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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)

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF THE TARGET INTEREST
IN BEIJING BOAN PROPERTY MANAGEMENT CO., LTD.*
AND
CHANGE OF USE OF PROCEEDS FROM
THE GLOBAL OFFERING**

(1) DISCLOSEABLE TRANSACTION

Share Transfer Agreement

The Board wishes to announce that on 10 December 2020 (after trading hours), the Vendor, the Target Company and the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement in relation to the Acquisition, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Target Interest at the Consideration with a maximum amount of RMB87,000,000 in cash in accordance with the terms and conditions of the Share Transfer Agreement.

Upon Completion, the Target Company will become an indirect wholly-owned subsidiary of the Company and the assets and liabilities of the Target Group will be consolidated into the financial statements of the Group.

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 Acquisition are more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder.

(2) CHANGE OF USE OF PROCEEDS FROM THE GLOBAL OFFERING

References are made to (a) the Prospectus; (b) the Liantianmei Acquisition Announcement; and (c) the Liantianmei Termination Announcement. The Shares were listed on the Main Board of the Stock Exchange on 18 March 2019 and the total net proceeds from the Global Offering were approximately RMB573.2 million. Having considered the termination of the Liantianmei Acquisition and the reasons for and benefits of the Acquisition as set out in the paragraph headed “(1) Discloseable transaction – Reasons for and benefits of the Acquisition” in this announcement, in order to better utilize the financial resources of the Group and to capture favourable investment opportunities, the Board has reviewed the utilization of the Net Proceeds and resolved to re-allocate the use of proceeds from the Global Offering.

(1) DISCLOSEABLE TRANSACTION

Introduction

The Board wishes to announce that on 10 December 2020 (after trading hours), the Vendor, the Target Company and the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Share Transfer Agreement in relation to the Acquisition, pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Target Interest at the Consideration with a maximum amount of RMB87,000,000 in cash in accordance with the terms and conditions of the Share Transfer Agreement.

Share Transfer Agreement

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

Date: 10 December 2020 (after trading hours)

Parties: (a) the Vendor: Xizang Taijinfu Travel Development Co., Ltd.*
(西藏泰金福旅遊發展有限公司);

- (b) the Purchaser: Guangzhou Ao Intelligent Property Investment Co., Ltd.* (廣州奧智慧物業投資有限公司), an indirect wholly-owned subsidiary of the Company; and
- (c) the Target Company: Beijing Boan Property Management Co., Ltd.* (北京博安物業服務有限公司)

To the best knowledge, information and belief of the Directors after making reasonable enquiries, each of the Vendor and its ultimate beneficial owner is an Independent Third Party.

Subject matter

Pursuant to the Share Transfer Agreement, the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to acquire the Target Interest, representing the entire share capital of the Target Company. As at the date of this announcement, the Vendor holds the entire share capital of the Target Company, which holds the entire share capital of Hohhot Boan and 80% of the entire share capital of Beijing Yonghong. In addition to Beijing Boan (Harbin) in Harbin City, the Target Company also has two (2) other branches in Hebei Province and Ningxia Hui Autonomous Region, which are currently in the process of deregistration based on the information provided by the Vendor. Other than the aforementioned two (2) subsidiaries, namely, Hohhot Boan and Beijing Yonghong, and three (3) branches, the Target Company has no other subsidiaries or branches. The remaining 20% of the entire share capital of Beijing Yonghong is owned as to 12% by Ms. Liu and 8% by Mr. Zhang. According to the Share Transfer Agreement, the Purchaser shall not acquire the subsidiaries and branches of the Target Company other than the Target Group, namely, the Target Company, Beijing Boan (Harbin), Beijing Yonghong and Hohhot Boan. Further, the Vendor shall procure Ms. Liu and Mr. Zhang to transfer the remaining 20% of the entire share capital of Beijing Yonghong to the Target Company within one (1) year from the date of execution of the Share Transfer Agreement. Upon completion of such transfer, the Target Company will own the entire share capital of Beijing Yonghong. To the best knowledge, information and belief of the Directors after making reasonable enquiries, each of Ms. Liu and Mr. Zhang is an Independent Third Party.

Pursuant to the Share Transfer Agreement, upon Completion, the Purchaser will hold the entire share capital of the Target Company, which will become an indirect wholly-owned subsidiary of the Company and the assets and liabilities of the Target Group will be consolidated into the financial statements of the Group.

The Target Interest is free from all encumbrances and together with all rights attaching thereto as from the Completion, including but not limited to all dividends paid, declared or made, by reference to the record date for the entitlement of which falls on or after the First Completion Date. The Target Interest ranks pari passu in all respects among themselves and with the other existing issued shares in the Target Company.

Consideration

The Consideration of RMB87,000,000, which may be adjusted downwards subject to the terms of the Share Transfer Agreement, shall be payable by the Purchaser to the Vendor in the following manner:

- (a) within fifteen (15) business days from the date of execution of the Share Transfer Agreement, RMB57,400,000 shall be deposited by the Purchaser to the Joint Account, which shall be released and transferred to the designated bank account of the Vendor within one (1) business day from the First Completion Date;
- (b) within one (1) business day prior to the expiry of the three (3) months period from the First Completion Date and in any event not later than the Second Completion Date, RMB8,200,000 shall be deposited by the Purchaser to the Joint Account, which shall be released and transferred to the designated bank account of the Vendor within one (1) business day from the Second Completion Date;
- (c) within one (1) business day prior to the expiry of the six (6) months period from the First Completion Date and in any event not later than the Third Completion Date, RMB16,400,000 shall be deposited by the Purchaser to the Joint Account, which shall be released and transferred to the designated bank account of the Vendor within one (1) business day from the Third Completion Date; and
- (d) on the date of completion of registration with the competent authority for industry and commerce in relation to the transfer of 20% of the entire share capital of Beijing Yonghong from Ms. Liu and Mr. Zhang to the Target Company simultaneously, the remaining Consideration, being RMB5,000,000, shall be payable by the Purchaser through the Target Company to Ms. Liu and Mr. Zhang in proportion to their respective shareholding in Beijing Yonghong.

The amounts in the Joint Account shall be used to settle the Consideration pursuant to the Share Transfer Agreement. The Consideration will be funded by the Group's proceeds from the Global Offering.

In the event that (a) the revenue of the Target Group derived from the provision of property management services and the net profit of the Target Group for the year ending 31 December 2020 are less than RMB62,180,000 and RMB7,000,000, respectively; and (b) the revenue of Beijing Yonghong and the net profit of Beijing Yonghong for the year ending 31 December 2020 are less than RMB14,320,000 and RMB3,000,000, respectively, the Consideration shall be adjusted downwards proportionately.

Basis of the Consideration

The Consideration was determined after arm's length negotiations among the Parties with reference to, among other things, (i) the unaudited accounts of the Target Group for the financial year ended 31 December 2019; (ii) the value of the Target Company's projects; (iii) the financial performance of the Target Group; and (iv) other factors as set out in the paragraph headed "(1) Discloseable transaction – Reasons for and benefits of the Acquisition" in this announcement.

Based on the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms and conditions (including the Consideration) of the Share Transfer Agreement 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.

Conditions Precedent

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

- (a) each of the representations and warranties given by the Vendor under the Share Transfer Agreement remaining true, accurate and not misleading as at each of the Completion Dates;
- (b) the Vendor having full entitlements to the rights attached to the Target Interest;
- (c) the Target Company having passed the shareholder's resolutions approving (i) the entering into of the Share Transfer Agreement and the Acquisition; and (ii) the relevant appointments and resignations of the directors, supervisors and senior management of the Target Group upon the First Completion Date;
- (d) the Target Company having obtained all the necessary consent and approval in relation to the Acquisition and such consent and approval being legal and valid;
- (e) the Parties having completed the registration of the Acquisition with the competent authority for industry and commerce and obtained the revised business licence of the Target Company;
- (f) the Purchaser having completed and being satisfied with the financial and legal due diligence results of the Target Group;
- (g) the Target Group having obtained all necessary licences and qualification documents for the provision of its property management services;

- (h) the Target Company enjoying the complete legal owner rights of its fixed assets disclosed to the Purchaser;
- (i) there having been no claims which would restrict the Acquisition and no such claims arising from or having brought to any Party which are existing or pending or threatened against any Party, which may make the Acquisition illegal or impossible or bring material adverse effect to the Acquisition;
- (j) there having been no material adverse change to the financial or other conditions, operational results, assets, projects, management conditions, businesses and prospects of the Target Group and its related parties 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;
- (k) the Target Company having completed the reorganisation of the Target Group through disposing of or deregistering the subsidiaries or branches of the Target Company other than Beijing Boan (Harbin), Beijing Yonghong and Hohhot Boan and there being no material adverse effect on the indebtedness the Target Company to be brought about by such disposal or deregistration; and
- (l) the Vendor having properly fulfilled the undertakings under the Share Transfer Agreement in all respects as at each of the Completion Dates.

Should the Completion do not take place due to any of the above conditions precedent not being fulfilled or waived, the Purchaser shall be entitled to terminate the Share Transfer Agreement in writing and the Parties shall procure to return the amounts in the Joint Account to the Purchaser within three (3) business days from the date of termination of the Share Transfer Agreement.

Completion

In the event that the Completion takes place, the Company will indirectly hold the Target Interest through the Purchaser, and thus the Target Company will become an indirect wholly-owned subsidiary of the Company and the assets and liabilities of the Target Group will be consolidated into the financial statements of the Group.

The historical outstanding amounts receivable by the Target Group as at 30 November 2020, including but not limited to the management fees, the heating charges and the parking management fees, shall be collected by the Target Group, 60% of which shall be returned to the Vendor by the Purchaser when the historical outstanding amounts have been collected. The Target Company shall bear the taxation costs incurred from collecting such amounts. Based on the information provided by the Vendor, the maximum amount to be recovered and received by the Vendor under this sharing arrangement is approximately RMB20,150,520.

Information about the Vendor

Prior to the Acquisition, the Vendor owns the entire share capital in the Target Company, which owns two (2) subsidiaries in Hohhot City and Beijing Municipality, namely, Hohhot Boan and Beijing Yonghong, and three (3) branches in Harbin City, Hebei Province and Ningxia Hui Autonomous Region. As at the date of this announcement, each of Beijing Boan (Harbin) and Hohhot Boan is owned as to 100% by the Target Company. Beijing Yonghong is owned as to 80% by the Target Company, 12 % by Ms. Liu and 8% by Mr. Zhang.

To the best knowledge, information and belief of the Directors after making reasonable enquiries, each of the Vendor, Mr. Jiang, Ms. Liu and Mr. Zhang is an Independent Third Party. The Vendor is a limited liability company established under the laws of the PRC and is principally engaged in tourism resources development, park planning, health industry development and operation and infrastructure planning and construction in the PRC. Each of Mr. Jiang, Ms. Liu and Mr. Zhang is an individual investor.

Information about the Purchaser, the Company and the Group

The Purchaser, a limited liability company established under the laws of the PRC, is an indirect wholly-owned subsidiary of the Company and is an investment holding company. The Company is an exempted company with limited liability incorporated in the Cayman Islands, the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 3662). The Company is a renowned property management services and commercial operational services provider in the PRC and 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. Meanwhile, the Group is deepening and expanding diversified general health and wellness services, developing mature community healthcare, and other businesses, so as to provide users with a healthy living and social environment, and build a comprehensive healthy life platform.

Information about the Target Group

The Target Company is a limited liability company established under the laws of the PRC. As at the date of this announcement, the Target Company is entirely owned by the Vendor. The Target Group is principally engaged in providing property management services in the PRC, in particular, Beijing Municipality, Inner Mongolia Autonomous Region and Heilongjiang Province.

Financial information of the Target Company

The table below sets out the unaudited consolidated financial information on the Target Group for the two financial years ended 31 December 2019, which was prepared in accordance with the PRC accounting standards:

	For the financial year ended 31 December 2019 (unaudited) (approximately) RMB'000	For the financial year ended 31 December 2018 (unaudited) (approximately) RMB'000
Turnover	76,505	87,801
Net profit before taxation	16,797	14,428
Net profit after taxation	15,508	10,307

The unaudited consolidated net asset value of the Target Group as at 30 September 2020 was approximately RMB49,707,000.

Reasons for and benefits of the 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. As at 30 June 2020, the Group provided property management services to 98 properties in 39 cities across 13 provinces, municipalities, and autonomous regions in the PRC with a total GFA under management of approximately 16.1 million square meters. 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.

The Target Company has gained much recognition in the market by being awarded the “National Advanced Property Management Services Enterprise” (全國物業管理先進企業), the “Star-level Demonstration Residence for Property Management Services in Beijing Municipality” (北京物業管理示範住宅小區) and the “Excellent Project Award for Property Management Services in Hohhot City” (呼和浩特市物業管理優秀項目) over the years, which help demonstrate its competitiveness and service quality. Headquartered in Beijing Municipality, the Target Company has extensive experience in the provision of the property management services. The Target Group mainly provides property management services to high-end properties, hotels and white-collar communities in the PRC. Based on the information provided by the Vendor, the Target Group currently has around 14 projects with a total GFA of properties of approximately 2,080,000 square metres under its property management and a heat service area of approximately 385,000 square meters. Among the 14 projects, 5 projects are located in in Beijing Municipality, 5 projects are located in Harbin

City and 4 projects are located in Hohhot City. It is expected that the Acquisition is able to deepen the existing market presence of the Group in the Northern PRC, solidify the overall competitiveness of the Group and enhance the market influence of the Group in the industry.

The business strategy of the Group has been developing the general health and wellness business such as medical beauty, healthcare and traditional Chinese medicine on the basis of consolidating the property management services segment and commercial operational services segment at the same time. Despite the recent efforts of the Group to expand the medical beauty business in the PRC, its business has yet to achieve a substantial return to the Group despite the positive revenue. In order to streamline the business focus and reflect the strategic direction of the Group, the Group decides to gradually withdraw from the medical beauty business by ceasing to be engaged in relevant operations and reinforcing its business focus on the provision of property management services and commercial operational services and other general health and wellness business. This is conducive to the implementation of the strategies of smart community and healthcare community, and the increase of such coverage and influence. It is expected that the Group's gradual withdrawal from the medical beauty business will not have any significant impact on the operations of the Group.

The Board believes that given the overall demand for both residential and commercial properties and the residents' purchasing power has been increasing stably in the PRC in recent years, the demand for property management services and commercial operational services will remain robust in the PRC in the future. The above realignment of the business activities of the Group enables the Group to better utilize its resources to focus on the property management services segment and the commercial operational services segment and help improve the performance and profitability of the businesses of the Group.

The Acquisition is consistent with the current strategy of the Company for consolidating the property management services segment and the commercial operational services segment together with expanding its property management services portfolio through strategic acquisition of property management services providers. The Acquisition will create strategic synergies within the Company by pooling the resources of the Group and the Target Group and further strengthen the Company's service capability in the property management services industry, 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 (including the Consideration) of the Share Transfer Agreement 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 Acquisition are more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements thereunder.

(2) CHANGE OF USE OF PROCEEDS

References are made to (a) the Prospectus; (b) the Liantianmei Acquisition Announcement; and (c) the Liantianmei Termination Announcement. The total net proceeds from the Global Offering were approximately RMB573.2 million. As disclosed in the Liantianmei Acquisition Announcement, the Company intends to apply the unutilized Net Proceeds of approximately RMB215.0 million as at the date of the Liantianmei Acquisition Announcement to fund the payment of the consideration for the Liantianmei Acquisition, being a maximum amount of RMB691.0 million.

Having considered the termination of the Liantianmei Acquisition and the reasons for and benefits of the Acquisition as set out in the paragraph headed “(1) Discloseable transaction – Reasons for and benefits of the Acquisition” above, in order to better utilize the financial resources of the Group and to capture favourable investment opportunities, the Board has reviewed the utilization of the Net Proceeds and resolved to re-allocate the use of proceeds from the Global Offering. The table below sets out the details of the intended use of the Net Proceeds, the original allocation of the Net Proceeds, the utilized amount of the Net Proceeds as at the date of this announcement, the unutilized amount of the Net Proceeds as at the date of this announcement, and the balance of the unutilized Net Proceeds after re-allocation:

Intended use of the Net Proceeds	Original allocation of the Net Proceeds (approximately) <i>RMB million</i>	Utilized amount of the Net Proceeds as at the date of this announcement (approximately) <i>RMB million</i>	Unutilized amount of the Net Proceeds as at the date of this announcement (approximately) <i>RMB million</i>	Balance of the unutilized Net Proceeds after re-allocation (approximately) <i>RMB million</i>
Acquisition of or investment in other commercial operational services and property management services providers (<i>Note 1</i>)	355.4	122.2	233.2	347.4
Acquisition of or investment in service providers providing services complementary to the Group’s commercial operational services and property management services (<i>Note 2</i>)	57.3	33.5	23.8	–
Development of and upgrading the O2O platforms (<i>Note 3</i>)	68.8	10.2	58.6	–

Intended use of the Net Proceeds	Original allocation of the Net Proceeds (approximately) <i>RMB million</i>	Utilized amount of the Net Proceeds as at the date of this announcement (approximately) <i>RMB million</i>	Unutilized amount of the Net Proceeds as at the date of this announcement (approximately) <i>RMB million</i>	Balance of the unutilized Net Proceeds after re-allocation (approximately) <i>RMB million</i>
Development of intelligent service systems and upgrading internal IT system (Note 4)	34.4	2.6	31.8	–
Working capital and general corporate purposes	57.3	57.3	–	–
Total	573.2	225.8	347.4	347.4

Notes:

- As at the date of this announcement, approximately RMB122.2 million out of RMB355.4 million of the Net Proceeds had been utilized to pay part of the consideration for the acquisition of the target companies principally engaged in the provision of property management services in the PRC. As disclosed in the Liantianmei Acquisition Announcement, approximately RMB100.8 million of the unutilized Net Proceeds which were originally allocated for such purpose were reallocated to fund the payment of the consideration for the Liantianmei Acquisition and the remaining RMB132.4 million will be allocated in line with its original purpose. Given that the Liantianmei Acquisition was terminated and the Group has identified the Target Group as a suitable target as a property management services provider, the unutilized Net Proceeds of approximately RMB347.4 million will be re-allocated. A maximum amount of RMB87.0 million will be applied for the Consideration for the Acquisition. The Group will continue to identify further suitable targets for its acquisition of or investment in other commercial operational services and property management services providers, thereby utilizing the Net Proceeds in a more efficient manner.
- As disclosed in the Liantianmei Acquisition Announcement, approximately RMB33.5 million out of RMB57.3 million of the Net Proceeds had been utilized to pay the consideration in relation to the acquisition of 5% of the equity interest in Zhejiang Liantianmei Corporate Management Company Limited* (浙江連天美企業管理有限公司). Further, approximately RMB23.8 million of the unutilized Net Proceeds which were originally allocated for such purpose were reallocated to fund the payment of the consideration for the Liantianmei Acquisition. Given that the Liantianmei Acquisition was terminated and the Group currently has not identified any further suitable targets for its acquisition of or investment in service providers providing services complementary to the Group's commercial operational services and property management services upon investigation and research, the Groups plans to re-allocate the unutilized Net Proceeds of approximately RMB23.8 million for the acquisition of or investment in other commercial operational services and property management services providers in the future in order to focus on its property management services segment and commercial operational services segment.

3. As at the date of this announcement, the Company only utilized approximately RMB10.2 million out of RMB68.8 million of the Net Proceeds which were originally allocated for the development of and upgrading the Group's O2O platforms. As disclosed in the Liantianmei Acquisition Announcement, approximately RMB58.6 million of the unutilized Net Proceeds which were originally allocated for such purpose were reallocated to fund the payment of the consideration for the Liantianmei Acquisition. However, the Liantianmei Acquisition was terminated. Further, the actual amount of the Net Proceeds required and utilized for such purpose was much smaller than estimated and the Group is able to meet the expenses and costs to be incurred in future development of and upgrading the Group's O2O platforms with its internal resources (other than the Net Proceeds). The Board is of the view that it is more beneficial to reallocate the unutilized Net Proceeds of approximately RMB58.6 million for the acquisition of or investment in other commercial operational services and property management services providers in the future in order to consolidate the property management services segment and commercial operational services segment of the Group.
4. As at the date of this announcement, the Company only utilized approximately RMB2.6 million out of RMB34.4 million of the Net Proceeds which were originally allocated for the development of intelligent service systems and upgrading the internal IT system. As disclosed in the Liantianmei Acquisition Announcement, approximately RMB31.8 million of the unutilized Net Proceeds which were originally allocated for such purpose were reallocated to fund the payment of the consideration for the Liantianmei Acquisition. However, the Liantianmei Acquisition was terminated. Further, the actual amount of the Net Proceeds required and utilized for such purpose was much smaller than estimated and the Group is able to meet the expenses and costs to be incurred in further development of intelligent service systems and upgrading the internal IT system with its internal resources (other than the Net Proceeds). The Board is of the view that it is more beneficial to reallocate the unutilized Net Proceeds of approximately RMB31.8 million for the acquisition of or investment in other commercial operational services and property management services providers in the future in order to expand the market share of the Group in the property management services segment and the commercial operational services segment.

The Board is of the view that the re-allocation of the Net Proceeds as set out above is in line with the business strategies of the Group to focus on the property management services segment and commercial operational services segment and is beneficial for the continued and rapid development of the Group, and such re-allocation will allow the Company to better utilize its financial resources in a more efficient manner, support the Group in expanding its existing market share in the property management services segment and the commercial operational services segment, and maximise the return to the Group and the Shareholders. The Board believes that such change of the use of proceeds from the Global Offering is fair and reasonable and will not have any material adverse effect on the existing businesses and operations of the Group, and is in the best interests of the Company and its Shareholders as a whole.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the meanings set out below:

“Acquisition”	the acquisition by the Purchaser from the Vendor in respect of the Target Interest
“Beijing Boan (Harbin)”	Beijing Boan Property Management (Harbin) Co., Ltd.* (北京博安物業服務有限公司哈爾濱分公司), a limited liability company established under the laws of the PRC
“Beijing Yonghong”	Beijing Yonghong Heat Supply Services Co., Ltd.* (北京永鴻供暖服務有限公司), a limited liability company established under the laws of the PRC
“Board”	the board of Directors
“Company”	Aoyuan Healthy Life Group Company Limited (奧園健康生活集團有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 3662)
“Completion”	the completion of the Acquisition in accordance with the terms and conditions of the Share Transfer Agreement
“Completion Dates”	collectively, the First Completion Date, the Second Completion Date and the Third Completion Date
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	RMB87,000,000, being a maximum amount of the consideration payable by the Purchaser to the Vendor for the Target Interest
“Director(s)”	director(s) of the Company
“First Completion Date”	the date of completion of registration with the competent authority for industry and commerce in relation to the transfer of 70% of the entire share capital of the Target Company from the Vendor to the Purchaser
“GFA”	Gross floor area
“Global Offering”	the global offering of the Company in connection with the listing of the Shares on the Stock Exchange consummated on 18 March 2019

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hohhot Boan”	Hohhot Boan Property Management Co., Ltd.* (呼和浩特市博安物業服務有限公司), a limited liability company established under the laws of the PRC
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	a party(ies) who is/are not connected person(s) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected person(s) of the Company
“Joint Account”	the bank account which is to be opened under the name of the Purchaser and jointly managed by the Purchaser and the Vendor
“Liantianmei Acquisition”	the acquisition of 55% of the equity interest in Zhejiang Liantianmei Corporate Management Company Limited* (浙江連天美企業管理有限公司), a limited liability company established under the laws of the PRC
“Liantianmei Acquisition Announcement”	the announcement of the Company dated 18 September 2020 in relation to the Liantianmei Acquisition and the change of use of proceeds from the Global Offering
“Liantianmei Termination Announcement”	the announcement of the Company dated 30 November 2020 in relation to the termination of the Liantianmei Acquisition
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Jiang”	Mr. Jiang Tao (姜濤先生), the ultimate beneficial owner of the Target Company as at the date of this announcement
“Mr. Zhang”	Mr. Zhang Handong (張捍東先生), one of the existing shareholders of Beijing Yonghong, holding 8% of the entire share capital of Beijing Yonghong as at the date of this announcement
“Ms. Liu”	Ms. Liu Li (劉麗女士), one of the existing shareholders of Beijing Yonghong, holding 12% of the entire share capital of Beijing Yonghong as at the date of this announcement

“Net Proceeds”	the net proceeds from the Global Offering, amounted to approximately RMB573.2 million
“O2O”	online to offline
“Parties”	the parties to the Share Transfer Agreement, and “Party” means any one of them
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Prospectus”	the prospectus of the Company dated 28 February 2019 in relation to the listing of the Shares on the Stock Exchange by way of Global Offering
“Purchaser”	Guangzhou Ao Intelligent Property Investment Co., Ltd.* (廣州奧智慧物業投資有限公司), a limited liability company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Second Completion Date”	the date of completion of registration with the competent authority for industry and commerce in relation to the transfer of 80% of the entire share capital of the Target Company from the Vendor to the Purchaser
“Share Transfer Agreement”	the Share Transfer Agreement dated 10 December 2020 (after trading hours) entered into between the Vendor, the Target Company and the Purchaser in relation to the Acquisition
“Shareholders”	holder(s) of the Shares
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Beijing Boan Property Management Co., Ltd.* (北京博安物業服務有限公司), a limited liability company established under the laws of the PRC and a direct wholly-owned subsidiary of the Vendor as at the date of this announcement

“Target Group”	collectively, the Target Company, Beijing Boan (Harbin), Beijing Yonghong and Hohhot Boan
“Target Interest”	the entire share capital in the Target Company to be acquired by the Purchaser
“Third Completion Date”	the date of completion of registration with the competent authority for industry and commerce in relation to the transfer of the entire share capital of the Target Company from the Vendor to the Purchaser
“Vendor”	Xizang Taijinfu Travel Development Co., Ltd.* (西藏泰金福旅遊發展有限公司), a limited liability company established under the laws of the PRC
“%”	per cent.

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

Hong Kong, 10 December 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.