
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to what action to take in relation to this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional public accountant or other professional adviser.

If you have sold or transferred all your shares in A-Living Smart City Services Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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A-LIVING SMART CITY SERVICES CO., LTD.*
雅生活智慧城市服務股份有限公司

(a joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 3319)

(1) REPORT OF THE BOARD OF DIRECTORS FOR 2021
(2) REPORT OF THE SUPERVISORY COMMITTEE FOR 2021
(3) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2021
(4) 2021 ANNUAL REPORT
(5) ANNUAL FINANCIAL BUDGET FOR 2022
(6) PROPOSED DECLARATION OF 2021 FINAL DIVIDEND
(7) REMUNERATION OF DIRECTORS
(8) REMUNERATION OF SUPERVISORS
(9) RE-APPOINTMENT OF AUDITOR FOR 2022
(10) GENERAL MANDATE TO ISSUE ADDITIONAL SHARES
(11) GENERAL MANDATE TO BUY BACK SHARES
AND
NOTICE OF 2021 ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting of A-Living Smart City Services Co., Ltd. to be held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Friday, 17 June 2022 at 3:00 p.m. is set out on pages 18 to 21 of this circular. A proxy form for use at the Annual General Meeting is also enclosed. Such proxy form is also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.agileliving.com.cn>).

Shareholders who intend to appoint a proxy to attend the Annual General Meeting shall complete and return the enclosed proxy form in accordance with the instructions printed thereon not less than 24 hours before the time fixed for holding the Annual General Meeting or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

* *For identification purposes only*

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“2021 Annual Report”	the annual report of the Company for the year ended 31 December 2021, which has been published on the websites of the Hong Kong Stock Exchange (http://www.hkexnews.hk) and the Company (http://www.agileliving.com.cn)
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Friday, 17 June 2022 at 3:00 p.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 18 to 21 of this circular, or any adjournment thereof
“Articles of Association”	the articles of association of the Company currently in force
“associate”	has the meaning as ascribed to it under the Listing Rules
“Board”	the board of Directors
“Buy-Back General Mandate”	a general mandate to be granted to the Board for exercising the power of the Company to buy back H Shares not exceeding 10% of the total number of H Shares in issue on the date of passing the related resolution, subject to the conditions set out in the resolution proposed at the AGM for approving the general mandate
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to “China” and the “PRC” do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	A-Living Smart City Services Co., Ltd.*, a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Company Law”	the Company Law of the People’s Republic of China
“Director(s)”	the director(s) of the Company

DEFINITIONS

“Domestic Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“Group” or “we”	the Company and its subsidiaries
“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 Hong Kong dollars and listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$” or “Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Issue General Mandate”	a general mandate to be granted to the Board for exercising the power of the Company to issue H Shares not exceeding 20% of the total number of H Shares in issue on the date of passing the related resolution, subject to the conditions set out in the resolution proposed at the AGM for approving the general mandate
“Latest Practicable Date”	28 April 2022, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Share(s)
“Supervisor(s)”	the supervisor(s) of the Company
“Supervisory Committee”	the supervisory committee of the Company
“Takeovers Code”	The Hong Kong Codes on Takeovers and Mergers and Share Buy-backs

PRECAUTIONARY MEASURES FOR THE AGM

In view of the outbreak of coronavirus disease (COVID-19) pandemic (the “**COVID-19 Pandemic**”), to safeguard the health and safety of Shareholders who might be attending the AGM in person, the Company will implement the following precautionary measures at the AGM:

- Each attendee will be required to undergo a mandatory body temperature check and sign a health declaration form before entering the AGM venue. Any person with a body temperature above 37.4 degree Celsius, or is exhibiting flu-like symptoms, may be denied entry into the AGM venue and be required to leave the AGM venue.
- Shareholders, proxies and other attendees are required to comply with the latest epidemic prevention policy requirements of the PRC government and present the corresponding health certificate. Any person who does not comply with this requirement will be required to leave the AGM venue.
- Shareholders, proxies and other attendees are required to wear surgical face masks inside the AGM venue at all times. Any person who does not comply with this requirement will be required to leave the AGM venue.
- No refreshments will be served at the AGM.

Shareholders who are feeling unwell are advised not to attend the AGM.

For the health and safety of our Shareholders, the Company would like to encourage Shareholders to appoint the chairman of the AGM as their proxy to vote on the relevant resolution at the AGM, instead of attending the AGM in person.

As the COVID-19 Pandemic continues to evolve, the Company will closely monitor the situation and reserves the right to take further measures as appropriate in order to minimise any risk to Shareholders and others attending the AGM and to comply with any requirements or recommendations of any government agencies from time to time. Shareholders are advised to check the Company’s website at <http://www.agileliving.com.cn> for further announcements and updates on the AGM arrangements that may be issued.

The Company seeks the understanding and cooperation of all Shareholders to minimise the risk of community spread of COVID-19 Pandemic.

LETTER FROM THE BOARD

A-LIVING SMART CITY SERVICES CO., LTD.*

雅生活智慧城市服務股份有限公司

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

(Stock Code: 3319)

Executive Directors:

Mr. Chan Cheuk Hung (*Co-chairman*)
Mr. Huang Fengchao (*Co-chairman*)
Mr. Li Dalong (*President (General Manager)*
and Chief Executive Officer)

Registered Office in the PRC:

Management Building, Xingye Road
Agile Garden, Sanxiang Town
Zhongshan
Guangdong Province, PRC

Non-executive Directors:

Mr. Wei Xianzhong
Ms. Yue Yuan

Principal Place of Office in the PRC:

35/F, Agile Center
26 Huaxia Road
Zhujiang New Town
Tianhe District, Guangzhou
Guangdong Province, PRC

Independent Non-executive Directors:

Mr. Wan Kam To
Ms. Wong Chui Ping Cassie
Mr. Weng Guoqiang

Principal Place of Business in Hong Kong:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

29 April 2022

To the Shareholders

Dear Sir/Madam,

- (1) REPORT OF THE BOARD OF DIRECTORS FOR 2021**
 - (2) REPORT OF THE SUPERVISORY COMMITTEE FOR 2021**
 - (3) AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR 2021**
 - (4) 2021 ANNUAL REPORT**
 - (5) ANNUAL FINANCIAL BUDGET FOR 2022**
 - (6) PROPOSED DECLARATION OF 2021 FINAL DIVIDEND**
 - (7) REMUNERATION OF DIRECTORS**
 - (8) REMUNERATION OF SUPERVISORS**
 - (9) RE-APPOINTMENT OF AUDITOR FOR 2022**
 - (10) GENERAL MANDATE TO ISSUE ADDITIONAL SHARES**
 - (11) GENERAL MANDATE TO BUY BACK SHARES**
- AND**
- NOTICE OF 2021 ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the AGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the AGM.

LETTER FROM THE BOARD

2. BUSINESSES TO BE CONSIDERED AT THE AGM

The businesses to be considered at the AGM are described in more details in the section headed “Notice of 2021 Annual General Meeting” as set out on pages 18 to 21 of this circular.

At the AGM, ordinary resolutions will be proposed to consider and approve the following:

- (a) the report of the Board for the year ended 31 December 2021 (the “**2021 Report of the Board**”);
- (b) the report of the Supervisory Committee for year ended 31 December 2021 (the “**2021 Report of the Supervisory Committee**”);
- (c) the audited consolidated financial statements of the Company for the year ended 31 December 2021 (the “**2021 Financial Statements**”);
- (d) the 2021 Annual Report;
- (e) the annual financial budget of the Company for the year ending 31 December 2022 (the “**2022 Financial Budget**”);
- (f) the declaration of a final dividend of RMB0.41 per Share (before tax) for the year ended 31 December 2021;
- (g) the authorisation of the Board to determine the remuneration of the Directors;
- (h) the authorisation of the Supervisory Committee to determine the remuneration of the Supervisors; and
- (i) the re-appointment of PricewaterhouseCoopers as the auditor of the Company for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine their remuneration.

At the AGM, special resolutions will be proposed to consider and approve the following:

- (a) the Issue General Mandate; and
- (b) the Buy-Back General Mandate.

In order to enable you to have a better understanding of the resolutions to be proposed at the AGM and to make an informed decision in the circumstances where sufficient and necessary information are available, we have provided detailed information in this circular to the Shareholders.

LETTER FROM THE BOARD

3. BUSINESSES OF THE AGM

Ordinary Resolutions

3.1 To consider and approve the 2021 Report of the Board

The text of the 2021 Report of the Board is set out in the section headed “Report of the Board of Directors” in the 2021 Annual Report.

The 2021 Report of the Board was considered and approved by the Board on 29 April 2022 and is hereby proposed at the AGM for consideration and approval.

3.2 To consider and approve the 2021 Report of the Supervisory Committee

The text of the 2021 Report of the Supervisory Committee is set out in the section headed “Report of the Supervisory Committee” in the 2021 Annual Report.

The 2021 Report of the Supervisory Committee was considered and approved by the Supervisory Committee on 29 April 2022 and is hereby proposed at the AGM for consideration and approval.

3.3 To consider and approve the 2021 Financial Statements

Please refer to the audited consolidated financial statements in the 2021 Annual Report.

The 2021 Financial Statements were considered and approved by the Board on 29 April 2022 and are hereby proposed at the AGM for consideration and approval.

3.4 To consider and approve the 2021 Annual Report

The 2021 Annual Report was considered and approved by the Board on 29 April 2022 and is hereby proposed at the AGM for consideration and approval.

3.5 To consider and approve the 2022 Financial Budget

The 2022 Financial Budget was considered and approved by the Board on 29 April 2022 and is hereby proposed at the AGM for consideration and approval, the specific details of which are as follows:

After comprehensively considering the economic situation, financial environment, development trend of the industry over the past three years and the Company’s three-year business objectives, the 2022 Financial Budget was formulated mainly as follows:

- I. the total budget of operating cost and expenses (deducting taxes, surcharges and non-operating expenses) of the Company in 2022 is estimated to be approximately RMB13.3 billion; and

LETTER FROM THE BOARD

- II. in view of the strategic and business development, the budget amount of the Company's additional capital expenditure in 2022 is estimated to be approximately RMB80 million (excluding the capital expenditure of investment and mergers and acquisitions).

The above budget amounts are only used as projections of the Company based on the business plan, the actual expenditure shall be recorded based on the actual prices and market conditions when the relevant transactions occur.

3.6 To consider and approve the proposed final dividend

The Board proposed the distribution of a final dividend of RMB0.41 per share (before tax) for the year ended 31 December 2021 (the “**Final Dividend**”), the dividend payout ratio will be equivalent to 25.2%, and the amount of which will be subject to the approval of the Shareholders at the AGM. Final Dividend payable to the shareholders of Domestic Shares will be paid in Renminbi, whereas Final Dividend payable to the shareholders of H Shares will be declared in Renminbi and paid in Hong Kong dollars (except for the holders of H Shares who became Shareholders through the Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Markets and the Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets, whose Final Dividend will be paid in Renminbi), the exchange rate of which will be calculated based on the average exchange rate of RMB against Hong Kong dollars published by The People's Bank of China five business days prior to the 2021 AGM. Subject to the approval of the 2021 AGM, the Final Dividend will be paid on or about Tuesday, 2 August 2022.

Upon obtaining approval of the Shareholders at the AGM, the Final Dividend will be payable to Shareholders whose names appear on the register of members of the Company as at the close of business on Tuesday, 28 June 2022. For the purpose of determining the entitlement of the shareholders of H Shares of the Company to the Final Dividend, the H Shares register of members of the Company will be closed from Thursday, 23 June 2022 to Tuesday, 28 June 2022, both days inclusive, during which period no transfer of H Shares will be registered. In order for the shareholders of H Shares to qualify for the proposed Final Dividend, all properly completed share transfer forms together with the relevant share certificates must be lodged with the Company's H Share Registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration, no later than 4:30 p.m. on Wednesday, 22 June 2022.

According to the Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法》) which came into effect on 1 January 2008, and amended on 24 February 2017 and 29 December 2018, the Provision for Implementation of Enterprise Income Tax Law of the People's Republic of China (《中華人民共和國企業所得稅法實施條例》) which took effect on 1 January 2008, and the Notice on the Issues Concerning Withholding the Enterprise Income Tax on the Dividends Paid by Chinese Resident Enterprise to H Shareholders which are Overseas Non-resident Enterprises (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關

LETTER FROM THE BOARD

問題的通知》(國稅函[2008]897號)), which was promulgated by the State Administration of Taxation and came into effect on 6 November 2008, etc., where a PRC domestic enterprise distributes dividends for 2008 and subsequent years for financial periods beginning from 1 January 2008 to non-resident enterprise shareholders, it is required to withhold 10% enterprise income tax for such non-resident enterprise shareholders. Therefore, as a PRC domestic enterprise, the Company will, after withholding 10% of the Final Dividend as enterprise income tax, distribute the Final Dividend to non-resident enterprise shareholders whose names appear on the H Shares register of members of the Company, i.e. any shareholders who hold H Shares in the name of non-individual shareholders, including but not limited to HKSCC Nominees Limited, other nominees, trustees, or shareholders of H Shares registered in the name of other organizations and groups. After receiving dividends, the non-resident enterprise shareholders may apply to the relevant tax authorities for enjoying treatment of taxation treaties (arrangement) in person or by proxy or by the Company, and provide information to prove that it is an actual beneficiary under the requirements of such taxation treaties (arrangement). After the tax authorities have verified that there is no error, it shall refund tax difference between the amount of tax levied and the amount of tax payable calculated at the tax rate under the requirements of the relevant taxation treaties (arrangement).

In accordance with requirement of the Circular on Certain Issues Concerning the Policies of Individual Income Tax (Cai Shui Zi [1994] No. 020) (《關於個人所得稅若干政策問題的通知》(財稅字[1994]020號)) which was promulgated by the Ministry of Finance and the State Administration of Taxation and came into effect on 13 May 1994, overseas individuals are exempted from the individual income tax for dividends or bonuses received from foreign-invested enterprises. Therefore, as a foreign-invested enterprise, the Company will not withhold PRC individual income tax on behalf of overseas individual shareholders whose names appear on the H Shares register of members of the Company when the Company distributes the dividends.

Final Dividend for Investors of Southbound Trading

For investors (including enterprises and individuals) investing in the H Shares listed on the Hong Kong Stock Exchange through Shanghai Stock Exchange and Shenzhen Stock Exchange (collectively the “**Southbound Trading**”), the Company has entered into the Agreement on Distribution of Cash Dividends of H shares for Southbound Trading with China Securities Depository and Clearing Corporation Limited, pursuant to which, the Shanghai Branch of China Securities Depository and Clearing Corporation Limited or the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited, as the nominees of the investors for Southbound Trading, will receive the cash dividends distributed by the Company and distribute the cash dividends to the relevant investors of Southbound Trading through its depository and clearing system. The cash dividends of the investors of Southbound Trading will be distributed in Renminbi.

LETTER FROM THE BOARD

According to the provisions of the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Inter-connected Mechanism for Trading on the Shanghai and Hong Kong Stock Connect (Caishui [2014] No. 81) (《關於滬港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2014]81號)) and the Notice on the Relevant Tax Policies Concerning the Pilot Program of an Inter-connected Mechanism for Trading on the Shenzhen and Hong Kong Stock Markets (Cai Shui [2016] No. 127) (《關於深港股票市場交易互聯互通機制試點有關稅收政策的通知》(財稅[2016]127號)), the income tax implications on dividends and bonuses received by Mainland individual investors, Mainland securities investment funds and Mainland enterprise investors are as follows:

- (i) for Mainland individual investors, H share companies shall withhold the individual income tax for these investors at the tax rate of 20% on dividends and bonuses received by them from investing in H Shares listed on the Hong Kong Stock Exchange via Southbound Trading;
- (ii) for dividends and bonuses received by Mainland securities investment funds from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the individual income tax shall be levied in accordance with the above provisions; and
- (iii) for dividends and bonuses received by Mainland enterprise investors from investing in shares listed on the Hong Kong Stock Exchange via Southbound Trading, the income tax on the Mainland enterprises shall not be withheld by the H share companies. The tax payable shall be declared and paid by the enterprises.

For dividends and bonuses received by the Mainland resident enterprises after holding the H shares for 12 months continuously, the enterprise income tax will be exempted according to laws.

The record date and the date of distribution of cash dividends and other time arrangements for the investors of Southbound Trading will be the same as those for the shareholders of H Shares.

3.7 To authorise the Board to determine the remuneration of the Directors

3.8 To authorise the Supervisory Committee to determine the remuneration of the Supervisors

3.9 To consider and approve the re-appointment of PricewaterhouseCoopers as the auditor of the Company for 2022 for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine their remuneration

LETTER FROM THE BOARD

Special Resolutions

3.10 To consider and approve the grant of the Issue General Mandate

In order to meet the capital requirements of the Company for its continuous business development, to utilise financing platforms effectively and flexibly and to take advantage of capital market windows in a timely manner, and in accordance with the applicable laws and regulations of the PRC, the Listing Rules and the Articles of Association, the Company proposes to grant the new Issue General Mandate to the Board by way of a special resolution at the AGM to allot, issue and deal with additional H Shares not exceeding 20% of the total number of H Shares in issue on the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 1,420,000,800 H Shares. Subject to the passing of the resolution related to the granting of the Issue General Mandate and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 284,000,160 H Shares in accordance with the Issue General Mandate.

(A) Specific plans on the Issue General Mandate:

- (a) Subject to the conditions set out in (b) below, the Board is hereby authorised to approve, allot, issue, grant and/or otherwise deal with Shares (H Shares), securities convertible into Shares, and options, warrants to subscribe for or convertible into Shares or other securities with rights to subscribe for or convert into Shares, separately or at the same time during the Relevant Period (as defined below).

Notwithstanding the fulfillment of the conditions set out in (b) below, if the allotment of voting shares will result in a de facto change of control of the Company, the Board shall separately obtain authorisation by way of a special resolution in advance before making such an allotment.

- (b) The number of Shares (H Shares), securities convertible into Shares, or options, warrants to subscribe for or convertible into Shares or other securities with rights to subscribe for or convert to Shares (which shall be calculated on the basis of the number of H Shares that such securities can be converted into/be allotted) proposed to be approved, allotted, issued, granted and/or otherwise dealt with by the Board shall not exceed 20% of H Shares in issue of the Company as at the date on which this resolution is passed at the Annual General Meeting.

- (c) For the purposes of this resolution:

“Relevant Period” means the period from the date on which this special resolution is passed at the AGM until the earliest of: (1) the conclusion of the next annual general meeting of the Company following the date of passing of this resolution; (2) the expiration of twelve months following the date of passing of this resolution; and (3) the date on which the authority granted to the Board under this resolution is revoked or varied by a special resolution of the Shareholders at a general meeting.

LETTER FROM THE BOARD

- (d) The Board is hereby authorised to determine the details of the issuance plan, including but not limited to: (1) the class and number of Shares proposed to be issued; (2) the pricing basis and/or the offer price (including the price range); (3) the date of opening and closing of the issuance; (4) the specific use of the proceeds raised; (5) the recommendation, agreement and share options to be made or granted for the exercise of the said power; and (6) other contents to be included in the detailed issuance plan as required by the relevant laws and regulations and other regulatory documents, the relevant regulatory authorities and the local stock exchange.
- (e) The Board is hereby authorised to implement the issuance plan and deal with the matters related to an increase in the registered capital of the Company so as to reflect the Shares authorised to be issued by the Company under this resolution, and to make such amendments as it deems appropriate and necessary to the provisions related to the issuance of Shares and registered capital in the Articles of Association, and to adopt and complete any other actions and procedures that are necessary for the implementation of the issuance plan and the completion of the increase in the registered capital of the Company.

(B) Relevant mandate

In order to enhance the efficiency of decision-making, reduce internal approval procedures and grasp market opportunities, in respect of the Issue General Mandate to issue Shares, it is proposed to the general meeting to approve the authorisation of the Board and any persons authorised by the Board to deal with the matters in connection with the Issue General Mandate to issue Shares. The specific details of the mandate given to the authorised persons will be separately determined upon the exercise of the Issue General Mandate by the Board under this resolution.

3.11 To consider and approve the grant of the Buy-Back General Mandate

The Company Law (to which the Company is subject and has incorporated in its Articles of Association) provides that a joint stock limited company incorporated in the PRC may not buy back its shares unless such buy-back is effected for the purpose of (a) cancellation of shares for the purpose of reducing its capital; (b) merging with other companies that hold shares in the Company; (c) allocating shares for the purpose of the employee stock ownership plan or share incentive plan; (d) shareholders objecting to resolutions of the general meeting of shareholders concerning merger or division of the Company, requiring the Company to buy their shares; (e) allocating shares for the conversion of corporate bonds which are convertible into shares issued by the Company; or (f) as necessary for maintaining the value of the Company and safeguarding the rights and interests of shareholders. Upon the approval of relevant regulatory authorities in the PRC and in compliance with the Articles of Association, the Company may buy back its H Shares for the abovementioned purposes. However, in accordance with the Listing Rules, any H Shares bought back can only be cancelled and the registered capital of the Company shall be reduced accordingly.

LETTER FROM THE BOARD

PRC laws and regulations and the Listing Rules permit shareholders of a PRC joint stock limited company to grant a general mandate to the directors to buy back H shares of such company that are listed on the Hong Kong Stock Exchange. Such mandate is required to be given by way of a special resolution passed by shareholders in a general meeting.

As the H Shares are traded on the Hong Kong Stock Exchange in Hong Kong dollars and the price payable by the Company upon any buy-back of H Shares will, therefore, be paid in Hong Kong dollars, and the approvals of the State Administration of Foreign Exchange of the PRC and other relevant authorities will be required.

In accordance with the requirements of the Articles of Association applicable to capital reduction, the Company will have to notify its creditors of the passing of the resolution for the reduction of the registered capital of the Company within 10 days after the passing of such resolution and also by way of the publication on a newspaper within 30 days after the passing of the resolution. Creditors shall have the right to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after receipt of the notice or within 45 days after the announcement if the creditors have not received the notice.

Accordingly, approval is being sought from the Shareholders for a general mandate to buy back H Shares in issue. In accordance with the legal and regulatory requirements described herein, the Directors will convene and hold the AGM and a special resolution will be proposed to grant the Board the Buy-Back General Mandate, details of which will be set out in the notice of the AGM. The H Shares which may be bought back pursuant to the Buy-Back General Mandate shall not exceed 10% of the number of H Shares in issue of the Company as at the date of passing of the resolution(s) approving the Buy-Back General Mandate. The period of the Buy-Back General Mandate shall not exceed the relevant period (the “**Relevant Period**”). The Relevant Period commences from the day when the authority conferred by this special resolution is approved by a special resolution of shareholders at a general meeting and ends at the earlier of: (a) the expiration of twelve months after the passing of this special resolution at the AGM; (b) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution at a general meeting; or (c) the conclusion of the next annual general meeting of the Company following the date of passing of this resolution.

An explanatory statement giving certain information regarding the Buy-Back General Mandate is set out in Appendix to this circular.

4. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The proxy form of the AGM is enclosed.

If you intend to appoint a proxy to attend the AGM, you are required to complete the accompanying proxy form in accordance with the instructions printed thereon and return it by personal delivery or by post not less than 24 hours before the time fixed for holding the AGM or any adjourned meeting thereof. For shareholders of H Shares, the proxy form should be returned to the Company’s H Share Registrar, Tricor Investor Services Limited, at Level 54,

LETTER FROM THE BOARD

Hopewell Centre, 183 Queen's Road East, Hong Kong. For shareholders of Domestic Shares, the proxy form should be returned 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. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or at any other adjourned meeting should you so wish.

5. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the AGM will exercise his power under the Articles of Association to demand a poll in relation to all the proposed resolutions at the AGM.

6. RECOMMENDATION

The Board considers that all the resolutions proposed at the AGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of these proposed resolutions at the AGM.

Yours faithfully,
For and on behalf of the Board
A-Living Smart City Services Co., Ltd.*
Chan Cheuk Hung/Huang Fengchao
Co-chairman

* *for identification purposes only*

In accordance with the Listing Rules, this appendix serves as the explanatory statement to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the special resolution(s) to be proposed at the AGM for the grant of the Buy-Back General Mandate to the Directors.

BUY-BACK GENERAL MANDATE

Reasons for buying back H Shares

The Directors believe that the flexibility afforded by the Buy-Back General Mandate would be beneficial to and in the best interest of the Company and its Shareholders. Such buy-backs may, depending on market conditions and funding arrangements at such time, lead to an enhancement of the net asset value per Share and/or earnings per Share of the Company. Such buy-backs will only be made when the Directors believe that such buy-backs will benefit the Company and its Shareholders.

Registered Capital

As at the Latest Practicable Date, the total number of issued Shares of the Company was RMB1,420,000,800 comprising 1,420,000,800 H Shares of RMB1.00 each.

Exercise of the Buy-Back General Mandate

Subject to the passing of the special resolution in relation to the grant of the Buy-Back General Mandate to the Board proposed at the AGM, the Board will be granted the Buy-Back General Mandate until the earlier of (a) the expiry date of 12 months after the passing of the special resolution at the AGM; (b) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution at a general meeting; or (c) the conclusion of the next annual general meeting of the Company (the “**Relevant Period**”). The exercise of the Buy-Back General Mandate is subject to the approval of the relevant PRC regulatory authorities as required by the laws, rules and regulations of the PRC being obtained (if applicable).

In accordance with the Listing Rules, the Company will not buy back H Shares if the purchase price is higher by 5% or more than the average closing market price for the 5 preceding trading days on which H Shares were traded on the Hong Kong Stock Exchange.

The exercise in full of the Buy-Back General Mandate (on the basis of 1,420,000,800 H Shares in issue as at the Latest Practicable Date and no H Shares will be allotted and issued or bought back by the Company on or prior to the date of the AGM) would result in a maximum of 142,000,080 H Shares that may be bought back by the Company during the Relevant Period, being the maximum of 10% of the total H Shares in issue as at the date of passing the relevant resolution(s).

Funding of Buy-Backs

In repurchasing its H Shares, the Company intends to apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC. The Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the H Shares so cancelled. The Company may not buy back securities on the Hong Kong Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Hong Kong Stock Exchange from time to time.

GENERAL INFORMATION

An exercise of the Buy-Back General Mandate in full could have a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the latest published audited accounts contained in the annual report of the Company for the year ended 31 December 2021) at any time during the proposed buy-back period. However, the Directors do not propose to exercise the Buy-Back General Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital needs of the Company or the gearing level of the Company. The number of H Shares to be bought back on any occasion and the price and other terms upon which the same are bought back will be decided by the Directors at the relevant time having regarded to the circumstances then prevailing, in the best interests of the Company.

The Directors have undertaken to the Hong Kong Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make buy-back under the Buy-Back General Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

STATUS OF BOUGHT BACK H SHARES

The Listing Rules provide that the listing of all the H Shares bought back by the Company shall automatically be cancelled, and the registered capital of the Company shall be reduced accordingly based on the total nominal value of H Shares cancelled.

H SHARES PRICES

The highest and lowest prices at which the H Shares have been traded on the Hong Kong Stock Exchange during each of the twelve months preceding the Latest Practicable Date were as follows:

	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2021		
April	37.15	31.05
May	40.25	34.05
June	38.65	32.95
July	39.55	26.25
August	32.55	28.15
September	31.60	24.40
October	30.95	26.05
November	26.00	17.96
December	18.98	12.74
2022		
January	16.18	12.00
February	17.64	13.80
March	15.36	8.50
April (up to the Latest Practicable Date)	14.20	10.86

H SHARES BOUGHT BACK BY THE COMPANY

No buy-back of H Shares has been made by the Company in the previous six months preceding the Latest Practicable Date (whether on the Hong Kong Stock Exchange or otherwise).

DISCLOSURE OF INTERESTS

If as a result of share buy-back by the Company, a substantial shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purpose of the Takeovers Code. Accordingly, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of the Company or become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, Agile Group Holdings Limited, whose interest in the Company is notifiable under Part XV (Disclosure of Interests) of the SFO, held approximately 54.31% of the total number of issued Shares. In the event that the Directors exercised in full the power to buy back H Shares in accordance with the terms of the Buy-Back General Mandate proposed at the AGM, the shareholding of Agile Group Holdings Limited would

increase to approximately 60.35% of the total number of issued Shares of the Company. The Directors are not aware of any consequences which will arise under the Takeovers Code and/or any similar applicable law, as a result of any buy-backs to be made under the Buy-Back General Mandate. Moreover, the Directors will not make share buy-back on the Hong Kong Stock Exchange if such buy-back would result in the requirements under Rule 8.08 of the Listing Rules not being complied with.

None of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) presently intends to sell H Shares to the Company under the Buy-Back General Mandate in the event that the Buy-Back General Mandate is approved by the Shareholders and the conditions (if any) to which the Buy-Back General Mandate is subject are fulfilled.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any H Shares to the Company, or that they have undertaken not to sell any H Shares held by them to the Company in the event that the Buy-Back General Mandate is approved by its Shareholders and the conditions (if any) to which the Buy-Back General Mandate is subject are fulfilled.

NOTICE OF 2021 ANNUAL GENERAL MEETING

A-LIVING SMART CITY SERVICES CO., LTD.*

雅生活智慧城市服務股份有限公司

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

(Stock Code: 3319)

NOTICE OF 2021 ANNUAL GENERAL MEETING

TO BE HELD ON 17 JUNE 2022

NOTICE IS HEREBY GIVEN THAT the 2021 annual general meeting (the “**AGM**”) of A-Living Smart City Services Co., Ltd. (the “**Company**”) will be held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Friday, 17 June 2022 at 3:00 p.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To consider and approve the report of the board of directors (the “**Board**”) of the Company for the year ended 31 December 2021.
2. To consider and approve the report of the supervisory committee of the Company (the “**Supervisory Committee**”) for the year ended 31 December 2021.
3. To consider and approve the audited consolidated financial statements of the Company for the year ended 31 December 2021.
4. To consider and approve the annual report of the Company for the year ended 31 December 2021.
5. To consider and approve the annual financial budget of the Company for the year ending 31 December 2022.
6. To declare a final dividend of RMB0.41 per share (before tax) for the year ended 31 December 2021.
7. To authorise the Board to determine the remuneration of the Directors.
8. To authorise the Supervisory Committee to determine the remuneration of the Supervisors.
9. To consider and approve the re-appointment of PricewaterhouseCoopers as the auditor of the Company for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board to determine their remuneration.

NOTICE OF 2021 ANNUAL GENERAL MEETING

SPECIAL RESOLUTIONS

10. To grant a general mandate to the Board to allot, issue and deal with additional H shares not exceeding 20% of the total number of issued H shares of the Company and to authorise the Board to make such amendments as it deems appropriate to the provisions of the articles of association of the Company, so as to reflect the new capital structure upon additional allotment and issuance of shares pursuant to such mandate. Details of the resolutions are set out in the circular of the Company dated 29 April 2022.
11. To consider and, if thought fit, to approve the following general mandate for the Board and the persons authorised by the Board to buy back the Company's H shares:
 - (1) the Board be granted a general mandate, by reference to market conditions and in accordance with needs of the Company, to buy back the Company's H shares not exceeding 10% of the number of the Company's H shares in issue at the time when this resolution is passed at the AGM.
 - (2) the Board be authorised to (including but not limited to the following):
 - (i) formulate and implement the buy-back plan, including but not limited to determining the time of buy-back, period of buy-back, buy-back price and number of shares to buy back, etc.;
 - (ii) notify creditors and issue announcements pursuant to the requirements of the laws and regulations such as Company Law and the articles of association of the Company;
 - (iii) open overseas share accounts and money accounts and to carry out related change of foreign exchange registration procedures;
 - (iv) carry out relevant approval or filing procedures (if any) pursuant to the applicable laws, regulations and rules;
 - (v) carry out cancellation procedures for bought back shares, make corresponding amendments to the articles of association of the Company relating to, among others, share capital and shareholdings, and carry out modification registrations and make filings;
 - (vi) execute and deal with any documents and matters related to share buy-back.

NOTICE OF 2021 ANNUAL GENERAL MEETING

(3) Authorisation period

The period of above general mandate shall not exceed the relevant period (the “**Relevant Period**”). The Relevant Period commences from the day when the authority conferred by this special resolution is approved by a special resolution of shareholders at the AGM and ends at the earlier of:

- (i) the expiration of twelve months after the passing of this special resolution at the AGM;
- (ii) the date on which the authority conferred by this special resolution is revoked or varied by a special resolution at a general meeting; or
- (iii) the conclusion of the next annual general meeting of the Company following the date of passing of this resolution.

By Order of the Board
A-Living Smart City Services Co., Ltd.*
Chan Cheuk Hung/Huang Fengchao
Co-chairman

Hong Kong, 29 April 2022

As at the date of this notice, 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. Weng Guoqiang^{^^^}.

[^] *Executive Directors*

^{^^} *Non-executive Directors*

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

NOTICE OF 2021 ANNUAL GENERAL MEETING

Notes:

1. All resolutions at the AGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.agileliving.com.cn>) in accordance with the Listing Rules.
2. All shareholders of the Company are eligible for attending the AGM. Any shareholder of the Company entitled to attend and vote at the AGM convened by the above notice is entitled to appoint a proxy or more than one proxy to attend the AGM and vote instead of him/her. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. Every shareholder of the Company present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be completed and returned to (i) the Company's principal place of office in the People's Republic of China (the “**PRC**”) at 35th Floor, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC (for shareholders of Domestic Shares) or (ii) the Company's H share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for shareholders of H Shares) not less than 24 hours before the time appointed for the AGM. Completion and return of the proxy form will not preclude a shareholder of the Company from attending and voting at the AGM or any adjourned meeting thereof should he/she so wish.
4. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Wednesday, 18 May 2022 to Friday, 17 June 2022, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the AGM, shareholders of H Shares whose transfer documents have not been registered are required to submit the share certificates together with the properly completed share transfer forms to the Company's H share registrar, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong no later than 4:30 p.m. on Tuesday, 17 May 2022 for registration. Shareholders of H Shares who are registered with Tricor Investor Services Limited on or before the aforementioned date are entitled to attend the AGM.
5. The AGM is expected to take no more than half a day. Shareholders of the Company who attend the AGM (in person or by proxy) shall bear their own travelling and accommodation expenses. Shareholders of the Company may contact the Investor Relations Department of the Company at (852) 2740 8921 (telephone number) and ir@agileliving.com.cn for any enquires in respect of the AGM.

* *for identification purposes only*