

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



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)

## **FURTHER ANNOUNCEMENT IN RELATION TO DISCLOSEABLE TRANSACTION — DISPOSAL OF A PRC SUBSIDIARY**

Reference is made to the announcement of Hua Han Health Industry Holdings Limited dated 26 January 2018 (“**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

### **INFORMATION OF GUILIN GU JIN**

SEHK Q2As set out in the announcement, the Sale Interest was 100% of the entire equity interest in Guilin Gu Jin. Guilin Gu Jin was an investment holding company which was interested in 65% of its non-wholly-owned subsidiary. The Guilin Gu Jin Group was principally engaged in research and development, manufacture and sales of bio-pharmaceutical products in the PRC. Prior to the Disposal, Guilin Gu Jin was a wholly-owned subsidiary of the Company (instead of a non-wholly-owned subsidiary of the Company as set out under the paragraph headed “Definitions” in the Announcement).

The Board wishes to clarify that the consolidated net asset value of Guilin Gu Jin Group for the year ended 30 June 2017 was approximately RMB473.5 million (instead of RMB523.9 million as set out under the paragraph headed “Information on the Company and Guilin Gu Jin” in the Announcement), and the consolidated net asset value of Guilin Gu Jin Group attributable to owners of Guilin Gu Jin for the year ended 30 June 2017 was approximately RMB307.8 million (including the amount due from the Group of approximately RMB190 million as at 30 June 2017) (“**Carrying Value of Guilin Gu Jin Group Attributable to Owners**”).

### **FINANCIAL EFFECTS OF THE DISPOSAL**

SEHK Q1(iv)As set out in the Announcement, the Company expects to recognise an unaudited gain of approximately RMB196.3 million from the Disposal. Such gain represented the difference between (i) the Purchase Price (RMB390.00 million); and (ii) the aggregate of (a) the estimated unaudited consolidated net asset value of Guilin Gu Jin Group attributable to owners of Guilin Gu Jin to be recorded in the Group’s financial statement as at the date of Completion (approximately RMB117.80 million); (b) the carrying value of goodwill attributable to Guilin Gu Jin as at the date of Completion (approximately RMB75.93 million); and (c) the estimated expenses to be incurred from the Disposal (approximately RMB0.02 million).

## **THE CONSIDERATION AND THE REASONS FOR AND BENEFITS OF THE DISPOSAL**

SEHK Q1(i)As set out in the Announcement, the Purchase Price and the method of settlement of the Purchase Price was arrived at after arm's length negotiation between Hanfang Enterprise and the Purchaser taking into account the financial performance of Guilin Gu Jin Group and its business prospects. Further, the Board has also taken into account the price to earnings ratio of Guilin Gu Jin Group (i.e. approximately 19.2 times) which was calculated based on the Purchase Price and the unaudited consolidated net profit after taxation of the Guilin Gu Jin Group for the year ended 30 June 2017 (i.e. approximately RMB20.32 million as disclosed in the Announcement). The Board considered that the price to earnings ratio of Guilin Gu Jin Group is reasonable as it is higher than the price to earnings ratio of the Group of approximately 5.58 times which was calculated based on the consolidated net profit after taxation of the Group for the year ended 30 June 2015 and the market capitalisation of the Group immediately before the suspension of trading of the Company's shares on the Main Board of the Stock Exchange.

SEHK Q1(iii)As set out above in the paragraph headed "Information of Guilin Gu Jin", the Carrying Value of Guilin Gu Jin Group Attributable to Owners, being approximately RMB307.8 million, was considerably lower than the Purchase Price. Together with the factors set out under the paragraph headed "Reasons for and benefits of the Disposal" in the Announcement, the Directors consider that the Disposal is in the interest of the Group and the shareholders of the Company as a whole.

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

Hong Kong, 8 February 2018

*As at the date of this announcement, the Board comprises Mr. Zhang Peter Y., Mr. Deng Jie, Mr. Zhou Chong Ke, Mr. Bian Shu Guang and Ms. Niu Yi as executive Directors, Mr. Tarn Sien Hao as non-executive Director, and Professor Lin Shu Guang, Professor Zhou Xin and Mr. Chan Chun Kit as independent non-executive Directors.*