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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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If you are in any doubt as to any aspect of this circular, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional Adviser.

If you have sold or transferred all your shares in A-Living Services Co., Ltd., you should at once hand this circular to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for onward transmission to the purchaser(s) or transferee(s).

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**A-LIVING SERVICES CO., LTD.\***  
**雅居樂雅生活服務股份有限公司**

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

**CONTINUING CONNECTED TRANSACTIONS**  
**(1) REVISION OF ANNUAL CAP AND**  
**(2) RENEWAL OF 2021 NON-EXEMPT FRAMEWORK AGREEMENTS**  
**AND**  
**NOTICE OF THE 2020 FOURTH EXTRAORDINARY GENERAL MEETING**

**Independent Financial Adviser to**  
**the Independent Board Committee and the Independent Shareholders**

**RAINBOW.**

RAINBOW CAPITAL (HK) LIMITED  
泓博資本有限公司

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Capitalised terms used on this cover shall have the same meanings as those defined in the section headed "Definitions" in this circular, unless the context requires otherwise.

A letter from the Board is set out on pages 7 to 21 of this circular and a letter from the Independent Board Committee to the Independent Shareholders is set out on pages 22 to 23 of this circular. A letter from the Independent Financial Adviser, containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 24 to 47 of this circular.

A notice convening the EGM to be held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Monday, 9 November 2020 at 2:30 p.m. is set out on pages 57 to 60 of this circular. A form of proxy for the EGM for use by the Shareholders is enclosed with this circular. Such proxy form is also published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.agileliving.com.cn](http://www.agileliving.com.cn)).

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

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## DEFINITIONS

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

“2021 Framework Referral Agreement”	the framework referral agreement entered into between the Company and Agile Holdings dated 23 September 2020
“2021 Property Agency Services Framework Agreement”	the property agency services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020
“2021 Property Management Services Framework Agreement”	the property management services framework agreement entered into between the Company and Agile Holdings dated 23 September 2020
“Agile Group”	Agile Holdings and its subsidiaries and associates excluding the Group
“Agile Holdings”	Agile Group Holdings Limited (雅居樂集團控股有限公司) (stock code: 3383), an exempted company with limited liability incorporated in the Cayman Islands and the shares of which are listed on the Main Board of the Stock Exchange
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“A-TRO Properties”	A-TRO Properties Consultancy Co., Ltd.* (雅卓房地產顧問有限公司) (formerly known as Guangzhou Yazhuo Real Estate Sales Co., Ltd.* (廣州市雅卓房地產營銷有限公司)), a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	A-Living Services Co., Ltd.* (雅居樂雅生活服務股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange
“connected person”	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

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## DEFINITIONS

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“EGM”	the 2020 fourth extraordinary general meeting of the Company to be held and convened at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Monday, 9 November 2020 at 2:30 p.m. or any adjournment thereof (as the case may be) to consider and, if thought fit, approve the Non-exempt Continuing Connected Transactions Agreements and the transactions contemplated thereunder
“Existing Framework Referral Agreement”	the framework referral agreement entered into between the Company and Agile Holdings dated 28 April 2020
“Existing Property Agency Services Framework Agreement”	the property agency services framework agreement entered into between A-TRO Properties and Agile Holdings dated 23 January 2018, as amended and supplemented by the supplemental agreement dated 17 August 2018
“Existing Property Management Services Framework Agreement”	the property management services framework agreement entered into between the Company and Agile Holdings dated 23 January 2018
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“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
“Independent Board Committee”	an independent committee of the Board, comprising all three independent non-executive Directors

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## DEFINITIONS

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“Independent Financial Adviser”	Rainbow Capital (HK) Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and the independent financial adviser to Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions Agreements
“Independent Shareholders”	Shareholders who are not interested in the Non-exempt Continuing Connected Transactions
“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
“Latest Practicable Date”	19 October 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Original 2020 Cap Amount”	the annual cap for the year ending 31 December 2020 in relation to the transactions contemplated under the Existing Property Management Services Framework Agreement as set out in the Prospectus
“PRC”	the People’s Republic of China, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus of the Company dated 29 January 2018

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## DEFINITIONS

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“Non-exempt Continuing Connected Transactions Agreements”	collectively,  (i) the Supplemental Property Management Services Agreement;  (ii) the 2021 Property Management Services Framework Agreement;  (iii) the 2021 Property Agency Services Framework Agreement;  (iv) the 2021 Framework Referral Agreement
“Non-exempt Continuing Connected Transactions”	collectively,  (i) the transactions contemplated under the Supplemental Property Management Services Agreement;  (ii) the transactions contemplated under the 2021 Property Management Services Framework Agreement;  (iii) the transactions contemplated under the 2021 Property Agency Services Framework Agreement;  (iv) the transactions contemplated under the 2021 Framework Referral Agreement
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Dealing Codes”	a code for securities transactions by the Directors and a code for securities transactions by the Supervisors adopted by the Company as its own codes of conduct governing the Directors’ and the Supervisors’ dealings in securities of the Company on terms no less exacting than the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules
“Shareholder(s)”	holder(s) of the shares of the Company
“Supervisor(s)”	the supervisor(s) of the Company
“sq. m.”	square meter

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## DEFINITIONS

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“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning as ascribed to it under the Companies Ordinance (Chapter 622 of the Laws of Hong Kong)
“Supplemental Property Management Services Agreement”	the supplemental agreement dated 23 September 2020 and entered into between the Company and Agile Holdings, which amended and supplemented the Existing Property Management Services Framework Agreement
“%”	per cent.

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## PRECAUTIONARY MEASURES FOR THE EGM

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

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

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

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

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

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



**A-LIVING SERVICES CO., LTD.\***  
**雅居樂雅生活服務股份有限公司**

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

**(Stock Code: 3319)**

*Executive Directors:*

Mr. Chan Cheuk Hung (*Co-chairman*)

Mr. Huang Fengchao (*Co-chairman*)

Mr. Li Dalong

*(President (General Manager)*

*and Chief Executive Officer)*

*Registered Office in the PRC:*

Management Building, Xingye Road

Agile Garden, Sanxiang Town

Zhongshan

Guangdong Province, PRC

*Non-Executive Directors:*

Mr. Wei Xianzhong

Ms. Yue Yuan

*Principal Place of Office in the PRC:*

35/F, Agile Center

26 Huaxia Road

Zhujiang New Town

Tianhe District, Guangzhou

Guangdong Province, PRC

*Independent Non-executive Directors:*

Mr. Wan Kam To

Ms. Wong Chui Ping Cassie

Mr. Wang Peng

*Principal Place of Business in Hong Kong*

Level 54, Hopewell Centre

183 Queen's Road East

Hong Kong

22 October 2020

*To the Shareholders*

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS**  
**(1) REVISION OF ANNUAL CAP AND**  
**(2) RENEWAL OF 2021 NON-EXEMPT FRAMEWORK AGREEMENTS**  
**AND**  
**NOTICE OF THE 2020 FOURTH EXTRAORDINARY GENERAL MEETING**

**I. INTRODUCTION**

Reference is made to the announcement of the Company dated 23 September 2020 in relation to, among others, the revision of the annual cap in relation to a continuing connected transaction and the renewal of the continuing connected transactions of the Company. The Non-exempt Continuing Connected Transactions Agreements and the transactions respectively contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolution at the EGM.

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## LETTER FROM THE BOARD

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The purpose of this circular is:

- (i) to provide the Shareholders with further details of the Non-exempt Continuing Connected Transactions Agreements and the respective proposed annual caps;
- (ii) to set out the opinion of the Independent Financial Adviser on the terms of the Non-exempt Continuing Connected Transactions Agreements and the respective proposed annual caps;
- (iii) to set out the recommendation of the Independent Board Committee on the Non-exempt Continuing Connected Transactions Agreements and the respective proposed annual caps; and
- (iv) to give the Shareholders notice of the EGM to consider and, if thought fit, to approve the Non-exempt Continuing Connected Transactions Agreements and the respective proposed annual caps.

## II. REVISION OF ANNUAL CAP AND RENEWAL OF NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

### 1. 2021 Property Management Services Framework Agreement

#### *(a) Background*

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

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

Since the COVID-19 pandemic, the Group has been providing additional cleaning services to the property sales centers of Agile Holdings at the pre-delivery stage and disinfection and hygiene services to the properties owned by Agile Group pursuant to the Existing Property Management Services Framework Agreement. The Directors have become aware that the transaction amount under the Existing Property Management Services Framework Agreement as set out in the Prospectus is approaching the Original 2020 Cap Amount.

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

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## LETTER FROM THE BOARD

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

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

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

*(d) Principal terms*

<b>Date:</b>	23 September 2020
<b>Parties:</b>	The Company Agile Holdings
<b>Term:</b>	The 2021 Property Management Services Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023.
<b>Subject matter:</b>	The Group will provide to Agile Group property management services, including but not limited to (i) on-site security, cleaning, greening and gardening, repair and maintenance services as well as customer services to the property sales centers of Agile Group at the pre-delivery stage; (ii) operations and management services for the unsold property units; (iii) disinfection and hygiene services; (iv) property management services for the diversified businesses of Agile Holdings, including but not limited to environmental protection, urban renewal and real estate construction management; and (v) properties owned by Agile Group requiring the above services.

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## LETTER FROM THE BOARD

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**Pricing and  
other terms:**

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

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

*(e) Historical amounts*

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

*(f) Annual caps and basis of determination*

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

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

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

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## LETTER FROM THE BOARD

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

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

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

The Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) therefore considers it beneficial to enter into the Supplemental Property Management Services Agreement and to renew the Existing Property Management Services Framework Agreement. The Board (excluding the independent non-executive Directors, whose views will be given after considering the advice from the Independent Financial Adviser) considers that the entering into of the Supplemental Property Management Services Agreement and the 2021 Property Management Services Framework Agreement is in the Group's ordinary course of business, and the respective terms of the Supplemental Property Management Services Agreement and the 2021 Property Management Services Framework Agreement and the revised annual cap and proposed annual caps respectively set out thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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## LETTER FROM THE BOARD

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### 2. 2021 Property Agency Services Framework Agreement

#### (a) *Background*

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

#### (b) *Principal terms*

<b>Date:</b>	23 September 2020
<b>Parties:</b>	The Company  Agile Holdings
<b>Term:</b>	The 2021 Property Agency Services Framework Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023.
<b>Subject matter:</b>	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.
<b>Pricing and other terms:</b>	The services fees to be charged by the Group under the 2021 Property Agency Services Framework Agreement will be determined on arm's length basis, with reference to (i) the location of the project; (ii) the anticipated operational costs (including labor costs) for providing such services; and (iii) the prevailing market price for similar property agency services for property developers in the open market and any adjustment to commission rate based on the scale and location of the projects and the size of the sales team required to be stationed on-site. The fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

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

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## LETTER FROM THE BOARD

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(c) *Historical amounts*

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

(d) *Annual caps and basis of determination*

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

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

In arriving at the above annual caps, the Directors have considered (i) the estimated pre-sale value of the properties to be sold by Agile Group which will require property agency services from the Group for the three years ending 31 December 2023, based on the development plans of Agile Group provided to the Group; and (ii) the estimated service fees and commissions of approximately 2% for the provision of property agency services, subject to any necessary adjustment with reference to the location, size and scale of the relevant projects.

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

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

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

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## LETTER FROM THE BOARD

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

### 3. 2021 Framework Referral Agreement

#### (a) *Background*

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

#### (b) *Principal terms*

<b>Date:</b>	23 September 2020
<b>Parties:</b>	The Company Agile Holdings
<b>Term:</b>	The 2021 Framework Referral Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023.
<b>Subject matter:</b>	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.



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## LETTER FROM THE BOARD

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**Pricing and  
other terms:**

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

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

*(c) Historical amounts*

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

*(d) Annual caps and basis of determination*

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

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

In arriving at the above annual caps, the Directors have considered (i) the historical transaction amounts under the Existing Framework Referral Agreement; (ii) the expected commission in the range of approximately 4% to 6% to be charged for the provision of the marketing referral services after considering the total value of the saleable residential properties and car parking spaces of Agile Group which will require marketing referral services from the Group for the three years ending on 31 December 2023; and (iii) the prevailing market commission rate for the provision of the marketing referral services for comparable transactions in the same industry. In general, the commission rates are higher for projects that are harder to sell, while larger projects tend to be easier to sell as the developer often has a larger budget for sales and promotion.

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## LETTER FROM THE BOARD

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

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

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

### III. PRICING POLICY FOR CONTINUING CONNECTED TRANSACTIONS

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

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

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## LETTER FROM THE BOARD

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- (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 Non-exempt Continuing Connected Transactions 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.

#### **IV. 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 Non-exempt Continuing Connected Transactions 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 Non-exempt Continuing Connected Transactions Agreements;
- (2) the implementation of individual contracts shall be subject to the appropriate approval of the respective 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 Non-exempt Continuing Connected Transactions 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;

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## LETTER FROM THE BOARD

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- (4) the auditors of the Company shall conduct annual reviews on pricing and annual caps of such continuing connected transactions to ensure that the transactions amount is within the annual caps and that the transactions are conducted on the principal terms of the respective Non-exempt Continuing Connected Transactions Agreements; and
- (5) the independent non-executive Directors of the Company would continue to review the management's quarterly review reports on the transactions contemplated under the respective Non-exempt Continuing Connected Transactions 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.

### V. LISTING RULES IMPLICATIONS

As at the Latest Practicable Date, Agile Holdings is the controlling shareholder of the Company, holding approximately 54% of the issued share capital of the Company. Accordingly, the transactions contemplated under the Non-exempt Continuing Connected Transactions Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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

As one or more of the applicable percentage ratios (excluding the profit ratio) as defined in Rule 14.07 of the Listing Rules for the annual caps contemplated under each of the Non-exempt Continuing Connected Transactions Agreements 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.

### VI. EGM

A notice of the EGM is set out on pages 57 to 60 of this circular. The EGM will be convened and held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Monday, 9 November 2020 at 2:30 p.m. to consider and, if thought fit, approve the ordinary resolutions in relation to, among other things, the Non-exempt Continuing Connected Transactions Agreements and the transactions contemplated thereunder by the Shareholders who are entitled to vote and not required to be abstained from voting under the Listing Rules.

The proxy form of the EGM is also enclosed in this circular.

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## LETTER FROM THE BOARD

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

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

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Therefore, voting on all resolutions set out in the notice of EGM shall be taken by way of poll. Any Shareholders who are involved in or interested in any of the Non-exempt Continuing Connected Transactions Agreements and the transactions contemplated respectively thereunder are required to abstain from voting on the relevant ordinary resolutions approving the relevant Non-exempt Continuing Connected Transactions.

Under Rule 14A.36 of the Listing Rules, any shareholder who has a material interest in a proposed transaction must abstain from voting at the relevant general meeting on the relevant resolution(s). As at the Latest Practicable Date, Agile Holdings is the ultimate controlling shareholder of the Company, which holds approximately 54.00% interest in the Company through Zhongshan A-Living Enterprises Management Services Co., Ltd.\* (中山雅生活企業管理服務有限公司) and Deluxe Star International Limited. As such, Zhongshan A-Living Enterprises Management Services Co., Ltd., Deluxe Star International Limited and their respective associates will abstain from voting on the resolution(s) to be passed at the EGM.

As at the Latest Practicable Date, to the best of Directors' knowledge, information and belief after having made all reasonable enquiries, save for Zhongshan A-Living Enterprises Management Services Co., Ltd. and Deluxe Star International Limited, none of the Shareholder has a material interest in the Non-exempt Continuing Connected Transactions Agreements and the transactions contemplated respectively thereunder and is required to abstain from voting on the relevant resolution(s) to be proposed at the EGM.

### VII. GENERAL

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

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## LETTER FROM THE BOARD

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### VIII. INFORMATION ON THE PARTIES

#### Agile Holdings

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

#### The Company

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

### IX. RECOMMENDATION

The Independent Board Committee (comprising all the independent non-executive Directors) has been formed to advise the Independent Shareholders on the Non-exempt Continuing Connected Transactions. Having taken into account the terms of the Non-exempt Continuing Connected Transactions Agreements, the information provided in the Letter from the Board and the Letter from the Independent Financial Adviser, the Independent Board Committee considers that the entering into of the Non-exempt Continuing Connected Transactions Agreements are in the ordinary and usual course of business of the Group, and the terms of the Non-exempt Continuing Connected Transactions Agreements are fair and reasonable so far as the Independent Shareholders are concerned, and are in the interests of the Company and the Independent Shareholders as a whole. Accordingly, the Independent Board Committee recommends the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Non-exempt Continuing Connected Transactions Agreements and the transactions contemplated thereunder to be proposed at the EGM and the respective proposed annual caps. Your attention is drawn to the letter from the Independent Board Committee set out on pages 22 to 23 of this circular.

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## LETTER FROM THE BOARD

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### X. ADDITIONAL INFORMATION

Your attention is drawn to the letter from the Independent Board Committee as set out on pages 22 to 23 of this circular which contains its recommendations to the Independent Shareholders in respect of the terms of the Non-exempt Continuing Connected Transactions Agreements and the respective proposed annual caps. Your attention is also drawn to the letter of advice from the Independent Financial Adviser which contains, amongst other matters, its advices to the Independent Board Committee and the Independent Shareholders. The letter from the Independent Financial Adviser is set out on pages 24 to 27 of this circular.

Your attention is also drawn to the general information set out in the appendix of this circular.

Yours faithfully,  
By order of the Board  
**A-Living Services Co., Ltd.**  
**Li Dalong**

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

\* *for identification purposes only*

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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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*The following is the text of the letter of recommendations, prepared for the purpose of incorporation in the circular, from the Independent Board Committee to the Independent Shareholders regarding the terms of the Non-exempt Continuing Connected Transactions Agreements and the transactions contemplated thereunder.*

# **A-LIVING SERVICES CO., LTD.\*** **雅居樂雅生活服務股份有限公司**

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

**(Stock Code: 3319)**

22 October 2020

*To the Independent Shareholders*

Dear Sir or Madam,

### **CONTINUING CONNECTED TRANSACTIONS** **(1) REVISION OF ANNUAL CAP AND** **(2) RENEWAL OF 2021 NON-EXEMPT FRAMEWORK AGREEMENTS**

We refer to the circular of the Company to the Shareholders dated 22 October 2020 (the “Circular”), in which this letter forms a part. Unless the context requires otherwise, capitalized terms used in this letter will have the same meanings given to them in the section headed “Definitions” of the Circular.

We have been authorised by the Board to form the Independent Board Committee to advise the Independent Shareholders on whether the terms of the Non-exempt Continuing Connected Transactions Agreements and the respective proposed annual caps are fair and reasonable so far as the Independent Shareholders are concerned.

We wish to draw your attention to the letter of advice from Rainbow Capital (HK) Limited, the Independent Financial Adviser appointed to advise the Independent Board Committee and the Independent Shareholders on the terms of the Non-exempt Continuing Connected Transactions Agreements and the respective proposed annual caps as set out on pages 24 to 47 of the Circular and the letter from the Board as set out on pages 7 to 21 of the Circular.



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## LETTER FROM THE INDEPENDENT BOARD COMMITTEE

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Having considered, among other matters, the factors and reasons considered by, and the opinion of the Independent Financial Adviser as stated in its letter of advice, we consider that the entering into of the Non-exempt Continuing Connected Transactions Agreements are in the ordinary and usual course of business of the Group, and the terms of the Non-exempt Continuing Connected Transactions Agreements and the respective proposed annual caps are on normal commercial terms, are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the ordinary resolutions in relation to the Non-exempt Continuing Connected Transactions Agreements and the transactions contemplated thereunder to be proposed at the EGM.

Yours faithfully,  
For and on behalf of  
**Independent Board Committee**

**Mr. Wan Kam To**

**Ms. Wong Chui Ping Cassie**  
*Independent non-executive Directors*

**Mr. Wang Peng**

\* *for identification purposes only*

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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*The following is the full text of a letter of advice from Rainbow Capital (HK) Limited, the independent financial adviser to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.*



22 October 2020

*To the Independent Board Committee and the Independent Shareholders*

Dear Sir or Madam,

### CONTINUING CONNECTED TRANSACTIONS REVISION OF ANNUAL CAP AND RENEWAL OF 2021 NON-EXEMPT FRAMEWORK AGREEMENTS

#### INTRODUCTION

We refer to our appointment as the independent financial adviser to the Independent Board Committee and the Independent Shareholders in relation to the Group's provision of (i) property management services to the Agile Group for the year ending 31 December 2020 and the revision of existing annual cap under the Existing Property Management Services Framework Agreement pursuant to the Supplemental Property Management Services Agreement (the "**Revised Annual Cap**") and (ii) property management services, property agency services and marketing referral services to the Agile Group for the three years ending 31 December 2023 pursuant to the 2021 Property Management Services Framework Agreement, 2021 Property Agency Services Framework Agreement and 2021 Framework Referral Agreement (collectively the "**2021 Non-Exempt Framework Agreements**", including the proposed annual caps thereunder (the "**Proposed Annual Caps**")), for which the Independent Shareholders' approval is being sought (the "**Proposed Continuing Connected Transactions**"). Details of the Proposed Continuing Connected Transactions are set out in the circular of the Company to the Shareholders dated 22 October 2020 (the "**Circular**"), of which this letter forms part. Unless the context otherwise requires, capitalised terms used in this letter shall have the same meanings as those defined in the Circular.

As at the Latest Practicable Date, Agile Holdings is the controlling shareholder of the Company, holding approximately 54% of the issued share capital of the Company. Therefore, Agile Holdings is a connected person of the Company under the Listing Rules, and the transactions contemplated under the Supplemental Property Management Services Agreement and the 2021 Non-Exempt Framework Agreements constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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As one or more of the applicable percentage ratios (excluding profit ratio) as defined in Rule 14.07 of the Listing Rules for the Revised Annual Cap and the Proposed Annual Caps exceed 5%, the Proposed Continuing Connected Transactions are subject to the reporting, announcement, Independent Shareholders' approval and annual review requirements in accordance with Chapter 14A of the Listing Rules.

Save for Mr. Chan Cheuk Hung and Mr. Huang Fengchao, the executive Directors, who are also the directors and shareholders of Agile Holdings, and Ms. Yue Yuan, a non-executive Director who is a member of the senior management of Agile Holdings, who are considered to have material interest in the Supplemental Property Management Services Agreement and the 2021 Non-Exempt Framework Agreements, none of the other Directors and Shareholders is required to abstain from voting on the relevant resolutions at the EGM to approve the Supplemental Property Management Services Agreement, the 2021 Non-Exempt Framework Agreements and the Proposed Continuing Connected Transactions.

The Independent Board Committee, comprising all independent non-executive Directors, namely Mr. Wan Kam To, Ms. Wong Chui Ping Cassie and Mr. Wang Peng, has been formed to advise the Independent Shareholders on whether the terms of the Supplemental Property Management Services Agreement (including the Revised Annual Cap) and the 2021 Non-Exempt Framework Agreements (including the Proposed Annual Caps) are fair and reasonable. We, Rainbow Capital (HK) Limited, have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

As at the Latest Practicable Date, we did not have any relationships or interests with the Group and the Agile Group that could reasonably be regarded as relevant to our independence. In the last two years, there was no engagement between the Group and us. Apart from normal professional fees paid or payable to us in connection with this appointment as the Independent Financial Adviser, no arrangements exist whereby we had received any fees or benefits from the Group or the Agile Group. Accordingly, we are qualified to give independent advice in respect of the Supplemental Property Management Services Agreement, the 2021 Non-Exempt Framework Agreements and the Proposed Continuing Connected Transactions.

### **BASIS OF OUR OPINION**

In formulating our opinion and advice, we have relied on (i) the information and facts contained or referred to in the Circular; (ii) the information supplied by the Group and its advisers; (iii) the opinions expressed by and the representations of the Directors and the management of the Group; and (iv) our review of the relevant public information. We have assumed that all the information provided and representations and opinions expressed to us or contained or referred to in the Circular were true, accurate and complete in all respects as at the date thereof and may be relied upon. We have also assumed that all statements contained and representations made or referred to in the Circular are true at the time they were made and continue to be true as at the Latest Practicable Date and all such statements of belief, opinions and intentions of the Directors and the management of the Group and those as set out or referred to in the Circular were

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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reasonably made after due and careful enquiry. We have no reason to doubt the truth, accuracy and completeness of the information and representations provided to us by the Directors and the management of the Group. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Group are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the date of the Circular.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Group, or any of its respective substantial shareholders, subsidiaries or associates.

### PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation on the terms of the Supplemental Property Management Services Agreement (including the Revised Annual Cap) and the 2021 Non-Exempt Framework Agreements (including the Proposed Annual Caps), we have taken into account the principal factors and reasons set out below:

#### 1. Information of the Group and the Agile Group

##### 1.1 *The Group*

Spun off from the Agile Group and listed on the Main Board of the Stock Exchange on 9 February 2018 (the “**Listing**”), the Group is principally engaged in the provision of property management services, property owners value-added services and extended value-added services. As one of the leading and comprehensive property management companies in the PRC, the Group has 18 reputable brands covering diversified business portfolios including residential, commercial and public buildings as well as various niche markets. Since the Listing, the Group has rapidly expanded its business scale and achieved significant increase in the proportion of third-party projects. As at 30 June 2020, the gross floor area (the “**GFA**”) under management and contracted GFA of the Group (excluding GFA of consultant projects and its associates) were approximately 353.4 million sq.m. and approximately 491.3 million sq.m. in total, respectively.

For the six months ended 30 June 2020, the Group recorded revenue of approximately RMB4,001.6 million and profit attributable to the Shareholders of approximately RMB758.0 million respectively, representing an increase of approximately 78.5% and 40.0% as compared with the corresponding period in 2019 respectively. Despite the global epidemic outbreak of coronavirus and the tough economic situation, it is generally believed that the property management industry

will continue to deliver rapid development, thanks to the anti-cyclical by nature in this industry. With the increasing comprehensive strength and brand influence, the Group ranked the 4th of the “2020 Top 100 Property Management Companies in China” by the China Index Academy.

### *1.2 The Agile Group*

Since its establishment in 1992 and listed on the Main Board of the Stock Exchange since 2005, the Agile Group has developed into a diversified conglomerate and become one of the leading property developers in the PRC. It 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.

For the six months ended 30 June 2020, the Agile Group recorded revenue of approximately RMB33,527 million and profit attributable to the Shareholders of approximately RMB5,127.0 million respectively, representing an increase of approximately 23.7% and 1.0% as compared with the corresponding period in 2019 respectively. As at 30 June 2020, the Agile Group has a land bank with a total planned GFA of approximately 53.03 million sq.m. in 81 cities.

## **2. The Proposed Continuing Connected Transactions**

### *2.1 Supplemental Property Management Services Agreement*

#### *(a) Background and reasons*

The Group has been providing property management services to the Agile Group since 1997. As disclosed in the Company’s prospectus dated 29 January 2018 (the “**Prospectus**”), on 23 January 2018, the Group entered into the Existing Property Management Services Framework Agreement with Agile Holdings, pursuant to which the Group can be able to secure initial property management services engagements for properties developed by the Agile Group. Under the Existing Property Management Services Framework Agreement, the Group agreed to provide to the Agile Group a variety of property management services at the pre-delivery stage and for the unsold property units, for a term commencing from the Listing until 31 December 2020.

As stated in the letter from the Board, as a result of the outbreak of coronavirus in early 2020, the Group has been providing additional cleaning services to the property sales center of Agile Group at the pre-delivery stage, which include thorough disinfection and sterilisation and compulsory temperature check, thereby causing an increase in the transaction amount between the Agile Group and the Group under the Existing Property Management Services Framework Agreement. According to the management of the Group, the Group’s provision of property management services to the Agile Group from January to August 2020 amounted to approximately

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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RMB521.5 million, which had already reached approximately 87.4% of the existing annual cap of RMB597.0 million and approach to the existing annual cap under the Existing Property Management Services Framework Agreement for the year ending 31 December 2020.

In view of this, on 23 September 2020, the Company entered into the Supplemental Property Management Services Agreement to revise the existing annual cap for the year ending 31 December 2020 under the Existing Property Management Services Framework Agreement from RMB597.0 million to RMB797.0 million.

*(b) Principal terms*

Other than the revision of the existing annual cap, all other terms of the Existing Property Management Services Framework Agreement shall remain the same and in full force and effect. Please refer to the Prospectus for the principal terms of the Existing Property Management Services Framework Agreement. Some of the principal terms are illustrated as follows:

Service scope and term

The Group agreed to provide the property management services to the Agile Group, including but not limited to (i) the on-site security, cleaning, greening and gardening, repair and maintenance services as well as customer services to the property sales center of Agile Holdings at the pre-delivery stage and (ii) the operations and management services for the unsold property units, for a term commencing from the Listing until 31 December 2020.

Pricing basis

The fees to be charged for the property management services shall be determined after arm's length negotiations taking into account the location of the project, the anticipated operational costs (including labor costs, material costs and administrative costs) with reference to the fees for similar services and similar type of projects in the market.

Further to the above, the terms under the Supplemental Property Management Services Agreement remain principally the same as those of the 2021 Property Management Services Framework Agreement. Please refer to the sub-section below headed "2.2(b) Principal terms" for our assessment of the terms of the 2021 Property Management Services Framework Agreement. Based on our review, we note that the terms for transaction contemplated under the Supplemental Property Management Services Agreement are equal to or no more favourable to the Agile Group than the terms for similar transactions between the Group and Independent Third Parties.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(c) *Assessment of the Revised Annual Cap*

The Group proposes to revise the existing annual cap under the Existing Property Management Services Framework Agreement in respect of the Group's provision of property management services to the Agile Group from RMB597.0 million to RMB797.0 million for the year ending 31 December 2020 pursuant to the Supplemental Property Management Services Agreement.

In assessing the reasonableness of the Revised Annual Cap, we have discussed with the management of the Group the basis and assumptions underlying the projections for the Group's provision of property management services to the Agile Group. The Revised Annual Cap is estimated based on (i) the transaction amounts for the first eight months of 2020; (ii) the estimated property management services to be provided at the pre-delivery stage, after taking into account the estimated GFA of the properties expected to be sold by the Agile Group in 2020 and the estimated manpower and the related operational costs for providing the property management services and (iii) the estimated property management services to be provided for the unsold property units owned by the Agile Group, after taking into account the estimated aggregate area of the unsold property units and the estimated fixed month service fee at which the property management services will be charged per sq.m. for 2020.

Based on our discussion with the management of the Group, in view of the outbreak of coronavirus in early 2020, the cleaning service fees received from the Agile Group for the six months ended 30 June 2020 amounted to approximately RMB106.7 million, as compared to nil in the corresponding period. Such increase of cleaning fees already accounted for approximately 17.9% of the existing annual cap of RMB597.0 million. Taking into account the rising public awareness of hygienic conditions, such provision of services is expected to continue for the remaining months in 2020 which will result in an estimated increase in manpower and the relevant costs to be incurred when compared to the initial assessment when the existing annual cap was set.

Having considered (i) the Group's provision of property management services to the Agile Group from January to August 2020 amounted to approximately RMB521.5 million, which had already reached approximately 87.4% of the existing annual cap of RMB597.0 million and approach to the existing annual cap under the Existing Property Management Services Framework Agreement for the year ending 31 December 2020 and (ii) the fact that cleaning service fees of approximately RMB106.7 million was already incurred for the six months ended 30 June 2020, which accounted for approximately 17.9% of the existing annual cap as abovementioned, we consider it reasonable for the Directors to revise the existing annual cap from RMB597 million to RMB797 million under the Supplemental Property Management Service Agreement.

(d) *Internal control policies*

Please refer to the section below headed “3. Internal control policies of the Group” for the measures adopted by the Group to govern the conducts of the transactions to be within the Supplemental Property Management Services Agreement.

**2.2 2021 Property Management Services Framework Agreement**

(a) *Background and reasons*

As mentioned in the sub-section above headed “2.1(a) Supplemental Property Management Services Agreement – Background and reason”, the Existing Property Management Services Framework Agreement will expire at 31 December 2020. In order to regulate the Group’s continuous provision of property management services to the Agile Group, the Directors consider it beneficial to renew the Existing Property Management Services Framework Agreement. Accordingly, on 23 September 2020, the 2021 Property Management Services Framework Agreement was entered between the Group and the Agile Holdings.

(b) *Principal terms*

Service scope and term

Pursuant to the 2021 Property Management Services Framework Agreement, the parties agreed that the Group will provide the property management services to the Agile Group, including but not limited to (i) the on-site security, cleaning, greening and gardening, repair and maintenance services as well as customer services to the property sales center of Agile Group at the pre-delivery stage; (ii) the operations and management services for the unsold property units; (iii) disinfection and hygiene services; (iv) property management for the diversified businesses of Agile Holdings including but not limited to environmental protection, urban renewal and real estate construction management; and (v) properties owned by Agile Group requiring the above services.

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



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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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### Pricing basis

The services fees to be charged by the Group under the 2021 Property Management Services Framework Agreement will be determined on arm's length basis, with reference to (i) the location of the project; and (ii) the anticipated operational costs (including labor costs, material costs and administrative costs) with reference to the fees for similar services and similar type of projects in the market.

### Comparisons on terms of the 2021 Property Management Services Framework Agreement with Independent Third Parties

We have been provided by the Company with, and have randomly selected and reviewed based on project types of (i) 10 samples of property management services contracts to be provided at the pre-delivery stage between the Group and the Agile Group out of a total of 135 contracts (the "**Pre-delivery Stage Property Management Connected Party Contracts**") and 3 samples of property management services contracts to be provided at the pre-delivery stage between the Group and the Independent Third Parties out of a total of 44 contracts (the "**Pre-delivery Stage Property Management Independent Third Party Contracts**") entered into in 2019 and 2020 and (ii) 8 samples of property management services contracts to be provided on unsold property units between the Group and the Agile Group out of a total of 61 (the "**Unsold Property Units Property Management Connected Party Contracts**") and 6 samples of property management services contracts to be provided on unsold property units between the Group and the Independent Third Parties out of a total of 42 contracts (the "**Unsold Property Units Property Management Independent Third Party Contracts**") entered into in 2019 and 2020. Based on our review, we noted that the terms for transaction contemplated under the 2021 Property Management Services Framework Agreement are equal to or no more favourable to the Agile Group than the terms for similar transactions between the Group and Independent Third Parties. Taking into account (i) the similarity of services covered under the aforesaid sample contracts and (ii) the sample contracts were entered under the period of the Group's provision of existing property management services, we are of the view that the aforesaid sample contracts are fair and representative. Please refer to the section below headed "3. Internal control policies of the Group" for our analyses of further safeguards imposed by the Group.

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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(c) *Assessment of the proposed annual caps*

Review of historical figures

Set out below are the historical transaction amounts for the Group's provision of property management services to the Agile Group for each of the years ended 31 December 2018 and 2019 and for the eight months ended 31 August 2020:

	For the year ended 31 December 2018 (Audited)	For the year ended 31 December 2019 (Audited)	For the eight months ended 31 August 2020 (Unaudited)
Annual caps (RMB)	458,500,000	518,800,000	597,000,000 (for the year ending 31 December 2020)
Actual amount incurred (RMB)	458,303,291	518,506,000	521,500,000
Utilisation rate	99.96%	99.94%	87.35%

The Group's provision of the property management services to the Agile Group rose by approximately 13.2% from approximately RMB458.5 million in 2018 to approximately RMB518.8 million in 2019. We are advised by the management of the Group that such growth was generally in line with the increase in the Agile Group's pre-sold GFA by approximately 11.5% from approximately 7.98 million sq.m. in 2018 to approximately 8.9 million sq.m. in 2019, which in turn resulted in the procurement of more property management services by the Group to the Agile Group.

Following the outbreak of epidemic in early 2020 which raises the public's awareness of hygienic condition, the demand for the Group's provision of cleaning services for the property sale centers of the Agile Group increased. Accordingly, the Group's provision of property management services to the Agile Group for the eight months ended 31 August 2020 amounted to approximately RMB521.5 million, which already exceeded the transaction amount in relation to the provision of property management services to the Agile Group of approximately RMB518.5 million in 2019. Based on the foregoing, the existing annual cap of RMB597.0 million for the year ending 31 December 2020 was revised to RMB797.0 million pursuant to the Supplemental Property

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## LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

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Management Services Agreement to cater for the potential increase in the demand of the Group's provision of cleaning services to the Agile Group in 2020.

As set out in the above table, we note that the relevant annual caps under the Existing Property Management Services Framework Agreements for the two years ended 31 December 2019 have been substantially utilised, with a utilisation rate of approximately 99.96% and 99.94% in 2018 and 2019, respectively.

Assessment of the proposed annual caps

Pursuant to the 2021 Property Management Services Framework Agreement, it is proposed that the annual caps for the provision of property management services for each of the years ended 31 December 2021, 2022 and 2023 is expected not to exceed the following:

	For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023
Proposed annual caps (RMB)	1,030,000,000	1,300,000,000	1,530,000,000

In assessing the reasonableness of the proposed annual caps of the property management services, we have discussed with the management of the Group the basis and assumptions underlying the projections for the Group's provision of the property management services to the Agile Group. In determining the proposed annual caps for the three years ending 31 December 2023, the Directors have taken into account, among other things, (i) the historical transaction amounts under the Existing Property Management Services Framework Agreement and the Supplemental Property Management Services Agreement (including the Revised Annual Cap); (ii) in respect of the property management services to be provided at the pre-delivery stage, the estimated pre-sale value of the properties to be sold by Agile Group which will require property management services from the Group for the three years ending 31 December 2023, based on the development plans of Agile Group provided to the Group; and (iii) the rising demands for additional cleaning, disinfection and hygiene services for property sales center and properties owned by Agile Group. The proposed annual caps are then arrived at by adopting (i) the estimated manpower which will be allocated for the Group's provision of services according to the estimated total property sales to be sold by the Agile Group and then multiplied by the estimated service fee to be charged for the Group's provision of services; and (ii) the estimated aggregate area of the unsold property units according to the total area of unsold

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property units of the Agile Group multiplied by an estimated service fee at which management property services will be charged per sq.m..

Since the outbreak of the coronavirus in early 2020, the PRC government has been raising the public awareness in disinfection and sterilisation work with the aim to prevent and control the spread of coronavirus in the PRC. According to the “Guidance on normalisation of preventive control work to epidemic” (國務院應對新型冠狀病毒感染肺炎疫情聯防聯控機制關於做好新冠肺炎疫情常態化防控工作的指導意見) ([http://www.gov.cn/zhengce/content/2020-05/08/content\\_5509896.htm](http://www.gov.cn/zhengce/content/2020-05/08/content_5509896.htm)) promulgated by the State Council in May 2020 (the “**Guidance**”), the preventive control measures in response to the epidemic will continue to be a priority in the PRC. In addition, according to the notice issued by the Ministry of Housing and Urban-Rural Development of the People Republic of China in February 2020 ([http://www.mohurd.gov.cn/xwfb/202002/t20200203\\_243731.html](http://www.mohurd.gov.cn/xwfb/202002/t20200203_243731.html)) (the “**Notice**”), a series of measures have been adopted to strengthen the property management of the community, including thorough disinfection and sterilisation and compulsory temperature check. On this basis, the demand for the Group’s disinfection and hygiene services is believed to be rising strongly in the coming three years, which in turn is expected to bring an increase in the Group’s provision of cleaning services to the Agile Group in the coming three years.

Proposed annual cap for the year ending 31 December 2021

According to the management of the Group, the estimated property management fee payable by the Agile Group are determined after discussion with the Agile Group having taken into account its estimated total sales of properties in the coming three years. We have reviewed and discussed with the management of the Group on the projection of the estimated total sales of properties by the Agile Group, which has been confirmed and agreed by the Agile Group.

As disclosed in the interim report of the Agile Group for the six months ended 30 June 2020, the aggregated pre-sale value of the Agile Group amounted to approximately RMB55,100 million, representing approximately 46% of the Agile Group’s pre-sale target for 2020. Such pre-sale value is similar to that when compared to the same period in 2019, which amounted to approximately RMB58.2 billion. Based on our review of the historical pre-sales of the Agile Group (including joint ventures and associates) as disclosed in the annual report of Agile Holdings for the year ended 31 December 2017, 2018 and 2019, the average growth of historical pre-sales reached approximately 15% per annum. Based on the Group’s discussion with the Agile Group, in view of the potential impact of the epidemic, the estimated pre-sale value of the Agile Group for 2020 is expected to be approximately RMB120.0 billion. Taking into account that (i) the epidemic is considered to be a

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single incident which has been evolving in 2020; and (ii) the aggregated pre-sale value of the Agile Group amounted to approximately RMB55.1 billion for the six months ended 30 June 2020, which is around half of the whole year target, we consider that the estimation of pre-sale value by the Agile Group in 2020, which is not projected with reference to the historical average growth rate of 15%, is justifiable. Given that the epidemic is seen to be gradually under control in the PRC since the second quarter of 2020, we consider it is reasonable to adopt the growth factor of approximately 15% per annum in projecting the future estimated increase in the pre-sales amount of Agile Group for the year ending 31 December 2021.

As disclosed in the interim report of the Company for the six months ended 30 June 2020, in the first half of 2020, the Group took an active role in prevention and control of the COVID-19 outbreak in an effort to safeguard the health, life and safety of property owners, including the Agile Group's properties. A three-level prevention and control mechanism was implemented by the Group for coordinating human resources and supplies and continuously providing diversified and convenient value-added services. In order to cope with such anticipated increasing demand of such cleaning services, the Group has expanded the service scope of property management services to include disinfection and hygiene services for property sales center in the 2021 Property Management Services Framework Agreement for the coming three years. Such potential increase in demand is supported by the promulgation and issuance of the Guidance and Notice, as well as the fact that the annual transaction amounts of cleaning service fees received from the Agile Group reached approximately RMB106.0 million for the first half of 2020, which accounted for approximately 17.9% of the existing annual cap of 2020.

Based on the foregoing, the Company has estimated a corresponding increase in the Group's manpower being allocated to provide the property management service for the Agile Group's properties. Coupled with the Company's estimation that there will be an annual growth of 5.0% in the anticipated service fee to be charged to cater for potential inflation in the coming three years, we consider the estimation of the proposed annual cap of RMB1,030 million in 2021, which represents an increase of approximately 29.2% when compared to the Revised Annual Cap of RMB797.0 million in 2020, to be justifiable.

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Proposed annual cap for each of the two years ending 31 December 2022 and 2023

As disclosed in the interim report of Agile Holdings for the six months ended 30 June 2020, the Agile Group's property management and environmental protection business recorded a year on-year revenue growth of 111.1% and 68.5% respectively. As such, in deriving the proposed annual cap for each of the two years ending 31 December 2022 and 2023, in addition to the future estimated increase in the pre-sales amount of the Agile Group and the potential estimated continual increase in demand of the disinfection and hygiene services to be provided to the Agile Group's properties as aforesaid, the Group has also taken into account the anticipated rising demands for property management services for the diversified business of the Agile Group, which includes, among others, environmental protection, urban renewal and real estate construction management business.

In deriving the proposed annual cap for the two years ending 31 December 2022 and 2023, the Company's estimates that there will be a year-on-year growth of approximately 26.2% and 17.7% in the services fees respectively. In view of the anticipated increase in the service scope and the projected growth of service fee as aforesaid, we believe such estimates are reasonable.

### 2.3 2021 Property Agency Services Framework Agreement

#### (a) Background and reasons

As stated in the letter from the Board, the Group has been providing property agency services to the Agile Group since 2017. On 23 January 2018, A-TRO Properties, being a wholly-owned subsidiary of the Company, entered into the Existing Property Agency Services Framework Agreement with Agile Holdings, pursuant to which A-TRO Properties agreed to provide property agency services, including but not limited to, marketing and sales services for properties developed by the Agile Group, for a term commencing from the Listing until 31 December 2020.

In view of the foreseeable increase in demand of the Group's property agency business primarily as a result of the expansion in sales team and an increase in the capacity of A-TRO Properties, on 17 August 2018, A-TRO Properties entered into the supplemental agreement with Agile Holdings to supplement the Existing Property Agency Services Framework Agreement, pursuant to which the parties agreed to revise the annual caps for the provision of the property agency services for the three years ending 31 December 2020. The details of such supplemental agreement and the revision of annual caps were disclosed in the circular of the Company dated 19 September 2018, which was approved by the then independent shareholders of the Company on 5 November 2018.

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As the Group expects to carry on the transactions contemplated thereunder upon its expiry, the Directors consider it beneficial to renew the Existing Property Agency Services Framework Agreement to facilitate the continuous provision of such property agency services to Agile Holdings. Besides, as stated in the letter from the Board, since the provision of property agency services to the Agile Group in 2017, such services provide the Group a channel for marketing and sales services and for sales agents to access potential customers directly, and is a cost-effective way for the Agile Group to drive up the sales volume of properties. The Directors further consider that by entering into the 2021 Property Agency Services Framework Agreement with Agile Holdings, the full potential of the agency sales team of the Group will be utilised to meet the Agile Group's growing demand for property agency services.

Based on the foregoing, on 23 September 2020, the 2021 Property Agency Services Framework Agreement was entered between the Group and the Agile Holdings.

(b) *Principal terms*

Service scope and term

Pursuant to the 2021 Property Agency Services Framework Agreement, the parties agreed that the Group will provide the property agency services to the Agile Group, including but not limited to, providing marketing and sales services for properties developed by Agile Group.

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

Pricing basis

The services fees to be charged by the Group will be determined on arm's length basis, with reference to the (i) the location of the project; (ii) the anticipated operational costs (including labor costs) for providing such services; and (iii) the prevailing market price for similar property agency services for property developers in the open market and any adjustment to commission rate based on the scale and location of the projects and size of the sales team required to be stationed on-site.

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### Comparisons on terms of the 2021 Property Agency Services Framework Agreement with Independent Third Parties

We have been provided by the Company with, and have randomly selected and reviewed based on project types of 10 samples of property agency services contracts between the Group and the Agile Group out of a total of 268 contracts (the “**Property Agency Connected Party Contracts**”) and 6 samples of property agency services contracts between the Group or the Agile Group and the Independent Third Parties out of a total of 28 contracts (the “**Property Agency Independent Third Party Contracts**”) entered into in 2019 and 2020. Based on our review, we noted that the terms for transaction contemplated under the 2021 Property Agency Services Framework Agreement are equal to or no more favourable to the Agile Group than the terms for similar transactions between the Group and Independent Third Parties. Taking into account (i) the similarity of services covered under the aforesaid sample contracts and (ii) the sample contracts were entered under the period of the Group’s provision of existing property agency services, we are of the view that the aforesaid sample contracts are fair and representative. Please refer to the section below headed “3. Internal control policies of the Group” for our analyses of further safeguards imposed by the Group.

(c) *Assessment of the proposed annual caps*

#### Review of historical figures

Set out below are the historical transaction amounts for the provision of property agency services for each of the years ended 31 December 2018 and 2019 and eight months ended 31 August 2020:

	For the year ended 31 December 2018 (Audited)	For the year ended 31 December 2019 (audited)	For the eight months ended 31 August 2020 (unaudited)
Annual caps (RMB)	633,000,000	835,000,000	1,010,000,000 (for the year ending 31 December 2020)
Actual amount incurred (RMB)	548,387,331	820,093,000	659,400,000
Utilisation rate	86.63%	98.21%	65.29%



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The Group's provision of the property agency services to the Agile Group rose by approximately 49.5% from approximately RMB548.4 million in 2018 to approximately RMB820.1 million in 2019. We are advised by the management of the Group that such growth was generally in line with the increase in the Agile Group's pre-sold GFA by approximately 11.7% from approximately 7.98 million sq.m. in 2018 to approximately 8.9 million sq.m. in 2019, which in turn resulted in the procurement of more property agency services by the Group to the Agile Group. In addition, according to the management of the Group, the increase was also attributable to the general increase in the agency rates paid by the Agile Group in 2019.

In view of the continuous increase in the GFA of the Agile Group's properties to be sold, the Group's provision of property agency services to the Agile Group for the eight months ended 31 August 2020 amounted to approximately RMB659.4 million, representing approximately 80.41% of the provision of property agency services to the Agile Group in 2019.

As set out in the above table, we note that the relevant annual caps under the Existing Property Agency Services Framework Agreement for the two years ended 31 December 2019 have been substantially utilised, with a utilisation rate of approximately 86.63% and 98.21% in 2018 and 2019, respectively.

### Assessment of proposed annual caps

Pursuant to the 2021 Property Agency Services Framework Agreement, it is proposed that the annual caps for the provision of property agency services for each of the years ending 31 December 2021, 2022 and 2023 is expected not to exceed the following:

	For the year ending 31 December 2021	For the year ending 31 December 2022	For the year ending 31 December 2023
Proposed annual caps (RMB)	1,400,000,000	1,800,000,000	2,350,000,000

In assessing the reasonableness of the proposed annual caps of the property agency services, we have discussed with the management of the Group the basis and assumptions underlying the projections of the proposed annual caps. The Directors have taken into account, among others, (i) the estimated pre-sale value of the properties to be sold by Agile Group which will require property agency services from the Group for the three years ending 31 December 2023, based on the development plans of Agile Group provided to the Group; and (ii) the

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estimated service fees and commissions of approximately 2% for the provision of property agency services, subject to any necessary adjustment with reference to the location, size and scale of the relevant projects.

We have been provided with the projection of the estimated property agency fee payable by Agile Group which was prepared by the management of the Group for the purpose of determining the proposed annual caps for the three years ended 31 December 2023 under the 2021 Property Agency Services Framework Agreement. Based on our review and discussion with the management of the Group, such estimated property agency fee has been confirmed and agreed by the Agile Group. According to the management of the Group, such estimated property agency fee payable by the Agile Group are determined after discussion with the Agile Group having taken into account the estimated contracted sales amount of the Agile Group's properties and the estimated service fees and commission for the provision of such services in the coming three years. We are advised by the management of the Group that over 95% of the property projects of the Agile Group which would require the provision of the property agency services by the Group are non-carparking properties and therefore the projection has not taken into account the sale of carparking properties. Taking into account that (i) the historical proportions of the sales of carparking properties to the total transaction amount incurred for the provision of property agency services only accounted for approximately 1.5% and 1.3% for the two years ended 31 December 2019 and (ii) the provision of property agency services by the Group primarily covers the non-carparking properties based on our discussion with the management of the Group, we are of the view that the proposed annual caps projected based on sale of non-carparking properties is fair and reasonable.

Based on our review of the projection, the estimated contracted sales amount of the Agile Group's properties (including its joint ventures and associates) are projected with reference to the Agile Group's historical pre-sales amount and the related average annual growth rates, as detailed in the sub-section above headed "2.2(c) Assessment of the proposed annual caps". We concurred with the management of the Group on such basis of the projection.

With regard to the Company's estimation on service fees and the related commission for the provision of property agency services for the coming three years, we are advised by the management of the Group that the service fees is projected with reference to the proportion of the Agile Group's properties which engaged A-TRO Properties as property agent from 2017 to 2019, which amounted to approximately 63%. On this basis, we consider the estimation of service fees for the coming three years to be acceptable. Besides, based on our review of the sample

contracts with Independent Third Parties, the expected commission rate as adopted for the provision of property agency services for the coming three years is within the range of both commission rates charged to Agile Group and Independent Third Parties on non-carparking properties, and thus is also reasonable in our view.

Taking into account of (i) the estimated agency fee payable by the Agile Group which has been arrived at after discussion between the Group and the Agile Group having considered the estimated contracted sales amount of the Agile Group's properties and the estimated service fees and commission for the provision of such services in the coming three years; (ii) the basis of the estimated contracted sales amount of the Agile Group's properties (including its joint ventures and associates) as aforesaid and (iii) the expected increase in demand for the provision of property agency services to be undertaken by the Group as primarily driven by the expanding sales team from 2017 to 2019, we consider the proposed annual caps for the coming three years to be fair and reasonable.

#### **2.4 2021 Framework Referral Agreement**

##### *(a) Background and reasons*

On 28 April 2020, the Company entered into the Existing Framework Referral Agreement with Agile Holdings, which set out the principal terms for the provision of marketing referral services by the Group to the Agile Group in respect of the sales of residential properties and car parking spaces by the Agile Group in their development projects.

As stated in the letter from the Board, since the entering of the Existing Framework Referral Agreement, the Group has been providing marketing referral services to the Agile Group which adds value to the Agile Group in their sales of residential properties and car park spaces. The Directors therefore consider it beneficial to renew the Existing Framework Referral Agreement with Agile Holdings.

Furthermore, by entering into the 2021 Framework Referral Agreement, the Group can leverage the strength of its property housekeepers and professional client development team to provide marketing referral services. On the one hand, the housekeepers can understand the purchase demands of owners in depth through their daily interaction. On the other hand, the professional client development team is able to utilise the Group's resources and platform to expand clients pool and help the successful completion of property sales. It is also expected to help the Agile Group to ease the funds pressure, improve turnover rate and largely save its labour cost and marketing cost.

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Based on the foregoing, as the Existing Framework Referral Agreement will expire on 31 December 2020, and the Group expects to carry on the transactions contemplated thereunder upon its expiry, the Company entered into the 2021 Framework Referral Agreement with Agile Holdings on 23 September 2020.

(b) *Principal terms*

Service scope and terms

Pursuant to the 2021 Framework Referral Agreement, the parties agreed that 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.

The 2021 Framework Referral Agreement is valid for three years from 1 January 2021 and ending on 31 December 2023.

Pricing basis

The commission rate to be charged by the Group 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 the scale and location of the projects. The fees payable by Agile Group to the Group shall be no less favourable than those offered by any Independent Third Party.

Comparisons on terms of the 2021 Framework Referral Agreement with Independent Third Parties

We have been provided by the Company with, and have randomly selected and reviewed based on project types of 11 samples of marketing referral services contracts between the Group and the Agile Group out of a total of 78 contracts (the "**Marketing Referral Connected Party Contract**") and 2 samples of marketing referral services contract between the Group and the Independent Third Parties out of a total of 2 contracts (the "**Marketing Referral Independent Third Party Contracts**") entered into in 2020. Based on our review, we noted that the terms for transaction contemplated under the 2021 Framework Referral Agreement are equal to or no more favourable to the Agile Group than the terms for similar transactions between the Group and Independent Third Parties. Taking into account (i) the similarity of services covered under the aforesaid sample contracts and (ii) the sample contracts were

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entered under the period of the Group's provision of existing marketing referral services, we are of the view that the aforesaid sample contracts are fair and representative. Please refer to the section below headed "3. Internal control policies of the Group" for our analyses of further safeguards imposed by the Group.

(c) *Assessment of the proposed annual caps*

Review of historical figures

Since the Group only commenced the provision of marketing referral services on 28 April 2020, set out below are the historical transaction amounts for the provision of such services for the period commencing from 28 April 2020 to 31 August 2020:

	<b>For the period commencing from 28 April 2020 to 31 August 2020 (unaudited)</b>
Annual cap (RMB)	249,000,000 (for the year ending 31 December 2020)
Actual amount incurred (RMB)	139,200,000
Utilisation rate	55.90%

We note that the actual amount incurred from the marketing referral services for the period commencing from 28 April 2020 to 31 August 2020 has reached approximately 55.90% of the existing annual cap.

Assessment of proposed annual caps

Pursuant to the 2021 Framework Referral Agreement, it is proposed that the proposed annual caps for the provision of marketing referral services for each of the years ended 31 December 2021, 2022 and 2023 is expected not to exceed the following:

	<b>For the year ending 31 December 2021</b>	<b>For the year ending 31 December 2022</b>	<b>For the year ending 31 December 2023</b>
Proposed annual caps (RMB)	550,000,000	735,000,000	985,000,000

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In assessing the reasonableness of the proposed annual caps of the marketing referral services, we have discussed with the management of the Group the basis and assumptions underlying the projections of the proposed annual caps. The Directors have taken into account, among other things, (i) the historical transaction amounts under the Existing Framework Referral Agreement; (ii) the expected commission in the range of approximately 4% to 6% to be charged for the provision of the marketing referral services after considering the total value of the saleable residential properties and car parking spaces of Agile Group which will require marketing referral services from the Group for the three years ending on 31 December 2023; and (iii) the prevailing market commission rate for the provision of the marketing referral services for comparable transactions in the same industry. In general, the commission rates are higher for projects that are harder to sell, while larger projects tend to be easier to sell as the developer often has a larger budget for sales and promotion.

We have been provided with the projection prepared by the management of the Group for the purpose of determining the proposed annual caps for the three years ended 31 December 2023 under the 2021 Framework Referral Agreement.

Based on our review and discussion with the management of the Group in relation to the projection, we have reviewed and discussed with the management of the Group on the projection of the estimated marketing referral fee payable by the Agile Group, which has been confirmed and agreed by the Agile Group. According to the management of the Group, such estimated marketing referral fee payable by the Agile Group are determined after discussion with the Agile Group having taken into account its estimated total sales of saleable residential properties and car parking spaces and the commission rates of saleable residential properties and car parking spaces in the coming three years.

According to the management of the Group, the estimated total value of the saleable residential properties and car parking spaces of the Agile Group are made reference to a number of factors, which include, among others, the historical sales amount and location of such properties. In projecting such estimated value, the Group has also taken into account the estimated contracted sales amount of the Agile Group's properties (including its joint ventures and associates), which are projected with reference to the Agile Group's historical pre-sales amount and the related average annual growth rates, as detailed in the sub-section above headed "2.2(c) Assessment of the proposed annual caps". We concurred with the management of the Group on such basis of the projection.

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Based on our review of sample contracts with the Independent Third Parties as detailed in the sub-section above headed “2.4(b) Principal terms”, the expected commission rate of 4% for non-carparking properties and 6% for carparking properties as adopted for the provision of marketing referral services for the coming three years is within the range of both commission rates charged to the Agile Group and Independent Third Parties on non-carparking properties and thus are fair and reasonable in our view.

Having considered (i) the transaction amounts of marketing referral fees has accounted for approximately 55.90% of the existing annual cap in 2020 for the period commencing from 28 April 2020 to 31 August 2020; (ii) the basis of the estimated contracted sales amount of the Agile Group’s properties (including its joint ventures and associates) as aforesaid and (iii) the aforesaid within-the-range commission rates charged to the Agile Group when compared with those of the Independent Third Parties in relation to the estimated saleable residential properties and car parking spaces, the estimated marketing referral fee payable by the Agile Group for the three years ending 31 December 2023 are, in our view, reasonable.

### Overall comments on the Proposed Annual Caps

Generally speaking, in our opinion, it is in the interests of the Group and the Shareholders to determine the Proposed Annual Caps in a way that can accommodate the potential growth of the Group’s business. Provided that the Proposed Continuing Connected Transactions are subject to annual review by the independent non-executive Directors and auditors of the Company (as discussed below) as required under the Listing Rules, the Group would have desirable flexibility in conducting its businesses if the Proposed Annual Caps are tailored to future business growth. In assessing the reasonableness of the Proposed Annual Caps, we have discussed with the management of the Group the factors taken into account as stated earlier in this section. We consider it reasonable for the Company to use the above factors in determining the Proposed Annual Caps.

### **3. Internal control policies of the Group**

In order to protect the interests of the Shareholders, the Group has adopted certain internal control policies to regulate the respective individual transactions to be conducted within the framework of the Supplemental Property Management Services Agreement and the 2021 Non-Exempt Framework Agreements:

- (i) the general manager of the sales department and the finance department will closely monitor the transactions to ensure that the transaction amount does not exceed the Revised Annual Cap and the Proposed Annual Caps;

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- (ii) the implementation of individual contracts shall be subject to the appropriate approval of the respective 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 Supplemental Property Management Services Agreement and each of the 2021 Non-Exempt Framework Agreements;
- (iii) 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;
- (iv) 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 Supplemental Property Management Services Agreement and each of the 2021 Non-Exempt Renewed Framework Agreements; and
- (v) the independent non-executive Directors of the Company would continue to review the management's quarterly review reports on the transactions contemplated under the Supplemental Property Management Services Agreement and each of the 2021 Non-Exempt 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.

In assessing whether the above internal control procedures are put in place and effectively implemented, we have reviewed the relevant documentation regarding the approval of the agreements entered with the Agile Group and noted that the transactions contemplated thereunder were properly authorised. Having considered the above, in particular (i) that the above internal control procedures include regular review conducted by the Company to keep abreast of the prevailing fee level in the market to ensure the adherence of the pricing policy for the Proposed Continuing Connected Transactions; and (ii) the clear segregation of duties of execution, checking and authorising the transactions by designating different personnel or teams for the assessment, review and approval of the Proposed Continuing Connected Transactions and the ongoing monitoring thereof, we concur with the Directors that the above internal control policies to be adopted by the Group are appropriate and sufficient, and that the procedures and measures give assurance to the Independent Shareholders that the transactions contemplated under the Supplemental Property Management Services Agreement and the 2021 Non-Exempt Framework Agreements will be appropriately monitored by the Company and not prejudicial to the interests of the Company and the Shareholders as a whole.



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### OPINION AND RECOMMENDATION

Having taken into account the above principal factors and reasons, we consider that the Proposed Continuing Connected Transactions are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole. We also consider that the terms of the Supplemental Property Management Services Agreement (including the Revised Annual Cap) and the 2021 Non-Exempt Framework Agreements (including the Proposed Annual Caps) are fair and reasonable. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM to approve the Proposed Continuing Connected Transactions (including the Revised Annual Cap and the Proposed Annual Caps).

Yours faithfully,  
For and on behalf of  
**Rainbow Capital (HK) Limited**  
**Danny Leung**  
*Managing Director*

*Mr. Danny Leung is a licensed person and a responsible officer of Rainbow Capital (HK) Limited registered with the Securities and Futures Commission to carry out type 6 (advising on corporate finance) regulated activity under the SFO. He has over ten years of experience in the corporate finance industry.*

## 1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

## 2. DISCLOSURE OF INTERESTS

### (a) Directors', Supervisors' and the Chief Executives' interests in the securities of the Company and its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors, the Supervisors nor the chief executive of the Company had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and Stock Exchange pursuant to the Securities Dealing Codes.

#### (i) *Interests in the shares of the Company*

Name of Director	Capacity and Nature of interest	Class of Shares	Number of Shares <sup>(1)</sup>	Approximate percentage of the Company's issued share capital
Mr. Chan Cheuk Hung <sup>(2)</sup>	Beneficiary of a trust	H Shares	720,000,000 (L)	54.00%
Mr. Huang Fengchao <sup>(3)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%
Mr. Li Dalong <sup>(4)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%

*Notes:*

- (1) The letter “L” denotes the person’s long position in the Shares.
- (2) Mr. Chan Cheuk Hung is the beneficiary of a family trust (“**Chen’s Family Trust**”, which is deemed to be interested in 720,000,000 H Shares). Therefore, Mr. Chan Cheuk Hung is deemed under the SFO to be interested in the shares of the Company held by Chen’s Family Trust.
- (3) Mr. Huang Fengchao is a general partner of and owns 99.8% interest in Shanghai Bingya Business Consultancy Limited Partnership\* 上海秉雅商務諮詢合夥企業(有限合夥) (“**Shanghai Bingya**”) which is a limited partner of and owns 50% interest in Shanghai Yongya Business Consultancy Limited Partnership\* 上海詠雅商務諮詢合夥企業(有限合夥) (“**Shanghai Yongya**”). Mr. Huang is also a general partner of and owns 99.8% interest in Shanghai Baoya Business Consultancy Limited Partnership\* 上海葆雅商務諮詢合夥企業(有限合夥) (“**Shanghai Baoya**”) which is a general partner of and owns 50% interest in Shanghai Yongya. Shanghai Yongya is a limited partner of and owns 45% interest in Gongqingcheng A-Living Investment Management Limited Partnership\* 共青城雅生活投資管理合夥企業(有限合夥) (“**Gongqingcheng Investment**”) which owns 80,000,000 H Shares. Mr. Huang is a limited partner of and owns 4.99% interest in Gongqingcheng Investment. Hence, Mr. Huang Fengchao is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.
- (4) Mr. Li Dalong is a general partner of and owns 50% interest in Shanghai Yanya Business Consultancy Limited Partnership\* 上海焰雅商務諮詢合夥企業(有限合夥) (“**Shanghai Yanya**”) which is a limited partner of and owns 50% interest in Shanghai Yeya Business Consultancy Limited Partnership\* 上海燁雅商務諮詢合夥企業(有限合夥) (“**Shanghai Yeya**”). Mr. Li is also a general partner of and owns 50% interest in Shanghai Chengya Business Consultancy Limited Partnership\* 上海澄雅商務諮詢合夥企業(有限合夥) (“**Shanghai Chengya**”) which is a general partner of and owns 50% interest in Shanghai Yeya. Shanghai Yeya is a limited partner of and owns 45% interest in Gongqingcheng Investment which owns 80,000,000 H Shares. Mr. Li is a limited partner of and owns 2.5% interest in Gongqingcheng Investment. Hence, Mr. Li Dalong is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

*(ii) Interests in associated corporation of the Company**(I) Shares*

Name of Director	Name of associated corporation	Capacity and nature of interest	Number of Shares	Approximate percentage of shareholding interest
Mr. Chan Cheuk Hung	Agile Group Holdings Limited	Beneficiary of a trust	2,453,096,250 (L)	62.63%
Mr. Huang Fengchao	Agile Group Holdings Limited	Beneficial owner	1,400,000 (L)	0.04%
Ms. Yue Yuan	Agile Group Holdings Limited	Beneficial owner	22,000 (L)	0.00%

(II) *Debentures*

Name of Director	Name of associated corporation	Type	Personal interests	Approximate percentage of the debentures
Ms. Wong Chui Ping Cassie	Agile Group Holdings Limited	6.7% senior notes in an aggregate principal amount of US\$500 million due by 2022	US\$200,000	0.04%

**(b) Substantial shareholders' long, short and lending pool position(s) in shares or underlying shares of the Company**

As at the Latest Practicable Date, other than the interests disclosed above in respect of certain Directors, the interests and short positions of persons in the shares and underlying shares of the Company as recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

*Long positions in the shares/underlying shares of the Company*

Name of Shareholder	Capacity and Nature of Interest	Class of Shares	Number of Shares <sup>(1)</sup>	Approximate Percentage of the Company's Issued Share Capital
Zhongshan A-Living Enterprises Management Services Co., Ltd.* (中山雅生活企業管理服務有限公司)	Beneficial owner	H Shares	712,800,000 (L)	53.46%
Deluxe Star International Limited <sup>(2)</sup>	Interest of a controlled corporation	H Shares	712,800,000 (L)	53.46%
	Beneficial owner	H Shares	7,200,000 (L)	0.54%
Makel International (BVI) Limited <sup>(3)</sup>	Interest of a controlled corporation	H Shares	720,000,000 (L)	54.00%
Genesis Global Development (BVI) Limited <sup>(4)</sup>	Interest of a controlled corporation	H Shares	720,000,000 (L)	54.00%
Eastern Supreme Group Holdings Limited <sup>(5)</sup>	Interest of a controlled corporation	H Shares	720,000,000 (L)	54.00%

Name of Shareholder	Capacity and Nature of Interest	Class of Shares	Number of Shares <sup>(1)</sup>	Approximate Percentage of the Company's Issued Share Capital
Agile Group Holdings Limited <sup>(6)</sup>	Interest of a controlled corporation	H Shares	720,000,000 (L)	54.00%
Full Choice Investments Limited <sup>(7)</sup>	Trustee of a trust	H Shares	720,000,000 (L)	54.00%
Top Coast Investment Limited <sup>(8)</sup>	Interest of a controlled corporation	H Shares	720,000,000 (L)	54.00%
Mr. Chen Zhuo Lin <sup>(9)</sup>	Beneficiary of a trust	H Shares	720,000,000 (L)	54.00%
Mr. Chan Cheuk Yin <sup>(9)</sup>	Beneficiary of a trust	H Shares	720,000,000 (L)	54.00%
Ms. Luk Sin Fong, Fion <sup>(9)</sup>	Beneficiary of a trust	H Shares	720,000,000 (L)	54.00%
Mr. Chan Cheuk Hei <sup>(9)</sup>	Beneficiary of a trust	H Shares	720,000,000 (L)	54.00%
Mr. Chan Cheuk Nam <sup>(9)</sup>	Beneficiary of a trust	H Shares	720,000,000 (L)	54.00%
Ms. Zheng Huiqiong <sup>(10)</sup>	Spouse	H Shares	720,000,000 (L)	54.00%
Ms. Lu Liqing <sup>(11)</sup>	Spouse	H Shares	720,000,000 (L)	54.00%
Ms. Lu Yanping <sup>(12)</sup>	Spouse	H Shares	720,000,000 (L)	54.00%
Ms. Chan Siu Na <sup>(13)</sup>	Spouse	H Shares	720,000,000 (L)	54.00%
Ningbo Lvjin Investment Management Co., Ltd.* (寧波綠瓏投資管理有限公司)	Beneficial owner	H Shares	100,000,000 (L)	7.50%
Greenland Financial Holdings Group Co., Ltd.* (綠地金融投資控股集團有限公司) <sup>(14)</sup>	Interest of a controlled corporation	H Shares	100,000,000 (L)	7.50%
Greenland Holding Group* (綠地控股集團有限公司) <sup>(15)</sup>	Interest of a controlled corporation	H Shares	100,000,000 (L)	7.50%

Name of Shareholder	Capacity and Nature of Interest	Class of Shares	Number of Shares <sup>(1)</sup>	Approximate Percentage of the Company's Issued Share Capital
Greenland Holdings Group Company Limited* (綠地控股集團股份有限公司) ("Greenland Holdings") <sup>(16)</sup>	Interest of a controlled corporation	H Shares	100,000,000 (L)	7.50%
Gongqingcheng A-Living Investment Management Limited Partnership* (共青城雅生活投資管理合夥企業(有限合夥)) ("Gongqingcheng Investment")	Beneficial owner	H Shares	80,000,000 (L)	6.00%
Gongqingcheng Yagao Investment Management Co., Ltd.* (共青城雅高投資管理有限公司) <sup>(17)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%
Pan Zhiyong <sup>(18)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%
Shanghai Yongya <sup>(19)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%
Shanghai Bingya <sup>(20)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%
Shanghai Baoya <sup>(21)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%
Shanghai Yeya <sup>(22)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%
Shanghai Yanya <sup>(23)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%
Shanghai Chengya <sup>(24)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%
Feng Xin <sup>(25)</sup>	Interest of a controlled corporation	H Shares	80,000,000 (L)	6.00%

*Notes:*

- (1) The letter “L” denotes the person’s/corporation’s long position in the shares.
- (2) Zhongshan A-Living Enterprises Management Services Co., Ltd.\* is wholly-owned by Deluxe Star International Limited and Deluxe Star International Limited is deemed under the SFO to be interested in the shares of the Company held by Zhongshan A-Living Enterprises Management Services Co., Ltd.\*.
- (3) Deluxe Star International Limited is wholly-owned by Makel International (BVI) Limited and Makel International (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Deluxe Star International Limited.
- (4) Makel International (BVI) Limited is wholly-owned by Genesis Global Development (BVI) Limited and Genesis Global Development (BVI) Limited is deemed under the SFO to be interested in the shares of the Company held by Makel International (BVI) Limited.
- (5) Genesis Global Development (BVI) Limited is wholly-owned by Eastern Supreme Group Holdings Limited and Eastern Supreme Group Holdings Limited is deemed under the SFO to be interested in the shares of the Company held by Genesis Global Development (BVI) Limited.
- (6) Eastern Supreme Group Holdings Limited is wholly-owned by Agile Holdings and Agile Holdings is deemed under the SFO to be interested in the shares of the Company held by Eastern Supreme Group Holdings Limited.
- (7) Full Choice Investments Limited is the trustee of Chen’s Family Trust, therefore, Full Choice Investments Limited is deemed under the SFO to be interested in the shares of the Company held by Chen’s Family Trust.
- (8) Top Coast Investment Limited is the settlor of Chen’s Family Trust, therefore, Top Coast Investment Limited is deemed under the SFO to be interested in the shares of the Company held by Chen’s Family Trust.
- (9) Each of Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam is the beneficiary of Chen’s Family Trust, therefore, Mr. Chen Zhuo Lin, Mr. Chan Cheuk Yin, Ms. Luk Sin Fong, Fion, Mr. Chan Cheuk Hung, Mr. Chan Cheuk Hei and Mr. Chan Cheuk Nam are deemed under the SFO to be interested in the shares of the Company held by Chen’s Family Trust. In addition, by virtue of the SFO, Ms. Luk Sin Fong, Fion is deemed to be interested in the shares of the Company held by her spouse, Mr. Chen Zhuo Lin.
- (10) By virtue of the SFO, Ms. Zheng Huiqiong is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Yin.
- (11) By virtue of the SFO, Ms. Lu Liqing is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hung.
- (12) By virtue of the SFO, Ms. Lu Yanping is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Hei.
- (13) By virtue of the SFO, Ms. Chan Siu Na is deemed to be interested in the shares of the Company held by her spouse, Mr. Chan Cheuk Nam.
- (14) Ningbo Lvjin Investment Management Co., Ltd.\* is wholly-owned by Greenland Financial Holdings Group Co., Ltd., and Greenland Financial Holdings Group Co., Ltd. is deemed under the SFO to be interested in the shares of the Company held by Ningbo Lvjin Investment Management Co., Ltd.\*.
- (15) Greenland Financial Holdings Group Co., Ltd. is wholly-owned by Greenland Holding Group\* and Greenland Holding Group\* is deemed to be interested in the shares of the Company held by Greenland Financial Holdings Group Co., Ltd..

- (16) Greenland Holding Group\* is wholly-owned by Greenland Holdings, and Greenland Holdings is deemed under the SFO to be interested in the shares held by Greenland Holding Group\*.
- (17) Gongqingcheng Yagao Investment Management Co., Ltd.\* is a general partner of and has full control over Gongqingcheng Investment. Gongqingcheng Yagao Investment Management Co., Ltd.\* is deemed to be interested in the shares of the Company held by Gongqingcheng Investment.
- (18) Gongqingcheng Yagao Investment Management Co., Ltd.\* is wholly-owned by Mr. Pan Zhiyong, and Mr. Pan Zhiyong is a senior management member of Agile Holdings. Mr. Pan Zhiyong is deemed under the SFO to be interested in the shares of Living held by Gongqingcheng Yagao Investment Management Co., Ltd.\*.
- (19) Shanghai Yongya is a limited partner of and owns 45% interest in Gongqingcheng Investment. Shanghai Yongya is deemed to be interested in the shares of the Company held by Gongqingcheng Investment.
- (20) Shanghai Bingya is a limited partner of and owns 50% interest in Shanghai Yongya. Shanghai Bingya is deemed to be interested in the shares of the Company held by Gongqingcheng Investment.
- (21) Shanghai Baoya is a general partner of and owns 50% interest in Shanghai Yongya. Shanghai Baoya is deemed to be interested in the shares of the Company held by Gongqingcheng Investment.
- (22) Shanghai Yeya is a limited partner of and owns 45% interest in Gongqingcheng Investment. Shanghai Yeya is deemed to be interested in the shares of the Company held by Gongqingcheng Investment.
- (23) Shanghai Yanya is a limited partner of and owns 50% interest in Shanghai Yeya. Shanghai Yanya is deemed to be interested in the shares of the Company held by Gongqingcheng Investment.
- (24) Shanghai Chengya is a general partner of and owns 50% interest in Shanghai Yeya. Shanghai Chengya is deemed to be interested in the shares of the Company held by Gongqingcheng Investment.
- (25) Mr. Feng Xin is a limited partner of and owns 50% interest in Shanghai Yanya and Shanghai Chengya. Hence, Mr. Feng Xin is deemed under the SFO to be interested in the shares of the Company held by Gongqingcheng Investment.

Save as disclosed above, as at the Latest Practicable Date, the Directors or chief executive of the Company are not aware of any other person (other than the Directors or chief executives of the Company) having an interest or short position in the Shares or underlying Shares which would require to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or recorded in the register required to be kept by the Company under section 336 of SFO.

### **3. DIRECTORS' AND SUPERVISORS' INTEREST IN CONTRACTS AND ASSETS**

- (a) As at the Latest Practicable Date, none of the Directors nor Supervisors had any interest, direct or indirect, in any assets which had been acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 December 2019, being the date to which the latest published audited consolidated financial statements of the Company were made up.



- (b) Other than those disclosed in the section headed “Continuing Connected Transactions” in the annual report of the Company for the year ended 31 December 2019 and the announcements in respect of continuing connected transactions published on 28 April 2020 and 23 September 2020, none of the Directors nor Supervisors was materially interested in any contract or arrangement as at the Latest Practicable Date which was significant in relation to the business of the Group.

#### 4. DIRECTORS’ AND SUPERVISORS’ SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors nor Supervisors had any existing or proposed service contracts with any member of the Group which is not expiring or determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

#### 5. DIRECTORS’ AND SUPERVISORS’ INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, none of the Directors nor Supervisors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

#### 6. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2019, being the date to which the latest audited financial statements of the Company were made up.

#### 7. EXPERT AND CONSENT

As at the date of this circular, Rainbow Capital (HK) Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter and references to its name in the form and context in which it appears. The following expert’s statements were issued on the date of this circular and were made for incorporation or reference (as the case may be) in this circular.

The following is the qualification of the expert who has given its opinion or advice which is contained in this circular:

<b>Name</b>	<b>Qualification</b>
Rainbow Capital (HK) Limited	a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

As at the Latest Practicable Date, Rainbow Capital (HK) Limited did not have any direct or indirect interest in any asset which had been acquired, disposed of by, or leased to any member of the Group, or was proposed to be acquired, or disposed of by, or leased to any member of the Group, since 31 December 2019, being the date to which the latest audited financial statements of the Group was made up; and was not beneficially interested in the share capital of any member of the Group and did not have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

## 8. MISCELLANEOUS INFORMATION

The English text of this circular shall prevail over its respective Chinese text for the purpose of interpretation.

## 9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at 18th Floor, Three Pacific Place, 1 Queen's Road East, Hong Kong during normal business hours from the date of this circular up to and including the date of the EGM:

- (a) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out on pages 22 to 23 of this circular;
- (b) the letter from Rainbow Capital (HK) Limited to the Independent Board Committee and the Independent Shareholders, the text of which is set out on pages 24 to 47 of this circular;
- (c) the written consents referred to in the paragraph headed "7. Expert and Consent" in this appendix;
- (d) the Existing Property Management Services Framework Agreement;
- (e) the Supplemental Property Management Services Agreement;
- (f) the 2021 Property Management Services Framework Agreement;
- (g) the Existing Property Agency Services Framework Agreement;
- (h) the 2021 Property Agency Services Framework Agreement;
- (i) the Existing Framework Referral Agreement;
- (j) the 2021 Framework Referral Agreement; and
- (k) this circular.

\* for identification purposes only

**A-LIVING SERVICES CO., LTD.\***  
**雅居樂雅生活服務股份有限公司**

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

**(Stock Code: 3319)**

**NOTICE OF THE 2020 FOURTH EXTRAORDINARY GENERAL MEETING  
TO BE HELD ON 9 NOVEMBER 2020**

NOTICE IS HEREBY GIVEN that an 2020 fourth extraordinary general meeting of A-Living Services Co., Ltd. (the “**Company**”) will be held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC at 2:30 p.m. on Monday, 9 November 2020 for the purpose of considering and, if thought fit, passing (with or without amendments) the following resolutions as ordinary resolutions of the Company:

**ORDINARY RESOLUTIONS**

1. “**THAT:**
  - (a) the supplemental property management services agreement (the “**Supplemental Property Management Services Agreement**”) dated 23 September 2020 entered into between the Company and Agile Group Holdings Limited (“**Agile Holdings**”), a copy of which is tabled at the meeting and marked “**A**” and initialed by the chairman of the meeting for identification purpose, the terms thereof and the continuing connected transaction contemplated thereunder be and are hereby approved, confirmed and ratified;
  - (b) the revised annual cap under the Supplemental Property Management Services Agreement as set out in the circular of the Company dated 22 October 2020 be and is hereby approved, confirmed and ratified; and
  - (c) any one director of the Company be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the Supplemental Property Management Services Agreement and the transactions contemplated thereunder.”

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## NOTICE OF EGM

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2. **“THAT:**

- (a) the 2021 property management services framework agreement (the **“2021 Property Management Services Framework Agreement”**) dated 23 September 2020 entered into between the Company and Agile Holdings, a copy of which is tabled at the meeting and marked **“B”** and initialed by the chairman of the meeting for identification purpose, the terms thereof and the continuing connected transaction contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the proposed annual caps under the 2021 Property Management Services Framework Agreement as set out in the circular of the Company dated 22 October 2020 be and is hereby approved, confirmed and ratified; and
- (c) any one director of the Company be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the 2021 Property Management Services Framework Agreement and the transactions contemplated thereunder.”

3. **“THAT:**

- (a) the 2021 property agency services framework agreement (the **“2021 Property Agency Services Framework Agreement”**) dated 23 September 2020 entered into between the Company and Agile Holdings, a copy of which is tabled at the meeting and marked **“C”** and initialed by the chairman of the meeting for identification purpose, the terms thereof and the continuing connected transaction contemplated thereunder be and are hereby approved, confirmed and ratified;
- (b) the proposed annual caps under the 2021 Property Agency Services Framework Agreement as set out in the circular of the Company dated 22 October 2020 be and is hereby approved, confirmed and ratified; and
- (c) any one director of the Company be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the 2021 Property Agency Services Framework Agreement and the transactions contemplated thereunder.”

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## NOTICE OF EGM

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4. **“THAT:**
- (a) the 2021 framework referral agreement (the **“2021 Framework Referral Agreement”**) dated 23 September 2020 entered into between the Company and Agile Holdings, a copy of which is tabled at the meeting and marked **“D”** and initialed by the chairman of the meeting for identification purpose, the terms thereof and the continuing connected transaction contemplated thereunder be and are hereby approved, confirmed and ratified;
  - (b) the proposed annual caps under the 2021 Framework Referral Agreement as set out in the circular of the Company dated 22 October 2020 be and is hereby approved, confirmed and ratified; and
  - (c) any one director of the Company be and are hereby authorised to do all such acts, deeds and things and to sign, execute and deliver all such documents as they may, in their absolute discretion, consider necessary, desirable or expedient to give effect, determine, revise, supplement or complete any matters relating to or in connection with the 2021 Framework Referral Agreement and the transactions contemplated thereunder.”

By order of the Board  
**A-Living Services Co., Ltd.**  
**Li Dalong**

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

Hong Kong, 22 October 2020

***Registered Office in the PRC:***  
Management Building, Xingye Road  
Agile Garden, Sanxiang Town  
Zhongshan  
Guangdong Province, PRC

***Principal place of office in the PRC:***  
35/F, Agile Center  
26 Huaxia Road  
Zhujiang New Town  
Tianhe District, Guangzhou  
Guangdong Province, PRC

***Principal place of business in Hong Kong:***  
Level 54, Hopewell Centre  
183 Queen’s Road East  
Hong Kong

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## NOTICE OF EGM

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*Notes:*

1. The resolutions at the EGM will be taken by poll pursuant to the Listing Rules. The results of the poll will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.agileliving.com.cn>) in accordance with the Listing Rules.
2. All Shareholders are eligible for attending the EGM. Any Shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint a proxy or more than one proxy to attend the EGM and to cast a vote for him/her. A proxy need not be a Shareholder. If more than one proxy is appointed, the number of Shares in respect of which each such proxy so appointed must be specified in the relevant proxy form. Every Shareholder present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. For the purpose of determining the eligibility of the Shareholders to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 9 October 2020 to Monday, 9 November 2020, both days inclusive, during which period no transfer of Shares will be registered. H Shareholders who wish to attend and vote at the EGM but have not registered the transfer documents shall submit the share certificates together with the properly completed share transfer forms to the share registrar of the H Shares of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Thursday, 8 October 2020, for registration. H Shareholders who are registered with Tricor Investor Services Limited on or before the aforementioned date are entitled to attend the EGM.
4. In order to be valid, the proxy form together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be completed and returned to (i) the Company's principal place of office in the PRC at 35th Floor, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC (for shareholders of the domestic shares of the Company) or (ii) the share registrar of the H Shares of the Company, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong (for the H Shareholders) not less than 24 hours before the time scheduled for the EGM. Completion and return of the proxy form will not preclude a Shareholder from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.
5. The EGM is expected to take no more than half a day. Shareholders who attend the EGM (in person or by proxy) shall bear their own travelling and accommodation expenses. Shareholders may contact the Investor Relations Department of the Company at (852) 2740 8921 or [ir@agileliving.com.cn](mailto:ir@agileliving.com.cn) for any enquiries in respect of the EGM.

*As at the date of this circular, the board of directors of A-Living Services Co., Ltd.\* comprises eight members, being Mr. Chan Cheuk Hung<sup>^</sup> (Co-chairman), Mr. Huang Fengchao<sup>^</sup> (Co-chairman), Mr. Li Dalong<sup>^</sup> (President (General Manager) and Chief Executive Officer), Mr. Wei Xianzhong<sup>^^</sup>, Ms. Yue Yuan<sup>^^</sup>, Mr. Wan Kam To<sup>^^^</sup>, Ms. Wong Chui Ping Cassie<sup>^^^</sup> and Mr. Wang Peng<sup>^^^</sup>.*

<sup>^</sup> Executive Directors

<sup>^^</sup> Non-executive Directors

<sup>^^^</sup> Independent Non-executive Directors

\* for identification purposes only