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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)

**PROPOSED AMENDMENTS TO TERMS IN RELATION TO
CONTINUING CONNECTED TRANSACTIONS
AND
RENEWAL OF CONTINUING CONNECTED TRANSACTIONS**

References are made to the announcements of the Company dated 5 November 2020 and 4 June 2021 and the circulars of the Company dated 7 December 2020 and 16 July 2021 in relation to, among others, the continuing connected transactions contemplated under the 2021 Master CCT Agreements and the 2021 Master Lease Agreement.

2023 SUPPLEMENTAL AGREEMENTS

On 28 August 2023 (after trading hours), the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) entered into the 2023 Supplemental Agreements to revise the payment arrangements and others under the 2021 Master CCT Agreements.

2024 MASTER CCT AGREEMENTS

As each of the 2021 Master CCT Agreements and the 2021 Master Lease Agreement will expire on 31 December 2023, the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) entered into the 2024 Master CCT Agreements on 28 August 2023 (after trading hours) to renew the continuing connected transactions contemplated under each of the 2021 Master CCT Agreements and the 2021 Master Lease Agreement for a term commencing on 1 January 2024 and ending on 31 December 2026.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, China Aoyuan was the substantial shareholder of the Company. China Aoyuan and its associates indirectly hold 183,386,250 Shares, representing approximately 25.25% of the issued share capital of the Company. Accordingly, China Aoyuan is a connected person of the Company under the Listing Rules, and the transactions contemplated under the 2023 Supplemental Agreements and the 2024 Master CCT Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The entering into of the 2023 Supplemental Agreements constitutes a material variation to the terms of the 2021 Master CCT Agreements. Pursuant to Rule 14A.54(2) of the Listing Rules, if the Company proposes to effect a material change to the terms for continuing connected transactions, it is required to re-comply with the announcement and Independent Shareholders' approval requirements under the Listing Rules.

Further, since each of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the proposed annual caps under each of the 2024 Master Purchase Agreement, the 2024 Master General Health and Wellness Agreement and the 2024 Master Lease Agreement is expected to be higher than 0.1% but less than 5%, the transactions (including the annual caps) contemplated thereunder will be exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (other than the profits ratio) in respect of the proposed annual caps under each of the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement and the 2024 Master Intelligent Engineering Agreement exceed 5%, the transactions (including the annual caps) contemplated thereunder constitute non-exempt continuing connected transactions and are subject to reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Each of the 2023 Supplemental Agreements, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement, the 2024 Master Intelligent Engineering Agreement and the transactions (including the annual caps) contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolutions at the EGM.

The Company has established the Independent Board Committee comprising all three independent non-executive Directors to advise the Independent Shareholders as to whether the terms of each of the 2023 Supplemental Agreements, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement and the 2024 Master Intelligent Engineering Agreement are fair and reasonable, and the transactions (including the annual caps) contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among others, (a) a letter from the Board containing further information on the 2023 Supplemental Agreements, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement, the 2024 Master Intelligent Engineering Agreement and the transactions (including the annual caps) contemplated thereunder; (b) the recommendations of the Independent Board Committee to the Independent Shareholders in connection with the aforesaid; (c) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (d) a notice convening the EGM together with the proxy form, will be despatched to the Shareholders on or before 20 September 2023, which is more than 15 business days after the publication of this announcement, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Mr. Ruan Yongxi, being the non-executive Director, holds directorship in an entity, the substantial shareholder of which is China Aoyuan. Accordingly, Mr. Ruan Yongxi has voluntarily abstained from voting on the relevant Board resolutions approving the 2023 Supplemental Agreements, the 2024 Master CCT Agreements and the transactions (including the annual caps) contemplated thereunder. Save as the aforesaid, none of the other Directors has a material interest in the 2023 Supplemental Agreements, the 2024 Master CCT Agreements and the transactions (including the annual caps) contemplated thereunder.

Since the 2023 Supplemental Agreements and the 2024 Master CCT Agreements are subject to the fulfilment of the conditions precedent set out therein and may or may not proceed, the Shareholders and the potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

References are made to the announcements of the Company dated 5 November 2020 and 4 June 2021 and the circulars of the Company dated 7 December 2020 and 16 July 2021 in relation to, among others, the continuing connected transactions contemplated under the 2021 Master CCT Agreements and the 2021 Master Lease Agreement.

2023 SUPPLEMENTAL AGREEMENTS

On 28 August 2023 (after trading hours), the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) entered into the 2023 Supplemental Agreements to include the following payment arrangements (in addition to payment in cash) and others under the 2021 Master CCT Agreements.

Set out below is a summary of the principal terms of each of the 2023 Supplemental Agreements:

(1) 2023 Property Management Supplemental Agreement

- | | | |
|-----------------|---|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date | : | 28 August 2023 (after trading hours) |
| Parties | : | (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
(b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group). |
| Principal terms | : | (a) The scope of the property management services under the 2021 Master Property Management Agreements shall be interpreted and restated as the property management services in pre-sale stage, pre-delivery stage and post-delivery stage, including but not limited to pre-sale sales assistance services, security and maintenance services, property or parking space sales agency services and related value-added services, to properties developed or owned by China Aoyuan Group. |

- (b) The service fees shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of providing property management services pursuant to the 2021 Master Property Management Agreements. In the event that China Aoyuan Group is not able to settle the service fees in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets in settlement of the relevant service fees to the Group under the 2021 Master Property Management Agreements and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

(2) 2023 Commercial Operational Supplemental Agreement

- Date : 28 August 2023 (after trading hours)
- Parties : (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
- (b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).
- Principal terms : The service fees shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of providing commercial operational services pursuant to the 2021 Master Commercial Operational Agreements. In the event that China Aoyuan Group is not able to settle the service fees in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets to the Group in settlement of the relevant service fees under the 2021 Master Commercial Operational Agreements and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

(3) 2023 Intelligent Engineering Supplemental Agreement

- Date : 28 August 2023 (after trading hours)
- Parties : (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
- (b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).
- Principal terms : The service fees shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of providing intelligent engineering services pursuant to the 2021 Master Intelligent Engineering Agreements. In the event that China Aoyuan Group is not able to settle the service fees in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets to the Group in settlement of the relevant service fees under the 2021 Master Intelligent Engineering Agreements and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

(4) 2023 Purchase Supplemental Agreement

- Date : 28 August 2023 (after trading hours)
- Parties : (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
- (b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).

Principal terms : The fees of the Electrical Appliances shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of performing the 2021 Master Purchase Agreement. In the event that China Aoyuan Group is not able to settle such fees in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets to the Group in settlement of the relevant fees of the Electrical Appliances under the 2021 Master Purchase Agreement and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

(5) 2023 General Health and Wellness Supplemental Agreement

Date : 28 August 2023 (after trading hours)

Parties : (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
(b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).

Principal terms : The service fees shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of providing general health and wellness services pursuant to the 2021 Master General Health and Wellness Agreement. In the event that China Aoyuan Group is not able to settle the service fees in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets to the Group in settlement of the relevant service fees under the 2021 Master General Health and Wellness Agreement and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

Subject to the approval of the 2023 Supplemental Agreements and the transactions contemplated thereunder by the Independent Shareholders at the EGM, the 2023 Supplemental Agreements shall take effect from the Approval Date.

Save for the aforementioned variation of terms, all other terms and conditions of each of the 2021 Master CCT Agreements remain substantially unchanged.

2024 MASTER CCT AGREEMENTS

On 28 August 2023 (after trading hours), the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) entered into the 2024 Master CCT Agreements for a term commencing on 1 January 2024 and ending on 31 December 2026 to renew the continuing connected transactions contemplated under each of the 2021 Master CCT Agreements and the 2021 Master Lease Agreement.

Set out below is a summary of the principal terms of each of the 2024 Master CCT Agreements:

(1) 2024 Master Property Management Agreement

Date	:	28 August 2023 (after trading hours)
Parties	:	(a) the Company (for itself and as trustee for the benefit of other members of the Group); and (b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).
Subject	:	Pursuant to the 2024 Master Property Management Agreement, the Group will provide China Aoyuan Group with the property management services in pre-sale stage, pre-delivery stage and post-delivery stage, including but not limited to pre-sale sales assistance services, security and maintenance services, property or parking space sales agency services and related value-added services, to properties developed or owned by China Aoyuan Group.
Term	:	The 2024 Master Property Management Agreement has a fixed term from 1 January 2024 to 31 December 2026 (both days inclusive).

Payment arrangements : The service fees shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of providing property management services pursuant to the 2024 Master Property Management Agreement. In the event that China Aoyuan Group is not able to settle the service fees in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets to the Group in settlement of the relevant service fees under the 2024 Master Property Management Agreement and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

The 2024 Master Property Management Agreement and the transactions (including the annual caps) contemplated thereunder are conditional upon the approval of the Independent Shareholders at the EGM.

Annual caps and basis of determination

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the property management services for each of the three years ending 31 December 2023 under the 2021 Master Property Management Agreements are as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
RMB667,480,000	RMB901,100,000	RMB1,203,060,000

The approximate historical transactional amount between the Group and China Aoyuan Group under the 2021 Master Property Management Agreements for the two years ended 31 December 2022 and the six months ended 30 June 2023 were as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the six months ended 30 June 2023
RMB266,445,000	RMB86,696,000	RMB29,664,000

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the property management services for each of the three years ending 31 December 2026 under the 2024 Master Property Management Agreement are as follows:

For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB250,000,000	RMB250,000,000	RMB250,000,000

The above annual caps for the provision of the property management services under the 2024 Master Property Management Agreement for the three years ending 31 December 2026 were determined taking into account:

- (a) having regard to the existing property market conditions and business environment of the property developers in the PRC, it is expected that there will be a fall in the contracted engagements from China Aoyuan Group requiring the property management services for the three years ending 31 December 2026;
- (b) the historical number of contracted engagements awarded by China Aoyuan Group to the Group for the provision of the property management services for each of the three years ended 31 December 2022;
- (c) the average ratio of China Aoyuan Group's sales assistance service engagements awarded to the Group for the three years ended 31 December 2022 of approximately 85%; and
- (d) the average ratio of China Aoyuan Group's pre-delivery property management engagements awarded to the Group for the three years ended 31 December 2022 of approximately 95%.

(2) 2024 Master Commercial Operational Agreement

Date : 28 August 2023 (after trading hours)

Parties : (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
(b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).

- Subject : Pursuant to the 2024 Master Commercial Operational Agreement, the Group will provide China Aoyuan Group with commercial operational services, including but not limited to market research and positioning services, business tenant management and rent collection services, and other commercial operational services or value-added services in response to the market demand, to properties developed or owned by China Aoyuan Group.
- Term : The 2024 Master Commercial Operational Agreement has a fixed term from 1 January 2024 to 31 December 2026 (both days inclusive).
- Payment arrangements : The service fees shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of providing commercial operational services pursuant to the 2024 Master Commercial Operational Agreement. In the event that China Aoyuan Group is not able to settle the service fees in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets to the Group in settlement of the relevant service fees under the 2024 Master Commercial Operational Agreement and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

The 2024 Master Commercial Operational Agreement and the transactions (including the annual caps) contemplated thereunder are conditional upon the approval of the Independent Shareholders at the EGM.

Annual caps and basis of determination

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the commercial operational services for each of the three years ending 31 December 2023 under the 2021 Master Commercial Operational Agreements are as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
RMB221,430,000	RMB272,220,000	RMB316,650,000

The approximate historical transactional amount between the Group and China Aoyuan Group under the 2021 Master Commercial Operational Agreements for the two years ended 31 December 2022 and the six months ended 30 June 2023 were as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the six months ended 30 June 2023
RMB77,945,000	RMB31,002,000	RMB12,275,000

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the commercial operational services for each of the three years ending 31 December 2026 under the 2024 Master Commercial Operational Agreement are as follows:

For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB200,000,000	RMB200,000,000	RMB200,000,000

The above annual caps for the provision of the commercial operational services under the 2024 Master Commercial Operational Agreement for the three years ending 31 December 2026 were determined taking into account:

- (a) having regard to current volatile macro environment which is expected to continue for some time in the future, it is foreseeable that there will be a fall in the contracted engagements from China Aoyuan Group requiring the commercial operational services for the three years ending 31 December 2026;
- (b) the historical number of contracted engagements awarded by China Aoyuan Group to the Group for the provision of commercial operational services for each of the three years ended 31 December 2022; and

- (c) the Group is considering to negotiate with China Aoyuan Group about the feasibility of reasonably increasing the earnings sharing ratio for the provision of commercial operational services.

(3) 2024 Master Intelligent Engineering Agreement

- Date : 28 August 2023 (after trading hours)
- Parties : (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
(b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).
- Subject : Pursuant to the 2024 Master Intelligent Engineering Agreement, the Group will provide China Aoyuan Group with the intelligent engineering services, including but not limited to (a) provision of design and engineering services for intelligentisation and related services; (b) communication facilities construction, fibre-to-home services and related services; and (c) provision of smart devices, such as smart home products, smart connected devices and big data products.
- Term : The 2024 Master Intelligent Engineering Agreement has a fixed term from 1 January 2024 to 31 December 2026 (both days inclusive).
- Payment arrangements : The service fees shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of providing intelligent engineering services pursuant to the 2024 Master Intelligent Engineering Agreement. In the event that China Aoyuan Group is not able to settle the service fees in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets to the Group in settlement of the relevant service fees under the 2024 Master Intelligent Engineering Agreement and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

The 2024 Master Intelligent Engineering Agreement and the transactions (including the annual caps) contemplated thereunder are conditional upon the approval of the Independent Shareholders at the EGM.

Annual caps and basis of determination

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the intelligent engineering services for each of the three years ending 31 December 2023 under the 2021 Master Intelligent Engineering Agreements are as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
RMB147,710,000	RMB208,570,000	RMB296,190,000

The approximate historical transactional amount between the Group and China Aoyuan Group under the 2021 Master Intelligent Engineering Agreements for the two years ended 31 December 2022 and the six months ended 30 June 2023 were as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the six months ended 30 June 2023
RMB60,635,000	RMB7,663,000	RMB401,000

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the intelligent engineering services for each of the three years ending 31 December 2026 under the 2024 Master Intelligent Engineering Agreement are as follows:

For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB50,000,000	RMB50,000,000	RMB50,000,000

The above annual caps for the provision of the intelligent engineering services under the 2024 Master Intelligent Engineering Agreement for the three years ending 31 December 2026 were determined taking into account:

- (a) in light of the expected fall in property development projects of China Aoyuan Group for the three years ending 31 December 2026, it is expected that there will be a decrement in the expected demand for the Group's intelligent engineering services for the same period; and

- (b) the expected demand for the Group's intelligent engineering services for the three years ending 31 December 2026 arising from the expected demand for customer-friendly property management services and community construction and planning for the same period.

(4) 2024 Master Purchase Agreement

- Date : 28 August 2023 (after trading hours)
- Parties : (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
(b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).
- Subject : Pursuant to the 2024 Master Purchase Agreement, the Group will (a) procure and sell and China Aoyuan Group will purchase the Electrical Appliances from the Group; and (b) provide incidental services, such as price comparison, negotiation and evaluation before procurement as well as transportation, on-site inspection and other related services after procurement.
- Term : The 2024 Master Purchase Agreement has a fixed term from 1 January 2024 to 31 December 2026 (both days inclusive).
- Payment arrangements : The service fees (including the fees of the Electrical Appliances) shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of providing procurement services pursuant to the 2024 Master Purchase Agreement. In the event that China Aoyuan Group is not able to settle the service fees (including the fees of the Electrical Appliances) in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets to the Group in settlement of the service fees (including the fees of the Electrical Appliances) under the 2024 Master Purchase Agreement and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

Annual caps and basis of determination

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the procurement services for each of the three years ending 31 December 2023 under the 2021 Master Purchase Agreement are as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
RMB105,730,000	RMB158,590,000	RMB237,880,000

The approximate historical transactional amount between the Group and China Aoyuan Group under the 2021 Master Purchase Agreement for the two years ended 31 December 2022 and the six months ended 30 June 2023 were as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the six months ended 30 June 2023
RMB13,917,000	RMB3,836,000	RMB0

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the procurement services for each of the three years ending 31 December 2026 under the 2024 Master Purchase Agreement are as follows:

For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB10,000,000	RMB10,000,000	RMB10,000,000

The above annual caps for fees payable by China Aoyuan Group to the Group for the provision of procurement services under the 2024 Master Purchase Agreement for the three years ending 31 December 2026 were determined taking into account:

- (a) given the expected fall in the contracted engagements from China Aoyuan Group requiring the property management services and commercial operational services for the three years ending 31 December 2026, it is expected that there will be in a decrement in the expected quantity of the Electrical Appliances to be ordered by China Aoyuan Group for the same period;
- (b) the expected quantity of the Electrical Appliances to be ordered by China Aoyuan Group based on the estimated property development projects of China Aoyuan Group for the three years ending 31 December 2026; and

- (c) the estimated 10% annual increment in the fees to be charged by the Group taking into account the expected inflation.

(5) 2024 Master General Health and Wellness Agreement

- Date : 28 August 2023 (after trading hours)
- Parties : (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
- (b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).
- Subject : Pursuant to the 2024 Master General Health and Wellness Agreement, the Group will provide China Aoyuan Group with the general health and wellness services, including but not limited to the sale of Healthcare Products, provision of health and wellness services, training to healthcare personnel, healthcare engineering, design, installation and related value-added services and consultation and registration services in relation to the building standard certification from the International WELL Building Institute™.
- Term : The 2024 Master General Health and Wellness Agreement has a fixed term from 1 January 2024 to 31 December 2026 (both days inclusive).
- Payment arrangements : The service fees shall be payable by China Aoyuan Group to the Group in cash and can be set off, deducted or withheld by the Group from any fees collected by the Group for and on behalf of China Aoyuan Group in the process of providing general health and wellness services pursuant to the 2024 Master General Health and Wellness Agreement. In the event that China Aoyuan Group is not able to settle the service fees in cash within the prescribed period, the Group and China Aoyuan Group may negotiate alternative payment method in good faith. China Aoyuan Group may transfer the Designated Assets to the Group in settlement of the relevant service fees under the 2024 Master General Health and Wellness Agreement and the Group is entitled (but not obliged) to accept such arrangement after its reasonable evaluation and assessment.

Annual caps and basis of determination

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the general health and wellness services for each of the three years ending 31 December 2023 under the 2021 Master General Health and Wellness Agreement are as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
RMB32,560,000	RMB58,740,000	RMB76,230,000

The approximate historical transactional amount between the Group and China Aoyuan Group under the 2021 Master General Health and Wellness Agreement for the two years ended 31 December 2022 and the six months ended 30 June 2023 were as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the six months ended 30 June 2023
RMB8,491,000	RMB0	RMB0

The respective annual caps for fees payable by China Aoyuan Group to the Group for the provision of the general health and wellness services for each of the three years ending 31 December 2026 under the 2024 Master General Health and Wellness Agreement are as follows:

For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB10,000,000	RMB10,000,000	RMB10,000,000

The above annual caps for the provision of the general health and wellness services under the 2024 Master General Health and Wellness Agreement for the three years ending 31 December 2026 were determined taking into account:

- (a) after considering that the global economy and business environment will remain challenging for some time in the future, it is expected that there will be a fall in the demand for the general health and wellness services and the quantity of the Healthcare Products to be ordered by China Aoyuan Group for the three years ending 31 December 2026; and
- (b) the expected quantity of the Healthcare Products to be ordered by China Aoyuan Group and the expected demand for the general health and wellness services for the three years ending 31 December 2026.

(6) 2024 Master Lease Agreement

- Date : 28 August 2023 (after trading hours)
- Parties : (a) the Company (for itself and as trustee for the benefit of other members of the Group); and
(b) China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group).
- Subject : Pursuant to the 2024 Master Lease Agreement, the Group will lease certain premises from China Aoyuan Group for office use for a term commencing on 1 January 2024 and ending on 31 December 2026, and at any time either party may give the other party not less than three months' prior written notice to terminate the agreement.
- Term : The 2024 Master Lease Agreement has a fixed term from 1 January 2024 to 31 December 2026 (both days inclusive).
- Payment arrangements : The Group shall settle the rent payable to China Aoyuan Group in cash. The specific rent concerned and other relevant matters will be negotiated by the Group and China Aoyuan Group with reference to the then prevailing market rates and in good faith which will be set out in separate lease agreements in accordance with the principles set out in the 2024 Master Lease Agreement.

Annual caps and basis of determination

Pursuant to IFRS 16, subject to certain exceptions, leases with a term of more than 12 months will be recognised as right-of-use assets, and the transactions contemplated thereunder will be recognised as an acquisition of right-of-use assets. The right-of-use asset represents the right to use the underlying leased asset over the lease term and the lease liability represents the obligation to make lease payments (i.e. the rent). The asset and the liability arising from the lease are initially measured on present value basis and calculated by discounting the noncancellable lease payments under the relevant agreement, using the incremental borrowing rate as the discount rate. Under IFRS 16 and in the consolidated statement of comprehensive income of the Group, the Group shall recognise (i) depreciation charge over the shorter of the useful life of the asset and the lease term, and (ii) interest expenses amortised from the lease liability over the lease term.

The respective annual caps on the total value of right-of-use assets relating to leases to be entered into by the Group for each of the three years ending 31 December 2023 under the 2021 Master Lease Agreement are as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the year ending 31 December 2023
RMB40,910,000	RMB44,646,000	RMB34,095,000

The approximate historical transactional amount between the Group and China Aoyuan Group under the 2021 Master Lease Agreement for the two years ended 31 December 2022 and the six months ended 30 June 2023 were as follows:

For the year ended 31 December 2021	For the year ended 31 December 2022	For the six months ended 30 June 2023
RMB5,078,000	RMB4,685,000	RMB365,000

The respective annual caps on the total value of right-of-use assets relating to leases to be entered into by the Group for each of the three years ending 31 December 2026 under the 2024 Master Lease Agreement are as follows:

For the year ending 31 December 2024	For the year ending 31 December 2025	For the year ending 31 December 2026
RMB9,600,000	RMB10,800,000	RMB12,500,000

The above annual caps for the leasing of the premises under the 2024 Master Lease Agreement for the three years ending 31 December 2026 were determined taking into account:

- (a) the total GFA of the premises leased by the Group from China Aoyuan Group and the total amount of rent paid by the Group to China Aoyuan Group for the leasing of such premises for the three years ended 31 December 2022; and
- (b) the Group's business plans for the three years ending 31 December 2026.

Under each of the 2023 Supplemental Agreements and the 2024 Master CCT Agreements (save as the 2024 Master Lease Agreement), any proposed transfer of the Designated Assets from China Aoyuan Group to the Group in settlement of any fees will be subject to the compliance of the Listing Rules and any applicable laws and regulations. In the event that such transfer of the Designated Assets constitutes a discloseable transaction and/or a connected transaction to the Company, the Company shall comply with the disclosure requirements under Chapters 14 and/or 14A of the Listing Rules. The Group is entitled, but not obliged to accept and agree to any proposed settlement by the Designated Assets, subject to the Group's reasonable evaluation and assessment of different factors from time to time, including but not limited

to, the financial conditions of the Group, the composition and conditions of the Designated Assets, the benefits of such arrangement to the Company and the Shareholders and the results of the due diligence (if any) on the Designated Assets. The value of the Designated Assets shall be valued by an independent professional valuer and shall be mutually confirmed by the Company and China Aoyuan.

The Group and China Aoyuan Group will enter into a separate settlement and purchase agreement in relation to each proposed settlement by the Designated Assets, setting out, among others, (a) the details of the Designated Assets, including the descriptions and the value; (b) the consideration, which will be settled by setting off the equivalent amount of fees payable by China Aoyuan Group under the relevant 2021 Master CCT Agreements (to be amended and supplemented by the relevant 2023 Supplemental Agreements) or 2024 Master CCT Agreements (save as the 2024 Master Lease Agreement); (c) the representations and warranties given by China Aoyuan Group in relation to the Designated Assets; and (d) the completion arrangements.

INFORMATION ABOUT THE PARTIES TO THE 2023 SUPPLEMENTAL AGREEMENTS AND THE 2024 MASTER CCT AGREEMENTS

The Company

The Company is a property management service and commercial operational service provider in the PRC. The Group is principally engaged in the provision of the property management services and commercial operational services for properties developed or owned by the property developers in the PRC.

China Aoyuan

China Aoyuan 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: 3883). China Aoyuan Group is principally engaged in (a) property development, (b) property investment, (c) provision of property management services, (d) hotel operation and (e) sales of goods in the PRC.

REASONS FOR AND BENEFITS OF ENTERING INTO THE 2023 SUPPLEMENTAL AGREEMENTS AND THE 2024 MASTER CCT AGREEMENTS

The 2023 Supplemental Agreements

Apart from the traditional types of property management services, it is common for the property management service providers nowadays to expand their revenue streams by offering various value-added services, such as property and parking space sales agency services, property consultancy services, sales assistance services and other diversified community value-added services, for higher profitability. In order to meet the fast-changing customer needs and reflect the types of property management services currently offered by the Group

with detailed descriptions, the Group has therefore updated the scope of the property management services under the 2023 Property Management Supplemental Agreement which is also in line with the current market practice that many property management service providers nowadays provide property developers with various property management related services.

Further, the revised payment arrangements contemplated under each of the 2023 Supplemental Agreements will allow the Group to have more flexibility in the collection of receivables from China Aoyuan Group and better protect the Group from the financial and operational perspectives.

The 2024 Master CCT Agreements

Each of the 2024 Master CCT Agreements allows the Group to continue to utilise the platform provided by China Aoyuan Group as a property developer in the PRC. The principal business activities of the Group are provision of property management services and commercial operational services and hence the renewal of the 2021 Master Property Management Agreements and the 2021 Master Commercial Operational Agreements helps strengthen the Group as a property management service and commercial operational service provider and ensure a steady income of the Group. Also, the entering into of the 2024 Master Property Management Agreement and the 2024 Master Commercial Operational Agreement helps provide stable customer bases and sustain the business relationship between the Group and China Aoyuan Group.

Given the pressing need of smart devices and high-speed communication facilities in both living and/or working environment as a result of the implementation of the quarantine measures during the COVID-19 pandemic, the customers' demands for technological solutions and advanced information technology continue to rise in the post COVID-19 period. By applying community intelligentisation during provision of property management services and commercial operational services, the Company considers that the entering into of the 2024 Master Intelligent Engineering Agreement helps raise the Group's income for value-added services, which will thereby increase the total revenue, improve the profitability of the Group and conform with the Group's strategic development.

Further, the 2024 Master Purchase Agreement allows the Group to act as a centralised procurement channel of the Electrical Appliances by leveraging the Group's experience and resources in sourcing the Electrical Appliances, which are of significant demand by both the Group and China Aoyuan Group in carrying out their respective principal businesses. By making bulk purchase of the Electrical Appliances, it enables the Group to enjoy more favourable terms than if the members of the Group and China Aoyuan Group were to negotiate the contract terms individually, which in turn helps the Group exercise cost control, enhance cost efficiency and maximise profit margin.

With the growing concern about prevention of diseases and increasing demand of medical consultation during the post COVID-19 period, in addition to selling Healthcare Products and providing installation, engineering and repair and maintenance services of the Healthcare

Products to China Aoyuan Group, the 2024 Master General Health and Wellness Agreement also allows the Group to provide health check and consultation services and set up healthcare experience venues which are equipped with intelligent health monitoring systems and smart devices during the provision of property management services and commercial operational services. As such, the provision of the general health and wellness services under the 2024 Master General Health and Wellness Agreement will not only reinforce the long-term business relationship between the Group and China Aoyuan Group, but also expand the revenue bases of the Group.

Following the expiry of the 2021 Master Lease Agreement, the Group may have to renew some of the existing leases when their respective terms expire, and may further enter into new leases to satisfy the future business needs of the Group from time to time. In the event of the relocation of the premises, the cost to be incurred and the adverse impact on the operation of the offices will be substantial. The Directors believe that maintaining the lease agreements with China Aoyuan Group will ensure the Group's stability in using the relevant premises. The Directors also believe that it is in the interests of the Company and the Shareholders to enter into the 2024 Master Lease Agreement for renewal of the 2021 Master Lease Agreement so that the Group may regulate the leasing agreements with China Aoyuan Group under a common framework agreement.

In short, the entering into of the 2024 Master CCT Agreements can generate stable income and realise more benefits for the Group.

The Board (excluding the Director who is required to abstain, and the independent non-executive Directors, whose opinion will be formed after taking into account the advice to be provided by the Independent Financial Adviser) is of the view that (a) each of the 2023 Supplemental Agreements, the 2024 Master CCT Agreements and the transactions (including the annual caps) contemplated thereunder are entered into in the ordinary and usual course of business of the Company, on normal commercial terms, which are fair and reasonable and in the interests of the Company and the Shareholders as a whole; and (b) the proposed annual caps under each of the 2024 Master CCT Agreements for a term commencing on 1 January 2024 and ending on 31 December 2026 are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

PRICING POLICY

In terms of the pricing policy of the 2024 Master Property Management Agreement, the state or local government guidance price on property management service fees issued by the state or local real estate administration department and/or the state or local pricing authorities shall be applied if available. In the event that there is no state or local government guidance price, the service fees to be charged for the provision of the property management services shall be determined after arm's length negotiations taking into account (a) the types of the properties; (b) the scope of the services proposed, such as the total GFA of each individual property management project awarded to the Group for property management services; (c) the anticipated operational costs, including but not limited to staff costs and management fees; (d)

the pricing charged by the Group in other contemporaneous transactions in relation to similar services provided to the Independent Third Parties in comparable properties; and (e) the pricing charged by other property management service providers in the PRC of comparable transactions with the Independent Third Parties.

With regard to the pricing policy of the 2024 Master Commercial Operational Agreement, the service fees to be charged for the provision of the commercial operational services shall be determined after arm's length negotiations taking into account (a) the locations and sizes of the properties, such as the total GFA of each individual commercial operational project awarded to the Group for commercial operational services; (b) the pricing charged by the Group in other contemporaneous transactions in relation to similar services provided to the Independent Third Parties in comparable properties; and (c) the pricing charged by other commercial operational service providers in the PRC of comparable transactions with the Independent Third Parties.

In respect of the pricing policy of the 2024 Master Intelligent Engineering Agreement, the local government prescribed price on intelligent engineering service fees issued by the local ministry of housing and urban-rural development shall be applied if available. In the event that there is no local government prescribed price, the service fees to be charged for the provision of the intelligent engineering services shall be determined after arm's length negotiations taking into account (a) the applicable industry standards from time to time; (b) the costs and expenses incurred, including but not limited to the staff costs, the raw material costs and the costs of purchase or rental of facilities or equipment for the provision of the intelligent engineering services; (c) the profit margin with an overall mark-up rate between 5% and 10%; and (d) the pricing charged by the Group in other contemporaneous transactions in relation to similar services provided to the Independent Third Parties.

In relation to the pricing policy of the 2024 Master Purchase Agreement, the price of the Electrical Appliances shall be determined after arm's length negotiations taking into account (a) the costs of the Electrical Appliances; (b) the fair market price ranges of products comparable to the Electrical Appliances offered in the market as at the time when such sale is performed; (c) the transportation and logistics costs which may vary depending on the locations of the Electrical Appliances to be delivered; and (d) the profit margin with an overall mark-up rate between 5% and 12%.

Regarding the pricing policy of the 2024 Master General Health and Wellness Agreement, the local government prescribed price on general health and wellness service fees issued by the local authorities shall be applied, if available. In the event that there is no local government prescribed price, the service fees to be charged for the provision of the general health and wellness services shall be determined after arm's length negotiations taking in account (a) the costs of the Healthcare Products and the costs and expenses incurred when providing the general health and wellness services; (b) the fair market price ranges of products comparable to the Healthcare Products offered in the market as at the time when such sale is performed; (c) the profit margin with an overall mark-up rate between 40% and 60%; and (d) the pricing charged by the Group in other contemporaneous transactions in relation to similar services provided to the Independent Third Parties.

In connection with the pricing policy of the 2024 Master Lease Agreement, the rent payable by the Group thereunder shall be negotiated on an arm's length basis taking into account the prevailing market rent for comparable premises in the vicinity of the properties to be leased. Such rent shall not exceed the market rent or be more favourable compared with leasing from the Independent Third Parties for similar premises.

The respective subsidiaries of the Company and China Aoyuan will enter into individual contracts in respect of each continuing connected transaction in accordance with the relevant 2024 Master CCT Agreements. Terms of each individual contract (inclusive of the fee or price and other terms), which shall comply with the terms of the relevant 2024 Master CCT Agreements, the Listing Rules and applicable laws, are comparable to that offered or to be offered to the Independent Third Parties after consulting the legal and compliance department and the internal control department. The contract will be submitted to the general manager of the financial management centre, who may present the contract to the Board for review when he/she deems necessary, for final review and approval. The general manager of the financial management centre will review the contract (inclusive of the fee or price and other terms) to evaluate and make sure that such fee or price and terms are (a) based on the aforementioned pricing policies and market comparison for similar services or products; and (b) no more favourable to the connected persons than those which have been offered or to be offered by the Group to the Independent Third Parties. The transactions could only be carried out after the general manager of the financial management centre has given his/her approval therefor. When the Group determines the prevailing market prices of the similar services or products, the Group shall refer to at least three price quotations or contemporaneous transactions with the Independent Third Parties in respect of similar services or products and any market information based on the experience of the Group's management or the dealings with other players in the market.

The service fees to be charged for the provision of the services contemplated under the relevant continuing connected transactions, the rent payable by the Group to China Aoyuan Group and the terms (including the price and the payment arrangements) in relation to the sale of any products to China Aoyuan Group shall be determined between the parties based on normal commercial terms after arm's length negotiations taking in account the aforementioned factors. The Company will also review the terms from time to time to ensure that the service fees and the terms shall be no less favourable than those available to the Independent Third Parties for similar contracts.

The annual caps under the 2024 Master CCT Agreements are determined based on the principal assumption that there will not be any adverse change or disruption in market conditions, operations and business environment or government policies which may materially affect the business and affairs of the Group and/or China Aoyuan Group.

INTERNAL CONTROL

The pricing policies for the provision of services pursuant to the 2024 Master CCT Agreements will be supervised and monitored by the relevant personnel from the legal and financial management centre of the Group to ensure that such agreements are conducted on normal commercial terms and will not be prejudicial to the interests of the Company and the Shareholders as a whole.

The relevant personnel will also conduct regular checks on a quarterly basis to review and assess whether the transactions contemplated under the 2024 Master CCT Agreements are conducted in accordance with the terms of the relevant agreement and the pricing policies. They will also on a quarterly basis monitor whether the revenue derived from China Aoyuan Group exceeds the annual caps contemplated under the 2024 Master CCT Agreements and compare the respective ratios of the revenue derived from the Independent Third Parties and China Aoyuan Group to ensure that the Company will not have undue reliance on China Aoyuan Group.

The independent non-executive Directors will continue to review the management's quarterly review reports on the transactions contemplated under the 2024 Master CCT Agreements and the Company's auditors will also conduct an annual review on the pricing terms and the annual caps thereof.

Accordingly, the Directors consider that there will be an adequate internal control mechanism in place as abovementioned to ensure that the transactions contemplated under the 2024 Master CCT Agreements have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, China Aoyuan was the substantial shareholder of the Company. China Aoyuan and its associates indirectly hold 183,386,250 Shares, representing approximately 25.25% of the issued share capital of the Company. Accordingly, China Aoyuan is a connected person of the Company under the Listing Rules, and the transactions contemplated under the 2023 Supplemental Agreements and the 2024 Master CCT Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The entering into of the 2023 Supplemental Agreements constitutes a material variation to the terms of the 2021 Master CCT Agreements. Pursuant to Rule 14A.54(2) of the Listing Rules, if the Company proposes to effect a material change to the terms for continuing connected transactions, it is required to re-comply with the announcement and Independent Shareholders' approval requirements under the Listing Rules.

Further, since each of the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the proposed annual caps under each of the 2024 Master Purchase Agreement, the 2024 Master General Health and Wellness Agreement and the 2024 Master Lease Agreement is expected to be higher than 0.1% but less than 5%, the transactions (including the annual caps) contemplated thereunder will be exempt from the circular (including independent financial advice) and Independent Shareholders' approval requirements but subject to the reporting, announcement and annual review requirements under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratio(s) (other than the profits ratio) in respect of the proposed annual caps under each of the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement and the 2024 Master Intelligent Engineering Agreement exceed 5%, the transactions (including the annual caps) contemplated thereunder constitute non-exempt continuing connected transactions and are subject to reporting, announcement, annual review, circular (including independent financial advice) and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

GENERAL

Each of the 2023 Supplemental Agreements, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement, the 2024 Master Intelligent Engineering Agreement and the transactions (including the annual caps) contemplated thereunder are subject to the approval by the Independent Shareholders by way of ordinary resolutions at the EGM.

The Company has established the Independent Board Committee comprising all three independent non-executive Directors to advise the Independent Shareholders as to whether the terms of each of the 2023 Supplemental Agreements, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement and the 2024 Master Intelligent Engineering Agreement are fair and reasonable, and the transactions (including the annual caps) contemplated thereunder are on normal commercial terms, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, and to advise the Independent Shareholders on how to vote at the EGM, after taking into account the recommendations of the Independent Financial Adviser. Altus Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to the foregoing matters.

A circular containing, among others, (a) a letter from the Board containing further information on the 2023 Supplemental Agreements, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement, the 2024 Master Intelligent Engineering Agreement and the transactions (including the annual caps) contemplated thereunder; (b) the recommendations of the Independent Board Committee to the Independent Shareholders in connection with the aforesaid; (c) a letter from the Independent Financial Adviser containing its advice in connection with the aforesaid; and (d) a notice convening the EGM together with the proxy form, will be despatched to the Shareholders on or before 20 September 2023, which is more than 15 business days after the publication of this announcement, so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Mr. Ruan Yongxi, being the non-executive Director, holds directorship in an entity, the substantial shareholder of which is China Aoyuan. Accordingly, Mr. Ruan Yongxi has voluntarily abstained from voting on the relevant Board resolutions approving the 2023 Supplemental Agreements, the 2024 Master CCT Agreements and the transactions (including the annual caps) contemplated thereunder. Save as the aforesaid, none of the other Directors has a material interest in the 2023 Supplemental Agreements, the 2024 Master CCT Agreements and the transactions (including the annual caps) contemplated thereunder.

Since the 2023 Supplemental Agreements and the 2024 Master CCT Agreements are subject to the fulfilment of the conditions precedent set out therein and may or may not proceed, the Shareholders and the potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“2021 Master CCT Agreements”	collectively, the 2021 Master Property Management Agreements, the 2021 Master Commercial Operational Agreements, the 2021 Master Intelligent Engineering Agreements, the 2021 Master Purchase Agreement and the 2021 Master General Health and Wellness Agreement
“2021 Master Commercial Operational Agreements”	the agreement dated 5 November 2020 (as amended and supplemented by the first supplemental agreement dated 4 June 2021) entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the commercial operational services provided by the Group to China Aoyuan Group, the terms of which will expire on 31 December 2023
“2021 Master General Health and Wellness Agreement”	the agreement dated 4 June 2021 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the general health and wellness services provided by the Group to China Aoyuan Group, the terms of which will expire on 31 December 2023

“2021 Master Intelligent Engineering Agreements”	the agreement dated 5 November 2020 (as amended and supplemented by the first supplemental agreement dated 4 June 2021) entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the intelligent engineering services provided by the Group to China Aoyuan Group, the terms of which will expire on 31 December 2023
“2021 Master Lease Agreement”	the agreement dated 5 November 2020 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the leasing of certain premises from China Aoyuan Group to the Group for office use, the terms of which will expire on 31 December 2023
“2021 Master Property Management Agreements”	the agreement dated 5 November 2020 (as amended and supplemented by the first supplemental agreement dated 4 June 2021) entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the property management services provided by the Group to China Aoyuan Group, the terms of which will expire on 31 December 2023
“2021 Master Purchase Agreement”	the agreement dated 5 November 2020 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the sale of Electrical Appliances to China Aoyuan Group, the terms of which will expire on 31 December 2023
“2023 Commercial Operational Supplemental Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) to amend and supplement the 2021 Master Commercial Operational Agreements

“2023 General Health and Wellness Supplemental Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) to amend and supplement the 2021 Master General Health and Wellness Agreement
“2023 Intelligent Engineering Supplemental Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) to amend and supplement the 2021 Master Intelligent Engineering Agreements
“2023 Property Management Supplemental Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) to amend and supplement the 2021 Master Property Management Agreements
“2023 Purchase Supplemental Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) to amend and supplement the 2021 Master Purchase Agreement
“2023 Supplemental Agreements”	collectively, the 2023 Property Management Supplemental Agreement, the 2023 Commercial Operational Supplemental Agreement, the 2023 Intelligent Engineering Supplemental Agreement, the 2023 Purchase Supplemental Agreement and the 2023 General Health and Wellness Supplemental Agreement
“2024 Master CCT Agreements”	collectively, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement, the 2024 Master Intelligent Engineering Agreement, the 2024 Master Purchase Agreement, the 2024 General Health and Wellness Agreement and the 2024 Master Lease Agreement

“2024 Master Commercial Operational Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the commercial operational services provided by the Group to China Aoyuan Group for a term commencing on 1 January 2024 and ending on 31 December 2026
“2024 Master General Health and Wellness Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the general health and wellness services provided by the Group to China Aoyuan Group for a term commencing on 1 January 2024 and ending on 31 December 2026
“2024 Master Intelligent Engineering Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the intelligent engineering services provided by the Group to China Aoyuan Group for a term commencing on 1 January 2024 and ending on 31 December 2026
“2024 Master Lease Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the leasing of certain premises from China Aoyuan Group to the Group for office use for a term commencing on 1 January 2024 and ending on 31 December 2026
“2024 Master Property Management Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the property management services provided by the Group to China Aoyuan Group for a term commencing on 1 January 2024 and ending on 31 December 2026

“2024 Master Purchase Agreement”	the agreement dated 28 August 2023 entered into between the Company (for itself and as trustee for the benefit of other members of the Group) and China Aoyuan (for itself and as trustee for the benefit of other members of China Aoyuan Group) in relation to the procurement services provided by the Group to China Aoyuan Group for a term commencing on 1 January 2024 and ending on 31 December 2026
“Approval Date”	the date on which the Company has obtained the approval of the Independent Shareholders at the EGM in respect of, among others, the 2023 Supplemental Agreements and the transactions contemplated thereunder
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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)
“China Aoyuan Group”	China Aoyuan and its subsidiaries
“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)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Designated Assets”	the assets (including but not limited to any or all titles, rights, benefits and interests thereof) of China Aoyuan Group, save and except for those intended to be restricted, pledged and/or subject to a security interest granted in favour of the creditors of China Aoyuan Group pursuant to the terms of the Proposed Restructuring
“Director(s)”	director(s) of the Company

“EGM”	the extraordinary general meeting of the Company to be convened by the Company to consider and, if thought fit, approve, <i>inter alia</i> , the 2023 Supplemental Agreements, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement, the 2024 Master Intelligent Engineering Agreement and the transactions (including the annual caps) contemplated thereunder
“Electrical Appliances”	the supplies and equipment which may be purchased by China Aoyuan Group from the Group from time to time pursuant to the 2021 Master Purchase Agreement (to be amended and supplemented by the 2023 Purchase Supplemental Agreement) and/or the 2024 Master Purchase Agreement, including but not limited to elevators, cables, electrical appliances, equipment and tools
“GFA”	gross floor area
“Group”	the Company and its subsidiaries
“Healthcare Products”	the healthcare products and medical devices which may be purchased by China Aoyuan Group from the Group from time to time pursuant to the 2021 Master General Health and Wellness Agreement (to be amended and supplemented by the 2023 General Health and Wellness Supplemental Agreement) and/or the 2024 Master General Health and Wellness Agreement, including but not limited to body composition analysis devices, bone mass measurement devices, ultrasonic sensors and cancer screening kits
“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
“IFRS”	the International Financial Reporting Standard(s) issued by the International Institute of Certified Public Accountants from time to time

“Independent Board Committee”	an independent committee of the Board, comprising all three independent non-executive Directors, established to advise the Independent Shareholders in respect of the 2023 Supplemental Agreements, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement, the 2024 Master Intelligent Engineering Agreement and the transactions (including the annual caps) contemplated thereunder
“Independent Financial Adviser ”	Altus Capital Limited, a corporation licensed to carry out Type 4 (advising on securities), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser appointed by the Company for the purpose of advising the Independent Board Committee and the Independent Shareholders in respect of the 2023 Supplemental Agreements, the 2024 Master Property Management Agreement, the 2024 Master Commercial Operational Agreement, the 2024 Master Intelligent Engineering Agreement and the transactions (including the annual caps) contemplated thereunder
“Independent Shareholders”	the Shareholders who do not have a material interest in the 2023 Supplemental Agreements, the 2024 Master CCT Agreements and the transactions (including the annual caps) contemplated thereunder
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, supervisors, chief executive, controlling shareholders and substantial shareholders of the Company or any of its subsidiaries or their respective associates
“International WELL Building Institute™”	a corporation whose mission is to enhance the health and well-being of human through better buildings and environment and is responsible for the management and administration of WELL building standard certification
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong, Macao Special Administrative Region of the People’s Republic of China and Taiwan
“Proposed Restructuring”	the proposed restructuring of the indebtedness of China Aoyuan Group as set out in the term sheets attached at Schedule 7 (<i>Term Sheets</i>) of the restructuring support agreement dated 10 July 2023, which was entered into between China Aoyuan and certain of its creditors
“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
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent.

By the order of the Board
Aoyuan Healthy Life Group Company Limited
Cheng Siu Fai
Executive Director

Hong Kong, 28 August 2023

As at the date of this announcement, the executive Director is Mr. Cheng Siu Fai; the non-executive Directors are Mr. Ruan Yongxi and Mr. Zhu Yunfan; and the independent non-executive Directors are Mr. Hung Ka Hai Clement, Dr. Li Zijun and Mr. Wang Shao.