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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)

INSIDE INFORMATION

QUARTERLY UPDATE ON RESUMPTION PROGRESS AND DELAY IN PUBLICATION OF 2022 ANNUAL RESULTS AND DESPATCH OF 2022 ANNUAL REPORT

This announcement is made by Aoyuan Healthy Life Group Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09(2)(a) and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 30 March 2022, 3 May 2022, 2 June 2022, 30 June 2022, 31 August 2022, 30 September 2022, 3 October 2022, 30 December 2022 and 13 January 2023, in relation to, among others, (a) the delay in the publication of the annual results of the Group and the despatch of the Company’s annual report for the financial year ended 31 December 2021; (b) certain fund flows matters and allegations against the Group; (c) the delay in the publication of the preliminary results of the Group and the despatch of the Company’s interim report for the six months ended 30 June 2022; (d) the key findings of the independent investigations into certain fund flows matters and allegations against the Group; and (e) the key findings of the internal control assessment (collectively, the “**Announcements**”). Unless otherwise stated, terms used in this announcement shall have the same respective meanings as those defined in the Announcements.

UPDATE INFORMATION

As disclosed in the announcement of the Company dated 30 June 2022, the Stock Exchange has set out the Resumption Guidance for the Company. The Company has continuously been making efforts in taking steps to fulfill the Resumption Guidance. In compliance with Rule 13.24A of the Listing Rules, the Board would like to provide the Shareholders and potential investors of the Company with the following updates on the latest resumption progress as at the date of this announcement.

Business Operations

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 People's Republic of China. Notwithstanding the suspension of trading in the shares of the Company, the Group is carrying on its business operations as usual in all material respects and will continue to closely monitor its financial position and business operations.

Independent Investigations and Internal Control Assessment

The Investigation Firm has completed the independent investigations (the “**First Investigations**”) in relation to (a) the Fund Flows Matters 1 and 2 and (b) the Allegations. Details of the key findings of the First Investigations are set out in the announcement of the Company dated 3 October 2022. The Independent Investigation Committee has further engaged the Investigation Firm to conduct an independent supplemental investigation (the “**Supplemental Investigation**”) into the Fund Flows Matter 4 in order to address any concerns that the Stock Exchange may have, the key findings of which are set out in the announcement of the Company dated 31 March 2023 in relation to the key findings of the Supplemental Investigation.

As set out in the announcement of the Company dated 13 January 2023 in relation to the key findings of the Internal Control Assessment, the IC Advisor has completed the Internal Control Assessment and provided internal control recommendations, which have been adopted by the Company in full. Given the non-trade fund outflows under the Fund Flows Matter 4 having included those of the Fund Flows Matters 1 to 3 and the similar nature of the relevant internal control deficiencies, based on the information currently available to the Company, the Board considered that (a) the IC Advisor's internal control recommendations adopted by the Company and (b) the appropriate remedial measures taken by the management of the Company have addressed those internal control deficiencies identified during the Supplemental Investigation.

Further to the Internal Control Assessment, the Company will engage the IC Advisor to conduct a follow-up sample checking and assessment of the latest implementation status of remedial measures in relation to the internal control findings as identified in the Internal Control Assessment. The Company will announce as and when appropriate if there are any material findings from the follow-up internal control assessment. The Company is also actively considering to appoint a compliance advisor in the future for consultation of compliance with the Listing Rules and strengthening the internal controls of the Group.

Resumption Plan

The Company is still in the process of devising and considering its resumption plan. In order to satisfy the requirements under the Resumption Guidance and the Listing Rules, the Company has been taking remedial actions on the internal control deficiencies identified during the independent investigations and the Internal Control Assessment, including but not limited to, the adoption of all the relevant internal control recommendations in full, the establishment of a regular and effective training mechanism to provide training in relation to certain Listing Rules to the Directors and the senior management of the Company and the prospective appointment of a compliance advisor in the future. The Company will continue to work with its professional advisors to advance the resumption progress.

The Company remains committed to the Resumption Guidance and will publish further announcement(s) to keep the Shareholders and potential investors of the Company informed of the status and development of the Company as and when appropriate, as well as announce quarterly updates on its development of the resumption status pursuant to Rule 13.24A of the Listing Rules.

DELAY IN PUBLICATION OF 2022 ANNUAL RESULTS AND DESPATCH OF 2022 ANNUAL REPORT

Pursuant to Rules 13.49(1) and 13.46(2)(a) of the Listing Rules, the Company is required to publish its preliminary results for the year ended 31 December 2022 (the “**2022 Annual Results**”) not later than three months after the end of the financial year, that is, on or before 31 March 2023 and despatch its annual report for the year ended 31 December 2022 (the “**2022 Annual Report**”) to the Shareholders not later than four months after the end of the financial year, that is, on or before 30 April 2023.

The Company is still preparing the 2021 Annual Results, the 2022 Interim Results and the 2022 Annual Results. The auditor of the Company is also in the course of performing the audit procedures of the 2021 Annual Results and the 2022 Annual Results, including but not limited to, the standard audit procedures and specific additional audit procedures in relation to the Fund Flows Matters and the Allegations, and in particular, any additional follow-ups or extended procedures in response to the Supplemental Investigation for any significant audit implications. The Board and the management of the Company will continue to work with the auditor of the Company closely to finalise and publish the outstanding financial results, and despatch the 2021 Annual Report, the 2022 Interim Report and the 2022 Annual Report as soon as practicable.

Based on the above, after due and careful consideration, the Board is of the view that it would not be appropriate for the Company to publish the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**2022 Unaudited Management Accounts**”) at this stage pursuant to Rule 13.49(3) of the Listing Rules as they might not accurately reflect the financial performance and position of the Group and the publication of the 2022 Unaudited Management Accounts might cause confusion and be misleading to the Shareholders and potential investors of the Company.

Having discussed with the auditor of the Company from time to time, it is expected that the Company will publish the 2021 Annual Results, the 2022 Interim Results and the 2022 Annual Results by the end of May 2023. The Company will publish further announcement to inform the Shareholders and potential investors of the Company of the date of the meeting of the Board to approve, among others, the 2021 Annual Results, the 2022 Interim Results and the 2022 Annual Results as and when appropriate.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange has been suspended with effect from 9:00 a.m. on Friday, 1 April 2022 and will continue to be suspended until further notice.

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

Hong Kong, 31 March 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.