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

雅生活智慧城市服務股份有限公司

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

(Stock Code: 3319)

PLACING OF NEW H SHARES UNDER GENERAL MANDATE

Sole Placing Agent



THE PLACING

The Board is pleased to announce that on 28 May 2021, the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Company has agreed to appoint the Placing Agent, and the Placing Agent has agreed to act as the agent of the Company, to procure, on a fully-underwritten basis, places for an aggregate of 86,666,800 new H Shares at the Placing Price upon the terms and conditions set out in the Placing Agreement.

The Placing Shares represent approximately 6.50% of the issued share capital of the Company as at the date of this announcement and approximately 6.10% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to completion of the Placing save for the allotment and issue of the Placing Shares).

The Placing Shares are expected to be placed to not less than six placees who and whose ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company.

The Placing Shares will be allotted and issued under the General Mandate.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

The Company has obtained the necessary PRC regulatory approval for the Placing, being the approval from the CSRC.

As completion of the Placing is subject to the fulfillment of certain conditions precedent and the Placing Agent's termination rights, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

THE PLACING AGREEMENT

Date

28 May 2021

Parties

- (1) the Company (as the issuer); and
- (2) Citigroup Global Markets Limited (as the Placing Agent).

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent is independent of, and not connected with, the Company and connected persons of the Company.

Number of Placing Shares

The Placing Agent has agreed to act as agent of the Company to procure, on a fully underwritten basis, placees for an aggregate of 86,666,800 new H Shares at the Placing Price (together with such brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable by the placees), upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares, having an aggregate nominal value of RMB86,666,800 based on a nominal value of RMB1.00 per Placing Share, represent approximately 6.50% of the issued share capital of the Company as at the date of this announcement and approximately 6.10% of the Company's issued share capital as enlarged by the allotment and issue of the Placing Shares (assuming that there is no change in the issued share capital of the Company from the date of this announcement to completion of the Placing save for the allotment and issue of the Placing Shares).

Placing Price

The Placing Price is HK\$37.60 per H Share and represents:

- (i) a discount of approximately 6.58% to the closing price of HK\$40.25 per H Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 1.34% to the average closing price of HK\$38.11 per H Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day; and
- (iii) a premium of approximately 2.20% over the average closing price of HK\$36.79 per H Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day.

The Placing Price was determined with reference to the prevailing market price of the H Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price and the terms and conditions of the Placing Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Rights of the Placing Shares

The Placing Shares will, on allotment and issue, rank pari passu in all respects with other existing H Shares upon issuance free from all liens, charges, pledges, security interests and encumbrances, and together with all rights attaching to them as at the date of issue of the Placing Shares, including the right to receive all dividends declared, made or paid on the record date of which falls on or after the date of issue of the Placing Shares and duly listed on the Stock Exchange, provided that in no event shall the Placing Shares be entitled to receive any of the final dividend and special dividend for the year ended 31 December 2020 as approved by the shareholders of the Company at the annual general meeting of the Company held on 25 May 2021.

Independence of the placees

Pursuant to the Placing Agreement, the Placing Agent will procure the Placing Shares to be placed to not less than six placees, who/which will be professional, institutional and/or other investors procured by the Placing Agent. It is not expected that any placee will become a substantial shareholder of the Company immediately upon completion of the Placing.

It is expected that the placees to be procured by the Placing Agent and their ultimate beneficial owners are independent of and not connected with the Company and connected persons of the Company.

Conditions of the Placing

Completion of the Placing is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked);
- (ii) all necessary approval and consents from relevant authorities of the PRC (including but not limited to the approval from the CSRC) in connection with the Placing having been obtained and remaining in full force and effect;
- (iii) the Placing Agent having received on the Closing Date a lock-up undertaking covering a period of not more than 90 days after the Closing Date from the controlling shareholders (within the meaning of the Listing Rules) of the Company which is in form and substance reasonably satisfactory to the Placing Agent; and
- (iv) the Placing Agent having received on the Closing Date the relevant Hong Kong, PRC and U.S. legal opinions which are in form and substance reasonably satisfactory to the Placing Agent.

If the above conditions are not fulfilled on or before 8:00 a.m. on 4 June 2021 (or such other date as the Company and the Placing Agent may agree in writing), the Placing Agreement shall terminate and neither the Company nor the Placing Agent shall have any claim against the other in respect of the Placing save for (i) any antecedent breaches of any obligation under the Placing Agreement; and (ii) liabilities for the representations, warranties, undertakings and indemnities given to the Placing Agent under the Placing Agreement.

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Placing Shares.

The Company has obtained the necessary PRC regulatory approval for the Placing, being the approval from the CSRC.

Termination Events

If at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

- (a) there develops, occurs or comes into force:
 - (i) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith or would materially prejudice trading of the Placing Shares in the secondary market; or

- (ii) any event, or series of events beyond the reasonable control of the Placing Agent (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease (excluding such outbreak of infectious diseases subsisting as of the date of the Placing Agreement which have not materially escalated thereafter), outbreak or escalation of hostilities, act of terrorism and act of God) in or affecting Hong Kong, the PRC, the United Kingdom, the European Union (or any member thereof), the United States, Singapore or Japan or any other jurisdictions relevant to the Group (each, a "**Relevant Jurisdiction**") or the declaration by any Relevant Jurisdiction of war or a state of emergency or calamity or crisis; or
- (iii) any change or development in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) in or affecting any of the Relevant Jurisdictions;
- (iv) any change or development in local, national or international securities market conditions or currency exchange rates or foreign exchange rates or foreign exchange controls which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith or would materially prejudice trading of the Placing Shares in the secondary market;
- (v) any material disruption in commercial banking or securities settlement or clearance services in or affecting any of the Relevant Jurisdictions and/or a general moratorium on commercial banking activities having been declared by the relevant authorities in any of the Relevant Jurisdictions; or
- (vi) any suspension or limitation of trading in the H Shares during the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date; or
- (vii) any moratorium, suspension, restriction or limitation on trading in shares or securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the Tokyo Stock Exchange, the London Stock Exchange, the New York Stock Exchange or the Nasdaq National Market; or
- (viii) any change, or development involving a prospective change, in or affecting the business, general affairs, management, assets and liabilities, shareholders' equity, results of operations or financial position, of the Group as a whole which in the sole opinion of the Placing Agent is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith or would materially prejudice trading of the Placing Shares in the secondary market; or,

- (b) (i) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement comes to the knowledge of the Placing Agent; (ii) any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the completion of the Placing which if it had occurred or arisen before the date of the Placing Agreement would have rendered any of the representations, warranties and undertakings by the Company set out in the Placing Agreement untrue or incorrect; or (iii) there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice to the Company in writing, which notice may be given at any time prior to 8.00 a.m. (Hong Kong time) on the Closing Date.

In the event that the Placing Agent terminates the Placing Agreement based on any of the above event(s), neither the Company nor the Placing Agent shall have any claim against the other in respect of the Placing save for (i) any antecedent breaches of any obligation under the Placing Agreement; and (ii) liabilities for the representations, warranties, undertakings and indemnities given to the Placing Agent under the Placing Agreement.

Completion of the Placing

The Company expects that the Placing will be completed on the Closing Date.

General mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued under the General Mandate, pursuant to which the Directors are authorised to allot and issue up to 266,666,800 new H Shares, representing 20% of the number of issued H Shares as at 25 May 2021.

Since the grant of the General Mandate on 25 May 2021 and up to the date of this announcement, the Directors have not exercised their power to allot and issue any new H Shares pursuant to such General Mandate. Accordingly, the allotment and issue of the Placing Shares will not be subject to any further approval by the Shareholders.

LOCK-UP UNDERTAKINGS

The Company has undertaken to the Placing Agent that for a period from the date of the Placing Agreement up to 90 days after the Closing Date, the Company will not, save as pursuant to bonus or scrip dividend or similar arrangements which provide for the allotment of H Shares in lieu of the whole or part of a dividend on H Shares of the Company in accordance with its articles of association:

- (a) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe for (either conditionally or unconditionally, or directly or indirectly, or otherwise) any H Share(s) or any interests in H Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to H Shares or interest in H Shares; or
- (b) agree (conditionally or unconditionally) to enter into or effect any such transaction with the similar economic effect as any of the transactions described in (a) above; or
- (c) announce any intention to enter into or effect any such transaction described in (a) or (b) above,

unless with the prior written consent of the Placing Agent.

EFFECT ON THE SHAREHOLDING STRUCTURE

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company as at the date of this announcement and immediately after completion of the Placing is set out below (assuming there is no change to the issued share capital of the Company from the date of this announcement up to the Closing Date):

	As at the date of this announcement		Immediately after completion of the Placing	
	Number of H Shares	Approx. %	Number of H Shares	Approx. %
Directors and substantial shareholders				
Zhongshan A-Living Enterprises Management Services Co., Ltd.* (中山雅生活企業管理服務有限公司) (Note 1)	712,800,000	53.46%	712,800,000	50.20%
Deluxe Star International Limited (Note 1)	7,200,000	0.54%	7,200,000	0.51%
Farsail Goldman International Limited (遠航金門國際有限公司) (Note 1)	1,256,750	0.09%	1,256,750	0.09%
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") (Note 2)	80,000,000	6.00%	80,000,000	5.63%
Mr. Li Dalong (Note 3)	200,000	0.01%	200,000	0.01%
Public shareholders				
Places	-	-	86,666,800	6.10%
Other Shareholders	531,877,250	39.90%	531,877,250	37.46%
Total:	1,333,334,000	100.00%	1,420,000,800	100.00%

Notes:

1. Zhongshan A-Living Enterprises Management Services Co., Ltd.*, Deluxe Star International Limited and Farsail Goldman International Limited (遠航金門國際有限公司) are indirectly wholly-owned by Agile Group Holdings Limited, which is the controlling shareholder of the Company.
2. Mr. Huang Fengchao, an executive Director of the Company, is a limited partner of and owns 4.99% interest in Gongqingcheng Investment. Mr. Li Dalong, an executive Director of the Company, is a limited partner of and owns 2.5% interest in Gongqingcheng Investment.
3. The number of Shares held by Mr. Li Dalong was held by his spouse, Ms. Fei Fan.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTH PERIOD

During the past 12 months immediately prior to the date of this announcement, the Company has not conducted any other equity fund raising activities.

REASONS FOR AND BENEFITS OF THE PLACING

The Group is a mid-to high-end comprehensive property management services provider, with five business segments including “property services”, “asset management services”, “public services”, “city services” and “community commercial services”.

Backed by favorable policies, the property management industry has experienced rapid development in recent years and meets the window of transformation and upgrade. After the Placing, the Group will seize critical opportunities in industry consolidation, further expand its management scale, consolidate its leading position in industry, extend industrial chain layout in innovative areas, upgrade intelligent technology application to enhance client experience, build itself as an all-scenario smart city services provider, and realize quality and sustainable long-term growth.

The Directors consider that the Placing represent an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors are of the view that the Placing would strengthen the financial position of the Group and provide working capital to the Group.

The Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS FROM THE PLACING

The gross proceeds and net proceeds to be received by the Company from the Placing, after deducting related fees and expenses, are estimated to be approximately HK\$3,259 million and approximately HK\$3,242 million respectively, representing a net issue price of approximately HK\$37.40 per Placing Share.

The Company intends to apply such net proceeds for replenishment of working capital and general corporate purposes of the Company.

As completion of the Placing is subject to the fulfillment of certain conditions precedent and the Placing Agent’s termination rights, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday and public holidays in Hong Kong or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9 a.m. and 5 p.m.) on which banks are generally open for business in Hong Kong and the Stock Exchange is generally open for trading of securities in Hong Kong
“Closing Date”	the second Business Day immediately after the date on which item (i) of the conditions referred to under “Conditions of the Placing” is fulfilled but in any event no later than 4 June 2021, or such other date as the Company and the Placing Agent may agree in writing
“Company”	A-Living Smart City Services Co., Ltd.* (雅生活智慧城市服務股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the meaning as ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“General Mandate”	the unconditional general mandate granted to the Directors to allot, issue and deal with additional H Shares of up to 20% of the then total number of H Shares in issue (i.e. up to 266,666,800 new H Shares) pursuant to a resolution of the Shareholders passed at the annual general meeting of the Company held on 25 May 2021
“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 PRC

“H Share(s)”	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
“Last Trading Day”	27 May 2021, being the last trading day for the H Shares prior to the signing of the Placing Agreement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Placing”	the placing of the Placing Shares by the Placing Agent to places at the Placing Price pursuant to the Placing Agreement
“Placing Agent”	Citigroup Global Markets Limited
“Placing Agreement”	the placing agreement dated 28 May 2021 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$37.60 per Placing Share
“Placing Shares”	86,666,800 new H Shares to be placed by the Placing Agent pursuant to the Placing Agreement
“PRC”	the People’s Republic of China
“Securities Act”	the U.S. Securities Act of 1933, as amended
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holder(s) of the H Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“United States” or “U.S.”	the United States of America
“%”	per cent

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

Hong Kong, 28 May 2021

As at the date of this announcement, the Board comprises eight members, being Mr. Chan Cheuk Hung[^] (Co-chairman), Mr. Huang Fengchao[^] (Co-chairman), Mr. Li Dalong[^] (President (General Manager) and Chief Executive Officer), Mr. Wei Xianzhong^{^^}, Ms. Yue Yuan^{^^}, Mr. Wan Kam To^{^^^}, Ms. Wong Chui Ping Cassie^{^^^} and Mr. Wang Peng^{^^^}.

[^] *Executive Directors*

^{^^} *Non-executive Directors*

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

** for identification purposes only*