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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)

INSIDE INFORMATION

**POTENTIAL TRANSFER OF TARGET INTERESTS BY
AOYUAN BEAUTY VALLEY TECHNOLOGY CO., LTD.[*]**

This announcement is made by China Aoyuan Group Limited pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

In furtherance of an intra-group reorganisation as disclosed in the announcement of the Company dated 19 February 2021, the Board announces that Aoyuan Beauty Valley, an indirect non-wholly owned subsidiary of the Company, intends to transfer its 100% equity interests in Kinghand Property, 100% equity interests in Beijing Yangjia and 35% equity interests in Penglai Hualu (collectively, the “**Potential Transfer**”) through a public tender process (the “**Public Tender**”) to be conducted on the CBEX pursuant to the relevant rules and regulations of the PRC.

The base price for the Potential Transfer of the Target Interests through the Public Tender is RMB[1.5] billion, which was determined based on the asset appraisal on the Target Interests as of 31 December 2020 conducted by a qualified appraisal institution, net of dividends to be paid out. [The Potential Transfer price will depend on the final bid price, but in any event will be no less than the aforesaid base price.]

[Publication of information relating to the Public Tender will be made to the public on the website of CBEX at <http://www.cbex.com.cn> on [•] 2021 for 20 calendar days. Upon expiration of the publication period, Aoyuan Beauty Valley will enter into an equity transfer agreement with the transferee and perform its relevant approval procedures and disclosure obligations.]

[As part of the intra-group reorganisation procedures, the Company has designated Shenzhen Kaixian Investment Co., Ltd.* (深圳市凱弦投資有限責任公司) (“Shenzhen Kaixian”), [an indirect wholly-owned subsidiary of the Company], as bidder to participate in the Public Tender. It is expected that, upon successful bidding of the Target Interests by Shenzhen Kaixian and completion of the Public Tender, the Target Interests will be indirectly held by the Company through Shenzhen Kaixian.]

INFORMATION ON AOYUAN BEAUTY VALLEY

Aoyuan Beauty Valley is a company established in the PRC with limited liability and the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000615). Aoyuan Beauty Valley is principally engaged in [property development and management,] construction and engineering, provision of financial services, research, development and manufacture of bio-based fibre materials and products.

As at the date of this announcement, Aoyuan Beauty Valley is owned as to approximately 29.30% by Shenzhen Aoyuan Kexing Investment Company Limited* (深圳奧園科星投資有限公司) (“Aoyuan Kexing”), an indirect wholly-owned subsidiary of the Company. As the Group is the single largest shareholder and obtains control of Aoyuan Beauty Valley, Aoyuan Beauty Valley is a non-wholly owned subsidiary of the Company and its financial results are consolidated into the financial statements of the Group under the International Financial Reporting Standards.

Aoyuan Kexing and its associates will abstain from voting in the directors’ and shareholders’ meetings of Aoyuan Beauty Valley for the approval of the Proposed Transfer and Public Tender.

INFORMATION ON THE TARGET COMPANIES

Kinghand Property is a company established in the PRC with limited liability and is owned as to 100% by Aoyuan Beauty Valley prior to the Potential Transfer. Kinghand Property and its subsidiaries are principally engaged in property development.

Beijing Yangjia is a company established in the PRC with limited liability and is owned as to 100% by Aoyuan Beauty Valley prior to the Potential Transfer. Beijing Yangjia and its subsidiaries are principally engaged in the provision of senior care services and healthcare management services.

Penglai Hualu is a company established in the PRC with limited liability and is owned as to 35% by Aoyuan Beauty Valley, 36% by Hualu Senior Care and Health Development Co., Ltd* (華錄健康養老發展有限公司), 19% by Beijing E-Hualu Information Technology Co., Ltd.* (北京易華錄信息技術股份有限公司) and 10% by Yantai City Penglai District Financial Investment Co., Ltd.* (煙台市蓬萊區財金投資有限公司) prior to the Potential Transfer. It is principally engaged in the provision of senior care services, family services and health consultancy services.

REASONS FOR AND BENEFITS OF THE POTENTIAL TRANSFER

The Company is undergoing an intra-group reorganisation in order to optimise its organisation structure and facilitate its strategic implementation. [After the Potential Transfer, Aoyuan Beauty Valley and its subsidiaries will focus on the development and manufacture of bio-based fibre materials and products, while the businesses of property development and provision of senior care services will be taken up by other subsidiaries of the Company, thereby enhancing the efficient use of the Group's resources.]

The Company will make further announcement(s) to keep the Shareholders and potential investors informed of the progress of the Potential Transfer as and when appropriate, in accordance with the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Aoyuan Beauty Valley”	Aoyuan Beauty Valley Technology Co., Ltd.[*] (奧園美谷科技股份有限公司) (formerly known as Kinghand Industrial Investment Group Co., Ltd.[*] (京漢實業投資集團股份有限公司)), a company established in the PRC with limited liability and an indirect non-wholly owned subsidiary of the Company, the shares of which are listed on the Shenzhen Stock Exchange (stock code: 000615)
“Beijing Yangjia”	Beijing Yangjia Health Management Co., Ltd.* (北京養嘉健康管理有限公司), a company established in the PRC with limited liability and owned as to 100% by Aoyuan Beauty Valley prior to the Potential transfer
“Board”	the board of Directors
“CBEX”	China Beijing Equity Exchange

“Company”	China Aoyuan Group Limited (中國奧園集團股份有限公司), a company incorporated under the laws of the Cayman Islands, the shares of which are listed on the Stock Exchange (Stock code: 3883)
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Kinghand Property”	Kinghand Property Group Co., Ltd.* (京漢置業集團有限責任公司), a company established in the PRC with limited liability and owned as to 100% by Aoyuan Beauty Valley prior to the Potential Transfer
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Penglai Hualu”	Penglai Hualu Kinghand Senior Care Services Co., Ltd.* (蓬萊華錄京漢養老服務有限公司), a company established in the PRC with limited liability and owned as to 35% by Aoyuan Beauty Valley prior to the Potential Transfer
“PRC”	the People’s Republic of China, which excludes Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan for the purpose of this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholders”	the shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Companies”	collectively, Kinghand Property, Beijing Yangjia and Penglai Hualu
“Target Interests”	collectively, the 100% equity interests in Kinghand Property, 100% equity interests in Beijing Yangjia and 35% equity interests in Penglai Hualu held by Aoyuan Beauty Valley prior to the Potential Transfer

“%”

per cent.

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

Hong Kong, [27 April 2021]

* *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 are Mr. Guo Zi Wen, Mr. Guo Zi Ning, Mr. Ma Jun, Mr. Chen Zhi Bin, Mr. Chan Ka Yeung Jacky and Mr. Zhang Jun; and the independent non-executive Directors are Mr. Tsui King Fai, Mr. Cheung Kwok Keung and Mr. Lee Thomas Kang Bor.