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中國奧園集團股份有限公司
China Aoyuan Group Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3883)

**PROPOSED SPIN-OFF AND SEPARATE LISTING OF
AOYUAN HEALTHY LIFE GROUP COMPANY LIMITED
ON THE MAIN BOARD OF THE STOCK EXCHANGE**

**BASIS OF ASSURED ENTITLEMENT OF
QUALIFYING SHAREHOLDERS
IN THE PREFERENTIAL OFFERING
AND
CLARIFICATION ON THE RECORD DATE
FOR ASSURED ENTITLEMENT
AND CLOSURE OF REGISTER OF MEMBERS**

References are made to the announcements of the Company dated 31 August 2018 and 12 February 2019 (the “**Announcements**”) in relation to the Proposed Spin-off. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

BASIS OF THE ASSURED ENTITLEMENT OF QUALIFYING SHAREHOLDERS IN THE PREFERENTIAL OFFERING

In order to enable the Shareholders to participate in the Global Offering on a preferential basis as to allocation only, subject to the Stock Exchange granting approval for the listing of, and permission to deal in, the Aoyuan Healthy Life Shares on the Main Board of the Stock Exchange and the Proposed Spin-off becoming unconditional, it is expected that the aggregate number of the Reserved Shares in the Preferential Offering provided to the Qualifying Shareholders as an Assured Entitlement will be ranging from 5% to 10% of the Aoyuan Healthy Life Shares initially available under the Global Offering (taking no account of any Aoyuan Healthy Life Shares which may be issued and allotted pursuant to the exercise of the over-allotment option of the Global Offering). The Reserved Shares are being offered out of the International Offer Shares under the International Offering and are not subject to reallocation. **The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 25 Shares held by Qualifying Shareholders as at 4:30 p.m. on Wednesday, 27 February 2019, being the Record Date.**

The Assured Entitlement of Qualifying Shareholders to the Reserved Shares are not transferable and there will be no trading in nil-paid entitlements on the Stock Exchange.

Qualifying Shareholders may apply for a number of the Reserved Shares which is greater than, equal to or less than their Assured Entitlement or may apply only for excess Reserved Shares under the Preferential Offering.

A valid application for a number of the Reserved Shares which is less than or equal to a Qualifying Shareholder's Assured Entitlement under the Preferential Offering will be accepted in full, subject to the terms and conditions of the Preferential Offering.

Where a Qualifying Shareholder applies for a number of the Reserved Shares which is greater than the Qualifying Shareholder's Assured Entitlement under the Preferential Offering, the relevant Assured Entitlement will be satisfied in full (subject to the terms and conditions as mentioned above), but the excess portion of such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by Qualifying Shareholders as their Assured Entitlement under the Preferential Offering. Details of how such excess portion will be satisfied will be further described in the prospectus of Aoyuan Healthy Life (the "**Prospectus**").

Qualifying Shareholders who hold less than 25 Shares on the Record Date and therefore will not have an Assured Entitlement to the Reserved Shares will still be entitled to participate in the Preferential Offering by applying for excess Reserved Shares only. Such application will only be satisfied to the extent that there are sufficient available Reserved Shares not taken up by Qualifying Shareholders as their Assured Entitlement under the Preferential Offering.

If the Preferential Offering proceeds, details of the Preferential Offering, including the terms and conditions for applications (including excess applications) for the Reserved Shares under the Preferential Offering, will be set out in the Prospectus and the accompanying blue application form.

The Shares are eligible stock for southbound trading under the Shenzhen-Hong Kong Connect but are not eligible stock under Shanghai-Hong Kong Stock Connect. Beneficial owners of Shares who hold the Shares through Shenzhen-Hong Kong Connect should note that pursuant to Article 23 of the Implementation Rules for Registration, Depository and Clearing Services under the Mainland-Hong Kong Stock Markets Connect Program (《內地與香港股票市場交易互聯互通機制登記、存管、結算業務實施細則》), China Securities Depository and Clearing Corporation Limited does not provide services relating to the subscription of newly issued shares. Accordingly, even if the Preferential Offering proceeds, beneficial owners of Shares who hold the Shares through Shenzhen-Hong Kong Connect cannot participate in the Preferential Offering and will not be able to take up their respective Assured Entitlement to the Reserved Shares under the Preferential Offering through the trading mechanism of Shenzhen-Hong Kong Connect.

As the size and structure of the Global Offering have not yet been finalised, the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering as set out in this announcement is subject to change. In the event that there is a change in the basis of the Assured Entitlement of Qualifying Shareholders to the Reserved Shares in the Preferential Offering, a further announcement will be made by the Company.

RECORD DATE AND CLOSURE OF REGISTER OF MEMBERS

Reference is made to the announcement of the Company dated 12 February 2019 in relation to the Record Date for Assured Entitlement and closure of register of members of the Company. The Company would like to clarify that the Record Date for the purpose of determining the Assured Entitlement should be Wednesday, 27 February 2019. The register of members of the Company will be closed on Wednesday, 27 February 2019 where no transfer of the Shares will be registered on Wednesday, 27 February 2019. In order to qualify for the Assured Entitlement, all transfer documents accompanied by the relevant Share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Tuesday, 26 February 2019. The last day for dealing in the Shares on a cum-entitlement basis to the Assured Entitlement will be Friday, 22 February 2019.

As the final dates of registration and issue of the prospectus of Aoyuan Healthy Life have not yet been determined, the Record Date and the closure of the register of members of the Company for the purpose of determining the Assured Entitlement set out in this announcement are subject to change depending on the final timetable of the Proposed Spin-off.

In the event that there is a change in the Record Date and the closure of the register of members of the Company for determining the Assured Entitlement, a further announcement will be made by the Company and such revised Record Date and closure of the register of members of the Company will supersede and replace the Record Date and the closure of the register of members of the Company for determining the Assured Entitlement set out in this announcement.

Save as set forth above, all other information contained in the announcement of the Company dated 12 February 2019 remains unchanged.

LISTING RULES IMPLICATIONS

The Proposed Spin-off constitutes a deemed disposal of the interest in a subsidiary of the Company under Rule 14.29 of the Listing Rules. As each of the applicable ratios under Rule 14.07 of the Listing Rules for the Proposed Spin-off is under 5%, the Proposed Spin-off does not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules, and the Proposed Spin-off will not be subject to the approval of the Shareholders.

GENERAL

In connection with the Global Offering, the price of the Aoyuan Healthy Life Shares may be stabilised in accordance with the Securities and Futures (Price Stabilizing) Rules (Chapter 571W of the Laws of Hong Kong). Details of any intended stabilisation and how it will be regulated under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) will be contained in the Prospectus.

The Proposed Spin-off is subject to, among other things, the obtaining of an approval from the Listing Committee for listing of, and permission to deal in, the Aoyuan Healthy Life Shares, and the final decisions of the Board and of the board of directors of Aoyuan Healthy Life, which are dependent upon, among others, market conditions. Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off will take place or as to when it may take place. If the Proposed Spin-off does not proceed for any reason, the Preferential Offering will not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in or investing in the securities of the Company. Persons who are in doubt about their position or any action to be taken are recommended to consult their own professional advisers.

Further announcement(s) will be made by the Company in relation to the Proposed Spin-off as and when appropriate.

By order of the Board
China Aoyuan Group Limited
Guo Zi Wen
Chairman and Executive Director

Hong Kong, 13 February 2019

As at the date of this announcement, the executive directors of the Company are Mr. Guo Zi Wen, Mr. Guo Zi Ning, Ms. Zhong Ping and Mr. Ma Jun; and the independent non-executive directors of the Company are Mr. Tsui King Fai, Mr. Cheung Kwok Keung and Mr. Hu Jiang.