
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to what action to take in relation to this circular, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional public accountant or other professional adviser.

If you have sold or transferred all your shares in A-Living Smart City Services Co., Ltd., you should at once hand this circular, together with the enclosed proxy form, to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)**

(1) PROPOSED APPOINTMENT OF AUDITOR
(2) PROPOSED APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR
AND
(3) NOTICE OF THE 2023 FIRST EXTRAORDINARY
GENERAL MEETING

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 4 to 9 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 Friday, 3 March 2023 at 10:30 a.m. is set out on pages 10 to 11 of this circular. A proxy form for use at the EGM is also enclosed. Such proxy form is also published on the websites of the Hong Kong Stock Exchange (<http://www.hkexnews.hk>) and the Company (<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 if they so wish.

* *For identification purposes only*

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DEFINITIONS

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

“Announcement”	the announcement of the Company dated 25 November 2022 in relation to the proposed change of auditors
“Articles of Association”	the articles of association of the Company currently in force
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“China” or the “PRC”	the People’s Republic of China, but for the purpose of this circular and for geographical reference only and except where the context requires, references in this circular to “China” and the “PRC” do not include Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	雅生活智慧城市服務股份有限公司 (A-Living Smart City Services Co., Ltd.*), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Hong Kong Stock Exchange
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, which are subscribed for and paid up in Renminbi
“EGM”	the 2023 first extraordinary general meeting of the Company to be convened and held at Conference Room, 33/F, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, PRC on Friday, 3 March 2023 at 10:30 a.m., to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 10 to 11 of this circular, or any adjournment thereof
“Grant Thornton”	Grant Thornton Hong Kong Limited, the auditor proposed to be appointed

DEFINITIONS

“Group”	the Company and its subsidiaries
“H Shares”	overseas listed shares in the ordinary share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	10 January 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Proposed Appointment of Auditor”	the proposed appointment of Grant Thornton as the auditor of the Company
“Proposed Appointment of Director”	the proposed appointment of Mr. Li Jiahe as an independent non-executive Director
“PwC”	PricewaterhouseCoopers, the previous auditor of the Company
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Share(s)”	ordinary shares in the share capital of the Company, with a nominal value of RMB1.00 each, comprising Domestic Shares and H Shares
“Shareholder(s)”	holder(s) of Share(s)

PRECAUTIONARY MEASURES FOR THE EGM

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 is exhibiting 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 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.

LETTER FROM THE BOARD

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)

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

Principal Place of Office in the PRC:

35/F, Agile Center

26 Huaxia Road

Zhujiang New Town

Tianhe District, Guangzhou

Guangdong Province, PRC

Non-executive Directors:

Mr. Wei Xianzhong

Ms. Yue Yuan

Independent Non-executive Directors:

Mr. Wan Kam To

Mr. Weng Guoqiang

Principal Place of Business in Hong Kong:

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

13 January 2023

To the Shareholders

Dear Sir/Madam,

**(1) PROPOSED APPOINTMENT OF AUDITOR
(2) PROPOSED APPOINTMENT OF
INDEPENDENT NON-EXECUTIVE DIRECTOR
AND
(3) NOTICE OF THE 2023 FIRST EXTRAORDINARY
GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

LETTER FROM THE BOARD

2. PROPOSED APPOINTMENT OF AUDITOR

Reference is made to the Announcement. The purpose of this circular is to provide the Shareholders with details of the Proposed Appointment of Auditor and a notice convening the EGM to consider and, if thought fit, approve the Proposed Appointment of Auditor.

As disclosed in the Announcement, PwC has resigned as the auditor of the Company with effect from 24 November 2022. As recommended by the Audit Committee, the Board has resolved to appoint Grant Thornton as the new auditor of the Company to fill the casual vacancy following the resignation of PwC subject to the approval by the Shareholders at the EGM, and to authorise the Board to fix its remuneration. Pursuant to the Articles of Association, the appointment of a new auditor of the Company is subject to the approval of the Shareholders at an extraordinary general meeting.

In order to maintain good corporate governance practice for the term of auditor, the Board and the Audit Committee consider that the auditor of the Company should be rotated after an appropriate period of time, and the change of the auditors of the Company would be in the interests of the Company and the Shareholders as a whole (the “**Consideration**”).

During the course of PwC’s work in 2022, based on the management accounts of the Group for the six months ended 30 June 2022, PwC has held discussions with the Company’s management during the process of its audit planning work and has requested the Company’s management to provide the following additional information (the “**Information**”) relating to certain significant matters which might have an impact on the financial statements of the Group for the year ended 31 December 2022:

- (1) for the Group’s investment in financial products of RMB1.612 billion, provide detailed information on the investment targets of the relevant financial products, its corresponding target assets and the changes in post-investment, and perform relevant audit procedures (including but not limited to): to conduct interviews with relevant parties and confirm all information relating to the investment in such financial products, and to analyse whether the accounting treatment of the investment in financial products complied with the requirements of accounting standards, etc.;
- (2) the commercial rationale for RMB942 million loan provided by the Group to certain third-party corporations with business cooperation, and the management’s understanding of the borrower’s operating and financial situation, risk assessment on its repayment ability and assessment of expected credit losses and recent changes in such payments; and
- (3) the commercial rationale for the Group’s payment of RMB250 million earnest money to a third-party corporation with intended business cooperation, and the progress of the business cooperation and the recent changes in the relevant payment and the assessment of expected credit losses.

LETTER FROM THE BOARD

Up to and until the Latest Practicable Date, the Company has neither received any other written representations from PwC, nor received any other confirmation on change of auditors from PwC notifying the Company of any matters that need to be brought to the attention of the Shareholders save for those disclosed in this circular.

The Board and the Audit Committee also confirmed that, there is no disagreement between the Company and PwC and there are no other matters in respect of the resignation of PwC as the auditor of the Company that need to be brought to the attention of the Shareholders and creditors of the Company.

At the time of the 2021 annual general meeting of the Company, the Board considered it was appropriate to re-appoint PwC as the auditor of the Company having considered its familiarity with the Company and the quality of its services rendered. The Consideration was not taken into account by the Board at the material times.

In early November 2022, the Company started to internally consider whether the Company should adopt an auditor rotation policy (and if so, the time of implementation of such policy) for good corporate governance purpose and to ensure a high quality of audit service. Having considered the Company's then recent experience with PwC and the fact that PwC has been serving as auditor of the Company since the Company's preparation for listing on the Hong Kong Stock Exchange in 2017, the Audit Committee independently concluded that it would be in the interest of the Company to adopt the auditor rotation policy in a timely manner.

The Audit Committee considered that the new auditor should possess sufficient qualifications and must be able to service the engagement with satisfactory audit quality. The new auditor must also place high priority on maintaining timely and effective communication with the Company and the Audit Committee.

Having considered the background and qualifications of Grant Thornton, the Audit Committee has recommended Grant Thornton to be appointed as the Company's auditors in filling the casual vacancy resulting from the resignation of PwC and the recommendation has been accepted by the Board.

The Board is fully aware of the above matters raised by PwC and believes that no substantive audit work for the year ended 31 December 2022 has been carried out by PwC as at the date of the Announcement.

Grant Thornton is aware of the Information to the extent that it has been set out in the resignation letter of PwC and has obtained from the Company, on a confidential basis, a basic understanding from the Company's management and the Audit Committee in respect of the Information and other key accounting and auditing issues before presenting to the Company an audit proposal with the tentative audit timeline (on items such as audit planning, audit fieldwork, completion of fieldwork, and reporting of audit results) and the preliminary audit approach (subject to the findings and matters identified during the formal audit process).

LETTER FROM THE BOARD

The Company is of the view that Grant Thornton has a good understanding of the business model and operations of a property management company in the PRC associated with the daily operations of the Group, and that it will be able to execute its audit plan in accordance with the proposed audit timetable.

The Audit Committee has ensured that Grant Thornton clearly understood the reason for the recommendation regarding the change of auditors, and that Grant Thornton was informed and understood the matters raised by PwC. The Audit Committee has discussed the tentative audit procedures proposed by Grant Thornton to address the related issues and instructed the Company to provide all the necessary information and support to Grant Thornton in its conduct of the audit. The Audit Committee has also stressed the importance of, and requested Grant Thornton to have, timely and proactive communication with it on the related issues and all other important matters arising during the audit process so as to ensure a high quality of the 2022 annual audit.

The Company will provide all necessary information to assist Grant Thornton to address the Information for completion of the audit work for the year ended 31 December 2022.

3. PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

As disclosed in the announcement of the Company dated 15 December 2022, the Company has received from Zhongshan A-Living Enterprises Management Services Co., Ltd.* (中山雅生活企業管理服務有限公司), the controlling shareholder of the Company, a proposal in relation to the nomination of Mr. Li Jiahe (“**Mr. Li**”) as a candidate for the proposed appointment of independent non-executive Director subject to the consideration and approval by the Shareholders at the EGM. Mr. Li’s term of office, if approved by the Shareholders at the EGM, will commence from the date on which the relevant resolution is passed at the EGM until the expiration of the term of the second session of the Board.

The biographical details of Mr. Li are set out below:

Mr. Li Jiahe (黎家河), aged 62, has over 19 years of experience in property management related work. He had served as a manager of the finance department of Poly Development and Holdings Group Co., Ltd. (保利發展控股集團股份有限公司) (a company listed on Shanghai Stock Exchange under the stock code: 600048) (“**Poly Holdings**”) from March 1993 to April 2000 and as a manager of the human resources department of Poly Holdings from September 2002 to January 2005. Mr. Li had served as a deputy general manager of Poly Property Services Co., Ltd. (保利物業服務股份有限公司) (formerly known as Poly Property Development Co., Ltd. (保利物業發展股份有限公司)) (a company listed on The Stock Exchange of Hong Kong Limited under the stock code: 6049) (“**Poly Property**”) from May 2000 to August 2002, and as a general manager, a director and the chairman of Poly Property successively from January 2005 to April 2019. From May 2019 to August 2020, Mr. Li had served as an executive director and a member of the remuneration committee of Poly Property.

LETTER FROM THE BOARD

Mr. Li obtained a certificate of completion of corporate management (finance and investments) from Sun Yat-sen Business School (中山大學管理學院) in September 2004. Mr. Li was qualified as a property management manager in December 2005.

As at the Latest Practicable Date, save as disclosed above, Mr. Li does not (i) hold any position with the Company or its subsidiaries; (ii) hold any other directorships in any other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years or other major appointments and professional qualifications; (iii) have any relationship with any directors, supervisors, senior management or substantial or controlling shareholders of the Company; and (iv) have any interest in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong).

Subject to the approval of the Shareholders by way of an ordinary resolution at the EGM, the Company will enter into an appointment letter with Mr. Li. The initial length of services will commence from the date on which the relevant resolution is passed at the EGM until the expiration of the term of the second session of the Board. The Company will seek approval from the Shareholders at the EGM to authorise the Board to fix the remuneration of Mr. Li. In determining the remuneration of Mr. Li, the Board will make reference to the proposal of the remuneration and appraisal committee of the Company, taking into account, among others, his duties and responsibilities, the prevailing market conditions as well as the emoluments of the other Directors.

Save as disclosed above and as at the Latest Practicable Date, there is no other information in relation to Mr. Li which is required to be disclosed pursuant to the requirements set out in Rules 13.51(2)(h) to (v) of the Listing Rules, nor are there any other matters which need to be brought to the attention of the Shareholders.

Mr. Li confirmed that he has satisfied the independence criteria as stipulated in Rule 3.13 of the Listing Rules. The Company has assessed his independence and considered that he meets the independence guidelines set out in Rule 3.13 of the Listing Rules and is independent.

4. EGM AND PROXY ARRANGEMENT

The proxy form of the EGM is enclosed.

If you intend to appoint a proxy to attend the EGM, you are required to complete the accompanying proxy form in accordance with the instructions printed thereon and return it by personal delivery or by post not less than 24 hours before the time fixed for holding the EGM or any adjourned meeting thereof. For shareholders of H Shares, the proxy form should be returned to the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong. For shareholders of Domestic Shares, the proxy form should be returned 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. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any other adjourned meeting should you so wish.

LETTER FROM THE BOARD

5. VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll. Accordingly, the chairman of the EGM will exercise his power under the Articles of Association to demand a poll in relation to the proposed resolutions at the EGM.

6. RECOMMENDATION

The Board considers that the resolutions proposed at the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the proposed resolutions at the EGM.

Yours faithfully,
For and on behalf of the Board
A-Living Smart City Services Co., Ltd.*
Chan Cheuk Hung/Huang Fengchao
Co-chairman

* *for identification purposes only*

NOTICE OF EGM

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)

NOTICE OF THE 2023 FIRST EXTRAORDINARY GENERAL MEETING TO BE HELD ON 3 MARCH 2023

NOTICE IS HEREBY GIVEN THAT the 2023 first extraordinary general meeting (the “**EGM**”) of A-Living Smart City Services Co., Ltd. (the “**Company**”) 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 Friday, 3 March 2023 at 10:30 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To appoint Grant Thornton Hong Kong Limited as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company, and to authorise the board of directors of the Company to fix its remuneration.
2. To consider and approve the appointment of Mr. Li Jiahe as an independent non-executive director of the Company, and to authorise the board of directors of the Company to fix his remuneration.

By Order of the Board
A-Living Smart City Services Co., Ltd.*
Chan Cheuk Hung/Huang Fengchao
Co-chairman

Hong Kong, 13 January 2023

As at the date of this circular, the Board comprises seven 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^{^^^} and Mr. Weng Guoqiang^{^^^}.

[^] *Executive Directors*

^{^^} *Non-executive Directors*

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

NOTICE OF EGM

Notes:

1. All resolutions at the EGM will be taken by poll pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). The results of the poll will be published on the websites of The Stock Exchange of Hong Kong Limited (<http://www.hkexnews.hk>) and the Company (<http://www.agileliving.com.cn>) in accordance with the Listing Rules.
2. All shareholders of the Company are eligible for attending the EGM. Any shareholder of the Company 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 vote instead of him/her. A proxy need not be a shareholder of the Company. 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 of the Company present in person or by proxy shall be entitled to one vote for each share held by him/her.
3. 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 People’s Republic of China (the “**PRC**”) at 35th Floor, Agile Center, 26 Huaxia Road, Zhujiang New Town, Tianhe District, Guangzhou, Guangdong Province, the PRC (for shareholders of Domestic Shares) or (ii) the Company’s H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for shareholders of H Shares) not less than 24 hours before the time appointed for the EGM. Completion and return of the proxy form will not preclude a shareholder of the Company from attending and voting at the EGM or any adjourned meeting thereof should he/she so wish.
4. For determining the entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Wednesday, 1 February 2023 to Friday, 3 March 2023, both dates inclusive, during which period no transfer of shares will be registered. In order to qualify for attending and voting at the EGM, shareholders of H Shares whose transfer documents have not been registered are required to submit the share certificates together with the properly completed share transfer forms to the Company’s H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Tuesday, 31 January 2023 for registration. Shareholders of H Shares who are registered with Tricor Investor Services Limited on or before the aforementioned date are entitled to attend the EGM.
5. The EGM is expected to take no more than half a day. Shareholders of the Company who attend the EGM (in person or by proxy) shall bear their own travelling and accommodation expenses. Shareholders of the Company may contact the Investor Relations Department of the Company at (852) 2740 8921 (telephone number) and ir@agileliving.com.cn for any enquires in respect of the EGM.

* *for identification purposes only*