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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 Listing Rules 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 (1) the Resumption Conditions Announcement 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; (2) 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; (3) the announcement of the Company dated 7 June 2017 in relation to the engagement of ZHONGHUI as the auditors of the Company; (4) the announcements of the Company dated 19 July 2017, 24 August 2017, 26 September 2017, 26 October 2017, 29 November 2017, 29 December 2017, 31 January 2018, 28 February 2018, 29 March 2018, 3 May 2018 and 1 June 2018 in relation to the update on the resumption progress; and (5) the announcement of the Company dated 3 October 2017 in relation to the delay in the publication of the 2016/2017 Annual Results and despatch of the 2016/2017 Annual Report. 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 1 June 2018.

### UPDATE ON WORK PROGRESS OF INDEPENDENT THIRD PARTY INVESTIGATOR

As disclosed in the Company’s announcements dated 19 July 2017, 24 August 2017, 26 September 2017, 26 October 2017, 29 November 2017, 29 December 2017, 31 January 2018, 28 February 2018, 29 March 2018, 3 May 2018 and 1 June 2018, Grant Thornton is working on the Investigation. The detailed scope of the Investigation was set out in the announcement of the Company dated 28 February 2017.

During the period between 19 June 2018 and 28 June 2018, Grant Thornton has (i) sent confirmations to three banks and reviewed certain bank records; (ii) completed around half of the interviews with the senior management members of the Group and forensically imaged their computers; and (iii) reviewed certain original records of the Group and inspected certain fixed assets of the Group. In addition, Grant Thornton has visited local tax bureaus.

## **UPDATE ON AUDIT PROGRESS**

As disclosed in the Company's announcement dated 7 June 2017, 19 July 2017, 26 September 2017, 26 October 2017, 29 November 2017, 29 December 2017, 31 January 2018, 28 February 2018, 29 March 2018, 3 May 2018 and 1 June 2018, ZHONGHUI has commenced the audit work in May 2017 in respect of the 2015/2016 Annual Results.

The audit procedures for the 2015/2016 Annual Results and the 2016/2017 Annual Results are still ongoing. Meanwhile, the unaudited 2016/2017 Interim Results are still being prepared by the Company.

During the period between 19 June 2018 and 28 June 2018, ZHONGHUI has (i) sent confirmations to seven banks and reviewed certain bank records; and (ii) reviewed certain original records of the Group and inspected the fixed assets of the Group.

The publication of the Outstanding Financial Results will be subject to the findings of the Investigation. As at the date of this announcement, ZHONGHUI has obtained more than half of the external audit confirmations in relation to its audit procedures for the 2015/2016 Annual Results, and the Company is in the process of providing documents to ZHONGHUI for the audit of the Outstanding Financial Results.

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

The Company has been actively undertaking necessary actions to accelerate the completion of the Investigation and the publication of the Outstanding Financial Results, including holding telephone conferences and physical meetings with Grant Thornton and ZHONGHUI in relation to the progress of the Investigation and the audit (where applicable), liaising with its customers/suppliers/banks to accelerate their provision of the necessary confirmations as may be required by Grant Thornton and/or ZHONGHUI.

Based on the current status of the Investigation and the audit, the expected timeline for completion of the Investigation and the publication of the Outstanding Financial Results is changed as below.

In respect of the Investigation, it is expected that the findings of the Investigation by Grant Thornton will be available by mid-July 2018.

In respect of the publication of Outstanding Financial Results:

- (1) Publication of the 2016/2017 Interim Results and 2015/2016 Annual Results by the Company by the mid-August 2018 subject to the completion of the major outstanding issues of the audit procedures for the 2015/2016 Annual Results and the investigation by Grant Thornton; and
- (2) Publication of the 2016/2017 Annual Results by the Company is subject to further assessment by the Board based on the progress of the Investigation and the 2015/2016 Annual Results.

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

## **CONTINUED 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, 6 July 2018

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