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**奧園健康生活集團有限公司**  
AOYUAN HEALTHY LIFE GROUP COMPANY LIMITED  
*(Incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 3662)**

**MAJOR TRANSACTION**

**FORMAL SHARE TRANSFER AGREEMENT IN RELATION TO  
THE PROPOSED ACQUISITION OF THE TARGET INTEREST IN  
EASY LIFE SMART COMMUNITY SERVICES GROUP CO., LTD\***

References are made to the Announcements dated 22 April 2020 and 14 May 2020, in connection with, among other things, (a) the Framework Agreement dated 22 April 2020 entered into between the Vendors, the Target Company and Aoyuan Healthy Life (Guangzhou) Group Co., Ltd\* (奧園健康生活(廣州)集團有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company, in relation to the Proposed Acquisition and (b) the grant of waiver from strict compliance with Rule 14.41(a) of the Listing Rules, respectively.

**FORMAL SHARE TRANSFER AGREEMENT**

The Board is pleased to announce that on 5 June 2020 (after trading hours), the Vendors, the Target Company and Guangzhou Ao Intelligent Property Investment Co., Ltd\* (廣州奧智慧物業投資有限公司) as the Purchaser, a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company, entered into the Formal Share Transfer Agreement in relation to the Proposed Acquisition, pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Target Interest at the Consideration of RMB247,904,000 in cash in accordance with the terms and conditions of the Formal Share Transfer Agreement.

## LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition exceed 25% but all of them are less than 100%, the Proposed Acquisition would constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Proposed Acquisition and is required to abstain from voting if the Company is to convene a general meeting for the approval of the Proposed Acquisition. As at the date of this announcement, China Aoyuan and its associates indirectly hold 397,375,000 Shares, representing approximately 54.72% of the issued share capital of the Company. Accordingly, the Company has obtained the written approval from China Aoyuan, no extraordinary general meeting of the Company will be convened for the purpose of approving the entering into of the Formal Share Transfer Agreement and the transaction contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular, containing among other things, details of the Proposed Acquisition and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 31 July 2020, which is more than 15 business days after the publication of this announcement because additional time is required to prepare the financial information to be included in the circular in connection with the Proposed Acquisition. As disclosed in the announcement of the Company dated 14 May 2020, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules in respect of the despatch of a circular on the Proposed Acquisition within 15 business days after the publication of this announcement and the Stock Exchange has granted the waiver to the Company on the condition that the Company will despatch the circular in relation to the Proposed Acquisition on or before 31 July 2020.

**As completion of the Proposed Acquisition is subject to the terms and conditions under the Formal Share Transfer Agreement, the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

## INTRODUCTION

References are made to the announcements of Aoyuan Healthy Life Group Company Limited (the “**Company**”) dated 22 April 2020 and 14 May 2020, in connection with, among other things, (a) the Framework Agreement dated 22 April 2020 entered into between the Vendors, the Target Company and Aoyuan Healthy Life (Guangzhou) Group Co., Ltd\* (奧園健康生活(廣州)集團有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company, in relation to the Proposed Acquisition and (b) the grant of waiver from strict compliance with Rule 14.41(a) of the Listing Rules, respectively (the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

The Board is pleased to announce that on 5 June 2020 (after trading hours), the Vendors, the Target Company and the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Formal Share Transfer Agreement in relation to the Proposed Acquisition, pursuant to which the Vendors have conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Target Interest at the Consideration of RMB247,904,000 in cash in accordance with the terms and conditions of the Formal Share Transfer Agreement.

## FORMAL SHARE TRANSFER AGREEMENT

Summarised below are the principal terms of the Formal Share Transfer Agreement:

- Date:** 5 June 2020 (after trading hours)
- Parties:**
- (a) the Vendors: Mr. Tian Han (田漢先生) (“**Mr. Tian**”), a director and a controlling shareholder of the Target Company and Kinghand Holdings Group Co., Ltd.\* (京漢控股集團有限公司) (“**Kinghand**”), a company established under the laws of the PRC;
  - (b) the Purchaser: Guangzhou Ao Intelligent Property Investment Co., Ltd\* (廣州奧智慧物業投資有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company; and
  - (c) the Target Company: 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)

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Vendors, the Target Company and their respective ultimate beneficial owners are all Independent Third Parties.

## **Nature of the Proposed Acquisition and assets to be acquired**

Pursuant to the Formal Share Transfer Agreement, the Purchaser has conditionally agreed to acquire and the Vendors have conditionally agreed to sell the Target Interest.

As at the date of the Formal Share Transfer Agreement, the Vendors hold a total of approximately 70.82% of the entire share capital of the Target Company. Pursuant to the Formal Share Transfer Agreement, the Vendors shall acquire approximately 9.18% of the entire share capital of the Target Company (the “**Minority Target Interest**”) from the minority shareholders of the Target Company for the completion of the Proposed Acquisition. Upon completion of the Proposed Acquisition, the Purchaser will hold a total of 80% of the entire share capital of the Target Company.

The Target Interest shall be free from all encumbrances and together with all rights attaching thereto as from the completion of the Proposed Acquisition. The shares representing the Target Interest rank pari passu in all respects among themselves and with the other existing issued shares in the Target Company.

## **Consideration**

The Consideration of RMB247,904,000 shall be payable by the Purchaser to the designated bank account of the Vendors in the following manner:

- (a) within fifteen (15) business days from the date of execution of the Formal Share Transfer Agreement, 45% of the Consideration, being RMB111,556,800 (inclusive of the Deposit paid by the Group to the Vendors pursuant to the Framework Agreement), shall be payable by the Purchaser to the Vendors (the “**First Tranche Consideration**”);
- (b) within fifteen (15) business days from the date of completion of the Proposed Acquisition (the “**Completion Date**”), 50% of the Consideration, being RMB123,952,000, shall be payable by the Purchaser to the Vendors; and
- (c) within one hundred and eighty (180) days from the Completion Date, the balance of the Consideration, being RMB12,395,200, shall be payable by the Purchaser to the Vendors.

The Consideration will be funded by the proceeds from the global offering of the Company in connection with its listing on the Stock Exchange consummated on 18 March 2019.

If, after execution of the Formal Share Transfer Agreement, the Target Company conducts placing or conversion of capital reserve into new shares resulting in a change in its total share capital, the percentage level of the Target Interest and the amount of the Consideration shall remain unchanged.

In the event that the Consideration shall be adjusted upwards in accordance with the relevant rules of the NEEQ, the Vendors shall bear the extra costs of the Purchaser in excess of the Consideration and the amount of the Consideration payable by the Purchaser shall remain unchanged.

### **Basis of the Consideration**

The Consideration was determined after arm's length negotiations among the Parties with reference to, among other things, (a) the audited consolidated net profit after tax of the Target Group for the year ended 31 December 2019; (b) the market position of the Target Company in the industry and its property management projects; and (c) other factors as set out in the paragraph headed "Reasons for and benefits of the Proposed Acquisition" below.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions of the Formal Share Transfer Agreement (including the Consideration) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Conditions Precedent**

Completion of the Proposed Acquisition is subject to the fulfillment and/or waiver (as the case may be) of, among others, the following conditions precedent:

- (a) the representations and warranties given by the Vendors under the Formal Share Transfer Agreement remaining true, accurate and not misleading on or before the Completion Date;
- (b) the Vendors having full entitlements to the rights attached to the Target Interest;
- (c) the Parties having completed the registration of the Proposed Acquisition with the competent authority for industry and commerce and obtained the relevant certificates;
- (d) the Target Group having completed the registrations and filings necessary for conducting its property management services;
- (e) there having been no claims which would restrict the Proposed Acquisition and no such claims arising from or having brought to any government authorities which are existing or pending or threatened against the Target Group, which may make the completion of the Proposed Acquisition illegal or impossible or bring material adverse effect to the Proposed Acquisition;

- (f) there having been no material adverse change to the operational results, assets, management conditions, businesses, and prospects of the Target Company and its major operating subsidiaries and no occurrence of one or more events that individually or collectively have caused material adverse effect and it is reasonably expected that no such events individually or collectively will occur which would cause material adverse effect;
- (g) the Vendors having properly fulfilled the undertakings under the Formal Share Transfer Agreement in all respects on or before the Completion Date, including but not limited to the completion of the acquisition of the Minority Target Interest; and
- (h) the Purchaser having obtained the written approval from China Aoyuan pursuant to the Listing Rules.

Should the completion of the Proposed Acquisition do not take place due to any of the above conditions precedent not being fulfilled or waived by the Purchaser in accordance with the Formal Share Transfer Agreement or the Parties fail to reach an agreement to proceed with the completion of the Proposed Acquisition, the Purchaser is entitled to terminate the Formal Share Transfer Agreement, in which event the First Tranche Consideration shall be returned to the Purchaser within seven (7) days upon termination of the Formal Share Transfer Agreement.

## **COMPLETION**

It is expected that the Target Company's voluntary delisting from NEEQ (the "**Delisting**") will be completed within two (2) months after execution of the Formal Share Transfer Agreement and the registration of the Proposed Acquisition with the competent authority for industry and commerce shall be completed within fifteen (15) days after the Delisting.

Upon completion of the Proposed Acquisition, the Company will indirectly hold the Target Interest through the Purchaser, and thus the Target Company will become an indirect non wholly-owned subsidiary of the Company. The financial results of the Target Company will be consolidated into the Company's consolidated financial statements.

## **TERMINATION**

Should the breach of the defaulting Party result in the Formal Share Transfer Agreement not being performed fully or partially, the non-defaulting Party is entitled to the payment by the defaulting Party amounting to 20% of the Consideration as liquidated damages and may opt to continue to proceed with the Proposed Acquisition or terminate the Formal Share Transfer Agreement.

## INFORMATION ABOUT THE VENDORS

As at the date of this announcement, Kinghand and Mr. Tian own approximately 32.92% and 37.90% of the entire share capital in the Target Company, respectively. Kinghand is a company incorporated in the PRC with limited liability and is principally engaged in the investment and asset management in the PRC. It is owned as to approximately 94.78% by Mr. Tian and approximately 5.22% by Ms. Li Li (李莉女士). Each of Mr. Tian and Ms. Li Li (李莉女士) is an Independent Third Party.

## INFORMATION ABOUT THE TARGET GROUP

The Target Company is a joint-stock company incorporated in the PRC with limited liability, the shares of which are quoted on the NEEQ (stock code: 837249). The Target Group is principally engaged in the provision of property management services in the PRC.

## FINANCIAL INFORMATION OF THE TARGET COMPANY

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

	<b>For the financial year ended 31 December 2019</b> (audited) (approximately) <i>RMB</i>	<b>For the financial year ended 31 December 2018</b> (audited) (approximately) <i>RMB</i>	<b>For the financial year ended 31 December 2017</b> (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 the Target Company as at 31 December 2019 was approximately RMB123,376,289.

## REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group 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. The Group has been proactively expanding its business scale, portfolio and geographical coverage, and continuing to develop and broaden its customer base for the provision of property management services and commercial operational services to the Independent Third Parties. As part of its business strategies, the Group intends to expand the property management services portfolio through strategic acquisition of property management services providers, which will enable the Group to gain access to new geographic market and expand its business portfolio in an efficient manner and are therefore effective ways to achieve the Group's business strategies.

The Target Company, 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), together with its subsidiaries, is principally engaged in the provision of property management services in the PRC. Having substantial and affluent experience in the provision of the property management services, the Target Group has successfully completed many mid to high-end property management projects over the years. Currently, according to the information provided by the Vendors, the Target Group has 208 projects with a total GFA of properties of approximately 22,630,000 square metres under its management. These projects are mainly located in Beijing Municipality, Hebei Province, Henan Province, Tianjin Municipality, Chongqing Municipality and Sichuan Province in the PRC.

The Directors are of the view that the Proposed Acquisition will enable the Group 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 the Group's business strategies.

Further, the Directors have been proactively seeking appropriate investment opportunities to increase the return of the Shareholders and believe the Proposed Acquisition will facilitate strategic cooperation and create synergy between the Group and the Target Group, which may in turn strengthen the Group's continuous profitability, thereby increasing the returns to the Shareholders.

Having considered the foregoing, the Board is of the view that the terms and conditions of the Formal Share Transfer Agreement, including the Consideration, are on normal commercial terms, which are fair and reasonable and are in the best interests of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As one or more of the applicable percentage ratios as calculated under Rule 14.07 of the Listing Rules in respect of the Proposed Acquisition exceed 25% but all of them are less than 100%, the Proposed Acquisition would constitute a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements thereunder.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Proposed Acquisition and is required to abstain from voting if the Company is to convene a general meeting for the approval of the Proposed Acquisition. As at the date of this announcement, China Aoyuan and its associates indirectly hold 397,375,000 Shares, representing approximately 54.72% of the issued share capital of the Company. Accordingly, the Company has obtained the written approval from China Aoyuan, no extraordinary general meeting of the Company will be convened for the purpose of approving the entering into of the Formal Share Transfer Agreement and the transaction contemplated thereunder pursuant to Rule 14.44 of the Listing Rules.

A circular, containing among other things, details of the Proposed Acquisition and other information as required under the Listing Rules, is expected to be despatched to the Shareholders on or before 31 July 2020, which is more than 15 business days after the publication of this announcement because additional time is required to prepare the financial information to be included in the circular in connection with the Proposed Acquisition. As disclosed in the announcement of the Company dated 14 May 2020, the Company has applied to the Stock Exchange for a waiver from strict compliance with Rule 14.41(a) of the Listing Rules in respect of the despatch of a circular on the Proposed Acquisition within 15 business days after the publication of this announcement and the Stock Exchange has granted the waiver to the Company on the condition that the Company will despatch the circular in relation to the Proposed Acquisition on or before 31 July 2020.

**As completion of the Proposed Acquisition is subject to the terms and conditions under the Formal Share Transfer Agreement, the Proposed Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.**

By the order of the Board  
**Aoyuan Healthy Life Group Company Limited**  
**Guo Zining**  
*Chairman*

Hong Kong, 5 June 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 are Mr. Miao Sihua and Mr. Tao Yu; the non-executive Directors are Mr. Guo Zining and Mr. Chen Zhibin; and the independent non-executive Directors are Mr. Hung Ka Hai Clement, Dr. Li Zijun and Mr. Wang Shao.*