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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)**

**SUPPLEMENTAL ANNOUNCEMENT TO THE ANNUAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

Reference is made to the annual report for the year ended 31 December 2019 published by Aoyuan Healthy Life Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on 20 April 2020 (the “**2019 Annual Report**”). Unless otherwise stated, capitalised terms used herein shall have the same meanings as those defined in the 2019 Annual Report.

Pursuant to the 2019 Annual Report, the total net proceeds (the “**Net Proceeds**”) from the listing of its shares (the “**Listing**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 18 March 2019 (the “**Listing Date**”) and the full exercise of over-allotment option was approximately RMB573.2 million. The board (the “**Board**”) of directors

(the “**Directors**”) of the Company would like to provide additional information to the 2019 Annual Report pursuant to paragraph 11(8) of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange in relation to the use of the remaining Net Proceeds of approximately RMB509.2 million as follows:

<b>Intended use of Net Proceeds</b>	<b>Planned use of Net Proceeds RMB million</b>	<b>Actual use of Net Proceeds from the Listing Date to 31 December 2019 RMB million</b>	<b>Unutilised Net Proceeds up to 31 December 2019 RMB million</b>
Acquisition or investment in other commercial operational service and property management service providers	355.4	–	355.4 <i>(Note 1)</i>
Acquisition or investment in service providers providing services complementary to the Group’s commercial operational services and property management services	57.3	–	57.3 <i>(Note 1)</i>
Development and upgrading of the O2O platforms	68.8	6.0	62.8 <i>(Note 2)</i>
Development of intelligent service systems and upgrading of internal IT system	34.4	0.7	33.7 <i>(Note 3)</i>
Working capital and general corporate purposes	57.3	57.3 <i>(Note 4)</i>	–
<b>Total</b>	<b>573.2</b>	<b>64.0</b>	<b>509.2</b>

*Notes:*

1. The Group is actively expanding the commercial operational service and the property management service portfolios through strategic acquisition or investment of other commercial operational service and property management service providers and service providers providing services complementary to the Group’s commercial operational services and property management services. In light of the overall economic downturn since the second half of 2019, the Board took a cautious approach in identifying suitable commercial operational service providers and property management service providers that are worth their value for acquisition or investment in order to maximise the returns to the Company and its shareholders. As disclosed in the announcements of the Company dated 22 April 2020, 11 May 2020 and 5 June 2020, the Group proposed to acquire targets principally engaged in the provision of property management services in the People’s Republic of China (the “**PRC**”). In any event, the Company is still on the lookout of

other appropriate acquisition or investment targets. It is expected that the unutilised Net Proceeds for the acquisition or investment in commercial operational service and property management service providers and service providers providing services complementary to the Group's commercial operational services and property management services will be fully used by 31 December 2021.

2. Given the changes in the terms and ways of the cooperation with the independent mobile application developers, the Group's O2O platforms adopt different modes for development and upgrade, including but not limited to the Group's self-development and the provision of the development and upgrading services by the independent mobile application developers without charges. Further, the Group currently has different O2O platforms for its property management services, commercial operational services and medical beauty services. The Group was in discussion about the potential consolidation of different O2O platforms in order to enhance the customers' experience and facilitate the establishment of a big data analytics platform. It is expected that the unutilised Net Proceeds for the development and upgrading of the O2O platforms will be fully used by 31 December 2023.
3. The Group planned to cooperate with independent third parties for launching the intelligent car park management system in the Group's managed properties and it was planned to be carried out in early 2020. However, due to COVID-19 pandemic, the cooperation was postponed. The Group expects that such development plans will be launched in the second half of 2020. Further, the Group's upgraded internal IT systems are undergoing acceptance tests and the relevant fees will only be settled after the completion of the acceptance tests. It is expected that the unutilised Net Proceeds for the development of intelligent service systems and upgrading of internal IT systems will be fully used by 31 December 2023.
4. Approximately RMB57.3 million was fully utilised to pay for the wages and salaries of the Group's employees.

The expected timeline for utilising the unused Net Proceeds is based on the best estimation of the present and future business market situations in Hong Kong and the PRC made by the Board.

The Board confirms that the used proceeds were applied according to the intentions previously disclosed in the prospectus of the Company dated 28 February 2019 (the "**Prospectus**") and intends to apply the unutilised Net Proceeds for the intended uses as disclosed in the Prospectus.

The above additional information does not affect other information contained in the 2019 Annual Report and save as disclosed above, all other information in the 2019 Annual Report remains unchanged.

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

Hong Kong, 13 July 2020

*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.*