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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**

**PUBLICATION OF THE PROSPECTUS ISSUED BY  
AOYUAN HEALTHY LIFE GROUP COMPANY LIMITED**

**AND  
EXPECTED SIZE OF THE GLOBAL OFFERING AND  
OFFER PRICE RANGE**

In connection with the Proposed Spin-off and the Global Offering, Aoyuan Healthy Life published the Prospectus on 28 February 2019.

As disclosed in the Prospectus, the total number of the Aoyuan Healthy Life Shares to be offered pursuant to the Capitalisation Issue and the Global Offering will be 175,000,000 (assuming the Over-allotment Option is not exercised), representing 25% of the total number of the Aoyuan Healthy Life Shares in issue immediately following the completion of the Global Offering, and 201,250,000 (assuming the Over-allotment Option is exercised in full), representing approximately 27.71% of the total number of the Aoyuan Healthy Life Shares in issue immediately following the completion of the Capitalisation Issue and the Global Offering.

## **INTRODUCTION**

References are made to the announcements of the Company dated 31 August 2018, 12 February 2019, 13 February 2019, 20 February 2019 and 25 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.

## **PUBLICATION OF THE PROSPECTUS**

In connection with the Proposed Spin-off and the Global Offering, Aoyuan Healthy Life published the Prospectus on 28 February 2019. The Prospectus contains, among other things, (a) details of the number of the Aoyuan Healthy Life Shares to be offered in the Global Offering, the offer price range, other details of the Global Offering and (b) certain business and financial information in relation to the Aoyuan Healthy Life and its subsidiaries.

The Prospectus is available for viewing and downloading from the websites of Aoyuan Healthy Life at [www.aoyuanjksh.com](http://www.aoyuanjksh.com) and the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) from 28 February 2019. Printed copies of the Prospectus may be obtained, free of charge, at designated locations specified in (a) the formal notice issued by Aoyuan Healthy Life on 28 February 2019; and (b) the Prospectus, during normal business hours from 9:00 a.m. on Thursday, 28 February 2019 until 12:00 noon on Tuesday, 5 March 2019.

## **PREFERENTIAL OFFERING**

As set forth in the announcement of the Company dated 20 February 2019, 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, Qualifying Shareholders are being invited to apply for an aggregate of 14,000,000 Reserved Shares in the Preferential Offering, representing approximately 8.9% and 8% of the Aoyuan Healthy Life Shares available under the International Offering and the Global Offering, respectively (without taking into 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) as Assured Entitlement. 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.

The basis of the Assured Entitlement is one (1) Reserved Share for every integral multiple of 85 Shares held by Qualifying Shareholders as at 4:30 p.m. on Wednesday, 27 February 2019, being the Record Date.

A blue application form, together with a printed copy of the Prospectus, has been despatched to each Qualifying Shareholder at the address of such Qualifying Shareholder as shown on the register of members of the Company on the Record Date. The procedures for applying for the Reserved Shares pursuant to the Preferential Offering are set out in the Prospectus.

## EXPECTED SIZE OF THE GLOBAL OFFERING AND OFFER PRICE RANGE

As disclosed in the Prospectus, the total number of the Aoyuan Healthy Life Shares to be offered pursuant to the Global Offering will be 175,000,000 (assuming the Over-allotment Option is not exercised), representing 25% of the total number of the Aoyuan Healthy Life Shares in issue immediately following the completion of the Capitalisation Issue and the Global Offering, and 201,250,000 (assuming the Over-allotment Option is exercised in full), representing approximately 27.71% of the total number of the Aoyuan Healthy Life Shares in issue immediately following the completion of the Capitalisation Issue and the Global Offering.

The offer price for the Aoyuan Healthy Life Shares in the Global Offering is expected to be not less than HK\$3.48 per Aoyuan Healthy Life Share and not more than HK\$4.30 per Aoyuan Healthy Life Share (exclusive of brokerage of 1%, SFC transaction levy of 0.0027% and Stock Exchange trading fee of 0.005%).

On the basis of the number of the Aoyuan Healthy Life Shares to be offered pursuant to the Global Offering and the expected offer price range as stated above, if the Global Offering proceeds:

- (a) the market capitalisation of Aoyuan Healthy Life will be between approximately HK\$2,436 million and approximately HK\$3,010 million; and
- (b) the Company, through its wholly owned subsidiaries, will hold approximately 56.6% of the total issued share capital of Aoyuan Healthy Life immediately upon completion of the Capitalisation Issue and 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).

## 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 Global Offering (including the Preferential Offering) is conditional upon, among other things, (i) the Listing Committee granting approval for the listing of, and permission to deal in, the Aoyuan Healthy Life Shares pursuant to the Global Offering as mentioned in the Prospectus (including any additional Shares which may be issued pursuant to the exercise of the Over-allotment Option) and such approval not having been withdrawn; (ii) the final offer price for the Aoyuan Healthy Life Shares in the Global Offering having been agreed between the Aoyuan Healthy Life and the Joint Global Coordinators (for themselves and on behalf of the Underwriters) on or about Wednesday, 6 March, 2019 and, in any event, no later than Wednesday, 13 March, 2019 (the “**Price Determination Date**”); (iii) the execution and delivery of the International Underwriting Agreement on the Price Determination Date; and (iv) the obligations of the Hong Kong Underwriters under the Hong Kong Underwriting Agreement and the International Underwriters under the International Underwriting Agreement becoming and remaining unconditional and not having been terminated in accordance with the terms of the respective agreements.

**Shareholders and potential investors of the Company should be aware that there is no assurance that the Proposed Spin-off and the Global Offering (including the Preferential Offering) will 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.**

This announcement is not intended to, and does not, constitute an offer to sell or a solicitation of an offer to subscribe for or purchase any Aoyuan Healthy Life Shares in connection with the Global Offering or otherwise. Any such offer or solicitation is made solely through the Prospectus or other offering documents that may be issued in compliance with applicable laws and any decision to subscribe for or purchase the Aoyuan Healthy Life Shares in connection with the Global Offering or otherwise should be made solely on the basis of the information contained in the Prospectus and such other offering documents. No action has been or will be taken in any jurisdiction (other than in Hong Kong) that would permit a public offering of the Aoyuan Healthy Life Shares to be offered in the Global Offering in any jurisdiction where action for that purpose is required.

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

## **DEFINITIONS**

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

“Capitalisation Issue”	the issue of 524,980,000 Aoyuan Healthy Life Shares to be made upon capitalisation of certain sums standing to the credit of the share premium account of Aoyuan Healthy Life upon the completion of the Global Offering;
“Hong Kong Underwriters”	the underwriters of the Hong Kong Public Offering, who had entered into the Hong Kong Underwriting Agreement;
“Hong Kong Underwriting Agreement”	the underwriting agreement in relation to the Hong Kong Public Offering entered into by, among others, Aoyuan Healthy Life and its executive directors and controlling shareholders, the Joint Global Coordinators and the Hong Kong Underwriters on 27 February 2019;
“International Underwriters”	the underwriters of the International Offering, who are expected to enter into the International Underwriting Agreement;

“International Underwriting Agreement”	the underwriting agreement in relation to the International Offering which is expected to be entered into by, among others, Aoyuan Healthy Life and its executive directors and controlling shareholders, the Joint Global Coordinators and the International Underwriters on or about the Price Determination Date;
“Joint Global Coordinators”	the joint global coordinators of the Global Offering;
“Over-allotment Option”	the option granted by our Company to the International Underwriters exercisable by the Joint Global Coordinators (for themselves and on behalf of the International Underwriters), pursuant to which Aoyuan Healthy Life may be required to allot and issue up to an aggregate of 26,250,000 additional Shares, representing 15% of the Aoyuan Healthy Life Shares initially being offered under the Global Offering, for the sole purpose of covering any over-allocations in the International Offering;
“SFC”	the Securities and Futures Commission of Hong Kong; and
“Underwriters”	the Hong Kong Underwriters and the International Underwriters.

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

Hong Kong, 28 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.*