

香港聯合交易所有限公司

(香港交易及結算所有限公司全資附屬公司)

THE STOCK EXCHANGE OF HONG KONG LIMITED

(A wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited)

STATEMENT OF DISCIPLINARY ACTION

Exchange's Disciplinary Action against:

- Starjoy Wellness and Travel Company Limited (formerly known as Aoyuan Healthy Life Group Company Limited) (Stock Code: 3662); and
- 15 Directors of Starjoy Wellness and Travel Company Limited and/or China Aoyuan Group Limited (Stock Code: 3883).

SANCTIONS AND DIRECTIONS

The Stock Exchange of Hong Kong Limited (**Exchange**)

CENSURES:

(1) **Starjoy Wellness and Travel Company Limited** (formerly known as Aoyuan Healthy Life Group Company Limited) (**Starjoy Wellness**);

IMPOSES:

A DIRECTOR UNSUITABILITY STATEMENT and **CENSURE** against:

(2) **Mr Guo Zi Ning (Mr Guo ZN)**, former chairman, chief executive officer (**CEO**) and non-executive director (**NED**) of Starjoy Wellness and former vice chairman, CEO and executive director (**ED**) of China Aoyuan Group Limited (**China Aoyuan**);

A PREJUDICE TO INVESTORS' INTERESTS STATEMENT and **CENSURE** against:

(3) **Mr Chen Zhi Bin**, former NED of Starjoy Wellness and former chief financial officer (**CFO**) and ED of China Aoyuan (**Mr Chen**);

(4) **Mr Zheng Wei**, former ED of Starjoy Wellness (**Mr Zheng**);

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CENSURES:

- (5) **Mr Guo Zi Wen**, NED and former chairman and ED of China Aoyuan (**Mr Guo ZW**);
- (6) **Mr Zhang Jun**, former NED and former ED of China Aoyuan (**Mr Zhang**);
- (7) **Mr Ma Jun**, former NED and former ED of China Aoyuan (**Mr Ma**);
- (8) **Mr Chan Ka Yeung Jacky**, former ED of China Aoyuan (**Mr Chan**);
- (9) **Mr Cheung Kwok Keung**, independent non-executive director (**INED**) of China Aoyuan (**Mr Cheung**);
- (10) **Mr Hu Jiang**, former INED of China Aoyuan (**Mr Hu**);
- (11) **Mr Ruan Yongxi**, NED of Starjoy Wellness (**Mr Ruan**);
- (12) **Mr Tao Yu**, former ED of Starjoy Wellness (**Mr Tao**);
- (13) **Mr Hung Ka Hai Clement**, INED of Starjoy Wellness (**Mr Hung**);
- (14) **Dr Li Zijun**, INED of Starjoy Wellness (**Dr Li**);
- (15) **Mr Wang Shao**, INED of Starjoy Wellness (**Mr Wang**); and

CRITICISES:

- (16) **Mr Lee Thomas Kang Bor**, INED of China Aoyuan (**Mr Lee**).

(China Aoyuan and Starjoy Wellness are collectively referred to as the **Companies**, and the directors identified at (2) to (16) above are collectively referred to as the **Relevant Directors**.)

AND FURTHER DIRECTS:

- Each of Mr Guo ZW, Mr Zhang, Mr Ma, Mr Chan, Mr Cheung, Mr Hu and Mr Lee to attend 17 hours of training on regulatory and legal topics and Listing Rule compliance, including two hours on Rule 2.13, and three hours on each of (i) directors' duties, and (ii) the Corporate Governance Code.
- Each of Mr Ruan, Mr Tao, Mr Hung, Dr Li and Mr Wang to attend 26 hours of training on regulatory and legal topics and Listing Rule compliance, including two hours on Rule 2.13, and three hours on each of (i) directors' duties, (ii) the Corporate Governance Code, and (iii) Chapters 13, 14 and 14A of the Listing Rules.

SUMMARY OF FACTS

1. This case concerns breaches of the Listing Rules by Starjoy Wellness and the Relevant Directors relating to the provision of financial assistance by Starjoy Wellness and its subsidiaries (**SW Group**) to China Aoyuan and its subsidiaries excluding SW Group (**CA Group**).
2. China Aoyuan, engaged in property development in the PRC, was listed on the Main Board in October 2007.

3. Starjoy Wellness, engaged in providing property management services in the PRC, was spun off from China Aoyuan and listed on the Main Board on 19 March 2019 under its former name, Aoyuan Healthy Life Group Company Limited. At the time of the financial assistance, Starjoy Wellness was a subsidiary of China Aoyuan.

The Transfers

4. In or around 2021, China Aoyuan faced an imminent liquidity issue with substantial outstanding liabilities.
5. Against this background, between 1 January 2021 and 31 March 2022 (**Relevant Period**), SW Group via 147 transactions transferred RMB3.3 billion to CA Group¹, involving (i) mostly short-term advances provided to CA Group directly; or (ii) pledges of bank deposits (**Pledged Deposits**) provided to secure bank loans obtained by independent borrowers (**Borrowers**) which in turn transferred the loan proceeds to CA Group (collectively, **Transfers**).
6. The Transfers were decided and made under an arrangement executed by a finance and treasury centre of China Aoyuan (**Working Capital Arrangement**), which performed a centralised liquidity and working capital management function by pooling and allocating cash among China Aoyuan and its subsidiaries including SW Group (**Group**). At the material time, the finance and treasury centre was managed and supervised by Mr Guo ZN, then ED of China Aoyuan and NED of Starjoy Wellness. He was the ultimate decision-maker and approver of all the Transfers within the Group.
7. Trading in the shares of Starjoy Wellness and China Aoyuan was suspended on 1 April 2022 as a result of the discovery of the Transfers². Each of the Companies established an independent investigation committee which commissioned an independent investigation into the Transfers (**Investigations**).
8. Based on the findings from the Investigations and the Exchange's investigation:
 - 8.1 The Transfers, on an aggregated basis, constituted (i) advances to an entity and (ii) major and connected transactions of Starjoy Wellness, which did not comply with the written agreement, announcement, circular and/or (independent) shareholders' approval requirements under Chapters 13, 14 and 14A of the Listing Rules.
 - 8.2 Starjoy Wellness inaccurately disclosed two Pledged Deposits of RMB500 million in total as "bank balances and cash" instead of "restricted bank deposits" in the interim results and interim report for the six months ended 30 June 2021.

¹ CA Group subsequently repaid all the funds to SW Group.

² Trading in the shares of Starjoy Wellness and China Aoyuan resumed on 2 August and 25 September 2023 respectively.

- 8.3 The Transfers caused significant liquidity pressure on SW Group. There were instances where CA Group's failure to make timely repayments to one of the Borrowers caused the latter to default on its bank loans, resulting in the relevant bank seizing the corresponding Pledged Deposits provided by SW Group.
- 8.4 The internal controls of both Companies were materially deficient. Such material deficiencies covered internal controls relating to, among others, (i) the identification of connected persons and transactions; (ii) management of conflicts of interest; (iii) operational independence of Starjoy Wellness; (iv) review and approval procedures, and/or (v) retention of documents and records (see China Aoyuan's announcement of 22 September 2023 and Starjoy Wellness' announcement of 26 July 2023 for details).
9. The Transfers were found to be executed without the approval or knowledge of the board of China Aoyuan or Starjoy Wellness.

Involvement of Mr Guo ZN, Mr Chen, Mr Zheng, Mr Ruan and Mr Tao

10. Based on the evidence available to the Exchange, Mr Guo ZN, Mr Chen, Mr Zheng, Mr Ruan and Mr Tao each had (or at least ought to have had) knowledge of the liquidity issue of CA Group and the financial condition of SW Group at the material time. In particular, each of them was provided with monthly financial reports of Starjoy Wellness which set out the financial assistance provided by SW Group to Starjoy Wellness' connected persons including CA Group and contained a cash analysis report highlighting the risk of SW Group defaulting on its liabilities by reason of the advances to CA Group.
11. Details of these directors' involvement and/or failures in relation to the Transfers are summarised below.
 - Mr Guo ZN
12. Mr Guo ZN was the mastermind behind the Transfers. As a director of both of the Companies, he failed to avoid or manage conflicts of interest and duty. He put the interests of China Aoyuan above Starjoy Wellness' interests and knowingly caused significant liquidity pressure on Starjoy Wellness. He arranged and approved further Transfers despite the Pledged Deposits provided by SW Group having been seized by the relevant banks after CA Group's default in repaying the Borrower.
13. He arranged and approved SW Group to execute the Transfers without seeking approval from the board of Starjoy Wellness.

14. He failed to procure Starjoy Wellness' compliance with the applicable requirements under Rule 2.13(2), Chapters 13, 14 and 14A of the Listing Rules (see paragraphs 8.1 and 8.2 above). This was notwithstanding that at the material time, Mr Chen had reminded him of the Listing Rule requirements applying to the Transfers and advised him to consult the company secretary of Starjoy Wellness. He did not take appropriate action to ascertain the Listing Rule requirements of the Transfers.
 - Mr Chen
15. He approved 118 of the 147 Transfers. Of these 118 Transfers, nine were approved by him when he was an NED of Starjoy Wellness and the CFO of China Aoyuan, and the remaining 109 were approved when he was an ED and the CFO of China Aoyuan.
16. When approving the nine Transfers as a NED of Starjoy Wellness, he failed to avoid or manage conflicts of interest and duty. He also put the interests of China Aoyuan above Starjoy Wellness' interests and knowingly caused significant liquidity pressure on Starjoy Wellness.
17. Whether as a director of Starjoy Wellness or China Aoyuan, he approved all 118 Transfers without seeking approval from the board of Starjoy Wellness. He failed to procure Starjoy Wellness' compliance with the Listing Rules applicable to the Transfers, despite his knowledge of these requirements as reflected in his reminders to Mr Guo ZN. In particular, when Starjoy Wellness' non-compliance with the Listing Rules continued after such reminders, he did not take follow-up action to ensure Starjoy Wellness' compliance with the Listing Rules before approving further Transfers.
 - Mr Zheng
18. He approved 122 of the Transfers simply because Mr Guo ZN had approved the same. He did not exercise his independent judgement on whether the Transfers were in the interests of Starjoy Wellness. Nor did he seek approval from the board of Starjoy Wellness. He admitted that he was aware of the liquidity pressure of CA Group and relied on Mr Guo ZN to ensure the recoverability of the advances made to CA Group. When approving the Transfers, he did not consider how Starjoy Wellness could safeguard its interests or procure Starjoy Wellness' compliance with the Listing Rules.
 - Mr Ruan and Mr Tao
19. There was no evidence that Mr Ruan or Mr Tao were involved in the approval of the Transfers.

20. As directors of Starjoy Wellness and with the monthly financial reports of Starjoy Wellness as noted in paragraph 10 above, they were, or at least ought to have been, aware of SW Group's advances to CA Group and Starjoy Wellness' liquidity pressure caused by those advances. However, neither of them took any or sufficient action to safeguard Starjoy Wellness' interests or procure Starjoy Wellness' compliance with the Listing Rules.

Relevant Directors' failure on internal controls

21. The Relevant Directors failed to ensure that China Aoyuan and/or Starjoy Wellness had in place adequate and effective internal controls. The internal control deficiencies identified contributed to creating an environment which enabled fund outflows from SW Group to CA Group without the knowledge of the other directors of the Companies, managing conflicts of interest or complying with the Listing Rule requirements applicable to Starjoy Wellness.

SETTLEMENT

Starjoy Wellness and the Relevant Parties did not contest their respective breaches and agreed to accept the sanctions and directions imposed on them as set out in this statement.

LISTING COMMITTEE'S FINDINGS

The Listing Committee found that:

- (1) Starjoy Wellness breached (a) Rule 2.13(2) for failing to disclose the Pledged Deposits in its 2021 interim report; and (b) Rules 13.13, 13.15, 13.20, 14.34, 14.38A, 14.40, 14A.34, 14A.35, 14A.36 and 14A.46 for failing to comply with the written agreement, announcement, circular and/or (independent) shareholders' approval requirements regarding the Transfers.
- (2) Mr Guo ZN breached Rules 3.08 and 3.09B(2) for failing to:
 - (a) as a director of Starjoy Wellness, act in the interests of Starjoy Wellness; and
 - (b) as a director of both China Aoyuan and Starjoy Wellness, (i) avoid or manage conflicts of interest and duty; (ii) exercise reasonable skill, care and diligence; and (iii) procure Starjoy Wellness' compliance with the Listing Rules.
- (3) As a director of China Aoyuan, by virtue of his conduct and knowledge of this matter, Mr Guo ZN caused by action or omission or knowingly participated in the contravention of the Listing Rules by Starjoy Wellness, and is liable under Rule 2A.10B(3).
- (4) By reason of Mr Guo ZN's serious and repeated failure to discharge his responsibilities under the Listing Rules, Mr Guo ZN is unsuitable to occupy a position as director or within senior management of China Aoyuan, Starjoy Wellness or any of their respective subsidiaries.

(5) Mr Chen breached Rules 3.08 and 3.09B(2) for failing to:

- (a) as a director of Starjoy Wellness, act in the interests of Starjoy Wellness; and
- (b) as a director of Starjoy Wellness and subsequently a director of China Aoyuan, (i) avoid or manage conflicts of interest and duty; (ii) exercise reasonable skill, care and diligence; and (iii) procure Starjoy Wellness' compliance with the Listing Rules.

(6) As a director of China Aoyuan, by virtue of his conduct and knowledge of this matter, Mr Chen caused by action or omission or knowingly participated in the contravention of the Listing Rules by Starjoy Wellness, and is liable under Rule 2A.10B(3).

(7) By reason of the conduct of Mr Chen, the occupying of the position of director or senior management of China Aoyuan, Starjoy Wellness or any of their respective subsidiaries by Mr Chen may cause prejudice to the interests of investors.

(8) Mr Zheng breached Rules 3.08 and 3.09B(2) for failing to (a) act in the interests of Starjoy Wellness; (b) exercise reasonable skill, care and diligence; and (c) procure Starjoy Wellness' compliance with the Listing Rules.

(9) By reason of the conduct of Mr Zheng, the occupying of the position of director or senior management of Starjoy Wellness or any of its subsidiaries by Mr Zheng may cause prejudice to the interests of investors.

(10) Mr Ruan and Mr Tao breached Rules 3.08 and 3.09B(2) for failing to exercise reasonable skill, care and diligence and procure Starjoy Wellness' compliance with the Listing Rules.

(11) The Relevant Directors breached Rule 3.08 for failing to exercise reasonable skill, care and diligence, and procure China Aoyuan and/or Starjoy Wellness to have in place adequate internal controls and procedures at the material time.

CONCLUSION

The Listing Committee decided to impose the sanctions and directions set out in this Statement of Disciplinary Action.

For the avoidance of doubt, the Exchange confirms that the above sanctions and directions apply only to Starjoy Wellness and the Relevant Directors, and not to any other past or present directors of the Companies.

Hong Kong, 13 January 2026

Notes:

1. The Director Unsuitability Statement against Mr Guo ZN is a statement that, in the Exchange's opinion, Mr Guo ZN is unsuitable to occupy a position as director or within senior management of each of the Companies or any of their respective subsidiaries.
2. The Prejudice to Investors' Interests Statement against Mr Chen is a statement that, in the Exchange's opinion, the occupying of the position of director or senior management of each of the Companies or any of their respective subsidiaries by Mr Chen may cause prejudice to the interests of investors.
3. The Prejudice to Investors' Interests Statement against Mr Zheng is a statement that, in the Exchange's opinion, the occupying of the position of director or senior management of Starjoy Wellness or any of its subsidiaries by Mr Zheng may cause prejudice to the interests of investors.
4. Rule 2.13(2) provides that the information contained in any announcement or corporate communication must be accurate and complete in all material respects and not be misleading or deceptive.
5. Under Rule 2A.10B(3), sanctions may be imposed on any party named in Rule 2A.09 if that party caused by action or omission or knowingly participated in a contravention of the Listing Rules.
6. Rule 3.08 provides that the Exchange expects directors, both collectively and individually, to fulfil fiduciary duties and duties of skill, care and diligence to a standard at least commensurate with the standard established by Hong Kong law. These duties include a duty to be answerable to the issuer for the application or misapplication of its assets, a duty to avoid actual and potential conflicts of interest and duty, and a duty to apply such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge and experience and holding his office within the issuer.
7. Rule 3.08 also highlights the importance of directors taking an active interest in the issuer's affairs. This includes an obligation to follow up on anything untoward that comes to their attention.
8. Under Rule 3.09B(2), a director has an obligation to use his best endeavours to procure the Company's compliance with the Listing Rules.
9. Under Principle D.2 of the Corporate Governance Code of the Listing Rules, the directors of a listed issuer are collectively and individually responsible for ensuring that the listed issuer has adequate and effective risk management and internal control systems.

10. Rules 13.13, 13.15 and 13.20 require issuers to announce as soon as reasonably practicable certain details of any advance to an entity which exceeds eight per cent under the assets ratio. Such information should also be included in the issuer's interim or annual report where such circumstances continue to exist at the issuer's interim period or annual financial year end.
11. Rules 14.34, 14.38A and 14.40 require issuers to announce as soon as possible after the terms of a discloseable or major transaction have been finalised. Issuers are required also to publish a circular and seek shareholders' approval for a major transaction.
12. Rules 14A.34, 14A.35, 14A.36 and 14A.46 require issuers to comply with the written agreement, announcement, circular and/or independent shareholders' approval requirements for connected transactions.