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Redco Healthy Living Company Limited

力高健康生活有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2370)

QUARTERLY UPDATE ON STATUS OF RESUMPTION AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Redco Healthy Living Company Limited (the “**Company**”) pursuant to Rule 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

References are made to the announcements of the Company dated 29 March 2023, 31 March 2023, 31 May 2023 and 30 June 2023 in relation to, inter alia, (i) suspension of trading of the shares of the Company; (ii) delay in publication of annual results for the year ended 31 December 2022; (iii) resumption guidance; and (iv) change of auditors (the “**Announcements**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements unless otherwise specified.

RECENT DEVELOPMENT OF THE GROUP

Resumption guidance issued by the Stock Exchange

As disclosed in the Company’s announcement dated 31 May 2023, the Stock Exchange imposed the following Resumption Guidance on the Company requesting that the Company shall:

- (a) conduct an appropriate independent forensic investigation into the Audit Issues, assess their impact on the Company’s business operation and financial position, announce the findings and take appropriate remedial actions;
- (b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;

- (c) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet the obligations under the Listing Rules;
- (d) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (e) inform the market of all material information for the Shareholders and the Company's investors to appraise the Company's position.

The Company has been taking appropriate steps to comply with the Resumption Guidance and will seek to resume trading of its shares as soon as possible. Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and potential investors that as at the date of this announcement, the latest developments of the Company and the progress of fulfilling the Resumption Guidance are as follows:

Independent Inquiry

As disclosed in the Company's announcement dated 30 June 2023, the Board formed the Independent Committee on 6 April 2023 which only comprises independent Directors to conduct the Independent Inquiry on the Audit Issues I-III. The Independent Committee has engaged the Independent Professional Adviser to assist with the Independent Inquiry. As at the date of this announcement, the Independent Committee has been working closely with the Independent Professional Adviser to facilitate the completion of the Independent Inquiry as soon as practicable, which is currently estimated to be around end of August 2023.

The Company will announce the relevant findings and take appropriate remedial actions upon completion of the Independent Inquiry.

Outstanding financial results

As disclosed in the Company's announcement dated 30 June 2023, the Board has resolved to appoint Yongtuo Fuson as the Company's auditor to replace PwC. Upon completion of the client acceptance procedures by Yongtuo Fuson, Yongtuo Fuson will commence the 2022 Audit. Yongtuo Fuson estimated that it would take about 3 months to complete the 2022 Audit taking into account the result of the Independent Inquiry. Subject to completion of the Independent Inquiry which is currently estimated to be around end of August 2023, the 2022 Annual Results are estimated to be published by end of September 2023.

Independent internal control review

The Board also plans to engage an independent internal control consultant to conduct an independent internal control review on the Group's internal control system upon the completion of the Independent Inquiry to demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules.

Business operation

The business operations and development of the Group remain as usual in all material aspects. The Board will continue to assess and monitor the impact (if any) of the suspension of trading in the shares of the Company on the operations and financial performance of the Group and make appropriate measures, including publication of announcement(s) in relation to the business operations of the Group, as and when appropriate. Shareholders are advised to access and review the 2022 Annual Results if so published and other announcements published from time to time in a timely manner to understand the business operations and financial performance of the Group.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company on the Stock Exchange has been suspended from 1:00 p.m. on 29 March 2023 and will remain suspended until the Company fulfils the Resumption Guidance.

The Company will make further announcement(s) when there is any material development on the above as and when appropriate.

Shareholders and potential investors should exercise caution when dealing in the securities of the Company.

By order of the Board
Redco Healthy Living Company Limited
Huang Ruoqing
Chairman

Hong Kong, 30 June 2023

As at the date of this announcement, the executive Directors are Mr. Tang Chengyong, Ms. Wong Yin Man and Ms. Huang Yanqi, the non-executive Director is Mr. Huang Ruoqing, and the independent non-executive Directors are Mr. Lau Yu Leung, Mr. Sze Irons BBS, JP, and Mr. Chow Ming Sang.