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BetterLife Holding Limited
百得利控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6909)

CONTINUING CONNECTED TRANSACTIONS
ENTERING INTO
(I) THE SUPPLEMENTAL AGREEMENTS TO
THE FRAMEWORK SALE AND LEASEBACK AGREEMENT,
THE FRAMEWORK VEHICLE SALE AND
PURCHASE AGREEMENT AND
THE COOPERATION AGREEMENT; AND
(II) THE FRAMEWORK VEHICLE REPAIR AND
MAINTENANCE AGREEMENT

I. ENTERING INTO THE SUPPLEMENTAL AGREEMENTS TO THE FRAMEWORK SALE AND LEASEBACK AGREEMENT, THE FRAMEWORK VEHICLE SALE AND PURCHASE AGREEMENT AND THE COOPERATION AGREEMENT

References are made to the section headed “Connected Transactions” in the Prospectus, in relation to, among others: (i) the Framework Sale and Leaseback Agreement entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and eCapital on 10 June 2021; (ii) the Framework Vehicle Sale and Purchase Agreement entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and eCapital on 10 June 2021; and (iii) the Cooperation Agreement entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and eCapital on 10 June 2021.

Due to the reasons disclosed in this announcement, the Supplemental Agreements were entered into as following:

- on 24 September 2021 (after trading hours), BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital entered into the Supplemental Agreement to the Framework Sale and Leaseback Agreement to revise, among other things, the estimated annual caps for the years ending 31 December 2021, 2022 and 2023 from RMB20,000,000, RMB20,000,000 and RMB20,000,000 to RMB30,000,000, RMB40,000,000 and RMB50,000,000, respectively.
- on 24 September 2021 (after trading hours), BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital entered into the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement to revise, among other things, the estimated annual caps for the years ending 31 December 2021, 2022 and 2023 from RMB60,000,000, RMB66,000,000 and RMB72,600,000 to RMB100,000,000, RMB130,000,000 and RMB156,000,000, respectively.
- on 24 September 2021 (after trading hours), BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital entered into the Supplemental Agreement to the Cooperation Agreement to revise, among other things, the estimated annual caps for the years ending 31 December 2022 and 2023 from RMB1,100,000 and RMB1,210,000 to RMB1,400,000 and RMB1,700,000, respectively.

II. ENTERING INTO THE FRAMEWORK VEHICLE REPAIR AND MAINTENANCE AGREEMENT

On 24 September 2021 (after trading hours), BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital entered into the Framework Vehicle Repair and Maintenance Agreement, pursuant to which BetterLife Tianjin (or its subsidiaries or fellow subsidiaries) shall provide repair and maintenance services for eCapital's own vehicles, and eCapital shall pay BetterLife Tianjin (or its subsidiaries or fellow subsidiaries) service fees for such services, for a term from the date of the agreement to 31 December 2023 with estimated annual caps of RMB700,000, RMB1,500,000 and RMB1,800,000 for the years ending 31 December 2021, 2022 and 2023, respectively.

III. LISTING RULES IMPLICATIONS

As at the date of this announcement, eCapital is ultimately controlled by Mr. Chou, an executive Director and a Controlling Shareholder. Accordingly, eCapital is an associate of Mr. Chou and a connected person of the Company under the Listing Rules. As such, the transactions contemplated under (i) the Supplemental Agreement to the Framework Sale and Leaseback Agreement, (ii) the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, (iii) the Supplemental Agreement to the Cooperation Agreement, and (iv) the Framework Vehicle Repair and Maintenance Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the revised annual caps for the transactions under the Supplemental Agreement to the Framework Sale and Leaseback Agreement exceeds 0.1% but is less than 5%, the Supplemental Agreement to the Framework Sale and Leaseback Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules.

As (i) income will be generated from the transactions and charged by the Group under the Framework Vehicle Sale and Purchase Agreement, the Cooperation Agreement and the Framework Vehicle Repair and Maintenance Agreement; and (ii) the counterparty to the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, the Supplemental Agreement to the Cooperation Agreement and the Framework Vehicle Repair and Maintenance Agreement is the same, the annual caps under (i) the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, (ii) the Supplemental Agreement to the Cooperation Agreement, and (iii) the Framework Vehicle Repair and Maintenance Agreement have been aggregated for the purpose of determining the applicable percentage ratios pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio, on aggregated basis, in respect of entering into the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, the Supplemental Agreement to the Cooperation Agreement and the Framework Vehicle Repair and Maintenance Agreement exceeds 0.1% but is less than 5%, the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, the Supplemental Agreement to the Cooperation Agreement and the Framework Vehicle Repair and Maintenance Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules.

I. ENTERING INTO THE SUPPLEMENTAL AGREEMENTS TO THE FRAMEWORK SALE AND LEASEBACK AGREEMENT, THE FRAMEWORK VEHICLE SALE AND PURCHASE AGREEMENT AND THE COOPERATION AGREEMENT

References are made to the section headed “Connected Transactions” in the Prospectus, in relation to, among others: (i) the Framework Sale and Leaseback Agreement entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and eCapital on 10 June 2021; (ii) the Framework Vehicle Sale and Purchase Agreement entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and eCapital on 10 June 2021; and (iii) the Cooperation Agreement entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and eCapital on 10 June 2021.

A. The Supplemental Agreement to the Framework Sale and Leaseback Agreement

On 24 September 2021 (after trading hours), BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital entered into the Supplemental Agreement to the Framework Sale and Leaseback Agreement to revise, among other things, the estimated annual caps for the years ending 31 December 2021, 2022 and 2023 from RMB20,000,000, RMB20,000,000 and RMB20,000,000 to RMB30,000,000, RMB40,000,000 and RMB50,000,000, respectively.

A summary of the principal terms of the Supplemental Agreement to the Framework Sale and Leaseback Agreement is as follows:

Date: 24 September 2021 (after trading hours)

Parties:

- BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries); and
- eCapital

Subject: BetterLife Tianjin and/or its subsidiaries and/or fellow subsidiaries shall sell to eCapital vehicles, which shall then be leased back to BetterLife Tianjin or its subsidiaries or fellow subsidiaries for test-drive and other operating purposes. Upon the expiration of the lease period, BetterLife Tianjin or its subsidiaries or fellow subsidiaries may purchase back such leased vehicle(s) at a nominal consideration (typically being RMB200 per vehicle or other nominal amount as agreed between the parties).

Pricing policy: The amount of lease payment comprises vehicle sale price (which accounts for the largest portion of the payment and shall normally be the same as the retail price of the vehicles concerned), license plate utilization fee and lease interest at a fixed interest rate. The actual interest charged shall be determined based on prevailing market conditions, the internal return rate requirements of eCapital determined by its costs and shall not be higher than the interest rate payable to eCapital by an Independent Third Party in similar transactions.

Term: from 10 June 2021 to 31 December 2023, renewable for another three years unless terminated by either party by serving written notice to the other party within 30 days prior to the expiry of the Framework Sale and Leaseback Agreement, subject to compliance with the requirements under the Listing Rules

Terms amended: Contractual parties:

The fellow subsidiaries of BetterLife Tianjin have been included into the scope of contractual parties and shall also assume the same rights and obligations as BetterLife Tianjin under the Framework Sale and Leaseback Agreement.

Subject:

The vehicles will be sold by BetterLife Tianjin and/or its subsidiaries and/or fellow subsidiaries to eCapital and then be leased back to BetterLife Tianjin or its subsidiaries or fellow subsidiaries for test-drive, as well as other operating purposes.

Annual caps:

The estimated annual caps in relation to the lease payments and license plate utilization fees from BetterLife Tianjin to eCapital for the years ending 31 December 2021, 2022 and 2023 be increased from RMB20,000,000, RMB20,000,000 and RMB20,000,000 to RMB30,000,000, RMB40,000,000 and RMB50,000,000, respectively.

For illustration purposes, the estimated transaction amounts in relation to disposal of vehicles corresponding to the revised annual caps for the years ending 31 December 2021, 2022 and 2023 will be RMB30,000,000, RMB40,000,000 and RMB50,000,000, respectively.

Save for revision on contractual parties, the inclusion of “other operating purposes” among the agreed use of sold-and-leased-back vehicles and the revision of the existing annual caps for the years ending 31 December 2021, 2022 and 2023, all other terms and conditions under the Framework Sale and Leaseback Agreement remain unchanged. “Other operating purposes” may include the use of vehicles for customers’ temporary use when their vehicles are left to the Group for repair and maintenance.

Revised annual caps under the Supplemental Agreement to the Framework Sale and Leaseback Agreement and basis of determination

The original annual caps and the revised annual caps in relation to the lease payments and license plate utilization fees for the years ending 31 December 2021, 2022 and 2023 are set out below:

	For the year ending 31 December		
	2021	2022	2023
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Original Annual Caps	20,000,000	20,000,000	20,000,000
Revised Annual Caps	30,000,000	40,000,000	50,000,000

The unaudited historical transaction amounts in relation to the lease payments and license plate utilization fees under the Framework Sale and Leaseback Agreement for the eight months ended 31 August 2021 recorded in the management accounts of the Group was approximately RMB14,866,000.

The proposed revision of the annual caps in relation to the lease payments and license plate utilization fees were estimated based on (i) the unaudited historical transaction amounts under the Framework Sale and Leaseback Agreement for the eight months ended 31 August 2021; and (ii) the increase in the expected number of vehicles for test-drive and other operating purposes for the Group due to the upcoming launch of new stores and expansion of its business in existing stores.

B. The Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement

On 24 September 2021 (after trading hours), BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital entered into the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement to revise the estimated annual caps for the years ending 31 December 2021, 2022 and 2023 from RMB60,000,000, RMB66,000,000 and RMB72,600,000 to RMB100,000,000, RMB130,000,000 and RMB156,000,000, respectively.

A summary of the principal terms of the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement is as follows:

- Date:** 24 September 2021 (after trading hours)
- Parties:**
- BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries); and
 - eCapital
- Subject:** eCapital shall make payments to and purchase the vehicles from BetterLife Tianjin and/or its subsidiaries and/or fellow subsidiaries according to the terms of the financial lease arrangement made between eCapital and the ultimate vehicle purchasers, and the legal title of such vehicles shall be transferred to the ultimate vehicle purchasers upon full repayment of amounts under each financial lease arrangement.
- Pricing policy:** The actual vehicle purchase price shall be determined by the Group and the ultimate vehicle purchasers which in general shall be not less than the retail price of the relevant vehicle payable by a vehicle purchaser not requiring financial lease services.
- Term:** from 10 June 2021 to 31 December 2023, renewable for another three years unless terminated by either party by serving written notice to the other party within 30 days prior to the expiry of the Framework Vehicle Sale and Purchase Agreement, subject to the compliance with the requirements under the Listing Rules
- Terms amended:** Contractual parties:
- The fellow subsidiaries of BetterLife Tianjin have been included into the scope of contractual parties and shall also assume the same rights and obligations as BetterLife Tianjin under the Framework Vehicle Sale and Purchase Agreement.
- Annual caps:
- The estimated annual caps in relation to the vehicle purchase transactions by eCapital for the years ending 31 December 2021, 2022 and 2023 be increased from RMB60,000,000, RMB66,000,000 and RMB72,600,000 to RMB100,000,000, RMB130,000,000 and RMB156,000,000, respectively.

Save for the revision of contractual parties and the existing annual caps for the years ending 31 December 2021, 2022 and 2023, all other terms and conditions under the Framework Vehicle Sale and Purchase Agreement remain unchanged.

Revised annual caps under the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement and basis of determination

The original annual caps and the revised annual caps for the years ending 31 December 2021, 2022 and 2023 are set out below:

	For the year ending 31 December		
	2021	2022	2023
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Original Annual Caps	60,000,000	66,000,000	72,600,000
Revised Annual Caps	100,000,000	130,000,000	156,000,000

The unaudited historical transaction amounts under the Framework Vehicle Sale and Purchase Agreement for the eight months ended 31 August 2021 recorded in the management accounts of the Group was approximately RMB57,499,000.

The proposed revision of the annual caps were estimated based on (i) the unaudited historical transaction amounts under the Framework Vehicle Sale and Purchase Agreement for the eight months ended 31 August 2021; (ii) the expected increase in the retail price of certain vehicles; (iii) the increased demand for financial lease arrangement between eCapital and the ultimate vehicle purchasers due to the tightening of restricted license plates city control policies in the PRC; and (iv) the expansion and development of the Group's business in existing stores and new stores to be opened.

C. The Supplemental Agreement to the Cooperation Agreement

On 24 September 2021 (after trading hours), BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital entered into the Supplemental Agreement to the Cooperation Agreement to revise, among other things, the estimated annual caps for the years ending 31 December 2022 and 2023 from RMB1,100,000 and RMB1,210,000 to RMB1,400,000 and RMB1,700,000, respectively.

A summary of the principal terms of the Supplemental Agreement to the Cooperation Agreement is as follows:

- Date:** 24 September 2021 (after trading hours)
- Parties:**
- BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries); and
 - eCapital
- Subject:** BetterLife Tianjin and/or its subsidiaries and/or fellow subsidiaries may, from time to time, refer their customers or potential customers who wish to arrange vehicle financing to eCapital, and eCapital shall pay commission fees to BetterLife Tianjin or its subsidiaries or fellow subsidiaries.

Pricing policy: The commission fees shall be calculated by the principal amount of a financial leasing loan granted by eCapital to a customer (some of which are essentially transactions contemplated under the Framework Vehicle Sale and Purchase Agreement), multiplied by a commission rate, which shall be generally determined by the duration of each financial leasing loan and subject to adjustment to be agreed between BetterLife Tianjin and eCapital based on arm's length negotiation and prevailing market price. The initial commission rates agreed under the Cooperation Agreement are 1.2%, 1.5%, 2.0% and 2.5% for one-year, two-year, three-year and five-year financial leasing loans, respectively. Such commission rates shall not be lower than the commission rates that eCapital grants to any other party, in particular, other automobile dealership service providers in the PRC, in similar transactions.

Term: from 10 June 2021 to 31 December 2023, renewable for another three years unless terminated by either party by serving written notice to the other party within 30 days prior to the expiry of the Cooperation Agreement, subject to the compliance with the requirements under the Listing Rules

Terms amended: Contractual parties:

The fellow subsidiaries of BetterLife Tianjin have been included into the scope of contractual parties and shall also assume the same rights and obligations as BetterLife Tianjin under the Cooperation Agreement.

Commission rates:

The initial commission rate of 2.5% for five-year financial leasing loans was added.

Annual caps:

The estimated annual caps in relation to the commission fees paid by eCapital for the years ending 31 December 2022 and 2023 be increased from RMB1,100,000 and RMB1,210,000 to RMB1,400,000 and RMB1,700,000, respectively.

Save for the revision of contractual parties, commission rates and the existing annual caps for the years ending 31 December 2022 and 2023, all other terms and conditions (including the annual cap for the year ending 31 December 2021) under the Cooperation Agreement remain unchanged.

Revised annual caps under the Supplemental Agreement to the Cooperation Agreement and basis of determination

The original annual caps and the revised annual caps for the years ending 31 December 2022 and 2023 are set out below:

	For the year ending	
	31 December	
	2022	2023
	(RMB)	(RMB)
Original Annual Caps	1,100,000	1,210,000
Revised Annual Caps	1,400,000	1,700,000

The unaudited historical transaction amounts under the Cooperation Agreement for the eight months ended 31 August 2021 recorded in the management accounts of the Group was RMB451,000.

The proposed revision of the annual caps were estimated based on (i) the expected increase of commission rates as eCapital plans to provide financial leasing loans with longer term to ultimate vehicle purchases, which will further increase the commission fees to be paid by the eCapital to the Group as commission rates for financial leasing loans with longer terms are higher than those for shorter terms; and (ii) the expected continual increase in business between the Group and eCapital due to the expected increase in transaction amounts under the Framework Vehicle Sale and Purchase Agreement.

D. Reasons for and benefit of entering into the Supplemental Agreements

Entering into the Supplemental Agreement to the Framework Sale and Leaseback Agreement

With the development and expansion of the Group's business in existing stores and new stores to be opened by BetterLife Tianjin and its subsidiaries and fellow subsidiaries, it is estimated that current number of vehicles for test-drive and other operating purposes cannot meet the needs of the Group's future business development plan. In addition, due to the tightening of restricted license plates city control policies, some of the Group's dealership stores are in short of owned license plates, while eCapital currently has abundant resources in many cities with restricted license plates city control policies.

Entering into the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement and the Supplemental Agreement to the Cooperation Agreement

The unaudited historical transaction amounts under the Framework Vehicle Sale and Purchase Agreement for the eight months ended 31 August 2021 recorded in the management accounts of the Group was approximately RMB57,499,000, which is very close to the original annual cap of RMB60,000,000 set for the year ending 31 December 2021. In addition to the booming market, the Company noted that the management team of eCapital plans to input more resources and efforts for its market promotion for its financing leasing business, which will have a positive impact on the transactions under the Framework Vehicle Sale and Purchase Agreement between eCapital and BetterLife Tianjin (and its subsidiaries and fellow subsidiaries). Furthermore, commission rates under the Cooperation Agreement are expected to be increased as eCapital plans to provide financial leasing loans with longer term to ultimate vehicle purchases, which will further increase the commission fees to be paid by eCapital to the Group as commission rates for financial leasing loans with longer terms are higher than those for shorter terms. As a result, it is expected that the original annual caps under the Framework Vehicle Sale and Purchase Agreement and the Cooperation Agreement cannot meet the needs of the Group's future business development.

The terms of the Supplemental Agreements have been negotiated on an arm's length basis. The Directors (including the independent non-executive Directors) believe that the transactions under the Supplemental Agreements have been entered into on normal commercial terms and the terms of the Supplemental Agreements are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

II. ENTERING INTO THE FRAMEWORK VEHICLE REPAIR AND MAINTENANCE AGREEMENT

On 24 September 2021 (after trading hours), BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital entered into the Framework Vehicle Repair and Maintenance Agreement, pursuant to which BetterLife Tianjin (or its subsidiaries or fellow subsidiaries) shall provide repair and maintenance services for eCapital's own vehicles, and eCapital shall pay BetterLife Tianjin (or its subsidiaries or fellow subsidiaries) service fees for such services, for a term from the date of the agreement to 31 December 2023 with estimated annual caps of RMB700,000, RMB1,500,000 and RMB1,800,000 for the years ending 31 December 2021, 2022 and 2023, respectively.

A. Principal terms of the Framework Vehicle Repair and Maintenance Agreement

- Date:** 24 September 2021 (after trading hours)
- Parties:**
- BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries); and
 - eCapital
- Subject:** The parties agreed that BetterLife Tianjin (or its subsidiaries or fellow subsidiaries) shall provide repair and maintenance services for eCapital's own vehicles, and eCapital shall pay BetterLife Tianjin (or its subsidiaries or fellow subsidiaries) service fees for such services.
- Pricing policy:** The repair and maintenance price of vehicles shall be determined by BetterLife Tianjin and eCapital based on (i) the expected annual repair and maintenance costs per vehicle estimated based on the service fee rates of repair and maintenance services for similar vehicles adopted by the Group and the historical frequency of vehicle repair and maintenance per year of eCapital's vehicles when such services were provided by several other service providers which are Independent Third Parties; and (ii) the estimated number of vehicles that eCapital plans to deliver to BetterLife Tianjin (or its subsidiaries or fellow subsidiaries) for repair and maintenance services
- Term:** from 24 September 2021 to 31 December 2023, renewable for another three years unless terminated by either party by serving written notice to the other party within 30 days prior to the expiry of the Framework Vehicle Repair and Maintenance Agreement, subject to the compliance with the requirements under the Listing Rules
- Annual Caps:** The annual caps in relation to the amount of service fees to be paid by eCapital for vehicle repair and maintenance services are RMB700,000, RMB1,500,000 and RMB1,800,000 for the years ending 31 December 2021, 2022, and 2023, respectively.

Historical amount, annual caps under the Framework Vehicle Repair and Maintenance Agreement and pricing basis

There is no historical amount for such transactions. The estimated annual caps for the years ending 31 December 2021, 2022 and 2023 are set out below:

	For the year ending 31 December		
	2021	2022	2023
	<i>(RMB)</i>	<i>(RMB)</i>	<i>(RMB)</i>
Annual Caps	700,000	1,500,000	1,800,000

The annual caps were estimated based on (i) the expected annual repair and maintenance costs per vehicle estimated based on the service fee rates of repair and maintenance services for similar vehicles adopted by the Group and the historical frequency of vehicle repair and maintenance per year of eCapital's vehicles when such services were provided by several other service providers which are Independent Third Parties; and (ii) the estimated number of vehicles that eCapital plans to deliver to BetterLife Tianjin (or its subsidiaries or fellow subsidiaries) for repair and maintenance services.

B. Reasons for and benefits of entering the Framework Vehicle Repair and Maintenance Agreement

eCapital currently owns vehicles for its operating lease business and plans to engage the Group for the repair and maintenance for such self-owned vehicles. Historically, the repair and maintenance of such vehicles were conducted by several other service providers which are Independent Third Parties. As eCapital plans to centralize the management on repair and maintenance of such vehicles and considering the long-term relationship between eCapital and the Group, eCapital decided to engage BetterLife Tianjin, its subsidiaries and fellow subsidiaries for provision of repair and maintenance services. The Directors believes that the Framework Vehicle Repair and Maintenance Agreement will provide the Group with an additional and steady source of revenue in the ordinary course of business of the Group.

The Directors (including the independent non-executive Directors) consider that the terms of the Framework Vehicle Repair and Maintenance Agreement are on normal commercial terms and are fair and reasonable and the entering into the Framework Vehicle Repair and Maintenance Agreement is in the ordinary and usual course of business of the Group and in the interests of the Group and the Shareholders as a whole.

III. LISTING RULES IMPLICATIONS

As at the date of this announcement, eCapital is ultimately controlled by Mr. Chou, an executive Director and a Controlling Shareholder. Accordingly, eCapital is an associate of Mr. Chou and a connected person of the Company under the Listing Rules. As such, the transactions contemplated under (i) the Supplemental Agreement to the Framework Sale and Leaseback Agreement, (ii) the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, (iii) the Supplemental Agreement to the Cooperation Agreement, and (iv) the Framework Vehicle Repair and Maintenance Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the revised annual caps for the transactions under the Supplemental Agreement to the Framework Sale and Leaseback Agreement exceeds 0.1% but is less than 5%, the Supplemental Agreement to the Framework Sale and Leaseback Agreement is subject to the reporting, announcement and annual review requirements but is exempt from the independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules.

As (i) income will be generated from the transactions and charged by the Group under the Framework Vehicle Sale and Purchase Agreement, the Cooperation Agreement and the Framework Vehicle Repair and Maintenance Agreement; and (ii) the counterparty to the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, the Supplemental Agreement to the Cooperation Agreement, and the Framework Vehicle Repair and Maintenance Agreement is the same, the annual caps under (i) the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, (ii) the Supplemental Agreement to the Cooperation Agreement, and (iii) the Framework Vehicle Repair and Maintenance Agreement have been aggregated for the purpose of determining the applicable percentage ratios pursuant to Rule 14A.81 of the Listing Rules. As the highest applicable percentage ratio, on aggregated basis, in respect of entering into the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, the Supplemental Agreement to the Cooperation Agreement and the Framework Vehicle Repair and Maintenance Agreement exceeds 0.1% but is less than 5%, the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, the Supplemental Agreement to the Cooperation Agreement and the Framework Vehicle Repair and Maintenance Agreement are subject to the reporting, announcement and annual review requirements but are exempt from the independent Shareholders' approval requirement set out in Chapter 14A of the Listing Rules.

The aggregated annual caps for the transactions under the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, the Supplemental Agreement to the Cooperation Agreement and the Framework Vehicle Repair and Maintenance Agreement are as follow:

Annual Caps under	For the year ending 31 December		
	2021 <i>(RMB)</i>	2022 <i>(RMB)</i>	2023 <i>(RMB)</i>
Supplemental Agreement to Framework Vehicle Sale and Purchase Agreement	100,000,000	130,000,000	156,000,000
Supplemental Agreement to the Cooperation Agreement	1,000,000	1,400,000	1,700,000
Framework Vehicle Repair and Maintenance Agreement	700,000	1,500,000	1,800,000
Aggregated amount	101,700,000	132,900,000	159,500,000

Since Mr. Chou, an executive Director and a Controlling Shareholder, also controls eCapital and therefore is deemed to have material interests in the Supplemental Agreements and the Framework Vehicle Repair and Maintenance Agreement. Mr. Chou has abstained from voting on the board resolutions approving the Supplemental Agreements and the Framework Vehicle Repair and Maintenance Agreement and the transactions contemplated thereunder. Save as disclosed above, other Directors did not have any material interest in the Supplemental Agreements or the Framework Vehicle Repair and Maintenance Agreement and none of the other Directors has abstained from voting on the Board resolution(s) for considering and approving the same.

IV. INTERNAL CONTROL MEASURES

The Group has formulated a series of measures and policies to ensure that the transactions contemplated under the Framework Sale and Leaseback Agreement, the Framework Vehicle Sale and Purchase Agreement, the Cooperation Agreement, the Supplemental Agreements and the Framework Vehicle Repair and Maintenance Agreement (the “**Transactions**”) will be and continue to be conducted in accordance with the terms of the agreements and the pricing policies.

The business departments of the Company will review, among other things, the pricing involved in the Transactions and compare it with market prices obtained from other independent third-party service providers on a quarterly basis to ensure that the pricing and certain major terms of such Transactions are fair and reasonable. The business departments of the Company shall fill in and submit statistical charts for the Transactions to report the relevant information at least once every quarter to the Board (including the independent non-executive Directors) for review. In the event that the amount of the Transactions incurred or to be incurred for a financial year is expected to reach the relevant annual cap, the business department will follow up forthwith by reporting and proposing a response to the management of the Company, and in case that an amendment to the annual cap(s) is required, report the particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance with the requirements under the Listing Rules.

The independent non-executive Directors and the auditors of the Company will review the Transactions and report in the annual reports pursuant to Rule 14A.55 and Rule 14A.56 of the Listing Rules, respectively.

V. INFORMATION OF THE PARTIES

BetterLife Tianjin

BetterLife Tianjin is a wholly-owned subsidiary of the Company and a PRC limited liability company established on 30 August 2007. The principal business activities of BetterLife Tianjin is corporate management.

eCapital

eCapital is a PRC limited liability company established on 11 June 2010, indirectly and legally owned by the trustee of the Chou Family Trust for the benefit of the beneficiaries thereunder. The principal business activities of eCapital is provision of financial leasing and other financial services.

VI. DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the meanings set out below:

“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“BetterLife Tianjin”	BetterLife Tianjin Management Group Co., Ltd. (百得利(天津)企業管理集團有限公司), with original name as Tianjin Zhoushi Xingye International Trade Co., Ltd. (天津周氏興業國際貿易有限公司), a PRC limited liability company established on 30 August 2007 and a wholly-owned subsidiary of the Company
“Company”	BetterLife Holding Limited (百得利控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 18 May 2018
“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules and refers to the controlling shareholders of the Company, namely Chou Dynasty Holding Co., Ltd, Red Dynasty Investments Limited and Mr. Chou
“Chou Family Trust”	the Chou Family Trust established in Singapore on 13 October 2010 with Credit Suisse Trust Limited as its trustee
“Cooperation Agreement”	the cooperation agreement dated 10 June 2021 entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and eCapital
“Director(s)”	the director(s) of the Company
“eCapital”	eCapital (China) Leasing Co., Ltd. (易匯資本(中國)融資租賃有限公司), a PRC limited liability company established on 11 June 2010, indirectly and legally owned by the trustee of the Chou Family Trust for the benefit of the beneficiaries thereunder and a connected person of the Company
“fellow subsidiary(ies)”	means fellow subsidiary(ies) of holding company, and has the meaning ascribed to it under the Listing Rules
“Framework Sale and Leaseback Agreement”	the framework sale and leaseback agreement dated 10 June 2021 entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and eCapital

“Framework Vehicle Sale and Purchase Agreement”	the framework vehicle sale and purchase agreement dated 10 June 2021 entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and eCapital
“Framework Vehicle Repair and Maintenance Agreement”	the framework vehicle repair and maintenance agreement dated 24 September 2021 entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital.
“Group”	the Company and its subsidiaries from time to time
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which is/are independent of and not connected with (within the meaning of the Listing Rules) any Director, chief executive or substantial shareholder (within the meaning of the Listing Rules) of our Company, its subsidiaries or any of their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chou”	Mr. Chou Patrick Hsiao-Po
“PRC”	the People’s Republic of China
“Prospectus”	the Prospectus of the Company dated 30 June 2021
“RMB”	Renminbi, the lawful currency of the PRC
“Supplemental Agreement to the Cooperation Agreement”	the supplemental agreement to the Cooperation Agreement dated 24 September 2021 entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital
“Supplemental Agreement to the Framework Sale and Leaseback Agreement”	the supplemental agreement to the Framework Sale and Leaseback Agreement dated 24 September 2021 entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital
“Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement”	the supplemental agreement to the Framework Vehicle Sale and Purchase Agreement dated 24 September 2021 entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries and fellow subsidiaries) and eCapital

“Supplemental
Agreements”

the Supplemental Agreement to the Framework Sale and Leaseback Agreement, the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, and the Supplemental Agreement to the Cooperation Agreement

By order of the Board
BetterLife Holding Limited
Chou Patrick Hsiao-Po
Chairman

Hong Kong, 24 September 2021

As at the date of this announcement, the executive Directors are Mr. Chou Patrick Hsiao-Po, Ms. Sun Jing, Ms. Wei Hongjing and Mr. Chau Kwok Keung, and the independent non-executive Directors are Mr. Liu Dengqing, Mr. Wong Ka Kit and Mr. Yau Ka Chi.

This announcement is available for viewing on the Company's website at www.blchina.com and the website of the Stock Exchange at www.hkexnews.hk.