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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)

ANNOUNCEMENT

China Aoyuan Group Limited (中國奧園集團股份有限公司) (the “**Company**” together with its subsidiaries, the “**Group**”) has recently noted that certain untruthful allegations and rumors were spreaded and reported in the media relating to the Company, and the vice chairman and chief executive officer of the Company (“**our CEO**”) and certain disputes between the Project Company (as defined below) and its purchasers of commodity units in a project named Huizhou Ganghui Star City (惠州港薈星城) (the “**Project**”), which may even constitute defamation and intimidation against the Company and our CEO. The Company and our CEO strongly denied those allegations and rumors.

To the best of the Company’s knowledge, information and belief, and having made all reasonable enquiries:

The Project is a real estate project developed and sold by Huizhou Longji Real Estate Development Co., Ltd. (惠州市隆基房地產開發有限公司) (the “**Project Company**”). Neither the Group nor our CEO holds any equity or interest of the Project Company, nor participate in any development and sales of commodity units in the Project.

On 23 December 2017, Guangzhou Aoyuan Commercial Operation Company Limited (廣州奧園商業經營管理有限公司) (the “**Service Provider**”), a subsidiary of Aoyuan Healthy Life Group Company Limited (“**Aoyuan Healthy Life**”) and both of which are the non-wholly owned subsidiaries of the Company, as service provider entered into a commercial operational service agreement (the “**Agreement**”) with Huizhou Hong Kong Star City Commercial Management Co., Ltd. (惠州市港薈星城商業管理有限公司) (“**Star City**”), pursuant to which, the Service Provider agreed to provide business tenant sourcing and commercial operational services (招商及運營服務) for the Project, subject to the fulfillment of all the conditions precedent by Star City therein. However, up to early January 2019, Star City had yet to fulfill all the conditions precedent stipulated in the Agreement. On 21 January 2019, the parties thereto entered into a termination agreement, pursuant to which the Agreement was terminated with immediate effect. Since the execution of the Agreement, other than some preliminary market research and positioning services, no commercial operational services, including business tenant sourcing services (招商) for the Project, had ever been provided by the Service Provider.

For further details in relation to the Agreement and the termination agreement, please refer to page 157 of the prospectus issued by Aoyuan Healthy Life dated 28 February 2019 in relation to the global offering of its shares.

The Project Company and the purchasers of the commodity units in the Project had disputes over the performance of commodity unit sale contracts under the Project which were entered into before the date of the Agreement and those disputes had no direct or indirect relevance to the Group and our CEO.

Save as the above, both the Company and our CEO do not have any direct or indirect relevance to the Project Company and the Project, and the Company is of the view that those allegations and rumors are untrue, unfounded and groundless and strongly denied such allegations and rumors. **The board of directors of the Company takes a very serious view of any malicious or false rumors against the Company or the management of the Company, and reserves all rights to pursue allegations and rumors by the above persons.**

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

Hong Kong, 15 March 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 are Mr. Tsui King Fai, Mr. Cheung Kwok Keung and Mr. Hu Jiang.