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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)

**CONNECTED TRANSACTIONS IN RELATION TO THE
PROPERTY LEASE AGREEMENTS**

**CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE
(I) RENEWAL OF THE EXISTING AGREEMENTS AND
(II) ENTERING INTO THE FRAMEWORK SECOND-HAND VEHICLE SALE AND
PURCHASE AGREEMENT**

SUMMARY

On 29 September 2023 (after trading hours), the Group entered into property lease agreements with each of Beijing Zhoushi, Chengdu Riyue and Oule Hangzhou, respectively, to continue to lease the properties under the Existing Leases and to expand certain new lease area on the terms of the Property Lease Agreements.

As the Group intends to carry on the continuing connected transactions under the Existing Agreements after 31 December 2023 due to business requirement and operational needs, on 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries) entered into (i) the 2024 Framework Property Management Service Agreement, (ii) the 2024 Framework IT Support Service Agreement, (iii) the 2024 Framework Sale and Leaseback Agreement, (iv) the 2024 Framework Vehicle Sale and Purchase Agreement, (v) the 2024 Cooperation Agreement and (vi) the 2024 Framework Vehicle Repair and Maintenance Agreement, for a term of three years ending 31 December 2026, to renew the Existing Agreements. The principal terms of each of the aforesaid agreements are substantially the same as the relevant Existing Agreements.

On 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the Framework Second-hand Vehicle Sale and Purchase Agreement, pursuant to which eCapital (or its subsidiaries) shall sell the second-hand vehicles registered under its name to BetterLife International and/or its subsidiaries, for a term of three years ending 31 December 2026.

As the proposed entering into of the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement are subject to, among other things, the Independent Shareholders' approval, it may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

I. CONNECTED TRANSACTIONS

As disclosed in the section headed “Business — Leased Properties” of the Prospectus, the Group leased various properties from each of Beijing Zhoushi, BetterLife Tianjin, Beijing BetterLife Group and Oule Hangzhou. As the terms of the Existing Leases will expire on 30 November 2023 or 31 December 2023 (as the case may be) and in order to meet the Group’s continuous and expanding operational needs, the Group entered into the Property Lease Agreements on 29 September 2023 to govern the renewal of the Existing Leases and to expand certain new lease area.

A. ENTERING INTO THE PROPERTY LEASE AGREEMENTS

On 29 September 2023 (after trading hours), the Group entered into property lease agreements with each of Beijing Zhoushi, Chengdu Riyue and Oule Hangzhou, respectively, to continue to lease the properties under the Existing Leases and to expand certain new lease area on the terms of the Property Lease Agreements, the particulars of which are set out below.

The principal terms of the Property Lease Agreements and the value of right-of-use asset to be recognised by the Group in respect of the lease of the properties under each of the Property Lease Agreements are set out below:

No.	Lessee	Lessor	Address of the property lease	Use	Gross Floor Area (sq.m.)	Lease term	Annual Rental (RMB)	Value of Right-of-use Assets (RMB)
1.	Beijing BetterLife Group	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Offices	2,460	1 January 2024 to 31 December 2026	3,861,000	10,353,494
2.	Tianjin Laifutai Beijing Branch	Beijing Zhoushi	Building 27, 35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院27號樓)	Offices	30*	1 January 2024 to 31 December 2026	18,600	49,877

No.	Lessee	Lessor	Address of the property lease	Use	Gross Floor Area (sq.m.)	Lease term	Annual Rental (RMB)	Value of Right-of-use Assets (RMB)
3.	Hainan Liya	Beijing Zhoushi	Four warehouses on the second floor of the 3M Automobile workshop, Building 24, 35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院24號樓3M車間二層4間庫房)	Warehouses	130	1 January 2024 to 31 December 2026	85,440	229,112
4.	Beijing BetterLife Star	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Workshops	994.9	1 January 2024 to 31 December 2026	653,640	1,752,773
5.	Beijing BetterLife Star	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Workshops	1,793.3	1 January 2024 to 31 December 2026	1,898,160	5,090,025
6.	Beijing BetterLife Star	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Dormitories for employees	356	1 January 2024 to 31 December 2026	532,800	1,428,734
7.	Beijing BetterLife Star	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Workshops	1,544.6	1 January 2024 to 31 December 2026	1,014,840	2,721,352
8.	Beijing BetterLife Star	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Showrooms and workshops	2,919.5	1 December 2023 to 31 December 2026	2,450,880	6,766,690
9.	Beijing BetterLife Star	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Showrooms and workshops	5,654.4	1 December 2023 to 31 December 2026	4,746,840	13,105,658
10.	Beijing BetterLife Star	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Offices	2,864	1 December 2023 to 31 December 2026	3,972,360	10,967,378
11.	Beijing BetterLife Auto	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Dormitories for employees	167	1 January 2024 to 31 December 2026	249,960	670,282
12.	Beijing BetterLife Auto	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Showrooms and workshops	1,201.9	1 December 2023 to 31 December 2026	1,228,320	3,391,296
13.	Beijing BetterLife Auto	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Showrooms	3,097.7	1 December 2023 to 31 December 2026	3,165,840	8,740,639
14.	Beijing BetterLife Auto	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Workshops	1,000	1 January 2024 to 31 December 2026	1,022,040	2,740,659
15.	Beijing BetterLife International	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Showrooms and workshops	10,125.7	1 January 2024 to 31 December 2026	10,348,440	27,749,937

No.	Lessee	Lessor	Address of the property lease	Use	Gross Floor Area (sq.m.)	Lease term	Annual Rental (RMB)	Value of Right-of-use Assets (RMB)
16.	Beijing BetterLife International	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Dormitories for employees	112	1 January 2024 to 31 December 2026	167,640	449,536
17.	Beijing BetterLife Experimental	Beijing Zhoushi	Building 27 and Building 29, 35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院27號樓及29號樓)	Showrooms	1,430.5	1 January 2024 to 31 December 2026	1,305,360	3,500,398
18.	Beijing BetterLife Experimental	Beijing Zhoushi	Building 24, 35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院24號樓)	Workshops, guest rooms and offices	1,484	1 January 2024 to 31 December 2026	975,000	2,614,519
19.	Chengdu Xinbao	Chengdu Riyue	The First Floor, No. 86, Xinyuan South 3rd Road, High-tech Zone, Chengdu (成都市高新區新園南三路86號一樓)	Warehouses	350*	1 February 2024 to 31 December 2026	383,280	997,368
20.	Chengdu Xinbao	Chengdu Riyue	No. 86, Xinyuan South 3rd Road, High-tech Zone, Chengdu (成都市高新區新園南三路86號)	Kitchen and canteen for employees	180*	1 January 2024 to 31 December 2026	138,000	370,055
21.	Hangzhou BetterLife	Oule Hangzhou	The First Floor, Building 1, 1780 Jiangling Road, Binjiang District, Hangzhou (including the inner second floor) (杭州市濱江區江陵路1780號1幢1層(包括內2層))	4S dealership store	6,994.4	1 January 2024 to 31 December 2026	3,574,080	9,584,101
22.	Beijing BetterLife Group	Beijing Zhoushi	35 Wukong Bridge, Haidian District, Beijing (北京市海澱區五孔橋35號院)	Offices and other businesses	160*	1 January 2024 to 31 December 2026	140,160	375,847
Total							<u>41,932,680</u>	<u>113,649,731</u>

Note:

* Newly expanded lease area compared to the lease area under the Existing Leases.

Payment Arrangement and Security Deposits

The lessees under each of the Property Lease Agreements shall pay the rental on an annual basis in advance. The security deposit, representing three times of the monthly rental under the relevant Property Lease Agreements, shall be paid by the relevant lessees.

Water and Electricity Charges and Property Management Fee

Save as mentioned below, under the aforementioned lease agreements, the lessees shall be responsible for the cost of water and electricity and property management fee (payable to the relevant lessors) incurred on the premises.

Under the aforementioned lease agreements numbering 3, 6, 11, 16 and 19, the cost of water and electricity and property management fee will not be charged as the properties under the relevant lease agreements are used as dormitories for employees and warehouses. Under the aforementioned lease agreement numbering 21, the lessee shall be responsible for the property management fee and the cost of water and electricity incurred on the premises to be charged by the Independent Third Parties.

Early Termination and Renewal

Unless otherwise specified in the respective lease agreements, either party shall not terminate the agreement in advance. If either party terminates the relevant lease agreement without obtaining the consent of the other party, a penalty of RMB250,000 shall be paid to the other party.

Upon expiry of each of the Property Lease Agreements, if the lessee intends not to continue the lease arrangement in respect of the property concerned, it shall serve a prior written notice of three months to the lessor; and if the lessee intends to continue the lease arrangement, it shall submit a written application to the lessor three months prior to the expiry of the agreement and the lessee shall have the right of first refusal with this regards.

B. VALUE OF THE RIGHT-OF-USE ASSETS

In accordance with IFRS 16, the total value of the right-of-use assets to be recognised by the Group in respect of the lease of the properties under the Property Lease Agreements is approximately RMB113,650,000. For breakdown of the value of right-of-use asset to be recognised by the Group under each of the Property Lease Agreements, please refer to the table above under the paragraph headed “A. Entering into the Property Lease Agreements” in this announcement.

C. REASONS AND BENEFITS OF ENTERING INTO THE PROPERTY LEASE AGREEMENTS

The terms of each of the Property Lease Agreements, including the rental payable by the Group, are arrived at after arm’s length negotiations between the parties thereto with reference to the prevailing market rental of comparable properties in the area where the relevant properties under the Property Lease Agreements are situated.

In order to meet the Group's continuous and expanding operational needs, the Group entered into the Property Lease Agreements. By entering into the Property Lease Agreements, the Group is able to continue to lease the said properties and to stay at existing locations for its car dealing businesses without the need to reidentify new locations for operations and proper lessors or change the relevant logistics arrangements.

II. CONTINUING CONNECTED TRANSACTIONS

Reference is made to the section headed "Connected Transactions" in the Prospectus and the Announcement, in relation to, among others: (i) the Framework Property Management Service Agreement, (ii) the Framework IT Support Service Agreement, (iii) the Framework Sale and Leaseback Agreement and the Supplemental Agreement to the Framework Sale and Leaseback Agreement, (iv) the Framework Vehicle Sale and Purchase Agreement and the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, (v) the Cooperation Agreement and the Supplemental Agreement to the Cooperation Agreement, and (vi) the Framework Vehicle Repair and Maintenance Agreement.

A. RENEWAL OF THE EXISTING AGREEMENTS

As disclosed in the Prospectus and the Announcement, the Existing Agreements will expire on 31 December 2023. As the Group intends to carry on the continuing connected transactions under the Existing Agreements after 31 December 2023 due to business requirement and operational needs, on 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries) entered into (i) the 2024 Framework Property Management Service Agreement, (ii) the 2024 Framework IT Support Service Agreement, (iii) the 2024 Framework Sale and Leaseback Agreement, (iv) the 2024 Framework Vehicle Sale and Purchase Agreement, (v) the 2024 Cooperation Agreement and (vi) the 2024 Framework Vehicle Repair and Maintenance Agreement, for a term of three years ending 31 December 2026, to renew the Existing Agreements. The principal terms of each of the aforesaid agreements are substantially the same as the relevant Existing Agreements.

(1) 2024 Framework Property Management Service Agreement

On 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries), Beijing Zhuoshi, Tianjin Guomao and Chengdu Riyue entered into the 2024 Framework Property Management Service Agreement, pursuant to which Beijing Zhuoshi, Tianjin Guomao and Chengdu Riyue shall provide property management and other services, such as security, cleaning, gardening, parking, and repair and maintenance services to BetterLife International and/or its subsidiaries, for a term of three years ending 31 December 2026.

Principal terms of the 2024 Framework Property Management Service Agreement

The principal terms of the 2024 Framework Property Management Service Agreement are set out below:

- Date : 29 September 2023 (after trading hours)
- Parties : (1) BetterLife International (for itself and on behalf of its subsidiaries);
(2) Beijing Zhoushi;
(3) Tianjin Guomao; and
(4) Chengdu Riyue (together with Beijing Zhoushi and Tianjin Guomao, collectively, the “**Service Providers**”, for themselves and on behalf of their respective subsidiaries)
- Subject : The parties agreed that the Service Providers shall provide property management and other services, such as security, cleaning, gardening, parking, and repair and maintenance services to BetterLife International and/or its subsidiaries in respect of the properties leased by the Service Providers to BetterLife International and/or its subsidiaries (primarily comprising of the properties under the Property Lease Agreements, other than those under the aforementioned property lease agreements numbering 3, 6, 11, 16, 19 and 21).
- Pricing policy : BetterLife International or its subsidiaries shall negotiate the property management fee with the Service Providers and/or their respective subsidiaries on an arm’s length basis and based on the actual area of the relevant leased property at a price not higher than the prevailing market price with reference to management fees chargeable by Independent Third Parties offering similar services in the relevant locations.

The utilities and other expenses will be determined based on the actual usage, such as water and electricity charges, and parking service fees. The water and electricity charges charged by the relevant authorities/units would be passed on to and borne by the Group with no surcharges from the Service Providers. The parking service fee rates, which shall be made public and subject to the supervision of public and local competent authorities, will be determined with reference to the prevailing market rates at the relevant locations.

- Payment term : The payment term of the agreement will be negotiated and determined on an arm's length basis between the parties under each individual agreement.
- Term : 1 January 2024 to 31 December 2026, 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 2024 Framework Property Management Service Agreement, subject to compliance with the applicable Listing Rules regarding continuing connected transactions.

Historical annual caps and historical amount under the Framework Property Management Service Agreement

The annual caps in relation to the property management fees and utilities expenses charged by Beijing Zhoushi and Tianjin Guomao (or their respective subsidiaries) for the years ended 31 December 2021 and 2022 and the year ending 31 December 2023 were RMB21,000,000, RMB23,600,000 and RMB24,100,000, respectively.

The property management fees and utilities expenses charged by Beijing Zhoushi and Tianjin Guomao (or their respective subsidiaries) for the years ended 31 December 2021 and 2022 were approximately RMB15,852,000 and RMB15,617,000, respectively. The unaudited historical transaction amount under the Framework Property Management Service Agreement for the eight months ended 31 August 2023 recorded in the management accounts of the Group was approximately RMB10,722,000.

Proposed annual caps under the 2024 Framework Property Management Service Agreement and pricing basis

The estimated annual caps for the years ending 31 December 2024, 2025 and 2026 are set out below:

	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Annual Caps	20,000,000	21,000,000	22,000,000

The annual caps were estimated based on (i) the actual use of area with the total gross floor area of approximately 37,000 sq.m., (ii) the expected market rates of property management fee and parking service fees, and (iii) the expected maximum utilities expenses (estimated by historical incurred amount and expected increase due to growth of business volume), and (iv) other expenses led by the expected expansion of the Group's business (such as an increase in parking service fee due to expected growth in sales of new vehicles and total number of vehicles to be maintained/repaired at the Group's 4S dealership stores).

(2) 2024 Framework IT Support Service Agreement

On 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries) and Xiaobo Technology entered into the 2024 Framework IT Support Service Agreement, pursuant to which Xiaobo Technology will provide information technology support services to BetterLife International and/or its subsidiaries, for a term of three years ending 31 December 2026.

Principal terms of the 2024 Framework IT Support Service Agreement

The principal terms of the 2024 Framework IT Support Service Agreement are set out below:

Date	:	29 September 2023 (after trading hours)
Parties	:	(1) BetterLife International (for itself and on behalf of its subsidiaries); and (2) Xiaobo Technology

Subject : The parties agreed that Xiaobo Technology will provide information technology support services, including but not limited to, authorization for use of information technology systems developed by Xiaobo Technology, overall information technology system implementation and maintenance and office automation system maintenance to BetterLife International and/or its subsidiaries and the 4S dealership stores operated by them. The parties and/or their respective subsidiaries may enter into an individual IT support service agreement in respect of each actual transaction based on the terms of the 2024 Framework IT Support Service Agreement.

Pricing policy : Each individual IT support service agreement shall contain more specific details of the information technology services to be provided and the consideration for the services and comply with the agreed terms of the 2024 Framework IT Support Service Agreement in all material respects.

The consideration payable to Xiaobo Technology is determined based on (i) the complexity of the services and systems involved and (ii) hourly rates determined by the estimated need for manpower and other resources and costs of Xiaobo Technology in respect of the relevant services and systems involved with reference to the prevailing market price that would have been charged by Independent Third Party service providers, which were comparable to quotes obtained from Independent Third Parties providing similar services.

Payment term : The service fees under the agreement shall be paid on a monthly basis. BetterLife International and/or its subsidiaries shall pay the service fees within five business days upon receiving the invoice from Xiaobo Technology.

Term : 1 January 2024 to 31 December 2026, 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 2024 Framework IT Support Service Agreement, subject to compliance with the applicable Listing Rules regarding continuing connected transactions.

Historical annual caps and historical amount under the Framework IT Support Service Agreement

The annual caps in relation to the service fees charged by Xiaobo Technology for the years ended 31 December 2021 and 2022 and the year ending 31 December 2023 were RMB8,000,000, RMB8,000,000 and RMB8,000,000, respectively.

The service fees charged by Xiaobo Technology for the years ended 31 December 2021 and 2022 were approximately RMB7,778,000 and RMB7,590,000, respectively. The unaudited historical transaction amount under the Framework IT Support Agreement for the eight months ended 31 August 2023 recorded in the management accounts of the Group was approximately RMB2,244,000.

Proposed annual caps under the 2024 Framework IT Support Service Agreement and pricing basis

The estimated annual caps for the years ending 31 December 2024, 2025 and 2026 are set out below:

	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Annual Caps	10,000,000	10,000,000	10,000,000

The annual caps were estimated based on (i) the historical transaction amount (comprising services fees for both development, maintenance and upgrading of information technology system of the Group for its continuous and expanding operational needs), (ii) the continual need of the Group to maintain and upgrade its information technology system (including the ERP system) to fulfill the continuous and expanding operational needs and (iii) that the Company intends

to also engage certain Independent Third Party IT service provider(s) for developing new systems which may be more competitive in terms of cost and knowledge specialty than Xiaobo Technology in such aspect in the future.

(3) 2024 Framework Sale and Leaseback Agreement

On 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the 2024 Framework Sale and Leaseback Agreement, pursuant to which BetterLife International and/or its subsidiaries shall sell to eCapital vehicles, which shall then be leased back to BetterLife International or its subsidiaries for test-drive and other operating purposes, for a term of three years ending 31 December 2026.

Principal terms of the 2024 Framework Sale and Leaseback Agreement

The principal terms of the 2024 Framework Sale and Leaseback Agreement are set out below:

- Date : 29 September 2023 (after trading hours)
- Parties : (1) BetterLife International (for itself and on behalf of its subsidiaries); and
(2) eCapital
- Subject : The parties agreed that BetterLife International and/or its subsidiaries shall sell to eCapital vehicles, which shall then be leased back to BetterLife International or its subsidiaries for test-drive and other operating purposes. Upon the expiration of the lease period, BetterLife International or its 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.

- Payment term : The payment term of the agreement will be negotiated and determined on an arm's length basis between the parties under each individual agreement.
- Term : 1 January 2024 to 31 December 2026, 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 2024 Framework Sale and Leaseback Agreement, subject to compliance with the requirements under the Listing Rules.

Historical annual caps and historical amount under the Framework Sale and Leaseback Agreement and the Supplemental Agreement to the Framework Sale and Leaseback Agreement

The annual caps in relation to the lease payments and license plate utilization fees charged by eCapital for the years ended 31 December 2021 and 2022 and the year ending 31 December 2023 were RMB30,000,000, RMB40,000,000 and RMB50,000,000, respectively.

The lease payments and license plate utilization fees charged by eCapital for the years ended 31 December 2021 and 2022 were approximately RMB23,705,000 and RMB17,976,000, respectively. The unaudited historical transaction amount in relation to lease payments and license plate utilization fees under the Framework Sale and Leaseback Agreement and the Supplemental Agreement to the Framework Sale and Leaseback Agreement for the eight months ended 31 August 2023 recorded in the management accounts of the Group was approximately RMB15,029,000.

For illustration purposes, the estimated transaction amounts in relation to the disposal of vehicles to eCapital for the years ended 31 December 2021 and 2022 and the year ending 31 December 2023 were RMB30,000,000, RMB40,000,000 and RMB50,000,000, respectively.

The proceeds from the disposal of vehicles to eCapital for the years ended 31 December 2021 and 2022 were approximately RMB18,354,000 and RMB17,438,000, respectively. The unaudited historical transaction amount in relation to disposal of vehicles under the Framework Sale and Leaseback Agreement and the Supplemental Agreement to the Framework Sale and Leaseback Agreement for the eight months ended 31 August 2023 recorded in the management accounts of the Group was approximately RMB19,132,000.

Proposed annual caps under the 2024 Framework Sale and Leaseback Agreement and pricing basis

The estimated annual caps in relation to the lease payments and license plate utilization fees and the transaction amounts in relation to the disposal of vehicles for the years ending 31 December 2024, 2025 and 2026 are set out below:

	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Lease payments and license plate utilization fees to be charged by eCapital	30,000,000	33,000,000	36,000,000
Proceeds from the disposal of vehicles to eCapital (for illustration purpose)	30,000,000	33,000,000	36,000,000

The annual caps in relation to lease payments and license plate utilization fees were estimated based on (i) the historical transaction amounts in relation to lease payments and license plate utilization fees under the Framework Sale and Leaseback Agreement and the Supplemental Agreement to the Framework Sale and Leaseback Agreement, (ii) the expected accumulated principal amount, interest and license plate utilization fees, (iii) the expected number of test-drive vehicles to be replaced each year based on the specification of the suppliers of the Group and (iv) the increase in 4S stores and showrooms of the Group.

For illustration purpose, the transaction amounts in relation to disposal of vehicles were estimated based on (i) the historical transaction amounts in relation to disposal of vehicles under the Framework Sale and Leaseback Agreement and the Supplemental Agreement to the Framework Sale and Leaseback Agreement, (ii) the expected number of test-drive vehicles to be replaced each year based on the specifications of the suppliers of the Group, (iii) the expected retail price of the vehicles, and (iv) the increase in 4S stores and showrooms of the Group.

(4) 2024 Framework Vehicle Sale and Purchase Agreement

On 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the 2024 Framework Vehicle Sale and Purchase Agreement, pursuant to which BetterLife

International and/or its subsidiaries will sell vehicles to eCapital as a result of eCapital's business of providing financial lease services to ultimate vehicle purchasers, for a term of three years ending 31 December 2026.

Principal terms of the 2024 Framework Vehicle Sale and Purchase Agreement

The principal terms of the 2024 Framework Vehicle Sale and Purchase Agreement are set out below:

- Date : 29 September 2023 (after trading hours)
- Parties : (1) BetterLife International (for itself and on behalf of its subsidiaries); and
(2) eCapital
- Subject : The parties agreed that eCapital shall make payments to and purchase the vehicles from BetterLife International and/or its 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.
- Payment term : The payment term of the agreement will be negotiated and determined on an arm's length basis between the parties under each individual agreement.
- Term : 1 January 2024 to 31 December 2026, 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 2024 Framework Vehicle Sale and Purchase Agreement, subject to the compliance with the requirements under the Listing Rules.

Historical annual caps and historical amount under the Framework Vehicle Sale and Purchase Agreement and the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement

The annual caps in relation to the vehicle purchase transactions for the years ended 31 December 2021 and 2022 and the year ending 31 December 2023 were RMB100,000,000, RMB130,000,000 and RMB156,000,000, respectively.

The vehicle purchase transaction amounts for the years ended 31 December 2021 and 2022 were approximately RMB98,564,000 and RMB87,110,000, respectively. The unaudited historical transaction amount under the Framework Vehicle Sale and Purchase Agreement and the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement for the eight months ended 31 August 2023 recorded in the management accounts of the Group was approximately RMB64,135,000.

Proposed annual caps under the 2024 Framework Vehicle Sale and Purchase Agreement and pricing basis

The estimated annual caps for the years ending 31 December 2024, 2025 and 2026 are set out below:

	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Annual Caps	120,000,000	140,000,000	160,000,000

The annual caps were estimated based on (i) the historical transaction amounts under the Framework Vehicle Sale and Purchase Agreement and the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, (ii) the expected retail prices of vehicles and the expected increase in sales volume of the Group, and (iii) the expected demand for financial lease arrangement between eCapital and the ultimate vehicle purchasers considering the tightening of restricted license plates city control policies in the PRC.

(5) 2024 Cooperation Agreement

On 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the 2024 Cooperation Agreement, pursuant to which BetterLife International and/or its 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 International or its subsidiaries, for a term of three years ending 31 December 2026.

Principal terms of the 2024 Cooperation Agreement

The principal terms of the 2024 Cooperation Agreement are set out below:

- Date : 29 September 2023 (after trading hours)
- Parties : (1) BetterLife International (for itself and on behalf of its subsidiaries); and
(2) eCapital
- Subject : The parties agreed that BetterLife International and/or its 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 International or its 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 2024 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 reflect market fluctuations which will be agreed between BetterLife International and eCapital based on arm's length negotiation and prevailing market price. The initial commission rates agreed under the 2024 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.
- Payment term : The payment term of the agreement will be negotiated and determined on an arm's length basis between the parties under each individual agreement.
- Term : 1 January 2024 to 31 December 2026, 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 2024 Cooperation Agreement, subject to the compliance with the requirements under the Listing Rules.

Historical annual caps and historical amount under the Cooperation Agreement and the Supplemental Agreement to the Cooperation Agreement

The annual caps in relation to the commission fees charged by the Group for the years ended 31 December 2021 and 2022 and the year ending 31 December 2023 were RMB1,000,000, RMB1,400,000 and RMB1,700,000, respectively.

The commission fees charged by the Group for the years ended 31 December 2021 and 2022 were approximately RMB805,000 and RMB1,245,000, respectively. The unaudited historical transaction amount under the Cooperation Agreement and the Supplemental Agreement to the Cooperation Agreement for the eight months ended 31 August 2023 recorded in the management accounts of the Group was approximately RMB894,000.

Proposed annual caps under the 2024 Cooperation Agreement and pricing basis

The estimated annual caps for the years ending 31 December 2024, 2025 and 2026 are set out below:

	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Annual Caps	2,000,000	2,400,000	2,880,000

The annual caps were estimated based on (i) the historical transaction amounts under and the terms of the Cooperation Agreement and the Supplemental Agreement to the Cooperation Agreement (including the commission rates), (ii) that all the relevant 4S dealership stores of the Group would charge commission fees from eCapital from all relevant transactions with eCapital (including the transactions contemplated under the 2024 Framework Vehicle Sale and Purchase Agreement) according to the terms of the 2024 Cooperation Agreement, and (iii) the expected continual growth of business between the Group and eCapital due to the expected increase in sales volume of the Group.

(6) 2024 Framework Vehicle Repair and Maintenance Agreement

On 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the 2024 Framework Vehicle Repair and Maintenance Agreement, pursuant to which BetterLife International (or its subsidiaries) shall provide repair and maintenance services for eCapital's own vehicles, and eCapital shall pay BetterLife International (or its subsidiaries) service fees for such services, for a term of three years ending 31 December 2026.

Principal terms of the 2024 Framework Vehicle Repair and Maintenance Agreement

The principal terms of the 2024 Framework Vehicle Repair and Maintenance Agreement are set out below:

- Date : 29 September 2023 (after trading hours)
- Parties : (1) BetterLife International (for itself and on behalf of its subsidiaries); and
(2) eCapital
- Subject : The parties agreed that BetterLife International (or its subsidiaries) shall provide repair and maintenance services for eCapital's own vehicles, and eCapital shall pay BetterLife International (or its subsidiaries) service fees for such services.
- Pricing policy : The repair and maintenance price of vehicles shall be determined by BetterLife International 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 International (or its subsidiaries) for repair and maintenance services.
- Payment term : The payment term of the agreement will be negotiated and determined on an arm's length basis between the parties under each individual agreement.
- Term : 1 January 2024 to 31 December 2026, 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 2024 Framework Vehicle Repair and Maintenance Agreement, subject to the compliance with the requirements under the Listing Rules.

Historical annual caps and historical amount under the Framework Vehicle Repair and Maintenance Agreement

The annual caps in relation to the amount of repair and maintenance service fees for the years ended 31 December 2021 and 2022 and the year ending 31 December 2023 were RMB700,000, RMB1,500,000 and RMB1,800,000, respectively.

The repair and maintenance service fees for the years ended 31 December 2021 and 2022 were approximately RMB319,000 and RMB174,000, respectively. The unaudited historical transaction amount under the Framework Vehicle Repair and Maintenance Agreement for the eight months ended 31 August 2023 recorded in the management accounts of the Group was approximately RMB13,000.

Proposed annual caps under the 2024 Framework Vehicle Repair and Maintenance Agreement and pricing basis

The estimated annual caps for the years ending 31 December 2024, 2025 and 2026 are set out below:

	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Annual Caps	1,000,000	1,000,000	1,000,000

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; and (ii) the estimated number of vehicles that eCapital plans to deliver to BetterLife International (or its subsidiaries) for repair and maintenance services with reference to its recommencing of operating lease business which ceased in 2022.

B. ENTERING INTO THE FRAMEWORK SECOND-HAND VEHICLE SALE AND PURCHASE AGREEMENT

On 29 September 2023 (after trading hours), BetterLife International (for itself and on behalf of its subsidiaries) and eCapital entered into the Framework Second-hand Vehicle Sale and Purchase Agreement, pursuant to which eCapital (or its

subsidiaries) shall sell the second-hand vehicles registered under its name to BetterLife International and/or its subsidiaries, for a term of three years ending 31 December 2026.

Principal terms of the Framework Second-hand Vehicle Sale and Purchase Agreement

The principal terms of the Framework Second-hand Vehicle Sale and Purchase Agreement are set out below:

- Date : 29 September 2023 (after trading hours)
- Parties : (1) BetterLife International (for itself and on behalf of its subsidiaries); and
(2) eCapital (for itself and on behalf of its subsidiaries)
- Subject : The parties agreed that eCapital (or its subsidiaries) shall sell the second-hand vehicles registered under its name to BetterLife International and/or its subsidiaries, and BetterLife International and/or its subsidiaries shall make payment to eCapital and/or its subsidiaries for such purchases.
- The parties and/or their respective subsidiaries may enter into an individual second-hand vehicle sale and purchase agreement in respect of each actual transaction based on the terms of the Framework Second-hand Vehicle Sale and Purchase Agreement.
- Pricing policy : The actual vehicle purchase price shall be determined by the Group and eCapital and/or its subsidiaries with reference to the market offer price of second-hand vehicles and shall not be higher than the market quotes.
- Payment term : The payment term of the agreement will be negotiated and determined on an arm's length basis between the parties under each individual agreement.
- Term : 1 January 2024 to 31 December 2026, 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 Second-hand Vehicle Sale and Purchase Agreement, subject to the compliance with the requirements under the Listing Rules.

Historical annual caps, historical amount and proposed annual caps under the Framework Second-Hand Vehicle Sale and Purchase Agreement and pricing basis

There is no historical annual caps or amount for such transactions. The estimated annual caps for the years ending 31 December 2024, 2025 and 2026 are set out below:

	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
Annual Caps	5,000,000	5,000,000	5,000,000

The annual caps were estimated based on (i) the expected retail price per second-hand vehicle estimated based on the retail price for similar second-hand vehicles purchased by the Group, and (ii) the expected number of second-hand vehicles that BetterLife International (and/or its subsidiaries) plans to purchase from eCapital.

C. REASONS AND BENEFITS OF RENEWAL OF THE EXISTING AGREEMENTS AND ENTERING INTO THE FRAMEWORK SECOND-HAND VEHICLE SALE AND PURCHASE AGREEMENT

(1) 2024 Framework Property Management Service Agreement

In light of its business needs and continuity, the Group will continue to lease certain properties from the relevant lessors. The parties and/or their respective subsidiaries will enter into or have an individual property management service agreement in effect in respect of each actual transaction during the term of the 2024 Framework Property Management Service Agreement. The Directors believes that the 2024 Framework Property Management Service Agreement will better regulate the provision of property management and relevant services provided by the relevant lessors in compliance with the Listing Rules.

(2) 2024 Framework IT Support Service Agreement

As the Group and the 4S dealership stores operated by it will need continuous information technology support services, the entering into of the 2024 Framework IT Support Service Agreement will ensure the continuity of IT support services, which means the Group and its operated 4S dealership stores can rely on the same level of technical assistance, troubleshooting, and maintenance as before, ensuring uninterrupted operations and to accommodate the expanding operational needs.

(3) 2024 Framework Sale and Leaseback Agreement

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. As the suppliers of the Group require that a certain number of test-drive vehicles should be made available in the Group's 4S dealership stores and certain number of vehicles are needed for other operating purposes, the Directors believe that the entering into of the 2024 Framework Sale and Leaseback Agreement will improve the efficiency in the use of working capital of BetterLife International and its subsidiaries and enable the Group to utilize the license plates owned by eCapital.

(4) 2024 Framework Vehicle Sale and Purchase Agreement and 2024 Cooperation Agreement

As (i) the financial lease arrangement made between eCapital and the ultimate vehicle purchasers will provide more flexible choices for the customers of the Group's operated 4S dealership stores and (ii) the commission fees to be paid by eCapital to the Group are expected to increase steadily in light of eCapital's efforts for its market promotion for its financing leasing business, the Directors consider that it is appropriate to continue to sell vehicles to eCapital as a result of eCapital's business of providing financial lease services to ultimate vehicle purchasers and refer the Group's customers or potential customers who wish to arrange vehicle financing to eCapital.

(5) 2024 Framework Vehicle Repair and Maintenance Agreement

eCapital currently owns vehicles for its operating lease business and engaged the Group for the repair and maintenance for such self-owned vehicles. The Directors believes that the 2024 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.

(6) Framework Second-hand Vehicle Sale and Purchase Agreement

As the Group plans to further develop and expand the second-hand vehicles related business, the Directors believes that the Framework Second-hand Vehicle Sale and Purchase Agreement will provide the Group with an additional and steady source of second-hand vehicles supply.

III. INFORMATION ON THE PARTIES

The Group

The Group is an automobile dealership service provider in China focusing on luxury and ultra-luxury brands.

BetterLife International is a company incorporated in Hong Kong on 15 July 2010 and a wholly-owned subsidiary of the Company. The principal business activity of BetterLife International is corporate management.

Each of Beijing BetterLife Group, Tianjin Laifutai Beijing Branch, Hainan Liya, Beijing BetterLife Star, Beijing BetterLife Auto, Beijing BetterLife International, Beijing BetterLife Experimental and Hangzhou BetterLife is a wholly-owned subsidiary of the Company. Chengdu Xinbao is a non-wholly owned subsidiary of the Company. The principal business activities of each of Beijing BetterLife Group, Hainan Liya, Beijing BetterLife Star, Beijing BetterLife Auto, Beijing BetterLife International, Beijing BetterLife Experimental, Hangzhou BetterLife and Chengdu Xinbao are sale and service of automobiles. The principal business activity of Tianjin Laifutai Beijing Branch is insurance agency service.

Please refer to the section headed “Definitions” in this announcement for details.

Beijing Zhoushi

Beijing Zhoushi is a PRC limited liability company established on 1 September 2011, indirectly and legally owned by the trustee of the N&L Chou Trust for the benefit of the beneficiaries thereunder. The principal business activities of Beijing Zhoushi are corporate management and project investment.

Tianjin Guomao

Tianjin Guomao is a PRC limited liability company established on 2 April 2001, indirectly and legally owned by the trustee of the N&L Chou Trust for the benefit of the beneficiaries thereunder. The principal business activity of Tianjin Guomao is international trading.

Chengdu Riyue

Chengdu Riyue is a PRC limited liability company established on 6 April 1991, which is owned as to 49.93% by Sichuan Chuanwu Automobile Import and Export Trade Corporation* (四川省川物汽車進出口貿易總公司) (“**Sichuan Chuanwu**”) and as to 49.93% by Tianjin Guomao. Sichuan Chuanwu is owned as to 40% by Mr. Zhang Heng (張恒), 27.2% by Ms. Zhang Yuan (張媛), 18% by Ms. Hu Xiaoxia (胡曉霞) (“**Ms. Hu**”) and 14.8% by Mr. Zhang Zheng (張政). Ms. Hu is a director of two subsidiaries of the Company and therefore a connected person of the Company. Mr. Zhang Heng is Ms. Hu’s husband, and Mr. Zhang Zheng and Ms. Zhang Yuan

are Ms. Hu's son and daughter, respectively. Thus, each of Mr. Zhang Zheng, Mr. Zhang Heng, Ms. Zhang Yuan and Sichuan Chuanwu is a connected person of the Company. The principal activity of Chengdu Riyue is manufacturing of computer, communication and other electronic equipment.

Oule Hangzhou

Oule Hangzhou is a PRC limited liability company established on 22 August 2003, which is owned as to 79.71% by Mr. Chou and 20.29% by Mr. Chou Isai Yu (周蔡禹), the brother of Mr. Chou. The principal activities of Oule Hangzhou are brand vehicle sales consulting and exhibition display services.

Xiaobo Technology

Xiaobo Technology is a PRC limited liability company established on 22 January 2017, indirectly and legally owned by the trustee of the N&L Chou Trust for the benefit of the beneficiaries thereunder. The principal business activities of Xiaobo Technology are technology development and technology promotion.

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 (which include Mr. Chou and his family members) thereunder. The principal business activities of eCapital are provision of financial leasing and other financial services.

IV. LISTING RULES IMPLICATIONS

A. Connected Transactions

As at the date of this announcement, (i) each of Beijing Zhoushi and Tianjin Guomao is indirectly legally owned by the trustee of the N&L Chou Trust, where Mr. Chou acts as the protector and settlor, for the benefit of the beneficiaries thereunder; (ii) Chengdu Riyue is owned as to 49.93% by Tianjin Guomao; and (iii) Oule Hangzhou is owned as to 79.71% by Mr. Chou. Accordingly, each of Beijing Zhoushi, Chengdu Riyue and Oule Hangzhou is an associate of Mr. Chou, an executive Director and a Controlling Shareholder, and thus a connected person of the Company. As such, the transactions contemplated under the Property Lease Agreements constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In accordance with IFRS 16, the Group will recognise right-of-use assets in its consolidated statement of financial position in respect of the lease of properties under the Property Lease Agreements. Accordingly, the entering into of the

Property Lease Agreements will be regarded as acquisitions of assets by the Group which will constitute one-off connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the estimated value of the right-of-use asset to be recognised by the Group under the Property Lease Agreements, on aggregated basis, exceed 5%, the entering into of the Property Lease Agreements is subject to the reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

B. Continuing Connected Transactions

2024 Framework Property Management Service Agreement

As at the date of this announcement, each of Beijing Zhoushi and Tianjin Guomao is indirectly legally owned by the trustee of the N&L Chou Trust, where Mr. Chou acts as the protector and settlor, for the benefit of the beneficiaries thereunder; and Chengdu Riyue is owned as to 49.93% by Tianjin Guomao. Accordingly, each of the Service Providers is an associate of Mr. Chou, an executive Director and a Controlling Shareholder, and thus a connected person of the Company. As such, the transactions contemplated under the 2024 Framework Property Management Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Based on the expected property management fees and utilities expenses to be paid by the Group, as the highest applicable percentage ratio for the 2024 Framework Property Management Service Agreement calculated in accordance with Rule 14A.77 of the Listing Rules exceeds 0.1% but is less than 5%, the transactions contemplated under the 2024 Framework Property Management Service Agreement are subject to the annual review, reporting and announcement requirements but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules.

2024 Framework IT Support Service Agreement

As at the date of this announcement, as Xiaobo Technology is legally owned by the trustee of the Chou Family Trust for the benefit of the beneficiaries thereunder, it is an associate of Mr. Chou, an executive Director and a Controlling Shareholder, and thus a connected person of the Company. As such, the transactions contemplated under the 2024 Framework IT Support Service Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Based on the expected consideration to be paid by the Group, as the highest applicable percentage ratio for the 2024 Framework IT Support Service Agreement calculated in accordance with Rule 14A.77 exceeds 0.1% but is less than 5%, the transactions contemplated under the 2024 Framework IT Support Service Agreement are subject to the annual review, reporting and announcement requirements pursuant to Rule 14A.76(2)(a) of the Listing Rules but are exempt from the circular (including independent financial advice) and independent shareholders' approval requirements set out in Chapter 14A of the Listing Rules.

2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement

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. As such, the transactions contemplated under the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

(a) 2024 Framework Sale and Leaseback Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement

As (i) payment will be made to eCapital from the transactions under each of the 2024 Framework Sale and Leaseback Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement; and (ii) the counterparty to each of the 2024 Framework Sale and Leaseback Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement is the same, the annual caps under the 2024 Framework Sale and Leaseback Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement have been aggregated for the purpose of determining the applicable percentage ratios pursuant to Rule 14A.81 of the Listing Rules.

The aggregated annual caps for the transactions under the 2024 Framework Sale and Leaseback Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement are as follow:

Annual Caps	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
2024 Framework Sale and Leaseback Agreement	30,000,000	33,000,000	36,000,000
Framework Second-hand Vehicle Sale and Purchase Agreement	5,000,000	5,000,000	5,000,000
Aggregated annual caps	35,000,000	38,000,000	41,000,000

As the highest applicable percentage ratio of the annual caps, on aggregated basis, for the transactions under the aforesaid agreements exceeds 5%, the transactions contemplated under the 2024 Framework Sale and Leaseback Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement are subject to the reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

(b) 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement and the 2024 Framework Vehicle Repair and Maintenance Agreement

As (i) income will be generated by the Group from the transactions under each of the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement and the 2024 Framework Vehicle Repair and Maintenance Agreement; and (ii) the counterparty to each of the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement and the 2024 Framework Vehicle Repair and Maintenance Agreement is the same, the annual caps under the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement and the 2024 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.

The aggregated annual caps for the transactions under the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement and the 2024 Framework Vehicle Repair and Maintenance Agreement are as follow:

Annual Caps	For the year ending 31 December 2024 (RMB)	For the year ending 31 December 2025 (RMB)	For the year ending 31 December 2026 (RMB)
2024 Framework Vehicle Sale and Purchase Agreement	120,000,000	140,000,000	160,000,000
2024 Cooperation Agreement	2,000,000	2,400,000	2,880,000
2024 Framework Vehicle Repair and Maintenance Agreement	1,000,000	1,000,000	1,000,000
Aggregated annual caps	123,000,000	143,400,000	163,880,000

As the highest applicable percentage ratio of the annual caps, on aggregated basis, for the transactions under the aforesaid agreements exceeds 5%, the transactions contemplated under the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement and the 2024 Framework Vehicle Repair and Maintenance Agreement are subject to the reporting, announcement, circular (including independent financial advice) and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

V. GENERAL

2024 Framework Property Management Service Agreement and 2024 Framework IT Support Service Agreement

Since Mr. Chou, an executive Director and a Controlling Shareholder, also controls each of the Service Providers and Xiaobo Technology and therefore is deemed to have material interests in the 2024 Framework Property Management Service Agreement and the 2024 Framework IT Support Service Agreement. Mr. Chou did not participate in the decision making of the Board including any voting in respect of the 2024 Framework Property Management Service Agreement and the 2024 Framework IT Support Service Agreement and the transactions contemplated thereunder. Save as disclosed above, other Directors did not have any material interest in the 2024 Framework Property Management Service Agreement and the 2024 Framework IT Support Service Agreement and none of the other Directors has abstained from voting on the Board resolution(s) for considering and approving the same.

The Directors (including the independent non-executive Directors) consider that the terms of the 2024 Framework Property Management Service Agreement and the 2024 Framework IT Support Service Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and the entering into such agreements 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.

Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement

Since Mr. Chou, an executive Director and a Controlling Shareholder, also controls each of Beijing Zhoushi, Tianjin Guomao, Chengdu Riyue, Oule Hangzhou and eCapital and therefore is deemed to have material interests in the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement. Mr. Chou did not participate in the decision making of the Board including any voting in respect of the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement and the transactions contemplated thereunder. Save as disclosed above, other Directors did not have any material interest in the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement and none of the other Directors has abstained from voting on the Board resolution(s) for considering and approving the same.

The Directors (excluding the independent non-executive Directors whose views will be given after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and the entering into such agreements 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.

The Company will hold the EGM to approve the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement and the proposed annual caps for the continuing connected transactions contemplated thereunder.

The Independent Board Committee has been formed to consider and advise the Independent Shareholders as to whether the terms of the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement, and the relevant annual caps for the transactions thereunder for each of the three years ending 31 December 2026 are fair and reasonable, and are in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders as to how to vote at the EGM. In this regard, Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders.

A circular containing, among other things, (1) details of the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement; (2) the recommendation of the Independent Board Committee; (3) the advice of the Independent Financial Adviser; and (4) a notice of the EGM, will be despatched to the Shareholders on or about 31 October 2023, as additional time is required to prepare and finalise the information to be included in the circular, such as the letter from the Board and the letter of advice from the Independent Financial Adviser.

As the proposed entering into of the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement are subject to, among other things, the Independent Shareholders' approval, it may or may not proceed. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

VI. DEFINITIONS

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

“2024 Cooperation Agreement”	the cooperation agreement dated 29 September 2023 entered into between BetterLife International (for itself and on behalf of its subsidiaries) and eCapital
“2024 Framework IT Support Service Agreement”	the framework information technology support service agreement dated 29 September 2023 entered into between BetterLife International (for itself and on behalf of its subsidiaries) and Xiaobo Technology
“2024 Framework Property Management Service Agreement”	the framework property management service agreement dated 29 September 2023 entered into among BetterLife International (for itself and on behalf of its subsidiaries), Beijing Zhoushi, Tianjin Guomao and Chengdu Riyue
“2024 Framework Sale and Leaseback Agreement”	the framework sale and leaseback agreement dated 29 September 2023 entered into between BetterLife International (for itself and on behalf of its subsidiaries) and eCapital
“2024 Framework Vehicle Repair and Maintenance Agreement”	the framework vehicle repair and maintenance agreement dated 29 September 2023 entered into between BetterLife International (for itself and on behalf of its subsidiaries) and eCapital
“2024 Framework Vehicle Sale and Purchase Agreement”	the framework vehicle sale and purchase agreement dated 29 September 2023 entered into between BetterLife International (for itself and on behalf of its subsidiaries) and eCapital
“Announcement”	the announcement of the Company dated 24 September 2021
“Beijing BetterLife Auto”	Beijing BetterLife Auto Sales Co., Ltd.* (北京百得利汽車銷售有限公司), a PRC limited liability company established on 14 April 2008 and a wholly-owned subsidiaries of the Company
“Beijing BetterLife Experimental”	Beijing BetterLife Experimental Technology Development Co., Ltd.* (北京百得利體驗科技發展有限公司), a PRC limited liability company established on 16 August 2018 and a wholly-owned subsidiary of the Company

“Beijing BetterLife Group”	Beijing BetterLife Automobile Import and Export Group Co., Ltd.* (北京百得利汽車進出口集團有限公司), a PRC limited liability company established on 3 September 1998 and a wholly-owned subsidiaries of the Company
“Beijing BetterLife International”	Beijing BetterLife International Trade Co., Ltd.* (北京百得利國際商貿有限公司), a PRC limited liability company established on 9 December 2011 and a wholly-owned subsidiary of the Company
“Beijing BetterLife Star”	Beijing BetterLife Star Auto Sales Co., Ltd.* (北京百得利之星汽車銷售有限公司), a PRC limited liability company established on 9 January 2008 and a wholly-owned subsidiaries of the Company
“Beijing Zhoushi”	Beijing Zhoushi Xingye Enterprise Management Co., Ltd.* (北京周氏興業企業管理有限公司), a PRC limited liability company established on 1 September 2011, indirectly and legally owned by the trustee of the N&L Chou Trust for the benefit of the beneficiaries thereunder, and a connected person of the Company
“BetterLife International”	BetterLife International Motor Co., Limited (百得利國際汽車有限公司), a company incorporated in Hong Kong on 15 July 2010 and a wholly-owned subsidiaries 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), a PRC limited liability company established on 30 August 2007 and a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Chengdu Riyue”	Chengdu Riyue Industry Development Co., Ltd.* (成都日月產業發展股份有限公司), a PRC limited liability company established on 6 April 1991
“Chengdu Xinbao”	Chengdu Baichuanxinbao Auto Sales and Services Co., Ltd.* (成都百川新保汽車銷售服務有限公司), a PRC limited liability company established on 30 March 2012 and a non-wholly owned subsidiary of the Company
“Chou Family Trust”	the Chou Family Trust established in Singapore on 13 October 2010 with Credit Suisse Trust Limited as its trustee

“Company”	BetterLife Holding Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the Shares of which are listed on the Main Board of the Stock Exchange
“connected person”	has the meaning ascribed to it in 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
“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
“EGM”	an extraordinary general meeting of the Company to be convened to approve the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement
“Existing Agreements”	collectively, the (i) the Framework Property Management Service Agreement, (ii) the Framework IT Support Service Agreement, (iii) the Framework Sale and Leaseback Agreement and the Supplemental Agreement to the Framework Sale and Leaseback Agreement, (iv) the Framework Vehicle Sale and Purchase Agreement and the Supplemental Agreement to the Framework Vehicle Sale and Purchase Agreement, (v) the Cooperation Agreement and the Supplemental Agreement to the Cooperation Agreement, and (vi) the Framework Vehicle Repair and Maintenance Agreement

“Existing Leases”	certain leases entered into between the Group and its connected persons which will expire on 30 November 2023 or 31 December 2023 (as the case may be), as disclosed in the section headed “Business — Lease Properties” in the Prospectus
“Framework IT Support Service Agreement”	the framework information technology support service agreement dated 10 June 2021 entered into between BetterLife Tianjin (for itself and on behalf of its subsidiaries) and Xiaobo Technology
“Framework Property Management Service Agreement”	the framework property management service agreement dated 10 June 2021 entered into among BetterLife Tianjin (for itself and on behalf of its subsidiaries), Beijing Zhoushi and Tianjin Guomao
“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 Second-hand Vehicle Sale and Purchase Agreement”	the framework second-hand vehicle sale and purchase agreement dated 29 September 2023 between BetterLife International (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
“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
“Group”	the Company and its subsidiaries
“Hainan Liya”	Hainan Liya Holding Co., Ltd.* (海南莉雅控股有限公司), a PRC limited liability company established on 31 August 2021 and a wholly-owned subsidiary of the Company
“Hangzhou BetterLife”	Hangzhou BetterLife Auto Co., Ltd.* (杭州百得利汽車有限公司), a PRC limited liability company established on 18 August 2010 and one of the wholly-owned subsidiary of the Company

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board composed of all independent non-executive Directors, namely Mr. Liu Dengqing, Mr. Wong Ka Kit and Mr. Yau Ka Chi
“Independent Financial Adviser”	Rainbow Capital (HK) Limited (溢博資本有限公司), a licensed corporation to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the SFO, and the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Property Lease Agreements, the 2024 Framework Sale and Leaseback Agreement, the 2024 Framework Vehicle Sale and Purchase Agreement, the 2024 Cooperation Agreement, the 2024 Framework Vehicle Repair and Maintenance Agreement and the Framework Second-hand Vehicle Sale and Purchase Agreement
“Independent Shareholders”	the Shareholders who are not required to abstain from voting in respect of the ordinary resolutions proposed for approval at the EGM pursuant to the Listing Rules
“Independent Third Party(ies)”	an individual(s) or a company(ies) not connected with the Company within the meaning of the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Chou”	Mr. Chou Patrick Hsiao-Po
“N&L Chou Trust”	N&L Chou Trust, of which the trustee is Vistra Trust (Singapore) Pte. Limited and the possible beneficiaries are Mr. Chou and his family members, a connected person of the Company
“Oule Hangzhou”	Oule (Hangzhou) Automobile Technology Co., Ltd.* (歐樂(杭州)汽車科技有限公司), a PRC limited liability company established on 22 August 2003
“PRC” or “China”	the People’s Republic of China
“Property Lease Agreements”	the property lease agreements dated 29 September 2023 entered into between the Group and each of Beijing Zhoushi, Chengdu Riyue and Oule Hangzhou, respectively

“Prospectus”	the Prospectus of the Company dated 30 June 2021
“RMB”	Renminbi, the lawful currency of PRC
“Shareholders”	the shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“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
“Tianjin Guomao”	Tianjin Chou International Trading Co., Ltd. (天津周氏國際貿易有限公司), a PRC limited liability company established on 2 April 2001, indirectly and legally owned by the trustee of the N&L Chou Trust for the benefit of the beneficiaries thereunder, and a connected person of the Company
“Tianjin Laifutai Beijing Branch”	Tianjin Laifutai Insurance Agency Co., Ltd. Beijing Branch* (天津來福泰保險代理有限公司北京分公司), a PRC limited liability company established on 21 March 2016 and a wholly-owned subsidiary of the Company

“Xiaobo
Technology”

Beijing Xiaobo Technology Co., Ltd.* (北京小波科技有限公司), a PRC limited liability company established on 22 January 2017, indirectly and legally owned by the trustee of the N&L Chou Trust for the benefit of the beneficiaries thereunder, and a connected person of the Company

“%”

per cent

By Order of the Board
BetterLife Holding Limited
Chau Kwok Keung
Executive Director and Company Secretary

Hong Kong, 29 September 2023

As at the date of this announcement, the Board comprises Mr. Chou Patrick Hsiao-Po, Ms. Sun Jing, Mr. Xu Tao and Mr. Chau Kwok Keung as executive directors; and Mr. Liu Dengqing, Mr. Wong Ka Kit and Mr. Yau Ka Chi as independent non-executive directors.

In this announcement, the English translation of company or entity names in Chinese which are marked with “” is for identification purpose only.*