fees to be charged by the Group under the 2021 Pre-delivery Inspection Services Framework Agreement will be determined on arm's length basis, with reference to (i) the GFA involved; (ii) the anticipated service costs; and (iii) the prevailing market price for similar services in the open market. The service fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.</p> <p>Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2021 Pre-delivery Inspection Services Framework Agreement.</p> |

(c) Historical amounts

For the two years ended 31 December 2019 and the eight months ended 31 August 2020, the service fees paid to the Group under the Existing Pre-delivery Inspection Services Framework Agreement amounted to RMB50.0 million, RMB103.5 million and RMB77.6 million, respectively.

Although the progress of sales and delivery of real estate in the first half of 2020 was slightly slowed down by the COVID-19 pandemic, the impact of the pandemic has gradually subsided in the second half of the year. Based on Agile Group's progress of delivery of properties in the third and fourth quarter of 2020, the Company expects that the pre-delivery inspection services that have been delayed by the pandemic in the first half of the year will be recovered in the second half of the year. It follows that the transaction amount for the year ending

31 December 2020 for the provision of pre-delivery inspection services to Agile Group is expected to reach the level of the annual cap for the year ending 31 December 2020 under the Existing Pre-delivery Inspection Services Framework Agreement.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2021 Pre-delivery Inspection Services Framework Agreement for the three years ending 31 December 2023 are expected not to exceed the followings:

| | 2021 | 2022 | 2023 |
|-------------|--------------------------|-------------|-------------|
| | <i>(RMB in millions)</i> | | |
| Annual caps | 160 | 190 | 230 |

In arriving at the above annual caps, the Directors have considered (i) the estimated increase in pre-sale value of properties to be sold by Agile Group and the corresponding increase in GFA which will require pre-delivery inspection services from the Group the three years ending 31 December 2023; and (ii) the expected growth in capacity of the Group to provide such pre-delivery inspection services in the next few years.

Based on the estimated pre-sale performance of Agile Group and the development plans of Agile Group provided to the Group, the Company expects that the demand for pre-delivery inspection services will continue to increase in the next three years under the 2021 Pre-delivery Inspection Services Framework Agreement due to the increase in GFA of properties expected to be sold by Agile Group. As such, the transaction amounts under the 2021 Pre-delivery Inspection Services Framework Agreement for the three years ending 31 December 2023 are expected to be higher than those under the Existing Pre-delivery Inspection Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2021 Pre-delivery Inspection Services Framework Agreement

Pre-delivery inspection services is a growing new business in the market which adds value to pre-delivery quality and thereby improving the brand image of the pre-delivery developers and reduce disputes as much as possible. The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Pre-delivery Inspection Services Framework Agreement with Agile Holdings. The Board (including the independent non-executive Directors) considers that the entering of the 2021 Pre-delivery Inspection Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2021 Pre-delivery Inspection Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. 2021 Technology Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 27 April 2018 in relation to, among others, the continuing connected transactions under the Existing Technology Services Framework Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder. As the Existing Technology Services Framework Agreement will expire on 31 December 2020, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Technology Services Framework Agreement with Agile Holdings on 23 September 2020.

(b) Principal terms

Date: 23 September 2020

Parties: The Company
Agile Holdings

Term: The 2021 Technology Services Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023.

Subject matter: The Group will provide technology products and relevant services to Agile Holdings and/or its subsidiaries, including but not limited to (i) intelligent products; (ii) software products; (iii) intelligent home and sale of residential accessory products; (iv) software development; (v) information system integration services; (vi) intelligent design; (vii) intelligent engineering services; (viii) software platform technology services; and (ix) relevant consultancy services

Pricing and other terms: The service fees to be charged by the Group under the 2021 Technology Services Framework Agreement will be determined on arm's length basis, with reference to (i) the aggregated GFA of the property projects of Agile Group which will require such technology services; (ii) the unit price for such technology services in the target property projects of Agile Holdings; (iii) the geographical location of the property projects of Agile Group requiring such technology services; and (iv) the prevailing market price. The unit price for the technology services for each individual property project may be different, subject to the (i) types of target property projects; (ii) types of technology products to be installed; and (iii) quality and standard of the technology

products requested by the property owners. The service fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2021 Technology Services Framework Agreement.

(c) Historical amounts

For the two years ended 31 December 2019 and the eight months ended 31 August 2020, the service fees paid to the Group under the Existing Technology Services Framework Agreement amounted to RMB26.0 million, RMB99.5 million and RMB93.6 million.

Although the progress of sales and delivery of real estate in the first half of 2020 was slightly slowed down by the COVID-19 pandemic, the impact of the pandemic has gradually subsided in the second half of the year. Based on Agile Group's progress of delivery of properties in the third and fourth quarter of 2020, the Company expects that the technology services that have been delayed by the pandemic in the first half of the year will be recovered in the second half of the year. It follows that the transaction amount for the year ending 31 December 2020 for provision of technology services to Agile Group is expected to reach the level of the annual cap for the year ending 31 December 2020 under the Existing Technology Services Framework Agreement.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2021 Technology Services Framework Agreement for the three years ending 31 December 2023 are expected not to exceed the followings:

| | 2021 | 2022 | 2023 |
|-------------|--------------------------|-------------|-------------|
| | <i>(RMB in millions)</i> | | |
| Annual caps | 210 | 230 | 250 |

In arriving at the above annual caps, the Directors have considered (i) the expected GFA of the properties of Agile Group which will require such technology services for the three years ending 31 December 2023; (ii) the expected unit price for such technology services; (iii) the expected increase in the demand for intelligent products and expansion in scope of services for the three years ending 31 December 2023; and (iv) the estimated price increases owing to product upgrades and introduction of new technology products.

The Company anticipates to provide technology services to Agile Group on a growing scale in complimentary to the diversified businesses of Agile Group. In particular, the Group has considered Agile Group's various development and expansion projects for which it plans to procure intelligent home products and other intelligent products services for properties developed by Agile Group. Based on the development plans of Agile Group, the Company anticipates the coverage of intelligent products and services will expand to an increasing number of projects of Agile Group. As such, the transaction amounts under the 2021 Technology Services Framework Agreement for the three years ending 31 December 2023 are expected to be higher than those under the Existing Technology Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2021 Technology Services Framework Agreement

The Board considers that there is much potential in the growth of technology services industry given the upcoming of the internet era to enhance the overall development of Agile Holdings in intelligent housing and intelligent community. The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Technology Services Framework Agreement with Agile Holdings. The Board (including the independent non-executive Directors) considers that the entering of the 2021 Technology Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2021 Technology Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

6. 2021 Consultation Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 27 April 2018 in relation to, among others, the continuing connected transactions under the Existing Consultation Services Framework Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder. As the Existing Consultation Services Framework Agreement will expire on 31 December 2020, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Consultation Services Framework Agreement with Agile Holdings on 23 September 2020.

(b) Principal terms

Date: 23 September 2020

Parties: The Company

Agile Holdings

Term: The 2021 Consultation Services Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023.

Subject matter: The Group will provide consultation services in relation to property management to the property projects of Agile Group at their preparation stage, design stage, assessment of construction design stage, construction stage and delivery stage, including but not limited to (i) formulation of property management services plan in accordance with the construction of the project and the target customers; (ii) provision of consultation on the master plan of the project and relevant design in relation to accessory facilities; (iii) inspection of construction progress and quality; (iv) related preparations for preliminary project planning, sourcing of materials and project execution in the property development projects of the Agile Group; and (v) monitoring of repair and rectification service.

Pricing and other terms: The service fees to be charged by the Group under the 2021 Consultation Services Framework Agreement will be determined on arm's length basis, with reference to (i) the aggregated GFA of the property projects of Agile Group which will require such consultation services; (ii) the fixed unit price for the provision of such consultation services; and (iii) the prevailing market price. The service fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2021 Consultation Services Framework Agreement.

(c) Historical amounts

For the two years ended 31 December 2019 and the eight months ended 31 August 2020, the service fees paid to the Group under the Existing Consultation Services Framework Agreement amounted to RMB74.8 million, RMB86.2 million and RMB99.5 million, respectively.

Although the progress of sales and delivery of real estate in the first half of 2020 was slightly slowed down by the COVID-19 pandemic, the impact of the pandemic has gradually subsided in the second half of the year. Based on Agile Group's progress of delivery of properties in the third and fourth quarter of 2020, the Company expects that the consultation services that have been delayed by the pandemic in the first half of the year will be recovered in the second half of the year. It follows that the transaction amount for the year ending 31 December 2020 for the provision of consultation services to Agile Group is expected to reach the level of the annual cap for the year ending 31 December 2020 under the Existing Consultation Services Framework Agreement.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2021 Consultation Services Framework Agreement for the three years ending 31 December 2023 are expected not to exceed the followings:

| | 2021 | 2022 | 2023 |
|-------------|--------------------------|-------------|-------------|
| | <i>(RMB in millions)</i> | | |
| Annual caps | 237 | 240 | 250 |

In arriving at the above annual caps, the Directors have considered (i) the expected GFA of the properties in the design stage, construction stage and delivery stage of Agile Group which require the provision of consultation services for the three years ending 31 December 2023; (ii) the estimated unit price for the consultation services in various stage; and (iii) the anticipated increase in demand for consultation services of Agile Group for the three years ending 31 December 2023.

In view of the business expansion plan and number of existing and new projects of Agile Group that are available for sale and expected to be available for sale for the three years ending 31 December 2023 according to the development plans of Agile Group, the Directors expect that the demand for consultation services at various stages of development in the properties of Agile Group will continue to increase in the next three years under the 2021 Consultation Services Framework Agreement. As such, the transaction amounts under the 2021 Consultation Services Framework Agreement for the three years ending 31 December 2023 are expected to be higher than those under the Existing Consultation Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2021 Consultation Services Framework Agreement

The Board considers that the provision of consultation services helps to further strengthen the Group's business cooperation with Agile Group to promote good properties' design and construction quality, which in turn will create suitable conditions for property management after delivery of the properties and increase the satisfaction of the property owners. The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Consultation Services Framework Agreement. The Board (including the independent non-executive Directors) considers that the entering of the 2021 Consultation Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2021 Consultation Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. PRICING POLICY FOR CONTINUING CONNECTED TRANSACTIONS

As a general principle, the service fees to be charged or paid by the Group under the respective agreement of the continuing connected transactions of the Group shall be determined on an arm's length basis in accordance with the prevailing market prices of similar services or products and on the following principles:

- (i) by reference to the prevailing market price of the same or substantially similar services or products taking into account of the price of the same or substantially similar services or products with comparable scope or quantities and quality offered by other suppliers/purchasers to the Group;
- (ii) if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those offered to/received from independent third parties by Agile Group in respect of the same or substantially similar services or products with comparable quantities; and
- (iii) if both (i) and (ii) above are not applicable, by reference to the average price of similar services or products previously supplied or procured by a party, and on normal commercial terms comparable to those offered by the relevant party to independent third parties.

In order to ascertain the prevailing market price, the sales department of the Group and its designated personnel will, on a quarterly basis, invite quotations from at least two Independent Third Parties for the provision of the same or similar services or products with comparable scope or quantities and quality under normal commercial terms in the ordinary course of business of such Independent Third Parties; or if applicable, the price list of services or products procured by Agile Group from Independent Third Parties for same or similar services or products with comparable scope or quantities and quality as provided by the Group to Agile Group. The sales department of the Group will then compare the market price with the fees under individual transactions pursuant to the 2021 Framework Agreements, and make evaluation and assessment to ensure that the price payable by or to be charged by Agile Group

will be on normal commercial terms and on terms no less favourable than that available from Independent Third Parties.

V. INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS

To ensure that the actual prices for the continuing connected transactions of the Group are on normal commercial terms and on terms no less favourable to the Group than that available from Independent Third Parties, the Group has adopted the following measures to review and assess whether the individual transactions will be conducted within the framework of the respective 2021 Framework Agreements and in accordance with the aforesaid pricing policy:

- (1) the relevant personnel of the sales department and finance department will closely monitor the transactions to ensure that the transaction amount does not exceed the annual caps of the respective 2021 Framework Agreements;
- (2) the implementation of individual contracts shall be subject to the appropriate approval of the relevant personnel of the business department, finance department, legal department and management of the Group to ensure that the contracts are in line with the pricing policy and principal terms of the respective 2021 Framework Agreements;
- (3) the relevant personnel of the business department of the Group will conduct regular reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the price charged for a specific transaction is fair and reasonable and is in accordance with the pricing policy;
- (4) the auditors of the Company shall conduct annual reviews on pricing and annual caps of such continuing connected transactions to ensure that the transactions amount is within the annual caps and that the transactions are conducted on the principal terms of the respective 2021 Framework Agreements; and
- (5) the independent non-executive Directors of the Company would continue to review the management's quarterly review reports on the transactions contemplated under the respective 2021 Framework Agreements to ensure that such transactions are conducted on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

VI. LISTING RULES IMPLICATIONS

As at the date of this announcement, Agile Holdings is the controlling shareholder of the Company, holding approximately 54% of the issued share capital of the Company. Accordingly, the transactions contemplated under the Supplemental Property Management Services Agreement and each of the 2021 Framework Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

According to Rule 14A.54 of the Listing Rules, if the Company proposes to revise the annual caps for its continuing connected transactions, the Company will be required to re-comply with the announcement and shareholders' approval requirements.

As one or more of the applicable percentage ratios (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the (i) Supplemental Property Management Services Agreement; (ii) 2021 Property Management Services Framework Agreement; (iii) 2021 Property Agency Services Framework Agreement; and (iv) 2021 Framework Referral Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the (i) 2021 Property Lease Framework Agreement; (ii) 2021 Turnkey Furnishing Services Framework Agreement; (iii) 2021 Advertising and Public Relations Services Framework Agreement; (iv) 2021 Pre-delivery Inspection Services Framework Agreement; (v) 2021 Technology Services Framework Agreement; and (vi) 2021 Consultation Services Framework Agreement exceed 0.1% but all of which are less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

VII. EXTRAORDINARY GENERAL MEETING

The (i) Supplemental Property Management Services Agreement; (ii) 2021 Property Management Services Framework Agreement; (iii) 2021 Property Agency Services Framework Agreement; and (iv) 2021 Framework Referral Agreement and the transactions respectively contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolution at the EGM.

The EGM is scheduled to be held on Monday, 9 November 2020 and the notice of the EGM will be published and dispatched to the Shareholders accordingly.

The Company has established the Independent Board Committee comprising all three independent non-executive Directors to advise the Independent Shareholders as to whether the continuing connected transactions under the (i) Supplemental Property Management Services Agreement; (ii) 2021 Property Management Services Framework Agreement; (iii) 2021 Property Agency Services Framework Agreement; and (iv) 2021 Framework Referral Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and are entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among other things, (i) a letter from the Board containing details of the Supplemental Property Management Services Agreement; the 2021 Property Management Services Framework Agreement; the 2021 Property Agency Services Framework Agreement; and the 2021 Framework Referral Agreement; (ii) recommendations of the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (iv) a notice of the EGM together with the proxy form will be despatched to the Shareholders on or before 22 October

2020 as additional time is required to prepare and finalise the circular.

VIII. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 9 October 2020 to Monday, 9 November 2020, both days inclusive, during which period no transfer of the H Shares will be registered.

Shareholders who wish to attend and vote at the EGM but have not registered the transfer documents shall submit the share certificates together with the properly completed share transfer forms to the share registrar of the H Shares of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for the H Shareholders) or to the Company's principal place of office in the PRC at 35th Floor, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC (for the domestic shareholder(s) of the Company) not later than 4:30 p.m. on Thursday, 8 October 2020, for registration.

IX. GENERAL

Save for Mr. Chan Cheuk Hung and Mr. Huang Fengchao, the executive Directors, who are also the directors and shareholders of Agile Holdings, Ms. Yue Yuan, a non-executive Director who is a member of the senior management of Agile Holdings, none of the other Directors has or is deemed to have a material interest in the Supplemental Property Management Services Agreement, the 2021 Framework Agreements and the transactions contemplated respectively thereunder. Mr. Chan Cheuk Hung, Mr. Huang Fengchao and Ms. Yue Yuan are therefore required to abstain, and have abstained, from voting on the relevant Board resolutions.

X. INFORMATION ON THE PARTIES

Agile Holdings

Agile Holdings is an exempted company with limited liability incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3383). Agile Group is one of the leading property developers in the PRC and is principally engaged in the development of largescale mixed-use property projects, with extensive presence in the businesses of property management, environmental protection, construction, real estate construction management and commercial.

The Company

The Company is a reputable property management services provider focusing on mid- to high-end properties. The Group ranks the 4th of the "Top 100 Property Management Companies in China" with five major business segments, namely "property management services", "asset management services", "public services", "city services" and "community commercial services". Supported by Agile Group and Greenland Holdings Group Company Limited, two leading property developers, the Group has developed three business lines, namely property management services, property owners value-added services and extended value-added services, with a nationwide coverage and diversified business portfolio. Capitalizing on the integrated resources advantage of seven regional offices, acquired companies and joint

ventures, the Group strives to realize the vision of expanding its business coverage into the whole industry chain with diversified business portfolio.

XI. DEFINITIONS

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

| | |
|--|---|
| “2021 Advertising and Public Relations Services Framework Agreement” | the advertising and public relations services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020 |
| “2021 Consultation Services Framework Agreement” | the consultation services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020 |
| “2021 Framework Agreements” | collectively (i) 2021 Property Management Services Framework Agreement; (ii) 2021 Property Agency Services Framework Agreement; (iii) 2021 Framework Referral Agreement; (iv) 2021 Property Lease Framework Agreement; (v) 2021 Turnkey Furnishing Services Framework Agreement; (vi) 2021 Advertising and Public Relations Services Framework Agreement; (vii) 2021 Pre-delivery Inspection Services Framework Agreement; (viii) 2021 Technology Services Framework Agreement; and (ix) 2021 Consultation Services Framework Agreement |
| “2021 Framework Referral Agreement” | the framework referral agreement entered into between the Company and Agile Holdings dated 23 September 2020 |
| “2021 Pre-delivery Inspection Services Framework Agreement” | the pre-delivery inspection services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020 |
| “2021 Property Agency Services Framework Agreement” | the property agency services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020 |
| “2021 Property Lease Framework Agreement” | the property lease framework agreement entered into between the Company and Agile Holdings dated 23 September 2020 |
| “2021 Property Management Services Framework Agreement” | the property management services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020 |

| | |
|--|--|
| “2021 Technology Services Framework Agreement” | the technology services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020 |
| “2021 Turnkey Furnishing Services Framework Agreement” | the turnkey furnishing services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020 |
| “Agile Group” | Agile Holdings and its subsidiaries and associates excluding the Group |
| “Agile Holdings” | Agile Group Holdings Limited (雅居樂集團控股有限公司) (stock code: 3383), an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange |
| “associate(s)” | has the meaning ascribed to it under the Listing Rules |
| “A-TRO Properties” | A-TRO Properties Consultancy Co., Ltd.* (雅卓房地產顧問有限公司) (formerly known as Guangzhou Yazhuo Real Estate Sales Co., Ltd.* (廣州市雅卓房地產營銷有限公司)), a wholly-owned subsidiary of the Company |
| “Board” | the board of Directors |
| “Company” | A-Living Services Co., Ltd.* (雅居樂雅生活服務股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange |
| “connected person(s)” | has the meaning ascribed to it under the Listing Rules |
| “controlling shareholder(s)” | has the meaning ascribed to it under the Listing Rules |
| “Director(s)” | director(s) of the Company |
| “EGM” | the forthcoming 2020 fourth extraordinary general meeting of the Company to be held and convened to consider and, if thought fit, approve the Supplemental Property Management Services Agreement; the 2021 Property Management Services Framework Agreement; the 2021 Property Agency Services Framework Agreement; and the 2021 Framework Referral Agreement and the transactions respectively contemplated thereunder |
| “Existing Advertising and Public Relations Services Framework Agreement” | the advertising and public relations services framework agreement entered into between Guangzhou Yatao and Agile Holdings dated 23 January 2018, as amended and supplemented by the supplemental agreement dated 15 August 2019 |

| | |
|---|--|
| “Existing Consultation Services Framework Agreement” | the consultation services framework agreement entered into between the Company and Agile Holdings dated 27 April 2018 |
| “Existing Framework Referral Agreement” | the framework referral agreement entered into between the Company and Agile Holdings dated 28 April 2020 |
| “Existing Pre-delivery Inspection Services Framework Agreement” | the pre-delivery inspection services framework agreement entered into between Guangzhou Yaxin and Agile Holdings dated 23 January 2018, as amended and supplemented by the supplemental agreement dated 15 August 2019 |
| “Existing Property Agency Services Framework Agreement” | the property agency services framework agreement entered into between A-TRO Properties and Agile Holdings dated 23 January 2018, as amended and supplemented by the supplemental agreement dated 17 August 2018 |
| “Existing Property Lease Framework Agreement” | the property lease framework agreement entered into between the Company and Agile Holdings dated 23 January 2018 |
| “Existing Property Management Services Framework Agreement” | the property management services framework agreement entered into between the Company and Agile Holdings dated 23 January 2018 |
| “Existing Technology Services Framework Agreement” | the technology services framework agreement entered into between the Company and Agile Holdings dated 27 April 2018 |
| “Existing Turnkey Furnishing Services Framework Agreement” | the turnkey furnishing services framework agreement entered into between the Company and Agile Holdings dated 27 April 2018 |
| “GFA” | gross floor area |
| “Group” | the Company and its subsidiaries |
| “Guangzhou Yatao” | Guangzhou Yatao Advertising Co., Ltd.* (廣州市雅韜廣告有限公司), a wholly-owned subsidiary of the Company |
| “Guangzhou Yaxin” | Guangzhou Yaxin Engineering Consulting Co., Ltd.* (廣州市雅信工程諮詢有限公司), a wholly-owned subsidiary of the Company |
| “H Shares” | overseas listed shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in HK\$ and listed on the Stock Exchange |

| | |
|---------------------------------|---|
| “H Shareholders” | holders of the H Shares |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Independent Board Committee” | an independent committee of the Board, comprising all three independent non-executive Directors, established to advise the Independent Shareholders in respect of the continuing connected transactions under the Supplemental Property Management Services Agreement; the 2021 Property Management Services Framework Agreement; the 2021 Property Agency Services Framework Agreement; and the 2021 Framework Referral Agreement |
| “Independent Financial Adviser” | Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions under the Supplemental Property Management Services Agreement; the 2021 Property Management Services Framework Agreement; the 2021 Property Agency Services Framework Agreement; and the 2021 Framework Referral Agreement |
| “Independent Shareholders” | Shareholders who do not have a material interest in the Supplemental Property Management Services Agreement; the 2021 Property Management Services Framework Agreement; the 2021 Property Agency Services Framework Agreement; and the 2021 Framework Referral Agreement |
| “Independent Third Party(ies)” | independent third party(ies) who is/are not connected person(s) (has the meaning ascribed to it under the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, supervisors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its 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 shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “Prospectus” | the prospectus of the Company dated 29 January 2018 |
| “RMB” | Renminbi, the lawful currency of the PRC |
| “Shareholder(s)” | holder(s) of share(s) of the Company |

| | |
|---|--|
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supplemental Property Management Services Agreement” | the supplemental agreement dated 23 September 2020 and entered into between the Company and Agile Holdings, which amended and supplemented the Existing Property Management Services Framework Agreement |
| “%” | per cent. |

By Order of the Board
A-Living Services Co., Ltd.

LI Dalong
*Executive Director, President (General Manager)
and Chief Executive Officer*

Hong Kong, 23 September 2020

As at the date of this announcement, the Board comprises eight members, being Mr. Chan Cheuk Hung[^] (Co-chairman), Mr. Huang Fengchao[^] (Co-chairman), Mr. Li Dalong[^] (President (General Manager) and Chief Executive Officer), Mr. Wei Xianzhong^{^^}, Ms. Yue Yuan^{^^}, Mr. Wan Kam To^{^^^}, Ms. Wong Chui Ping Cassie^{^^^} and Mr. Wang Peng^{^^^}.

[^] *Executive Directors*

^{^^} *Non-executive Directors*

^{^^^} *Independent Non-executive Directors*

** for identification purposes only*