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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 TRANSACTION**

**FRAMEWORK REFERRAL AGREEMENT**

On 28 April 2020, A-Living entered into the Framework Referral Agreement with Agile, which sets out the principal terms for the provision of marketing referral services by the A-Living 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.

**LISTING RULES IMPLICATIONS**

As at the date of this announcement, Agile is the controlling shareholder of the Company, holding approximately 54% of the issued share capital of the Company. Therefore, Agile is a connected person of the Company under the Listing Rules, and the transactions contemplated under the Framework Referral Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the annual cap under the Framework Referral Agreement is over 0.1% but all of which are less than 5%, the transactions contemplated under the Framework Referral Agreement is subject to the reporting and announcement requirements but exempt from the Independent Shareholders' approval requirement under Rule 14A.76(2) of the Listing Rules.

**INTRODUCTION**

On 28 April 2020, A-Living entered into the Framework Referral Agreement with Agile, which sets out the principal terms for the provision of marketing referral services by the A-Living 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.

**FRAMEWORK REFERRAL AGREEMENT**

**Date:** 28 April 2020 (after trading hours)

- Parties:**
- (1) Agile; and
  - (2) A-Living.
- Scope of service:** Marketing referral services in respect of the sales of residential properties and car parking spaces by the Agile Group in their development projects to be provided by the A-Living Group to the Agile Group including but not limited to (i) marketing activities through the utilization of the community resources and other sales channel of the A-Living Group; (ii) customers' information collection; and (iii) customers' referrals.
- Term:** Period commencing from the date of the Framework Referral Agreement and ending on 31 December 2020 (both days inclusive).
- Pricing and other terms:** The parties to the Framework Referral Agreement have agreed as follows:
- (i) the parties may enter into the Specific Agreements to set out the detailed terms for the relevant transactions contemplated under the Framework Referral Agreement in the ordinary course of business after arm's length negotiations on normal commercial terms;
  - (ii) the Specific Agreements shall conform with the principles and provisions set out in the Framework Referral Agreement;
  - (iii) commission rate to be received by the A-Living Group shall be determined in the Specific Agreements and should be set, after arm's length negotiations with reference to the commission rate provided by the Agile Group to its independent third parties, the prevailing market commission rate of comparable transactions and adjustment to the commission rate based on usual market practice; and
  - (iv) the terms and conditions of the Specific Agreements shall be not less favourable than those being offered to the A-Living Group by the Independent Third Parties for comparable services and the prevailing market conditions.
- Annual cap:** Pursuant to the Framework Referral Agreement, it is proposed that the annual cap for the transactions contemplated thereunder for the period commencing from the date of the Framework Referral Agreement and ending on 31 December 2020 is expected not to exceed the following:

**For the period commencing from the date of the Framework Referral Agreement and ending on 31 December 2020**

*RMB '000*

**Annual cap** 249,000

The proposed annual cap for the transactions contemplated under the Framework Referral Agreement were determined after considering the following factors:

- (i) no historical amounts available as at the date of this announcement as the A-Living Group has not entered into any transactions in respect of the provision of marketing referral services for the sales of residential properties and car parking spaces to the Agile Group previously;
- (ii) the expected commission in the range of 3% 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 the Agile Group for the period commencing from the date of the Framework Referral Agreement and ending on 31 December 2020; and
- (iii) the prevailing market commission rate for the provision of the marketing referral services for comparable transactions in the same industry.

**PRICING POLICY**

During the term of the Framework Referral Agreement, the A-Living Group may from time to time enter into the Specific Agreements with members of the Agile Group to provide marketing referral services in accordance with the terms of the Framework Referral Agreement. The A-Living Group adopts the following pricing policy to ensure that the terms offered to the Agile Group under the Framework Referral Agreement are on normal commercial terms and shall not be less favourable than those offered to the A-Living Group by the Independent Third Parties and the prevailing market conditions as follows:

- (a) list of rate of commission provided by the Agile Group on a monthly basis to its independent third parties; and
- (b) rate of commission provided by other property developers in the PRC to third parties for comparable services and gathered by the A-Living Group from time to time.

The A-Living Group will obtain such rate of commission from three different property developers in the market. After the relevant information is collected, the sales department of the A-Living Group would compare the list of rate of commission provided by the Agile Group and those obtained by the A-Living Group from other property developers and thereafter determine a commission rate to be offered to the Agile Group which would not be less than the commission rate offered to Independent Third Parties by the A-Living Group and the prevailing market conditions. Relevant information together with the Specific Agreement will be submitted to the head of the sales department, finance department, legal department and the management of the A-Living Group for approval before signing and execution of the Specific Agreement.

## **INTERNAL CONTROL MEASURES**

The pricing policy for all the continuing connected transactions of the A-Living Group will be supervised and monitored by the relevant personnel and management of the A-Living Group in charge to ensure the relevant continuing connected transaction is conducted on normal commercial terms and will not be prejudicial to the interests of A-Living and its Shareholders as a whole.

The relevant personnel and management of the A-Living Group will review and assess the terms before entering into the Specific Agreements to ensure they are consistent with the principles and provisions set out in the Framework Referral Agreement.

Regular checks will be conducted on a quarterly basis to review and assess whether the transactions contemplated under the relevant continuing connected transactions are conducted in accordance with the terms of the respective agreements and the price charged for a specific transaction is fair and reasonable and in accordance with the aforesaid pricing policy.

The independent non-executive Directors will continue to review the management's quarterly review reports on the transactions contemplated under the relevant continuing connected transactions and the auditors of A-Living will also conduct an annual review on the pricing terms and annual cap thereof.

Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the Framework Referral Agreement have been and will be conducted on normal commercial terms and not prejudicial to the interests of A-Living and the Shareholders as a whole.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE FRAMEWORK REFERRAL AGREEMENT**

A-TRO Properties Consultancy Co., Ltd.\* (雅卓房地產顧問有限公司) has been providing property agency services, including but not limited to, providing marketing and sales services for properties developed by the Agile Group. Such property agency services primarily involve provision of property information, property visit, real estate exhibition and contract execution arrangement. Pursuant to the Framework Referral Agreement, the A-Living Group will, through the utilization of its community resources and its other sales channel, actively conduct marketing activities and refer potential buyers 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 the A-Living Group has been providing the Agile Group with property management services for properties owned by the Agile Group, the Board believes that the A-Living Group could make use of its expertise to assist the Agile Group in their sales of residential properties and car park spaces.

The Directors (including the independent non-executive Directors) are of the view that the terms of the Framework Referral Agreement and the transactions contemplated thereunder (including the proposed annual cap thereof) are fair and reasonable, on normal commercial terms and will be conducted in the ordinary course of business of the A-Living Group and in the interests of A-Living and its Shareholders as a whole.

## **INFORMATION ON AGILE AND A-LIVING**

### **Agile**

Agile 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.

### **A-Living**

A-Living is a reputable property management services provider focusing on mid- to high-end properties, offering a comprehensive portfolio of services. It has three business lines, namely property management services, community value-added services and extended value-added services, and has expanded its business coverage into the whole industry chain with a diversified business portfolio, and has formed the synergetic development of four major business segments, namely “property management services”, “asset management services”, “public services” and “community commercial services”.

## **LISTING RULES IMPLICATIONS**

As at the date of this announcement, Agile is the controlling shareholder of the Company, holding approximately 54% of the issued share capital of the Company. Therefore, Agile is a connected person of the Company under the Listing Rules, and the transactions contemplated under the Framework Referral Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios (other than the profits ratio) in respect of the annual cap under the Framework Referral Agreement is over 0.1% but all of which are less than 5%, the transactions contemplated under the Framework Referral Agreement is subject to the reporting and announcement requirements but exempt from the Independent Shareholders’ approval requirement under Rule 14A.76(2) of the Listing Rules.

## BOARD APPROVAL

Save for Mr. Chan Cheuk Hung and Mr. Huang Fengchao, the executive Directors who are the directors and shareholders of Agile, and Ms. Yue Yuan, a non-executive Director who is a senior member of management of Agile, none of the Directors has or is deemed to have a material interest in the Framework Referral Agreement and the transactions contemplated thereunder. Hence, only Mr. Chan Cheuk Hung, Mr. Huang Fengchao and Ms. Yue Yuan are required to abstain from voting on the relevant Board resolutions.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set opposite them below:

“A-Living” or the “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
“A-Living Group”	A-Living and its subsidiaries
“Agile”	Agile Group Holdings Limited, 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
“Agile Group”	Agile and its subsidiaries including A-Living
“associate”	has the meaning as ascribed to it under the Listing Rules
“Board”	board of directors of A-Living
“connected person”	has the meaning as ascribed to it under the Listing Rules
“controlling shareholders”	has the meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of A-Living
“Framework Referral Agreement”	the framework referral agreement entered into between A-Living and Agile on 28 April 2020 in relation to the provision of marketing referral services by the A-Living Group in respect of the sales of residential properties and car parking spaces by the Agile Group in their development projects
“Independent Shareholder”	Shareholders who do not have a material interest in the Framework Referral Agreement

“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the A-Living Group and its connected persons and their respective ultimate beneficial owner(s) or their respective associates
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Shareholder(s)”	holder(s) of the shares of A-Living
“Specific Agreement(s)”	the specific individual agreement(s) that may be entered into between members of the A-Living Group and members of the Agile Group in accordance with the principles and terms of the Framework Referral Agreement
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“RMB”	Renminbi, the lawful currency of the PRC
“%”	per cent.

By Order of the Board  
**A-Living Services Co., Ltd.**  
**LI Dalong**  
*Company Secretary*

Hong Kong, 28 April 2020

*As at the date of this announcement, the Board comprises eight members, being Mr. Chan Cheuk Hung<sup>^</sup> (Co-chairman), Mr. Huang Fengchao<sup>^</sup> (Co-chairman, Chief Executive Officer and General Manager), Mr. Feng Xin<sup>^</sup>, Mr. Wei Xianzhong<sup>^^</sup>, Ms. Yue Yuan<sup>^^</sup>, Mr. Wan Kam To<sup>^^^</sup>, Mr. Wan Sai Cheong, Joseph<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*