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Hua Han Health Industry Holdings Limited

華瀚健康產業控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 587)

**(1) AUDIT PROGRESS;
(2) ADJOURNMENT OF THE BOARD MEETING AND DELAY IN
PUBLICATION OF ANNUAL RESULTS
OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2016; AND
(3) SUSPENSION OF TRADING**

This announcement is made by Hua Han Health Industry Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 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 (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 17 August 2016, 29 August 2016 and 6 September 2016, respectively, regarding the negative reports from Emerson Analytics Co. Ltd. (the “**Allegation Reports**”), and the announcement of the Company dated 20 September 2016 in relation to the notice of meeting of the board (the “**Board**”) of directors (the “**Directors**”) of the Company for considering, among other matters, the annual results of the Group for the year ended 30 June 2016 (the “**2015/2016 Annual Results**”).

AUDIT PROGRESS

In view of the Allegation Reports, Ernst & Young (“**EY**”), the Company’s auditors, have requested additional documents and additional audit procedures to be conducted during the course of their audit of the 2015/2016 Annual Results (the “**2015/2016 Audit Work**”). The Company has always endeavoured to work closely with EY in resolving their request. Nevertheless, EY has sent letters (the “**Letters**”) to the Board and the audit committee of the Company (the “**Audit Committee**”), respectively, on certain matters relating to the 2015/2016 Audit Work. Among other things, the Letters noted that:

- (a) the 2015/2016 Audit Work has been suspended;
- (b) certain inconsistencies and/or irregularities regarding, namely, (i) matters with bank advices (銀行回單) in relation to certain sales receipts (銷售回款回單) and purchase payments (採購付款回單) of certain subsidiaries of the Group; (ii) matters with bank advices in relation to certain value-added tax and corporate income tax payments of certain subsidiaries of the Group; and (iii) matters with bank statements (銀行對賬單)

of certain subsidiaries of the Group. EY considers that it is necessary for the Audit Committee to engage an independent professional firm to conduct an independent investigation on the inconsistencies and/or irregularities; and

- (c) certain audit procedures are yet to be completed as at the date of the Letters, namely, (i) inspection of records in the Golden Tax System of certain subsidiaries of the Group and site visits to selected Tax Bureaus could not be performed by EY without the assistance from the Group's management at the relevant time; (ii) bank statements of certain subsidiaries of the Group cannot be printed on-site at the banks in Lhasa, Tibet; (iii) information on the more than 500 selling points of the Golden Peptides series products in 2013 as mentioned in the paragraph headed "Sales of "Golden Peptides"" in the announcement of the Company dated 17 August 2016 was not fully provided to EY due to a lack of such information available to the Company; and (iv) the relevant supporting documents of equipment purchased (including but not limited to model number and manufacturer information, invoices issued by suppliers, etc.) were yet to be provided to EY.

The Board has discussed the abovementioned matters with EY and the management of the Company, and resolves that it shall appoint an independent consultant to address such inconsistencies/irregularities.

ADJOURNMENT OF THE BOARD MEETING, AND DELAY IN PUBLICATION OF ANNUAL RESULTS OF THE GROUP FOR THE YEAR ENDED 30 JUNE 2016

In view of the Letters from EY, the Company requires more time and resources to prepare the 2015/2016 Annual Results. As a result, the Board resolves that the Board Meeting shall be adjourned and there will be a delay in the publication of the 2015/2016 Annual Results.

Pursuant to Rule 13.49(1) of the Listing Rules, the Company is required to publish the announcement in relation to its 2015/2016 Annual Results on a date not later than three months after the end of the financial year of the Company, i.e. on or before 30 September 2016. The Board acknowledged that the delay in the publication of the announcement of the 2015/2016 Annual Results constitutes non-compliance with Rule 13.46 of the Listing Rules.

As at the date of this announcement, the Board confirmed that there is no other matter or any inside information in relation to the 2015/2016 Audit Work that need to be brought to the attention of the Stock Exchange and holders of the securities of the Company. The Company will publish further announcement(s) to inform its shareholders of the date of the Board Meeting and the release of the 2015/2016 Annual Results or any update information as and when appropriate.

GENERAL

The Board would like to emphasise that the Company has always strived for the best interests of the Company and its shareholders since the listing of its shares in 2002. The Company's business has been developing for the last fifteen years, and the Board endeavours to uphold strict corporate governance measures. The Company has made substantial progress in its investment in the medical industry in recent years and is working to become a medical conglomerate underpinned by diversified developments in the manufacturing of pharmaceuticals, services of bio-technology and investments in medical industry.

Potential investors and shareholders of the Company are advised to exercise caution when dealing in the securities of the Company.

SUSPENSION OF TRADING

At the request of the Company, trading in the shares (stock code: 00587) and debt securities (stock code: 05676) of the Company has been suspended on the Stock Exchange with effect from 9:00 a.m. on Tuesday, 27 September 2016 and shall remain suspended until further notice.

By Order of the Board of
Hua Han Health Industry Holdings Limited
Zhang Peter Y.
Chairman

Hong Kong, 30 September 2016

As at the date of this announcement, the Board comprises Mr. Zhang Peter Y., Mr. Deng Jie, Mr. Zhou Chong Ke, Mr. Chen Lei and Mr. Luo Zhan Biao as executive Directors, Mr. Tarn Sien Hao as non-executive Director, and Professor Lin Shu Guang, Professor Zhou Xin and Mr. Tso Sze Wai as independent non-executive Directors.