BetterLife Holding Limited
百 得 利 控 股 有 限 公 司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6909)

DISCLOSEABLE TRANSACTIONS IN RELATION TO LEASE AGREEMENTS

LEASE AGREEMENTS

The Board is pleased to announce that, on 31 October 2024 (after trading hours), Harbin BetterLife, an indirect wholly-owned subsidiary of the Company, entered into the Harbin Lease Agreement with Harbin Longbao and Harbin Helida in relation to the tenancy of the Harbin 4S Dealership Store. On the same date, Xiamen BetterLife, an indirect wholly-owned subsidiary of the Company, entered into the Xiamen Lease Agreement with Xiamen Oulihang in relation to the tenancy of the Xiamen 4S Dealership Store.

LISTING RULES IMPLICATIONS

Pursuant to Rule 14.22 of the Listing Rules, a series of transactions shall be aggregated and treated as if they were one transaction if they were all conducted within a 12-month period or were otherwise related. Therefore, the transaction contemplated under the Harbin Lease Agreement and the Xiamen Lease Agreement shall be aggregated since the counterparties to these transactions are controlled by the same ultimate beneficial owner and such transactions are similar in nature.

As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the value of the right-of-use assets in connection with the Harbin 4S Dealership Store and the Xiamen 4S Dealership Store, on aggregated basis, exceeds 5% but is less than 25%, the Harbin Lease Agreement, the Xiamen Lease Agreement and transactions contemplated thereunder, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that, on 31 October 2024 (after trading hours), Harbin BetterLife, an indirect wholly-owned subsidiary of the Company, entered into the Harbin Lease Agreement with Harbin Longbao and Harbin Helida in relation to the tenancy of the Harbin 4S Dealership Store. On the same date, Xiamen BetterLife, an indirect wholly-owned subsidiary of the Company, entered into the Xiamen Lease Agreement with Xiamen Oulihang in relation to the tenancy of the Xiamen 4S Dealership Store.

The Harbin Lease Agreement

The principal terms of the Harbin Lease Agreement are set out below:

Date	:	31 October 2024 (after trading hours)
Parties	:	• Harbin Longbao as the landlord; • Harbin Helida as the original tenant; and • Harbin BetterLife as the new tenant.
Premises	:	The Harbin 4S Dealership Store located at No. 9570 Zhongyuan Avenue, Songbei District, Harbin City, Heilongjiang Province, the PRC, including a showroom and workshop with a building area of 5,650.54 square meters and ancillary facilities.
Usage	:	Operation of 4S dealership store and automotive related businesses
Lease term	:	The term under the Harbin Lease Agreement shall be eight and half years from 1 November 2024 to 30 April 2033. The lease agreement between Harbin Longbao, as the landlord, and Harbin Helida, as the original tenant, for a term from 1 July 2024 to 30 June 2025 shall be terminated on 31 October 2024 accordingly.
Rent	:	The annual rental shall be RMB2,083,261 (including rent for the properties and facilities, property management fees and any tax expenses), which was determined after arm's length negotiation among parties with reference to the valuation report issued by an Independent Third Party valuer and considering any impairment of value.

		A rent-free period from 1 November 2024 to 31 December 2024 (which is subject to further extension of no more than one month) has been granted by the landlord to Harbin BetterLife for the delivery and acceptance of the premises.
		All the costs and expenses to be incurred during the use of the properties under the lease, including but not limited to, water, electricity, gas, telephone, internet, etc., shall be borne by Harbin BetterLife.
Payment	:	The rent shall be paid by Harbin BetterLife monthly in cash or by way of offsetting against any debts or payable from Harbin Helida to Harbin BetterLife.
		Such monthly payment shall be made within five business days after Harbin BetterLife's receipt of bill and invoice from Harbin Longbao.

The Xiamen Lease Agreement

Date	:	31 October 2024 (after trading hours)
Parties	:	• Xiaman Oulihang as the landlord; and • Xiamen BetterLife as the tenant.
Premises	:	The Xiamen 4S Dealership Store located at No. 1067 Maqing Road, Haicang District, Xiamen City, Fujian Province, the PRC, including a showroom and workshop with a building area of 4,557.31 square meters, 50 parking spaces with total area of 750 square meters and ancillary facilities.
Uses	:	Operation of 4S dealership store and automotive related businesses
Lease term	:	The term under the Xiamen Lease Agreement shall be eight and half years from 1 November 2024 to 30 April 2033.
Rent	:	The annual rental shall be RMB2,670,527 (including rent for the properties and facilities, property management fees and any tax expenses), which was determined after arm's length negotiation among parties with reference to the valuation report issued by an Independent Third Party valuer and considering any impairment of value.

A rent-free period from 1 November 2024 to 31 December 2024 (which is subject to further extension of no more than one month) has been granted by the landlord to Xiamen BetterLife for the delivery and acceptance of the premises.

All the costs and expenses to be incurred during the use of the properties under the lease, including but not limited to, water, electricity, gas, telephone, internet, etc., shall be borne by Xiamen BetterLife.

Payment	:	The rent shall be paid by Xiamen BetterLife monthly in cash or by way of offsetting against any debts or payable from Xiaman Oulihang to Xiamen BetterLife.

Such monthly payment shall be made within five business days after Xiamen BetterLife's receipt of bill and invoice from Xiaman Oulihang.

RIGHT-OF-USE ASSET

In accordance with International Financial Reporting Standards ("**IFRS**") 16 "Leases", the Company recognises the value of the right-of-use assets on its consolidated statement of financial position in connection with the leases of the Harbin 4S Dealership Store and the Xiamen 4S Dealership Store under the Harbin Lease Agreement and the Xiamen Lease Agreement, respectively. Accordingly, the transactions under the Harbin Lease Agreement and the Xiamen Lease Agreement are regarded as acquisitions of right-of-use assets by the Group.

The value (unaudited) of the right-of-use asset to be recognised by the Company under the Harbin Lease Agreement and the Xiamen Lease Agreement is estimated to be approximately RMB28.04 million, being the present value of the aggregate lease payments throughout the lease term under the Harbin Lease Agreement and the Xiamen Lease Agreement. The monthly discount rate of approximately 0.58% is applied to compute the present value of the aggregate lease payments under the Harbin Lease Agreement and the Xiamen Lease Agreement.

REASONS FOR AND BENEFITS OF ENTERING INTO THE HARBIN LEASE AGREEMENT AND THE XIAMEN LEASE AGREEMENT

The Group aims to strengthen its market position as a leading luxury and ultra-luxury automobile dealership service provider in China and to capture opportunities in the automobile market. The Directors consider that the Harbin 4S Dealership Store and the Xiamen 4S Dealership Store are located at strategic locations for the Group's expansion of its dealership network that it currently operates among tier-one and tier-two cities in China. The Group is currently in the process of applying for authorizations from relevant automobile manufacturers for its operation of the Harbin 4S Dealership Store and the Xiamen 4S Dealership Store in Harbin and Xiamen, respectively. Therefore, the leasing of the Harbin 4S Dealership Store and the Xiamen 4S Dealership Store is in line with the Group's expansion strategy of its automobile dealership network and brand portfolio.

The terms of the Harbin Lease Agreement and the Xiamen Lease Agreement were arrived at after arm's length negotiations and the rents were determined with reference to the valuations of the Harbin 4S Dealership Store and the Xiamen 4S Dealership Store, which were conducted by an independent valuer, and also considering any impairment of value due to any defects in the property rights.

Having considered the above reasons, the Directors (including the independent non-executive Directors) are of the opinion that the terms of the Harbin Lease Agreement, the Xiamen Lease Agreement and the transactions contemplated thereunder are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group and the tenants

The Group is an automobile dealership service provider in China focusing on luxury and ultra-luxury brands. Harbin BetterLife is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in sale and service of motor vehicles. Xiamen BetterLife is a limited liability company established in the PRC and an indirect wholly-owned subsidiary of the Company. It is principally engaged in sale and service of motor vehicles.

Harbin Longbao

Harbin Longbao is a limited liability company established in the PRC and principally engaged in sale and service of motor vehicles. Harbin Longbao is ultimately owned as to 1% by Mr. Zhao Guiming (趙貴明) ("**Mr. Zhao**") and as to 99% by iAuto International Limited, which in turn is 100% beneficially owned by Mr. Zhao.

Harbin Helida

Harbin Helida is a limited liability company established in the PRC and principally engaged in sale and service of motor vehicles. Harbin Helida is ultimately owned as to 0.66% by Mr. Zhao and as to 99.34% by Beijing Excellent Debao Automobile Sales and Services Co., Ltd.* (北京卓越德寶汽車銷售服務有限公司), which in turn is owned by Mr. Zhao as to 99.93% and is principally engaged in sale and service of motor vehicles.

Xiaman Oulihang

Xiaman Oulihang is a limited liability company established in the PRC and principally engaged in sale and service of motor vehicles. Xiaman Oulihang is owned as to 91% by Harbin Helida, which is ultimately owned by Mr. Zhao.

To the best of knowledge, information and belief of the Directors after making all reasonable enquiries and based on the public information available to the Company, each of Harbin Longbao, Harbin Helida and Xiamen Oulihang and their ultimate beneficial owner, Mr. Zhao, are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

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As the highest applicable percentage ratio (as defined in the Listing Rules) in respect of the value of the right-of-use assets in connection with Harbin 4S Dealership Store and Xiamen 4S Dealership Store, on aggregated basis, exceeds 5% but is less than 25%, the Harbin Lease Agreement, the Xiamen Lease Agreement and transactions contemplated thereunder, constitute discloseable transactions of the Company and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Beijing BetterLife Group"	Beijing BetterLife Automobile Import and Export Group Co., Ltd.* (北京百得利汽車進出口集團有限公司), a PRC limited liability company established on 3 September 1998 and an indirectly wholly-owned subsidiary of the Company
"Board"	the board of Directors
"Company"	BetterLife Holding Limited, a company incorporated under the laws of the Cayman Islands with limited liability, and the 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
"Director(s)"	the director(s) of the Company

"Group"	the Company and its subsidiaries
"Harbin BetterLife"	Harbin BetterLife Automobile Sales Co., Ltd.* (哈爾濱栢得來富汽車銷售有限公司), a PRC limited liability company established on 29 September 2024 and an indirectly wholly-owned subsidiary of the Company
"Harbin Helida"	Harbin Helida Automobile Sales Co., Ltd.* (哈爾濱和利達汽車銷售有限公司), a PRC limited liability company established on 12 January 2004
"Harbin Lease Agreement"	the tripartite lease agreement entered among Harbin Longbao, Harbin Helida and Harbin BetterLife dated 31 October 2024
"Harbin Longbao"	Harbin Longbao Automobile Sales and Service Co., Ltd.* (哈爾濱龍寶汽車銷售服務有限公司), a PRC limited liability company established on 24 November 2006
"Harbin 4S Dealership Store"	a 4S dealership store located at No. 9570 Zhongyuan Avenue, Songbei District, Harbin City, Heilongjiang Province, the PRC
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Party(ies)"	an individual(s) or a company(ies) not connected with the Company within the meaning of the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC" or "China"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of PRC
"Shareholders"	the shareholders of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary(ies)"	has the meaning ascribed to it under the Listing Rules
"Xiamen BetterLife"	Xiamen BetterLife Automobile Sales Co., Ltd.* (廈門百得利汽車銷售有限公司), a PRC limited liability company established on 30 September 2024 and an indirectly wholly-owned subsidiary of the Company
"Xiamen Lease Agreement"	the lease agreement entered into between Xiamen BetterLife and Xiamen Oulihang dated 31 October 2024

"Xiamen Oulihang"	Xiamen Oulihang Automobile Sales and Service Co., Ltd.* (廈門歐利行汽車銷售服務有限公司), a PRC limited liability company established on 21 June 2017 and a non-wholly owned subsidiary of Harbin Helida
"Xiamen 4S Dealership Store"	a 4S dealership store located at No. 1067 Maqing Road, Haicang District, Xiamen City, Fujian Province, the PRC
"%"	per cent

By Order of the Board
BetterLife Holding Limited
Chou Som Po
Chairman

Hong Kong, 31 October 2024

As at the date of this announcement, the Board comprises Ms. Sun Jing, Mr. Xu Tao and Ms. Li Dan as executive Directors, Dr. Chou Som Po as a non-executive Director, and Mr. Liu Dengqing, Mr. Lou Sai Tong and Dr. Chu Fumin as independent non-executive Directors.

* *For identification purpose only*