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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)

**(I) DISCLOSEABLE TRANSACTION:
COMPLETION OF THE ACQUISITION OF TARGET INTEREST OF
KINGHAND INDUSTRIAL INVESTMENT GROUP CO., LTD.*; AND
(II) EXEMPTED CONNECTED TRANSACTION:
PROPOSED ACQUISITION OF INTEREST IN EASY LIFE SMART
COMMUNITY SERVICES GROUP CO., LTD* BY A SUBSIDIARY OF
AOYUAN HEALTHY LIFE GROUP COMPANY LIMITED**

(I) DISCLOSEABLE TRANSACTION: COMPLETION OF THE ACQUISITION OF TARGET INTEREST OF KINGHAND INDUSTRIAL INVESTMENT GROUP CO., LTD.*

References are made to the announcements of the Company dated 7 April 2020 and 18 May 2020 (the “**Announcements**”) in relation to the Acquisition. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board announces that all the conditions precedent under the Formal Share Transfer Agreement have been fulfilled and completion of the Acquisition took place on 21 July 2020.

As the Group is the single largest shareholder and obtains control of Kinghand Industrial Investment Group Co., Ltd.* (“**Kinghand**”) upon completion of the Acquisition, Kinghand becomes a non-wholly owned subsidiary of the Company. Accordingly, the financial results of Kinghand will be consolidated into the financial statements of the Group under the International Financial Reporting Standards.

(II) EXEMPTED CONNECTED TRANSACTION: PROPOSED ACQUISITION OF INTEREST IN EASY LIFE SMART COMMUNITY SERVICES GROUP CO., LTD* BY A SUBSIDIARY OF AOYUAN HEALTHY LIFE GROUP COMPANY LIMITED

References are made to the announcements of Aoyuan Healthy Life Group Company Limited (“**AHL**”, a non-wholly owned subsidiary of the Company whose shares are listed on the Main Board of the Stock Exchange (stock code: 3662)) dated 22 April 2020, 14 May 2020, 5 June 2020 and 30 July 2020 (the “**AHL Announcements**”) in relation to the acquisition of a total of 80% of the entire share capital of Easy Life Smart Community Services Group Co., Ltd.* (樂生活智慧社區服務集團股份有限公司) (“**ELSC**”) (the “**ELSC Acquisition**”).

On 5 June 2020, Guangzhou Ao Intelligent Property Investment Co., Ltd* (廣州奧智慧物業投資有限公司) (“**Ao Intelligent**”, an indirect wholly-owned subsidiary of AHL) as purchaser, Vendor A and Mr. Tian as vendors and ELSC entered into a formal share transfer agreement (the “**ELSC Agreement**”), pursuant to which Ao Intelligent has conditionally agreed to acquire and Vendor A and Mr. Tian have conditionally agreed to sell a total of 80% of the entire share capital of ELSC at the consideration of RMB247,904,000.

Upon completion of the ELSC Acquisition, AHL will indirectly hold a total of 80% of the entire share capital of ELSC and the financial results of ELSC and its subsidiaries (the “**ELSC Group**”) will be consolidated into the financial statements of the Group. Completion of the ELSC Acquisition is subject to the fulfillment and/or waiver (as the case may be) of the conditions precedent set out in the ELSC Agreement. Details of the ELSC Acquisition and the principal terms of the ELSC Agreement have been set out in the AHL Announcements. As at the date of this announcement, completion of the ELSC Acquisition has not taken place.

The table below sets out the audited consolidated financial information of the ELSC Group for the three financial years ended 31 December 2019, which was prepared in accordance with the PRC accounting standards:

	For the financial year ended 31 December 2019 (audited) (approximately) <i>RMB</i>	For the financial year ended 31 December 2018 (audited) (approximately) <i>RMB</i>	For the financial year ended 31 December 2017 (audited) (approximately) <i>RMB</i>
Turnover	470,433,067	417,004,537	245,660,537
Net profit before taxation	28,299,959	30,730,004	11,581,739
Net profit after taxation	23,086,778	22,488,701	10,218,759

The audited net asset value of ELSC as at 31 December 2019 was approximately RMB123,376,289.

As at the date of this announcement, the Company and its associates (as defined in the Listing Rules) indirectly hold 397,375,000 shares in AHL, representing approximately 54.72% of the issued share capital of AHL. AHL is principally engaged in the provision of the property management services and commercial operational services to the properties developed or owned by the property developers. ELSC is one of the leading property management services providers in the PRC and ranked 38th among the 2019 Top 100 Property Management Services Companies (2019 中國物業服務百強企業榜). The ELSC Group is principally engaged in the provision of property management services in the PRC. Currently, according to the information provided by the vendors of the ELSC Acquisition, the ELSC Group has 208 projects with a total Gross Floor Area of properties of approximately 22,630,000 square metres under its management. The Directors share the same view with the board of AHL that the ELSC Acquisition will enable AHL to (a) further expand its business scale, management portfolio and geographical coverage; and (b) further enhance its market influence and competitiveness in the PRC, both of which are in line with its business strategies.

As Mr. Tian is interested in approximately 11.61% of the share capital of Kinghand through Vendor A upon completion of the Acquisition, Mr. Tian and Vendor A are regarded as connected persons of the Company at subsidiary level under Chapter 14A of the Listing Rules. Accordingly, the ELSC Acquisition constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. The Board has approved the ELSC Acquisition and the Directors (including the independent non-executive Directors) have also confirmed that the terms of the ELSC Acquisition are fair and reasonable and the ELSC Acquisition is on normal commercial terms and in the interests of the Company and the Shareholders as a whole. By virtue of Rule 14A.101 of the Listing Rules, the ELSC Acquisition is subject to the reporting and announcement requirements, but is exempt from the circular, independent financial advice and Shareholders' approval requirements.

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

Hong Kong, 5 August 2020

* *All of the English titles or names of the PRC entities, as well as certain items contained in this announcement have been included for identification purpose only. If there is any inconsistency, the Chinese titles or names shall prevail.*

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