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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
ACQUISITION OF TARGET INTEREST IN
ZHEJIANG LIANTIANMEI CORPORATE MANAGEMENT
COMPANY LIMITED*
AND
CHANGE OF USE OF PROCEEDS FROM
THE GLOBAL OFFERING**

(1) MAJOR TRANSACTION

The SPA

The Board is pleased to announce that on 18 September 2020 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the SPA with the Vendor 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 RMB691,000,000 in cash in accordance with the terms and conditions of the SPA.

Listing Rules Implications

As the highest applicable percentage ratio in respect of the Acquisition is more than 25% but less than 100%, the Acquisition, taken individually, constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements thereunder.

The Acquisition, aggregated with the 5% Acquisition, would remain a major transaction for the Company under Chapter 14 of the Listing Rules only as the highest applicable percentage ratio in respect of the Acquisition and the 5% Acquisition, when aggregated, is more than 25% but less than 100%.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and is required to abstain from voting if the Company is to convene a general meeting for the approval of the Acquisition. The Company has obtained a written approval from China Aoyuan, which indirectly holds 396,375,000 Shares representing approximately 54.58% of the issued share capital of the Company as at the date of this announcement, for the SPA and the transaction contemplated thereunder in lieu of holding of a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, details of the Acquisition and other information as required by the Listing Rules, is required to be despatched to the Shareholders within 15 business days from the date of this announcement. However, as additional time is required to prepare the financial and other information to be included in the circular, the Company will apply for a waiver from the strict compliance with the requirements under Rule 14.41(a) of the Listing Rules. The Company expects to despatch the circular to the Shareholders on or about 20 November 2020, subject to clearance by the Stock Exchange. The Company will make further announcement after it has obtained the waiver from the Stock Exchange.

As Completion is subject to the terms and conditions under the SPA, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Reference is made to the Prospectus dated 28 February 2019 in relation to the listing of the Shares on the Stock Exchange by way of Global Offering. 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 was approximately RMB573.2 million. Having considered the prospects that the Acquisition may bring to the Group and the reasons for and benefits of the Acquisition as particularized in the paragraph headed "(1) Major Transaction – Reasons for and Benefits of the Acquisition" in this announcement, in order to better utilize its financial resources 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) MAJOR TRANSACTION

Introduction

The Board is pleased to announce that on 18 September 2020 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the SPA with the Vendor 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 RMB691,000,000 in cash in accordance with the terms and conditions of the SPA.

The SPA

Summarised below are the principal terms of the SPA:

- Date: 18 September 2020 (after trading hours)
- Parties: (a) the Vendor: Guangzhou Shengzhuang Medical Beauty Investment Company Limited* (廣州盛妝醫療美容投資有限公司); and
- (b) the Purchaser: Guangdong Xinyuerong Industrial Investment Company Limited* (廣東欣粵容產業投資有限公司), a wholly-owned subsidiary of the Company.

To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Vendor and its ultimate beneficial owners are all Independent Third Parties.

Nature of the transaction and assets to be acquired

Pursuant to the SPA, the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell the Target Interest. As at the date of this announcement, the Vendor and the Purchaser hold 55% and 5% of the equity interest of the Target Company, respectively. Upon Completion, the Purchaser will hold a total of 60% of the equity interest of the Target Company.

Consideration

Subject to the Completion, the Consideration shall be paid by the Purchaser to the Vendor in cash by installments in the following manner:

- (a) an amount of RMB160,000,000, being the first tranche of the Consideration, shall be paid within 10 days from the date on which the competent local regulatory authority accepts the application for registration of the transfer of the Target Interest pursuant to the Acquisition (the “**Registration**”);

- (b) an amount of RMB214,230,000, being the second tranche of the Consideration, shall be paid within 60 days from the date of the completion of the Registration; and
- (c) the remaining balance of the Consideration (the “**Third Tranche Consideration**”) is payable on or before 31 March 2021 and shall be determined in accordance with the following formula:

$$A = B \times 16.66 \times 55\% - \text{RMB}374,230,000$$

Where:

“A” means the Third Tranche Consideration; and

“B” means the Consolidated 2020 Net Profit, provided that such amount multiplied by 16.66 shall not exceed RMB1,250,000,000 in any event.

In the event that “A” referred to in the formula above is zero or negative figure, the Purchaser shall not pay any sum of the Third Tranche Consideration to the Vendor and the Consideration shall be RMB374,230,000. In the event that “A” referred to in the formula above is positive figure and the Consolidated 2020 Net Profit is not less than RMB50,000,000, the Purchaser shall pay an additional amount of RMB3,500,000 to the Vendor on or before 31 March 2021. The total Consideration shall be capped at RMB691,000,000.

It is intended that the Consideration will be paid and funded by a combination of the unutilized Net Proceeds, Group’s internal resources and bank borrowings. For the details of the unutilized Net Proceeds, please refer to the section headed “(2) Change of use of proceeds from the Global Offering” below.

Basis of the Consideration

The Consideration was determined after arm’s length negotiations between the Parties on normal commercial terms, having taken into account (a) the financial performance and the business prospect of the Target Group; (b) the market position of the Target Company in the industry where it operates; (c) the preliminary valuation prepared by an independent professional valuer on the Target Group; and (d) other reasons for and benefits of the Acquisition as set out in the paragraph headed “Reasons for and Benefits of the Acquisition” below.

Conditions Precedent

The Completion is conditional on the fulfillment of the following conditions:

- (i) the SPA together with the Acquisition contemplated thereunder having been approved by the Shareholders in accordance with the Listing Rules;
- (ii) the shareholders of the Target Company other than the Vendor and the Purchaser having relinquished the right of first refusal to participate in the acquisition of the Target Interest as contemplated under the SPA; and
- (iii) the Acquisition having been approved by the shareholders of the Target Company.

The above conditions have been fulfilled as at the date of this announcement.

Completion

Pursuant to the SPA, subject to the fulfillment of the above conditions, the Completion shall take place upon the earliest occurrence of any of the following events:

- (a) the capital contribution certificate in respect of the Target Interest having been duly issued to the Purchaser due to the Acquisition;
- (b) the Purchaser having been duly registered in the register of members of the Target Company as the holder of the Target Interest; or
- (c) the transfer of the Target Interest pursuant to the SPA having been duly registered with the competent local regulatory authority.

Upon Completion, the equity interest in the Target Company indirectly held by the Company will increase from 5% to 60%, and thus the Target Company will become a non wholly-owned subsidiary of the Company and its financial results will be consolidated into the Company's consolidated financial statements accordingly.

Information about the Vendor

The Vendor is a company incorporated in the PRC with limited liability and is principally engaged in the provision of the medical aesthetic services and investment services in the PRC. As the date of this announcement, the Vendor holds 55% of the equity interest in the Target Company. To the best knowledge, information and belief of the Directors after making reasonable enquiries, the Vendor and its ultimate beneficial owners are all Independent Third Parties.

Information about the Purchaser, the Company and the Group

The Purchaser, a company incorporated in the PRC with limited liability, is an indirect wholly-owned subsidiary of the Company and is principally engaged in the investment business in the PRC. 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. The Group is a reputable property management service and commercial operational service provider in the PRC offering diversified and comprehensive services.

Information about the Target Company

The Target Company is a company incorporated in the PRC with limited liability and the Target Group is principally engaged in the provision of medical aesthetic services in the PRC. As at the date of this announcement, the Vendor and the Purchaser hold 55% and 5% of the equity interest of the Target Company, respectively. To the best knowledge, information and belief of the Directors after making reasonable enquiries, the remaining 40% of the equity interest of the Target Company is held by Independent Third Parties.

Financial information of the Target Company

The table below sets out the unaudited consolidated financial information of the Target Company for the two financial years ended 31 December 2019 and the six months ended 30 June 2020:

	For the six months ended 30 June 2020	For the financial year ended 31 December 2019	For the financial year ended 31 December 2018
	(unaudited)	(unaudited)	(unaudited)
	<i>(approximately)</i>	<i>(approximately)</i>	<i>(approximately)</i>
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Turnover	211,734	461,868	479,740
Net profit before taxation	62,547	522	23,043
Net profit/(loss) after taxation	46,155	(9,338)	7,639

The unaudited net asset value of the Target Company as at 30 June 2020 was approximately RMB50,099,000.

Reasons for and Benefits of the Acquisition

The Group is principally engaged in the provision of the property management services and commercial operational services. Meanwhile, the Group is deepening and expanding diversified healthcare services, developing community healthcare and medical beauty services by proactively seeking potential acquisition and cooperation opportunities, aiming to provide users with a healthy living and social environment, and build a comprehensive healthy life platform, to complement its property management services and commercial operational services.

The Target Group is a leading integrated medical aesthetic services group in the PRC offering a comprehensive services in medical aesthetic industry including aesthetic surgery services, minimally-invasive aesthetic services and aesthetic dermatology services. It currently operates two private medical aesthetic hospitals with an aggregate operating area of approximately 30,000 square metres in the PRC, namely Hangzhou Huashan Luxeme Medical Cosmetology Hospital* (杭州華山連天美醫療美容醫院) and Hangzhou Victoria Medical Cosmetology Hospital* (杭州維多利亞醫療美容醫院), which were accredited with 5A Rating Management Standard and possess the operational qualifications for standardized medical institutions, including, *inter alia*, the Qualification of Level 4 High Complexity Surgery (四級(高難度)手術資質) obtained by Hangzhou Huashan Luxeme Medical Cosmetology Hospital* (杭州華山連天美醫療美容醫院). As of the date of this announcement, the Target Group owns a total of 24 registered patents, among which one registered patent relating to the mandibular angle was awarded as an Invention Patent by Korean Intellectual Property Office during its participation in the International Itinerant Exhibition of Cosmetic Surgery Patent (Korea) (整形專利國際巡展(韓國站)). In recognition of its strong technical capability, industry-leading brand and competitiveness, the Target Group has reaped more than 60 awards and recognitions and has more than 0.3 million customers. Benefited from the rapid growth in medical aesthetic market in the PRC and equipped with its established brand reputation and extensive industry experience and expertise accumulated over 35 years, the Target Company has become a leader in the medical aesthetic industry in Zhejiang Province in the PRC.

The Directors are of the view that the Acquisition represents a good opportunity for the Group to further develop its medical beauty business and broaden and diversify its income stream, which is in line with Group's development strategies to complement its property management services and commercial operational services. Further, the Directors have been proactively seeking appropriate investment opportunities to achieve better return for the Shareholders. In view of the brand reputation and operation results of the Target Group, the Company believes that the Acquisition will further facilitate strategic cooperation and enhance the existing synergy between the Group and the Target Group, which may in turn fuel the Group's business growth and strengthen the Group's profitability, thereby enhancing the returns to the Shareholders.

Having considered the foregoing, the Board is of the view that the terms of the SPA, including the Consideration, are on normal commercial terms, which are fair and reasonable and are in the best interest of the Company and the Shareholders as a whole.

Listing Rules Implications

As the highest applicable percentage ratio in respect of the Acquisition is more than 25% but less than 100%, the Acquisition, taken individually, constitutes a major transaction for the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and Shareholders' approval requirements thereunder.

The Acquisition, aggregated with the 5% Acquisition, would remain a major transaction for the Company under Chapter 14 of the Listing Rules only as the highest applicable percentage ratio in respect of the Acquisition and the 5% Acquisition, when aggregated, is more than 25% but less than 100%.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Shareholder has any material interest in the Acquisition and is required to abstain from voting if the Company is to convene a general meeting for the approval of the Acquisition. The Company has obtained a written approval from China Aoyuan, which indirectly holds 396,375,000 Shares representing approximately 54.58% of the issued share capital of the Company as at the date of this announcement, for the SPA and the transaction contemplated thereunder in lieu of holding of a general meeting of the Company in accordance with Rule 14.44 of the Listing Rules.

Pursuant to Rule 14.41(a) of the Listing Rules, a circular containing, among other things, details of the Acquisition and other information as required by the Listing Rules, is required to be despatched to the Shareholders within 15 business days from the date of this announcement. However, as additional time is required to prepare the financial and other information to be included in the circular, the Company will apply for a waiver from the strict compliance with the requirements under Rule 14.41(a) of the Listing Rules. The Company expects to despatch the circular to the Shareholders on or about 20 November 2020, subject to clearance by the Stock Exchange. The Company will make further announcement after it has obtained the waiver from the Stock Exchange.

As Completion is subject to the terms and conditions under the SPA, the Acquisition may or may not proceed. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

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

Reference is made to the Prospectus dated 28 February 2019 in relation to the listing of the Shares on the Stock Exchange by way of Global Offering. The total net proceeds from the Global Offering was approximately RMB573.2 million. As disclosed in the Prospectus, the Company intends to apply, among others, (i) approximately 62.0% of the Net Proceeds for acquisition and investment in other commercial operational service and property management service providers; (ii) approximately 10.0% of the Net Proceeds for acquisition or investment in service providers providing services that are complementary to the Group's commercial operational services and property management services; (iii) approximately 12.0% of the Net Proceeds for development of and upgrading the O2O platforms; (iv) approximately 6.0% of the Net Proceeds for development of intelligent service system and upgrading the internal IT system; and (v) approximately 10.0% of the Net Proceeds for working capital and general corporate purposes.

Having considered the prospects that the Acquisition may bring to the Group and the reasons for and benefits of the Acquisition as set out in the paragraph headed “(1) Major Transaction – Reasons for and Benefits of the Acquisition” above, in order to better utilize its financial resources 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	Utilized amount of the Net Proceeds as at the date of this announcement	Unutilized amount of the Net Proceeds as at the date of this announcement	Balance of the unutilized Net Proceeds after re-allocation
	<i>RMB million approximately</i>	<i>RMB million approximately</i>	<i>RMB million approximately</i>	<i>RMB million approximately</i>
Acquisition or investment in other commercial operational service and property management service providers	355.4	122.2 ^(Note 1)	233.2 ^(Note 1)	132.4 ^(Note 1)

Intended use of the Net Proceeds	Original allocation of the Net Proceeds <i>RMB million approximately</i>	Utilized amount of the Net Proceeds as at the date of this announcement <i>RMB million approximately</i>	Unutilized amount of the Net Proceeds as at the date of this announcement <i>RMB million approximately</i>	Balance of the unutilized Net Proceeds after re-allocation <i>RMB million approximately</i>
Acquisition or investment in service providers providing services complementary to the Group's commercial operational services and property management services	57.3	33.5 ^(Note 2)	23.8 ^(Note 2)	215.0 ^(Note 2)
Development of and upgrading the O2O platforms	68.8	10.2 ^(Note 3)	58.6 ^(Note 3)	–
Development of intelligent service systems and upgrading internal IT system	34.4	2.6 ^(Note 4)	31.8 ^(Note 4)	–
Working capital and general corporate purposes	57.3	57.3	–	–
Total	573.2	225.8	347.4	347.4

Notes:

1. As disclosed in the Company's interim report for the six months ended 30 June 2020 (the "**Interim Report 2020**") published on 2 September 2020, approximately RMB122.2 million of the Net Proceeds had been utilized to pay part of the consideration for the acquisition of target companies principally engaged in the provision of property management services in the PRC. The Group will further apply approximately RMB132.4 million of the Net Proceeds for such acquisitions. Upon the investigation and research, the Company currently has not yet identified any further suitable targets for its acquisition of or investment in other commercial operational service and property management service providers, therefore approximately RMB100.8 million of the unutilized Net Proceeds which were originally allocated for such purpose will be re-allocated to fund the payment of the Consideration for the Acquisition, thereby utilizing the Net Proceeds in a more efficient manner.
2. Approximately RMB33.5 million of the Net Proceeds had been utilized to pay the consideration by the purchaser to the vendor under the 5% Acquisition and approximately RMB215.0 million of the unutilized Net Proceeds as re-allocated for the acquisition or investment in service providers providing services complementary to the Group's commercial operational services and property management services will be fully utilized to fund the payment of the Consideration for the Acquisition.
3. As disclosed in the Interim Report 2020, in view of the changes in the terms and methods of the cooperation with the independent mobile application developers, the Group's O2O platforms adopted 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. Based on the foregoing, as at the date of this announcement, the Company only utilized approximately RMB10.2 million out of RMB68.8 million of the Net Proceeds originally allocated for development of and upgrading the Group's O2O platforms, therefore the actual amount of the Net Proceeds required and utilized for such purpose was much smaller than estimated, resulting in a low efficiency of the capital use. The Board is of the view that at current stage it is more beneficial for the Company to re-allocation of approximately RMB58.6 million of the unutilized Net Proceeds which were originally allocated for development and upgrading the Group's O2O platforms to fund the payment of the Consideration for the Acquisition as such strategic acquisition and expansion may allow the Group to boost its business growth in medical beauty service at a quicker pace. Besides, the Group is able to meet the expenses and costs to be incurred in further development of and upgrading the Group's O2O platforms with its internal resources (other than the Net Proceeds).
4. As disclosed in the Interim Report 2020, the Group reached strategic cooperation intention with Beijing Yangguanghai Tian Parking Management Co., Ltd.* and White Rock Investment* to integrate multi-channel funds, parking resources, technology and teams to jointly build the first platform for Internet + smart parking value-added innovation services. The Group expected that such development plan would be launched in the second half of 2020, and such project would be funded by the Group's internal resources. In addition, the Group's upgraded internal IT system is undergoing acceptance testing and related expenses will only be reimbursed after the completion of such acceptance testing. Based on the foregoing, as at the date of this announcement, the Company only utilized approximately RMB2.6 million out of RMB34.4 million of the Net Proceeds originally allocated for development of intelligent service system and upgrading the internal IT system, therefore the actual amount of the Net Proceeds required and utilized for such purpose was much smaller than estimated. The Board is of the view that at current stage it is more beneficial for the Company to re-allocation of approximately RMB31.8 million of the unutilized Net Proceeds which were originally allocated for development of intelligent service system and upgrading the internal IT system to fund the payment of the Consideration for the Acquisition as such strategic acquisition and expansion may allow the Group to boost its business growth in medical beauty service at a quicker pace. Besides, the Group is able to meet the expenses and costs to be incurred in further development of intelligent service system and upgrading the internal IT system with its internal resources (other than the Net Proceeds).

The Board is of the view that the re-allocation of the Net Proceeds as set out above is in line with the business strategy of the Group 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 further deepening its existing business layout, and strengthen the future development of the Group in the long run, 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 business and operation 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:

“5% Acquisition”	the acquisition of 5% of the equity interest in the Target Company by the Purchaser from Chen Zhenrong (陳珍榮), an Independent Third Party, in December 2019
“Acquisition”	the acquisition by the Purchaser from the Vendor in respect of the Target Interest
“Board”	the board of Directors
“China Aoyuan”	China Aoyuan Group Limited (中國奧園集團股份有限公司), 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: 3883)
“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”	completion of the Acquisition in accordance with the terms and conditions of the SPA
“Consideration”	the total consideration payable by the Purchaser to the Vendor for the Acquisition, with a maximum amount of RMB691,000,000

“Consolidated 2020 Net Profit”	the audited net profit after taxation of the Target Group for the year ending 31 December 2020 as set out in the audited consolidated financial statements of the Target Company to be prepared by the accountants jointly appointed by the Parties in accordance with the PRC accounting standards
“Director(s)”	director(s) of the Company
“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
“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) (as defined in the Listing Rules) of the Company and who together with its/their ultimate beneficial owner(s) are independent of the Company and of connected persons (as defined in the Listing Rules) of the Company
“Interim Report 2020”	has the meaning as ascribed to it under the section headed “(2) Change of use of proceeds from the Global Offering” in this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Net Proceeds”	net proceeds from the Global Offering, amounted to approximately RMB573.2 million
“O2O”	online to offline
“Parties”	the parties to the SPA, 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
“Purchaser”	Guangdong Xinyuerong Industrial Investment Company Limited* (廣東欣粵容產業投資有限公司), a company established under the laws of the PRC and an indirect wholly-owned subsidiary of the Company
“Registration”	has the meaning as ascribed to it under the paragraph headed “(1) Major Transaction – The SPA – Consideration” in this announcement
“RMB”	Renminbi, the lawful currency of the PRC
“Shares”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholders”	holder(s) of the Shares
“SPA”	the agreement dated 18 September 2020 entered into between the Purchaser and the Vendor in relation to the Acquisition
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	Zhejiang Liantianmei Corporate Management Company Limited* (浙江連天美企業管理有限公司), a company established under the laws of the PRC
“Target Group”	the Target Company and its subsidiaries
“Target Interest”	55% of the equity interest in the Target Company which the Purchaser has conditionally agreed to acquire and the Vendor has conditionally agreed to sell under the SPA
“Third Tranche Consideration”	has the meaning as ascribed to it under the paragraph headed “(1) Major Transaction – The SPA – Consideration” in this announcement

“Vendor”

Guangzhou Shengzhuang Medical Beauty Investment Company Limited* (廣州盛妝醫療美容投資有限公司), a company established under the laws of the PRC

“%”

percent.

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

Hong Kong, 18 September 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.