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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)

CONTINUING CONNECTED TRANSACTIONS RENEWAL OF FRAMEWORK AGREEMENTS DUE TO EXPIRE IN 2023 AND CLOSURE OF REGISTER OF MEMBERS FOR THE 2023 THIRD EXTRAORDINARY GENERAL MEETING

RENEWAL OF CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 20 October 2023 (after trading hours), the Company has entered into the 2024 Framework Agreements with Agile Holdings to renew the transactions contemplated under the corresponding previous framework agreements. A summary of the continuing connected transactions are listed as follows:

- (i) 2024 Property Management Services Framework Agreement;
- (ii) 2024 Property Agency Services Framework Agreement;
- (iii) 2024 Framework Referral Agreement;
- (iv) 2024 Technology Services Framework Agreement;
- (v) 2024 Turnkey Furnishing Services Framework Agreement;
- (vi) 2024 Advertising and Public Relations Services Framework Agreement;
- (vii) 2024 Pre-delivery Inspection Services Framework Agreement; and
- (viii) 2024 Consultation Services Framework Agreement.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Agile Holdings is the controlling shareholder of the Company, holding approximately 47.05% of the issued share capital of the Company. Accordingly, the transactions contemplated under each of the 2024 Framework Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the (i) 2024 Property Management Services Framework Agreement; (ii) 2024 Property Agency Services Framework Agreement; and (iii) 2024 Framework Referral Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the (i) 2024 Technology Services Framework Agreement; (ii) 2024 Turnkey Furnishing Services Framework Agreement; (iii) 2024 Advertising and Public Relations Services Framework Agreement; (iv) 2024 Pre-delivery Inspection Services Framework Agreement; and (v) 2024 Consultation Services Framework Agreement exceed 0.1% but all of which are less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

EXTRAORDINARY GENERAL MEETING

The 2024 Property Management Services Framework Agreement, the 2024 Property Agency Services Framework Agreement and the 2024 Framework Referral Agreement and the transactions respectively contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolution at the EGM.

The EGM is scheduled to be held on Friday, 8 December 2023 and the notice of the EGM will be published and despatched to the Shareholders accordingly.

The Company has established the Independent Board Committee comprising all three independent non-executive Directors to advise the Independent Shareholders as to whether the continuing connected transactions under the (i) 2024 Property Management Services Framework Agreement; (ii) 2024 Property Agency Services Framework Agreement; and (iii) 2024 Framework Referral Agreement, and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and are entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among other things, (i) a letter from the Board containing details of the 2024 Property Management Services Framework Agreement; the 2024 Property Agency Services Framework Agreement and the 2024 Framework Referral Agreement; (ii) recommendations of the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (iv) a notice of the EGM together with the proxy form will be despatched to the Shareholders on or before 20 November 2023 as additional time is required to prepare and finalise the circular.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 5 December 2023 to Friday, 8 December 2023, both days inclusive, during which period no transfer of the H Shares will be registered. In order to qualify for attending and voting at EGM, shareholders of H Shares whose transfer documents have not been registered are required to deposit all properly completed share transfer forms together with the relevant share certificates to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 4 December 2023.

Save for Mr. Chan Cheuk Hung and Mr. Huang Fengchao, the executive Directors, who are also the directors and shareholders of Agile Holdings, and Mr. Chen Siyang, an executive Director who is the son of Mr. Chan Cheuk Hung, none of the other Directors has or is deemed to have a material interest in the 2024 Framework Agreements and the transactions contemplated respectively thereunder. Mr. Chan Cheuk Hung, Mr. Huang Fengchao and Mr. Chen Siyang are therefore required to abstain, and have abstained, from voting on the relevant Board resolutions.

I. SUMMARY OF CONTINUING CONNECTED TRANSACTIONS

The Board announces that on 20 October 2023 (after trading hours), the Company has entered into the 2024 Framework Agreements with Agile Holdings to renew the transactions contemplated under the corresponding previous framework agreements. A summary of the continuing connected transactions are listed as follows:

Nature of transactions	Proposed annual caps for the year ending		
	2024	2025	2026
	31 December		
	(RMB million)		
<i>Non-exempt continuing connected transactions subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements</i>			
2024 Property Management Services Framework Agreement	420	570	700
2024 Property Agency Services Framework Agreement	600	700	900
2024 Framework Referral Agreement and	300	400	500
<i>Partially-exempt continuing connected transactions subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement</i>			
2024 Technology Services Framework Agreement	100	150	200
2024 Turnkey Furnishing Services Framework Agreement	20	21.5	30
2024 Advertising and Public Relations Services Framework Agreement	37	40	45
2024 Pre-delivery Inspection Services Framework Agreement	37.5	45	60
2024 Consultation Services Framework Agreement	45	47	50

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

1. 2024 Property Management Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 23 September 2020 and the circular of the Company dated 22 October 2020 in relation to, among others, the continuing connected transactions under the Existing Property Management Services Framework Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder and the announcement of the Company dated 28 August 2023 in relation to the variation of terms of the Existing Property Management Services Framework Agreement. As the Existing Property Management Services Framework Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2024 Property Management Services Framework Agreement with Agile Holdings on 20 October 2023.

(b) Principal terms

Date: 20 October 2023

Parties: The Company

Agile Holdings

Term:	The 2024 Property Management Services Framework Agreement is valid for three years from 1 January 2024 and ending on 31 December 2026.
Subject matter:	The Group will provide to Agile Group property management services, including but not limited to (i) onsite security, cleaning, greening and gardening, repair and maintenance services as well as customer services to the property sales centres of Agile Group at the predelivery stage; (ii) operations and management services for the unsold property units; (iii) disinfection and hygiene services; (iv) property management services for the diversified businesses of Agile Holdings, including but not limited to environmental protection, urban renewal and real estate construction; and (v) properties owned by Agile Group requiring the above services.
Pricing and other terms:	<p>The services fees to be charged by the Group under the 2024 Property Management Services Framework Agreement will be determined on arm's length basis, with reference to (i) the location of the project; and (ii) the anticipated operational costs (including labour costs, material costs and administrative costs) with reference to the fees for similar services and similar type of projects in the market. The fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.</p> <p>Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Property Management Services Framework Agreement.</p>
Alternative Settlement mechanism for the service fees:	<p>The Company and Agile Holdings agreed to the following mechanism as an additional means to settle the service fees due and payable by Agile Group to the Group under the 2024 Property Management Services Framework Agreement:</p> <ul style="list-style-type: none"> (i) in the event Agile Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from Agile Group's unsold property assets (including but not limited to office buildings, shops and commercial housing) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Agile Holdings; (ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and Agile Group shall enter into a transfer agreement in respect of the Offset Assets, under which the consideration for the transfer of the Offset Assets by Agile Group to the Group shall be offset against the Outstanding Payables; (iii) Agile Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within two years commencing from the effective date of the property transfer agreement; and (iv) Agile Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset initially identified and subject to the property transfer agreement for one or more other property asset(s) held by Agile Group of equal value, including but not limited to office buildings, shops and commercial housing.

(c) Historical amounts

For the two years ended 31 December 2022 and the six months ended 30 June 2023, the service fees paid to the Group under the Existing Property Management Services Framework Agreement amounted to approximately RMB937 million, RMB511 million and RMB164 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Property Management Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025	2026
		<i>(RMB in millions)</i>	
Annual caps	420	570	700

In arriving at the above annual caps, the Directors have considered (i) the historical transaction amounts under the Existing Property Management Services Framework Agreement; (ii) in respect of the property management services to be provided at the pre-delivery stage, the estimated pre-sale value of the properties to be sold by Agile Group which will require property management services from the Group for the three years ending 31 December 2026, based on the development plans of Agile Group provided to the Group; and (iii) the expected increasing demands for the property management services for the three years ending 31 December 2026.

The demand for the property management services is driven by the annual property development and launching plan of Agile Group. However, due to the macro factors and uncertainties in the property development market, Agile Group has adjusted their development and launching plans and tightened the expansion in the coming three years and therefore the demand for property management services is expected to decrease during the term of the 2024 Property Management Services Framework Agreement as compared with that during the term of the Existing Property Management Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2024 Property Management Services Framework Agreement

The Group has been providing property management services to Agile Group since 1997. Under the Existing Property Management Services Framework Agreement, the Group has been able to secure initial property management service engagements for properties developed by Agile Group. The alternative settlement mechanism as contemplated under the 2024 Property Management Services Framework Agreement for the service fees allows the Group to have greater flexibility in recovering receivables from Agile Group. The Group shall pledge the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

The Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) therefore considers it beneficial to enter into the 2024 Property Management Services Framework Agreement, and that the entering of the 2024 Property Management Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2024 Property Management Services Framework Agreement and proposed annual caps respectively set out thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

2. 2024 Property Agency Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 23 September 2020 and the circular of the Company dated 22 October 2020, in relation to, among others, the continuing connected transactions under the Existing Property Agency Services Framework Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder and the announcement of the Company dated 28 August 2023 in relation to the variation of terms of the Existing Property Agency Services Framework Agreement. As the Existing Property Agency Services Framework Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2024 Property Agency Services Framework Agreement with Agile Holdings on 20 October 2023.

(b) Principal terms

Date:	20 October 2023
Parties:	The Company Agile Holdings
Term:	The 2024 Property Agency Services Framework Agreement is valid for three years from 1 January 2024 and ending on 31 December 2026.
Subject matter:	The Group will provide to Agile Group property agency services, including but not limited to, providing marketing and sales services for properties developed by Agile Group.
Pricing and other terms:	<p>The services fees to be charged by the Group under the 2024 Property Agency Services Framework Agreement will be determined on arm's length basis, with reference to (i) the location of the project; (ii) the anticipated operational cost (including labour costs) for providing such services; and (iii) the prevailing market price for similar property agency services for property developers in the open market and any adjustment to commission rate based on the usual market practice. The fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.</p> <p>Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Property Agency Services Framework Agreement.</p>
Alternative settlement mechanism for the service fees:	<p>The Company and Agile Holdings agreed to the following mechanism as an additional means to settle the service fees due and payable by Agile Group to the Group under the 2024 Property Agency Services Framework Agreement:</p> <p>(i) in the event Agile Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from Agile Group's unsold property assets (including but not limited to office buildings, shops and commercial housing) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Agile Holdings;</p>

- (ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and Agile Group shall enter into a transfer agreement in respect of the Offset Assets, under which the consideration for the transfer of the Offset Assets by Agile Group to the Group shall be offset against the Outstanding Payables;
- (iii) Agile Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within two years commencing from the effective date of the property transfer agreement; and
- (iv) Agile Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset initially identified and subject to the property transfer agreement for one or more other property asset(s) held by Agile Group of equal value, including but not limited to office buildings, shops and commercial housing.

(c) Historical amounts

For the two years ended 31 December 2022 and the six months ended 30 June 2023, the service fees paid to the Group under the Existing Property Agency Services Framework Agreement amounted to RMB1,236 million, RMB542 million and RMB259 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Property Agency Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025 <i>(RMB in millions)</i>	2026
Annual caps	600	700	900

In arriving at the above annual caps, the Directors have considered (i) the estimated pre-sale value of the properties to be sold by Agile Group which will require property agency services from the Group for the three years ending 31 December 2026, based on the development plans of Agile Group provided to the Group; and (ii) the estimated service fees and commissions for the provision of property agency services, subject to any necessary adjustment with reference to the location, size and scale of the relevant projects.

The demand for the property agency services is driven by the annual property development and launching plan of Agile Group. However, due to the macro factors and uncertainties in the property development market, Agile Group has adjusted their development and launching plans and tightened the expansion in the coming three years and therefore the demand for property agency services is expected to decrease during the term of the 2024 Property Agency Services Framework Agreement as compared with that during the term of the Existing Property Agency Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2024 Property Agency Services Framework Agreement

The Group has been providing property agency services to Agile Group since 2017. Such services provide a channel for marketing and sales services and for sales agents to access potential customers directly, and is a cost-effective way for Agile Group to drive up the sales volume of properties. The Directors consider that by entering into the 2024 Property Agency Services Framework Agreement with Agile Holdings, the full potential of the agency sales team of the Group will be utilised to meet the Agile Group's growing demand for property agency services. The alternative settlement mechanism as contemplated under the 2024 Property Agency Services Framework Agreement for the service fees allows the Group to have greater flexibility in recovering receivables from Agile Group. The Group shall pledge the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

As the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) considers it beneficial to renew the Existing Property Agency Services Framework Agreement to facilitate the continuous provision of such property agency services to Agile Holdings, and that the entering of the 2024 Property Agency Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2024 Property Agency Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. 2024 Framework Referral Agreement

(a) Background

Reference is made to the announcement of the Company dated 23 September 2020 and the circular of the Company dated 22 October 2020, in relation to, among others, the continuing connected transactions under the Existing Framework Referral Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder and the announcement of the Company dated 28 August 2023 in relation to the variation of terms of the Existing Framework Referral Agreement. As the Existing Framework Referral Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2024 Framework Referral Agreement with Agile Holdings on 20 October 2023.

(b) Principal terms

Date: 20 October 2023

Parties: The Company
Agile Holdings

Term: The 2024 Framework Referral Agreement is valid for three years from 1 January 2024 and ending on 31 December 2026.

Subject matter: The Group will provide marketing referral services in respect of the sales of residential properties and car parking spaces by Agile Group in their development projects to be provided by the Group to Agile Group including but not limited to (i) marketing activities through the utilisation of the community resources and other sales channel of the Group; (ii) customers' information collection; and (iii) customers' referrals.

Pricing and other terms: The commission rate to be charged by the Group under the 2024 Framework Referral Agreement will be determined on arm's length basis, with reference to (i) the commission rate provided by Agile Group to its independent third parties; (ii) the prevailing market commission rate of comparable transactions; and (iii) any adjustment to the commission rate based on prevailing market conditions. The fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Framework Referral Agreement.

Alternative settlement mechanism for the service fees: The Company and Agile Holdings agreed to the following mechanism as an additional means to settle the service fees due and payable by Agile Group to the Group under the 2024 Framework Referral Agreement:

- (i) in the event Agile Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from Agile Group's unsold property assets (including but not limited to office buildings, shops and commercial housing) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Agile Holdings;
- (ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and Agile Group shall enter into a transfer agreement in respect of the Offset Assets, under which the consideration for the transfer of the Offset Assets by Agile Group to the Group shall be offset against the Outstanding Payables;
- (iii) Agile Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within two years commencing from the effective date of the property transfer agreement; and
- (iv) Agile Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset initially identified and subject to the property transfer agreement for one or more other property asset(s) held by Agile Group of equal value, including but not limited to office buildings, shops and commercial housing.

(c) Historical amounts

For the two years ended 31 December 2022 and the six months ended 30 June 2023, the service fees paid to the Group under the Existing Framework Referral Agreement amounted to approximately RMB363 million, RMB345 million and RMB194 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Framework Referral Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025 <i>(RMB in millions)</i>	2026
Annual caps	300	400	500

In arriving at the above annual caps, the Directors have considered (i) the historical transaction amounts under the Existing Framework Referral Agreement; (ii) the expected commission in the range of 4% to 6% to be charged for the provision of the marketing referral services after considering the total value of the saleable residential properties and car parking spaces of Agile Group which will require marketing referral services from the Group for the three years ending on 31 December 2026; and (iii) the prevailing market commission rate for the provision of the marketing referral services for comparable transactions in the same industry.

The demand for the marketing referral services is driven by the annual property development and launching plan of Agile Group. However, due to the macro factors and uncertainties in the property development market, Agile Group has adjusted their development and launching plans and tightened the expansion in the coming three years and therefore the demand for marketing referral services is expected to decrease during the term of the 2024 Framework Referral Agreement as compared with that during the term of the Existing Framework Referral Agreement.

(e) Reasons for and benefits of entering into the 2024 Framework Referral Agreement

Since the entering of the Existing Framework Referral Agreement, the Group has been providing marketing referral services to Agile Group which adds value to Agile Group in their sales of residential properties and car parking spaces. The alternative settlement mechanism as contemplated under the 2024 Framework Referral Agreement for the service fees allows the Group to have greater flexibility in recovering receivables from Agile Group. The Group shall pledge the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

The Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) therefore considers it beneficial to renew the Existing Framework Referral Agreement with Agile Holdings, and that the entering of the 2024 Framework Referral Agreement is in the Group's ordinary course of business, and the terms of the 2024 Framework Referral Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

1. 2024 Technology Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 23 September 2020 in relation to, among others, the continuing connected transactions under the Existing Technology Services Framework Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder and the announcement of the Company dated 13 February 2023 in relation to the variation of terms of Existing Technology Services Framework Agreement. As the Existing Technology Services Framework Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2024 Technology Services Framework Agreement with Agile Holdings on 20 October 2023.

(b) Principal terms

- Date:** 20 October 2023
- Parties:** The Company
Agile Holdings
- Term:** The 2024 Technology Services Framework Agreement is valid for three years from 1 January 2024 and ending on 31 December 2026.
- Subject matter:** The Group will provide technology products and relevant services to Agile Holdings and/or its subsidiaries, including but not limited to (i) intelligent products; (ii) software products; (iii) intelligent home and sale of residential accessory products; (iv) software development; (v) information system integration services; (vi) intelligent design; (vii) intelligent engineering services; (viii) software platform technology services; and (ix) relevant consultancy services.
- Pricing and other terms:** The service fees to be charged by the Group under the 2024 Technology Services Framework Agreement will be determined on arm's length basis, with reference to (i) the aggregated GFA of the property projects of Agile Group which will require such technology services; (ii) the unit price for such technology services in the target property projects of Agile Holdings; (iii) the geographical location of the property projects of Agile Group requiring such technology services; and (iv) the prevailing market price. The unit price for the technology services for each individual property project may be different, subject to the (i) types of target property projects; (ii) types of technology products to be installed; and (iii) quality and standard of the technology products requested by the property owners. The service fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.
- Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Technology Services Framework Agreement.
- Alternative settlement mechanism for the service fees:** The Company and Agile Holdings agreed to the following mechanism as an additional means to settle the service fees due and payable by Agile Group to the Group under the 2024 Technology Services Framework Agreement:
- (i) in the event Agile Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from Agile Group's unsold property assets (including but not limited to office buildings, shops and commercial housing) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Agile Holdings;
 - (ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and Agile Group shall enter into a transfer agreement in respect of the Offset Assets, under which the consideration for the transfer of the Offset Assets by Agile Group to the Group shall be offset against the Outstanding Payables;

- (iii) Agile Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within two years commencing from the effective date of the property transfer agreement; and
- (iv) Agile Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset initially identified and subject to the property transfer agreement for one or more other property asset(s) held by Agile Group of equal value, including but not limited to office buildings, shops and commercial housing.

(c) Historical amounts

For the two years ended 31 December 2022 and the six months ended 30 June 2023, the service fees paid to the Group under the Existing Technology Services Framework Agreement amounted to RMB123 million, RMB132 million and RMB27 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Technology Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025 <i>(RMB in millions)</i>	2026
Annual caps	100	150	200

In arriving at the above annual caps, the Directors have considered (i) the expected GFA of the properties of Agile Group which will require such technology services for the three years ending 31 December 2026; (ii) the expected unit price for such technology services; (iii) the expected increase in the demand for intelligent products; and (iv) the estimated price increases owing to product upgrades and introduction of new technology products.

The demand for the technology services is driven by the annual property development and launching plan of Agile Group. However, due to the macro factors and uncertainties in the property development market, Agile Group has adjusted their development and launching plans and tightened the expansion in the coming three years and therefore the demand for technology services is expected to decrease during the term of the 2024 Technology Services Framework Agreement as compared with that during the term of the Existing Technology Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2024 Technology Services Framework Agreement

The Board considers that there is much potential in the growth of technology services industry given the upcoming of the internet era to enhance the overall development of Agile Holdings in intelligent housing and intelligent community. The alternative settlement mechanism as contemplated under the 2024 Technology Services Framework Agreement for the service fees allows the Group to have greater flexibility in recovering receivables from Agile Group. The Group shall pledge the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Technology Services Framework Agreement with Agile Holdings, and that the entering of the 2024 Technology Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2024 Technology Services Framework

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

2. 2024 Turnkey Furnishing Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 23 September 2020 in relation to, among others, the continuing connected transactions under the Existing Turnkey Furnishing Services Framework Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder and the announcement of the Company dated 13 February 2023 in relation to the variation of terms of Existing Turnkey Furnishing Services Framework Agreement. As the Existing Turnkey Furnishing Services Framework Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2024 Turnkey Furnishing Services Framework Agreement with Agile Holdings on 20 October 2023.

(b) Principal terms

Date:	20 October 2023
Parties:	The Company Agile Holdings
Term:	The 2024 Turnkey Furnishing Services Framework Agreement is valid for three years from 1 January 2024 and ending on 31 December 2026.
Subject matter:	The Group will provide to Agile Group turnkey furnishing consultancy services and relevant design, supervision, acceptance and ancillary consultancy services for properties developed by Agile Group.
Pricing and other terms:	<p>The price to be charged by the Group under the 2024 Turnkey Furnishing Services Framework Agreement will be determined on arm's length basis, with reference to (i) the quality and standard of the renovation requested by the property owners of Agile Group's property projects which will require such turnkey furnishing consultancy services; and (ii) the prevailing market price for similar turnkey furnishing consultancy services for property developers in the open market. The price payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.</p> <p>Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Turnkey Furnishing Services Framework Agreement.</p>
Alternative settlement mechanism for the service fees:	The Company and Agile Holdings agreed to the following mechanism as an additional means to settle the service fees due and payable by Agile Group to the Group under the 2024 Turnkey Furnishing Services Framework Agreement:

- (i) in the event Agile Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from Agile Group's unsold property assets (including but not limited to office buildings, shops and commercial housing) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Agile Holdings;
- (ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and Agile Group shall enter into a transfer agreement in respect of the Offset Assets, under which the consideration for the transfer of the Offset Assets by Agile Group to the Group shall be offset against the Outstanding Payables;
- (iii) Agile Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within two years commencing from the effective date of the property transfer agreement; and
- (iv) Agile Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset initially identified and subject to the property transfer agreement for one or more other property asset(s) held by Agile Group of equal value, including but not limited to office buildings, shops and commercial housing.

(c) Historical amounts

For the two years ended 31 December 2022 and the six months ended 30 June 2023, the service fees paid by the Group under the Existing Turnkey Furnishing Services Framework Agreement amounted to RMB60 million, RMB53 million and RMB6 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Turnkey Furnishing Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025	2026
		<i>(RMB in millions)</i>	
Annual caps	20	21.5	30

In arriving at the above annual caps, the Directors have considered (i) historical transaction amounts under the Existing Turnkey Furnishing Services Framework Agreement; (ii) the expected consultancy fee for the provision of turnkey furnishing consultancy services; (iii) quality and standard of renovation to be procured by the Agile Group based on the property owners' requests; and (iv) the estimated value of turnkey furnishing and refined decoration which will require consultancy services from Agile Group for the three years ending 31 December 2026.

The demand for the turnkey furnishing consultancy services is driven by the annual property development and launching plan of Agile Group. However, due to the macro factors and uncertainties in the property development market, Agile Group has adjusted their development and launching plans and tightened the expansion in the coming three years and therefore the demand for turnkey furnishing consultancy services is expected to decrease during the term of the 2024 Turnkey Furnishing Services Framework Agreement as compared with that during the term of the Existing Turnkey Furnishing Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2024 Turnkey Furnishing Services Framework Agreement

The Board considers that the provision of turnkey furnishing consultancy services is complementary to the Group's principal businesses. The alternative settlement mechanism as contemplated under the 2024 Turnkey Furnishing Services Framework Agreement for the service fees allows the Group to have greater flexibility in recovering receivables from Agile Group. The Group shall pledge the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Turnkey Furnishing Services Framework Agreement with Agile Holdings, and that the entering of the 2024 Turnkey Furnishing Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2024 Turnkey Furnishing Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

3. 2024 Advertising and Public Relations Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 23 September 2020 in relation to, among others, the continuing connected transactions under the Existing Advertising and Public Relations Services Framework Agreement entered into between the Company and Agile Holdings and the announcement of the Company dated 13 February 2023 in relation to the variation of terms of Existing Advertising and Public Relations Services Framework Agreement. As the Existing Advertising and Public Relations Services Framework Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2024 Advertising and Public Relations Services Framework Agreement with Agile Holdings on 20 October 2023.

(b) Principal terms

Date:	20 October 2023
Parties:	The Company Agile Holdings
Term:	The 2024 Advertising and Public Relations Services Framework Agreement is valid for three years from 1 January 2024 and ending on 31 December 2026.
Subject matter:	The Group will provide to Agile Group services such as advertisement design, media agent and public relations.
Pricing and other terms:	The services fees to be charged by the Group under the 2024 Advertising and Public Relations Services Framework Agreement will be determined on arm's length basis, with reference to (i) the anticipated operational costs (including labour costs and material costs); and (ii) the prevailing market price for similar services for corporate customers in the open market. The service fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Advertising and Public Relations Services Framework Agreement.

Alternative settlement mechanism for the service fees:

The Company and Agile Holdings agreed to the following mechanism as an additional means to settle the service fees due and payable by Agile Group to the Group under the 2024 Advertising and Public Relations Services Framework Agreement:

- (i) in the event Agile Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from Agile Group's unsold property assets (including but not limited to office buildings, shops and commercial housing) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Agile Holdings;
- (ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and Agile Group shall enter into a transfer agreement in respect of the Offset Assets, under which the consideration for the transfer of the Offset Assets by Agile Group to the Group shall be offset against the Outstanding Payables;
- (iii) Agile Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within two years commencing from the effective date of the property transfer agreement; and
- (iv) Agile Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset initially identified and subject to the property transfer agreement for one or more other property asset(s) held by Agile Group of equal value, including but not limited to office buildings, shops and commercial housing.

(c) Historical amounts

For the two years ended 31 December 2022 and the six months ended 30 June 2023, the service fees paid to the Group under the Existing Advertising and Public Relations Services Framework Agreement amounted to RMB70 million, RMB39 million and RMB15 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Advertising and Public Relations Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025	2026
		<i>(RMB in millions)</i>	
Annual caps	37	40	45

In arriving at the above annual caps, the Directors have considered (i) the expected demand for media agent and public relations services of Agile Group in connection with its business development and marketing activities for the three years ending 31 December 2026 with reference to the number of properties to be developed by Agile Group; (ii) the estimated capacity of the Group to provide such advertising and public relations services for the three years ending 31 December 2026; and (iii) the estimated increase in agency fees for the provision of media agent services and public relations services due to expansion in scope of services for the three years ending 31 December 2026.

The demand for the media agent and public relations services is driven by the annual property development and launching plan of Agile Group. However, due to the macro factors and uncertainties in the property development market, Agile Group has adjusted their development and launching plans and tightened the expansion in the coming three years and therefore the demand for media agent and public relations services is expected to decrease during the term of the 2024 Advertising and Public Relations Services Framework Agreement as compared with that during the term of the Existing Advertising and Public Relations Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2024 Advertising and Public Relations Services Framework Agreement

The Group has been providing the advertisement design services to Agile Group. Since March 2019, the Group started to provide the media agent services and public relations services and the need of media agent from Agile Group and number of public relations events for the properties developed by Agile Group is increasing based on the negotiation with the Agile Group and its business development plan. The alternative settlement mechanism as contemplated under 2024 Advertising and Public Relations Services Framework Agreement for the service fees allows the Group to have greater flexibility in recovering receivables from Agile Group. The Group shall pledge the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Advertising and Public Relations Services Framework Agreement with Agile Holdings, and that the entering of the 2024 Advertising and Public Relations Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2024 Advertising and Public Relations Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

4. 2024 Pre-delivery Inspection Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 23 September 2020 in relation to, among others, the continuing connected transactions under the Existing Pre-delivery Inspection Services Framework Agreement entered into between the Company and Agile Holdings, and the announcement of the Company dated 13 February 2023 in relation to the variation of terms of Existing Pre-delivery Inspection Services Framework Agreement. As the Existing Pre-delivery Inspection Services Framework Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2024 Pre-delivery Inspection Services Framework Agreement with Agile Holdings on 20 October 2023.

(b) Principal terms

- Date:** 20 October 2023
- Parties:** The Company
Agile Holdings
- Term:** The 2024 Pre-delivery Inspection Services Framework Agreement is valid for three years from 1 January 2024 and ending on 31 December 2026.
- Subject matter:** The Group will provide to Agile Group pre-delivery inspection services, including but not limited to conducting house inspection on properties developed by Agile Group upon completion of construction and before delivery of the same to homeowners.
- Pricing and other terms:** The services fees to be charged by the Group under the 2024 Pre-delivery Inspection Services Framework Agreement will be determined on arm's length basis, with reference to (i) the GFA involved; (ii) the anticipated service costs; and (iii) the prevailing market price for similar services in the open market. The service fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.
- Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Pre-delivery Inspection Services Framework Agreement.
- Alternative settlement mechanism for the service fees:** The Company and Agile Holdings agreed to the following mechanism as an additional means to settle the service fees due and payable by Agile Group to the Group under the 2024 Pre-delivery Inspection Services Framework Agreement:
- (i) in the event Agile Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from Agile Group's unsold property assets (including but not limited to office buildings, shops and commercial housing) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Agile Holdings;
 - (ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and Agile Group shall enter into a transfer agreement in respect of the Offset Assets, under which the consideration for the transfer of the Offset Assets by Agile Group to the Group shall be offset against the Outstanding Payables;
 - (iii) Agile Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within two years commencing from the effective date of the property transfer agreement; and

- (iv) Agile Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset initially identified and subject to the property transfer agreement for one or more other property asset(s) held by Agile Group of equal value, including but not limited to office buildings, shops and commercial housing.

(c) Historical amounts

For the two years ended 31 December 2022 and the six months ended 30 June 2023, the service fees paid to the Group under the Existing Pre-delivery Inspection Services Framework Agreement amounted to RMB142 million, RMB86 million and RMB17 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Pre-delivery Inspection Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025 <i>(RMB in millions)</i>	2026
Annual caps	37.5	45	60

In arriving at the above annual caps, the Directors have considered the estimated pre-sale value of properties to be sold by Agile Group and the GFA which will require pre-delivery inspection services from the Group the three years ending 31 December 2026.

The demand for the pre-delivery inspection services is driven by the annual property development and launching plan of Agile Group. However, due to the macro factors and uncertainties in the property development market, Agile Group has adjusted their development and launching plans and tightened the expansion in the coming three years and therefore the demand for pre-delivery inspection services is expected to decrease during the term of the 2024 Pre-delivery Inspection Services Framework Agreement as compared with that during the term of the Existing Pre-delivery Inspection Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2024 Pre-delivery Inspection Services Framework Agreement

Pre-delivery inspection services is a growing new business in the market which adds value to pre-delivery quality and thereby improving the brand image of the pre-delivery developers and reduce disputes as much as possible. The alternative settlement mechanism as contemplated under the 2024 Pre-delivery Inspection Services Framework Agreement for the service fees allows the Group to have greater flexibility in recovering receivables from Agile Group. The Group shall pledge the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Consultation Services Framework Agreement, and that the entering of the 2024 Pre-delivery Inspection Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2024 Pre-delivery Inspection Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

5. 2024 Consultation Services Framework Agreement

(a) Background

Reference is made to the announcement of the Company dated 23 September 2020 in relation to, among others, the continuing connected transactions under the Existing Consultation Services Framework Agreement entered into between the Company and Agile Holdings, and the annual caps thereunder and the announcement of the Company dated 13 February 2023 in relation to the variation of terms of Existing Consultation Services Framework Agreement. As the Existing Consultation Services Framework Agreement will expire on 31 December 2023, and the Group is expected to carrying on the transactions contemplated thereunder upon its expiry, the Company entered into the 2024 Consultation Services Framework Agreement with Agile Holdings on 20 October 2023.

(b) Principal terms

Date:	20 October 2023
Parties:	The Company Agile Holdings
Term:	The 2024 Consultation Services Framework Agreement is valid for three years from 1 January 2024 and ending on 31 December 2026.
Subject matter:	The Group will provide consultation services in relation to property management to the property projects of Agile Group at their preparation stage, design stage, assessment of construction design stage, construction stage and delivery stage, including but not limited to (i) formulation of property management services plan in accordance with the construction of the project and the target customers; (ii) provision of consultation on the master plan of the project and relevant design in relation to accessory facilities; (iii) inspection of construction progress and quality; (iv) related preparations for preliminary project planning, sourcing of materials and project execution in the property development projects of the Agile Group; and (v) monitoring of repair and rectification service.
Pricing and other terms:	The service fees to be charged by the Group under the 2024 Consultation Services Framework Agreement will be determined on arm's length basis, with reference to (i) the aggregated GFA of the property projects of Agile Group which will require such consultation services; (ii) the fixed unit price for the provision of such consultation services; and (iii) the prevailing market price. The service fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party. Members of the Group and members of Agile Group will enter into separate agreements which will set out the specific terms and conditions according to the principles provided in the 2024 Consultation Services Framework Agreement.
Alternative settlement mechanism for the service fees:	The Company and Agile Holdings agreed to the following mechanism as an additional means to settle the service fees due and payable by Agile Group to the Group under the 2024 Consultation Services Framework Agreement:

- (i) in the event Agile Group is unable to pay any Outstanding Payables, the Group may elect to accept assets from Agile Group's unsold property assets (including but not limited to office buildings, shops and commercial housing) in the same value as the Outstanding Payables as settlement of Outstanding Payables. The list of such Offset Assets shall be finalised and confirmed by the Company and Agile Holdings;
- (ii) if the Group elects to accept such Offset Assets to settle Outstanding Payables, the Group and Agile Group shall enter into a transfer agreement in respect of the Offset Assets, under which the consideration for the transfer of the Offset Assets by Agile Group to the Group shall be offset against the Outstanding Payables;
- (iii) Agile Group agreed to grant the Group a one-time free right to request any party designated by the Company to be named as the registered owner of the Offset Assets within two years commencing from the effective date of the property transfer agreement; and
- (iv) Agile Group agreed that during the Naming Period, the Group may request to exchange any Offset Asset initially identified and subject to the property transfer agreement for one or more other property asset(s) held by Agile Group of equal value, including but not limited to office buildings, shops and commercial housing.

(c) Historical amounts

For the two years ended 31 December 2022 and the six months ended 30 June 2023, the service fees paid to the Group under the Existing Consultation Services Framework Agreement amounted to RMB177 million, RMB97 million and RMB11 million, respectively.

(d) Annual caps and basis of determination

It is proposed that the annual caps for the transactions contemplated under the 2024 Consultation Services Framework Agreement for the three years ending 31 December 2026 are expected not to exceed the followings:

	2024	2025	2026
		<i>(RMB in millions)</i>	
Annual caps	45	47	50

In arriving at the above annual caps, the Directors have considered (i) the expected GFA of the properties in the design stage, construction stage and delivery stage of Agile Group which require the provision of consultation services for the three years ending 31 December 2026; (ii) the estimated unit price for the consultation services in various stage; and (iii) the anticipated increase in demand for consultation services of Agile Group for the three years ending 31 December 2026.

The demand for the consultation services is driven by the annual property development and launching plan of Agile Group. However, due to the macro factors and uncertainties in the property development market, Agile Group has adjusted their development and launching plans and tightened the expansion in the coming three years and therefore the demand for consultation services is expected to decrease during the term of the 2024 Consultation Services Framework Agreement as compared with that during the term of the Existing Consultation Services Framework Agreement.

(e) Reasons for and benefits of entering into the 2024 Consultation Services Framework Agreement

The Board considers that the provision of consultation services helps to further strengthen the Group's business cooperation with Agile Group to promote good properties' design and construction quality, which in turn will create suitable conditions for property management after delivery of the properties and increase the satisfaction of the property owners. The alternative settlement mechanism as contemplated under the 2024 Consultation Services Framework Agreement for the service fees allows the Group to have greater flexibility in recovering receivables from Agile Group. The Group shall pledge the Offset Assets to its third-party suppliers to settle other payables due from the Group to such suppliers, or may sell or let out the Offset Assets to third-parties for cash.

The Board (including the independent non-executive Directors) therefore considers it beneficial to renew the Existing Consultation Services Framework Agreement, and that the entering of the 2024 Consultation Services Framework Agreement is in the Group's ordinary course of business, and the terms of the 2024 Consultation Services Framework Agreement and the annual caps thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IV. PRICING POLICY FOR CONTINUING CONNECTED TRANSACTIONS

The value of the relevant Offset Assets shall be determined jointly by the Company and Agile at the time of the signing of the property transfer agreement after arm's length negotiation and with reference to (i) the valuation report of the Offset Assets to be prepared by an independent valuer who shall adopt a market approach; (ii) the recent sales prices of the property projects in which the Offset Assets are located; and (iii) the recent sales prices of similar properties in the surrounding area of the Offset Assets. Such valuation principles are also applicable to the Company's request to exchange Offset Assets for one or more other property asset(s) held by Agile Group of equal value.

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

- (i) by reference to the prevailing market price of the same or substantially similar services or products taking into account of the price of the same or substantially similar services or products with comparable scope or quantities and quality offered by other suppliers/purchasers to the Group;
- (ii) if there are not sufficient comparable transactions in (i) above, on normal commercial terms comparable to those offered to/received from independent third parties by Agile Group in respect of the same or substantially similar services or products with comparable quantities; and
- (iii) if both (i) and (ii) above are not applicable, by reference to the average price of similar services or products gathered through market research by the sales department of the Group, such as obtaining quotations from the business partners of Agile Group, the previous customers and potential customers based on the type and nature of the relevant services or products.

In order to ascertain the prevailing market price, the sales department of the Group and its designated personnel will, on a quarterly basis, invite quotations from at least two Independent Third Parties for the provision of the same or similar services or products with comparable scope or quantities and quality under normal commercial terms in the ordinary course of business of such Independent Third Parties; or if applicable, the price list of services or products procured by Agile Group from Independent Third Parties for same or similar services or products with comparable scope or quantities and quality as provided by the Group to Agile Group. The sales department of the Group will then compare the market price with the fees under individual transactions pursuant to the 2024 Framework Agreements, and make evaluation and assessment to ensure that the price payable by or to be charged by Agile Group will be on normal commercial terms and on terms no less favourable than that available from Independent Third Parties.

V. INTERNAL CONTROL POLICIES FOR CONTINUING CONNECTED TRANSACTIONS

To enable the Group to review and assess whether the individual transactions will be conducted within the framework of the respective 2024 Framework Agreements and in accordance with the aforesaid pricing policy to ensure that the actual prices for the continuing connected transactions of the Group are on normal commercial terms and on terms no less favourable to the Group than those available from Independent Third Parties, the Group has adopted the following measures:

- (1) the general manager of the sales department and finance department will closely monitor the transactions to ensure that the transaction amount does not exceed the annual caps of the respective 2024 Framework Agreements;
- (2) the implementation of specific contracts shall be subject to the appropriate approval of the general managers of the business department, finance department, legal department and management of the Group to ensure that the contracts are in line with the pricing policy and principal terms of the respective 2024 Framework Agreements;
- (3) the general manager of the business department of the Group will conduct regular reviews to keep abreast of the prevailing fee level in the market and the market conditions for the purpose of considering if the price charged for a specific transaction is fair and reasonable and is in accordance with the pricing policy;
- (4) the general manager of the financial department of the Group will regularly review the settlement of service fees to ensure that the settlement of the service fees are carried out in accordance with the respective 2024 Framework Agreements;
- (5) the auditors of the Company shall conduct annual reviews on pricing and annual caps of such continuing connected transactions to ensure that the transactions amount is within the annual caps and that the transactions are conducted on the principal terms of the respective 2024 Framework Agreements; and
- (6) the independent non-executive Directors of the Company would continue to review the management's quarterly review reports on the transactions contemplated under the respective 2024 Framework Agreements to ensure that such transactions are conducted on normal commercial terms and are in the ordinary and usual course of business of the Group, and the terms and conditions thereof are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

VI. LISTING RULES IMPLICATIONS

As at the date of this announcement, Agile Holdings is the controlling shareholder of the Company, holding approximately 47.05% of the issued share capital of the Company. Accordingly, the transactions contemplated under each of the 2024 Framework Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the (i) 2024 Property Management Services Framework Agreement; (ii) 2024 Property Agency Services Framework Agreement; and (iii) 2024 Framework Referral Agreement exceed 5%, the continuing connected transactions contemplated thereunder are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the (i) 2024 Technology Services Framework Agreement; (ii) 2024 Turnkey Furnishing Services Framework Agreement; (iii) 2024 Advertising and Public Relations Services Framework Agreement; (iv) 2024 Pre-delivery Inspection Services Framework Agreement; and (v) 2024 Consultation Services Framework Agreement exceed 0.1% but all of which are less than 5%, the continuing connected transactions contemplated thereunder are subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

VII. EXTRAORDINARY GENERAL MEETING

The 2024 Property Management Services Framework Agreement, the 2024 Property Agency Services Framework Agreement and the 2024 Framework Referral Agreement and the transactions respectively contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolution at the EGM.

The EGM is scheduled to be held on Friday, 8 December 2023 and the notice of the EGM will be published and despatched to the Shareholders accordingly.

The Company has established the Independent Board Committee comprising all three independent non-executive Directors to advise the Independent Shareholders as to whether the continuing connected transactions under the (i) 2024 Property Management Services Framework Agreement; (ii) 2024 Property Agency Services Framework Agreement; and (iii) 2024 Framework Referral Agreement, and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, and are entered into in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. Rainbow Capital (HK) Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among other things, (i) a letter from the Board containing details of the 2024 Property Management Services Framework Agreement; the 2024 Property Agency Services Framework Agreement and the 2024 Framework Referral Agreement; (ii) recommendations of the Independent Board Committee to the Independent Shareholders; (iii) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (iv) a notice of the EGM together with the proxy form will be despatched to the Shareholders on or before 20 November 2023 as additional time is required to prepare and finalise the circular.

VIII. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Tuesday, 5 December 2023 to Friday, 8 December 2023, both days inclusive, during which period no transfer of the H Shares will be registered. In order to qualify for attending and voting at EGM, shareholders of H Shares whose transfer documents have not been registered are required to deposit all properly completed share transfer forms together with the relevant share certificates to the Company's H Share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Monday, 4 December 2023.

IX. GENERAL

Save for Mr. Chan Cheuk Hung and Mr. Huang Fengchao, the executive Directors, who are also the directors and shareholders of Agile Holdings, and Mr. Chen Siyang, an executive Director who is the son of Mr. Chan Cheuk Hung, none of the other Directors has or is deemed to have a material interest in the 2024 Framework Agreements and the transactions contemplated respectively thereunder. Mr. Chan Cheuk Hung, Mr. Huang Fengchao and Mr. Chen Siyang are therefore required to abstain, and have abstained, from voting on the relevant Board resolutions.

X. INFORMATION ON THE PARTIES

Agile Holdings

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

The Company

The Company positions itself as a mid- to high-end provider of nationwide comprehensive property management services, ranking the 2nd of the Top 100 Property Management Companies in China published by China Index Academy. The Group dedicates to providing high-quality and full- scenario services to property owners, undertaking the corporate mission of “becoming the preeminent quality service provider in China”. With the continuous business expansion covering the whole industry chain, the Group is proactively innovating and exploring the value-added service ecosystem. Currently, the Group has developed four business lines, namely, property management services, property owners value-added services, city services and extended value-added services, with a nationwide coverage of 31 provinces, municipalities and autonomous regions, and has developed a balanced business portfolio layout covering residential properties, public buildings and commercial and office buildings.

XI. DEFINITIONS

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

“2024 Advertising and Public Relations Services Framework Agreement”	the advertising and public relations services framework agreement entered into between the Company and Agile Holdings dated 20 October 2023
“2024 Consultation Services Framework Agreement”	the consultation services framework agreement entered into between the Company and Agile Holdings dated 20 October 2023
“2024 Framework Agreements”	collectively (i) 2024 Property Management Services Framework Agreement; (ii) 2024 Property Agency Services Framework Agreement; (iii) 2024 Framework Referral Agreement; (iv) 2024 Turnkey Furnishing Services Framework Agreement; (v) 2024 Advertising and Public Relations Services Framework Agreement; (vi) 2024 Pre-delivery Inspection Services Framework Agreement; (vii) 2024 Technology Services Framework Agreement; and (viii) 2024 Consultation Services Framework Agreement
“2024 Framework Referral Agreement”	the framework referral agreement entered into between the Company and Agile Holdings dated 20 October 2023

“2024 Pre-delivery Inspection Services Framework Agreement”	the pre-delivery inspection services framework agreement entered into between the Company and Agile Holdings dated 20 October 2023
“2024 Property Agency Services Framework Agreement”	the property agency services framework agreement entered into between the Company and Agile Holdings dated 20 October 2023
“2024 Property Management Services Framework Agreement”	the property management services framework agreement entered into between the Company and Agile Holdings dated 20 October 2023
“2024 Technology Services Framework Agreement”	the technology services framework agreement entered into between the Company and Agile Holdings dated 20 October 2023
“2024 Turnkey Furnishing Services Framework Agreement”	the turnkey furnishing services framework agreement entered into between the Company and Agile Holdings dated 20 October 2023
“Agile Group”	Agile Holdings and its subsidiaries and associates excluding the Group
“Agile Holdings”	雅居樂集團控股有限公司 (Agile Group Holdings Limited) (stock code: 3383), an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	雅生活智慧城市服務股份有限公司 (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
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company
“EGM”	the forthcoming 2023 third extraordinary general meeting of the Company to be held and convened to consider and, if thought fit, approve the 2024 Property Management Services Framework Agreement; the 2024 Property Agency Services Framework Agreement; the 2024 Framework Referral Agreement and the transactions respectively contemplated thereunder
“Existing Advertising and Public Relations Services Framework Agreement”	the advertising and public relations services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020, as amended and supplemented by the supplemental agreement dated 13 February 2023

“Existing Consultation Services Framework Agreement”	the consultation services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020, as amended and supplemented by the supplemental agreement dated 13 February 2023
“Existing Framework Referral Agreement”	the framework referral agreement entered into between the Company and Agile Holdings dated 23 September 2020, as amended and supplemented by the supplemental agreement dated 28 August 2023
“Existing Pre-delivery Inspection Services Framework Agreement”	the pre-delivery inspection services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020, as amended and supplemented by the supplemental agreement dated 13 February 2023
“Existing Property Agency Services Framework Agreement”	the property agency services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020, as amended and supplemented by the supplemental agreement dated 28 August 2023
“Existing Property Management Services Framework Agreement”	the property management services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020, as amended and supplemented by the supplemental agreement dated 28 August 2023
“Existing Technology Services Framework Agreement”	the technology services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020, as amended and supplemented by the supplemental agreement dated 13 February 2023
“Existing Turnkey Furnishing Services Framework Agreement”	the turnkey furnishing services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020, as amended and supplemented by the supplemental agreement dated 13 February 2023
“GFA”	gross floor area
“Group”	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 HK\$ and listed on the Stock Exchange
“H Shareholders”	holders of the H Shares
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	an independent committee of the Board, comprising all three independent non-executive Directors, established to advise the Independent Shareholders in respect of the continuing connected transactions under the 2024 Property Management Services Framework Agreement; the 2024 Property Agency Services Framework Agreement and the 2024 Framework Referral Agreement

“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the continuing connected transactions under the 2024 Property Management Services Framework Agreement; the 2024 Property Agency Services Framework Agreement and the 2024 Framework Referral Agreement
“Independent Shareholders”	Shareholders who do not have a material interest in the 2024 Property Management Services Framework Agreement; the 2024 Property Agency Services Framework Agreement and the 2024 Framework Referral Agreement
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) (has the meaning ascribed to it under the Listing Rules) of the Company and is/are independent of and not connected with the Company and directors, supervisors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Naming Period”	a one-time free right granted by the Agile Group to the Group to request any party designated by the Company to be named as the registered owner of the Offset Assets within two years commencing from the effective date of the property transfer agreement
“Offset Asset(s)”	selected Agile Group’s unsold high-quality assets (including but not limited to office buildings, shops, commercial housing, etc.) to settle the service fees payable by Agile Group to the Group under each of the 2024 Framework Agreements
“Outstanding Payables”	service fees under the relevant 2024 Framework Agreements which have become due and payable
“PRC”	the People’s Republic of China, which for the purpose of this announcement shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By Order of the Board
A-Living Smart City Services Co., Ltd.*
LI Dalong
*Executive Director, President (General Manager) and
Chief Executive Officer*

Hong Kong, 20 October 2023

As at the date of this announcement, the Board comprises eight members, being Mr. Chan Cheuk Hung[^] (Co-chairman), Mr. Huang Fengchao[^] (Co-chairman), Mr. Li Dalong[^] (President (General Manager) and Chief Executive Officer), Mr. Chen Siyang[^] (Vice President), Mr. Xu Yongping[^], Mr. Wang Gonghu^{^^}, Mr. Weng Guoqiang^{^^} and Mr. Li Jiahe^{^^}.

[^] *Executive Directors*

^{^^} *Non-executive Director*

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

** for identification purposes only*