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CHINA HOUSEHOLD HOLDINGS LIMITED

中國家居控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock Code: 692)

UPDATE ANNOUNCEMENT

This announcement is made by China Household Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The Company noted that Blazing Research had published a follow-up report containing allegations against the Group (the “**Allegations**”). The Allegations and comments concerning the Group in the report include: (i) the relationship between the Company and its major customers and suppliers; (ii) certain holders of securities accounts are in fact employees of the Company; and (iii) the Company has kept two sets of different accounts. The above information is extracted/reproduced from the follow-up report published by Blazing Research. The directors of the Company take no responsibility for the contents of the excerpts/reproduced information.

As disclosed in the announcements of the Company dated 17 July 2017 and thenceforward, the board of directors of the Company (the “**Board**”) had established an independent board committee (the “**IBC**”) to conduct a thorough independent investigation (the “**Independent Investigation**”) into the relevant matter, and the IBC has determined to engage Zhonghui Anda Risk Services Limited, an independent professional firm, to conduct an investigation of the matter. The IBC expects that the scope of the Independent Investigation will cover, including but not limited to, (i) review of the financial figures of the Group from 2013 to the first half of 2017; (ii) forensic investigation on the sales, purchase and bank transactions of the Group; and (iii) investigation into the allegations against the Group contained in the first and the follow-up reports published by Blazing Research. The IBC will closely follow up on the progress of the investigation report. The Company will make further announcement(s) as and when appropriate.

As the IBC is in the process of conducting the Independent Investigation, and the Company is taking legal advice on its rights and any possible legal actions, the Company and its directors are currently not in a position to comment on the Allegations. The Company is committed to providing comprehensive and accurate disclosure and rebutting any false allegations intended to undermine confidence in the Company's business, management and operations. The Company will provide further updates and address those Allegations as soon as practicable.

Furthermore, the Company is looking for internal control consultants to assess the internal control systems of the Company and to review whether the Company has sufficient and effective financial reporting procedures and internal control systems in place and whether these systems and procedures have been duly implemented to enable the Group to discharge its responsibilities under the Listing Rules and other laws and regulations.

CONTINUED SUSPENSION OF TRADING

Trading in the shares of the Company has been suspended by the Stock Exchange as directed by The Securities and Futures Commission pursuant to Rule 8(1) of the Securities and Futures (Stock Market Listing) Rules since 9:00 a.m. on 17 July 2017 and will remain suspended until further notice.

The Company reminds the shareholders and potential investors of the Company that they should refer to the announcements published on the respective websites of the Stock Exchange and the Company for any information relating to the Group.

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

By order of the Board
China Household Holdings Limited
Fu Zhenjun
Executive Director

Hong Kong, 16 October 2017

As at the date of this announcement, the Board comprises seven executive Directors, namely Mr. Luo Jianhua (Chairman), Mr. Huang Hongzhao (Chief Executive), Mr. Fu Zhenjun, Mr. Kuang Yuanwei, Mr. Li Zhixiong, Mr. Zheng Jianhua and Mr. Huang Kunhua, one non-executive director, Mr. Li Dikang, and four independent non-executive directors, namely Mr. Lin Xuebin, Dr. Loke Yu, Mr. Yu Bingguang and Ms. Chen Lu.