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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)

## UPDATE ANNOUNCEMENT ON THE RESUMPTION PROGRESS

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 under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcement of the Company dated 12 December 2016 in relation to the conditions imposed by the Stock Exchange on the Company in respect of the resumption of trading in the shares of the Company on the Stock Exchange (the “**Resumption Conditions Announcement**”) and the announcements of the Company dated 7 February 2017 and 28 February 2017 in relation to the appointment of Grant Thornton as the independent third party investigator and the announcement of the Company dated 7 June 2017 in relation to the engagement of ZHONGHUI ANDA CPA Limited (“**ZHONGHUI**”) as the auditors of the Company. Unless the context otherwise requires, the capitalised terms used in this announcement shall have the same meanings as those defined in the announcement of the Company dated 7 February 2017.

## UPDATE ON WORK PROGRESS OF INDEPENDENT THIRD PARTY INVESTIGATOR

As disclosed in the Company’s announcements dated 7 February 2017 and 28 February 2017, the Independent Board Committee has engaged Grant Thornton to investigate the allegations set out in the negative reports from Emerson Analytics Co., Ltd. dated 10 August 2016, 26 August 2016 and 7 September 2016, and the issues and matters referred to in the Letters (the “**Investigation**”). The detailed scope of the Investigation was set out in the announcement of the Company dated 28 February 2017. Grant Thornton has commenced the fieldwork in March 2017 and its work is on-going. It has obtained from the Group certain relevant documents and information for the relevant financial years, and is in the process of reviewing those documents and information. Grant Thornton has requested further documents and information from the Group. It will also arrange interviews with key customers, suppliers and respective tax authorities and obtain relevant independent confirmations from banks, suppliers and customers.

## **UPDATE ON AUDIT PROGRESS**

As disclosed in the Company's announcement dated 7 June 2017, the Company's auditors, ZHONGHUI, has commenced the audit work in May 2017 in respect of the Company's consolidated financial statements for the year ended 30 June 2016 (the "**2015/2016 Annual Results**"). ZHONGHUI will conduct interviews with the Group's major customers, major suppliers, suppliers of property, plant and equipment, contractors, personnel of relevant tax authorities and personnel of major banks in July and August 2017.

## **TIMELINE FOR COMPLETION OF INVESTIGATION AND PUBLICATION OF OUTSTANDING FINANCIAL RESULTS**

It is expected that Grant Thornton will complete its fieldwork in respect of the Investigation in the third quarter of 2017 and no later than the fourth quarter of 2017, and a draft report should be available in four weeks after completion of its fieldwork. As disclosed in the Company's circular dated 3 April 2017 in relation to the change of auditors, ZHONGHUI expects to submit the first draft audit report around 24 to 36 weeks after the commencement of its field work, subject to the findings of the Investigation. The Company has been informed by ZHONGHUI that although its estimation of the timeline has not changed, it is subject to the findings of the Investigation.

The Company has been actively undertaking the necessary actions to fulfil each of the resumption conditions imposed by the Stock Exchange. The Company is working closely with Grant Thornton and ZHONGHUI to ensure that completion of the Investigation and the publication of the 2015/2016 Annual Results will adhere to the above timeline.

The Company will publish further announcement(s) to update the shareholders of the Company and the investing public as and when appropriate.

## **CONTINUAL SUSPENSION OF TRADING**

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

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the securities of the Company.**

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

Hong Kong, 19 July 2017

*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.*