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hosa

HOSA INTERNATIONAL LIMITED

浩沙國際有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 02200)

**QUARTERLY UPDATE ANNOUNCEMENT
ON THE RESUMPTION PROGRESS
AND
APPOINTMENT OF INDEPENDENT INVESTIGATOR
AND
FURTHER DELAY IN PUBLICATION AND DESPATCH OF 2018
INTERIM REPORT
AND
DELAY IN PUBLICATION AND
DESPATCH OF 2018 ANNUAL REPORT
AND
DELAY IN PUBLICATION AND
DESPATCH OF 2019 INTERIM REPORT
AND
FURTHER DELAY IN FINAL DIVIDEND PAYMENT**

This announcement is made by Hosa International Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Reference is made to (i) the announcement dated 31 July 2018 in relation to the resignation of the independent non-executive director, (ii) the announcement of the Company dated 13 August 2018 in relation to the appointment of independent investigator, (iii) the announcement dated 3 September 2018 regarding the delay in publication of interim result of the Company for the six months ended 30 June 2018, (iv) the announcement dated 8 November 2018 regarding the further delay in payment date of final dividend, (v) the announcement dated 26 November 2018 in relation to the conditions for the resumption of trading in the shares of the Company, and (vi) the announcement dated 19 December 2018 regarding the first quarterly business update of the Company.

APPOINTMENT OF INDEPENDENT INVESTIGATOR

The Independent Board Committee has engaged RSM Corporate Advisory (Hong Kong) Limited (“**RSM**”), an independent third party investigator, to investigate the issues and allegations made in the Report (the “**Independent Investigation**”). The Independent Investigation is expected to be completed on or before 30 June 2019. The Company will keep shareholders and public informed of the latest development of the investigation by making further announcement(s) as and when appropriate.

UPDATE ON PROGRESS OF THE APPOINTMENT OF THE INDEPENDENT NON EXECUTIVE DIRECTOR

Reference is made to the announcement of the Company dated 31 July 2018, following the resignation of Mr. Yau as the independent executive director (“**INED**”) of the Company, (i) the number of the INEDs has fallen below the minimum number required under Rules 3.10(1) and 3.10A of the Listing Rules; (ii) the Board does not have at least one of its INEDs possessing appropriate professional qualifications or accounting or related financial management expertise as required under Rule 3.10(2) of the Listing Rules; (iii) there is a vacancy for chairman of the Audit Committee, the number of members of the Audit Committee has fallen below the minimum number, and no INED who possesses appropriate qualifications or expertise has been appointed as a member of the Audit Committee as required under Rule 3.21 of the Listing Rules.

After the resignation of Mr. Yau, the Company has been endeavoring to identify a suitable candidate to act as an INED. However, considering the current situation of the Company, the Company believes that it would not be able to appoint an INED having the appropriate professional qualification until the result of the Independent Investigation has been produced. Therefore, it is expected that the INED will be appointed on or before 31 July 2019 upon the completion of the Investigation. The Company will publish further announcement(s) to inform the Shareholders regarding the appointment of INED as and when appropriate.

UPDATE ON PROGRESS OF THE OUTSTANDING FINANCIAL RESULTS OF THE COMPANY

As disclosed in the announcement dated 19 December 2018, pending the completion of the Independent Investigation and the appointment of new auditor to replace KPMG, the Board wishes to inform that the interim results for the six months period ended 30 June 2018 and 2019 (the “**Interim Results**”) and the annual results for the year ended 31 December 2018 (the “**2018 Annual Results**”) and their respective interim and annual results will be published upon the completion of the investigation and is expected to have further delay to 30 September 2019 as extra time will be required for the independent board committee and the new auditor to review and finalise the 2018 Annual Results. The appointment of the new auditor will be appointed on or before 31 July 2019.

Such delays constitute breach of Rules 13.49(1), 13.46(2), 13.49(6) and 13.48(1) of the Listing Rules, which require the Company (i) to publish its Annual Results on a date not later than three months after the end of the financial year, to send the annual report to the Shareholders not less than 21 days before the date of the annual general meeting of the Company and in any event not more than four months after the end of the financial year to which they relate, and (ii) to publish the interim results announcement not later than two months after the end of the relevant financial period, and to send the interim report to the Shareholders not later than three months after the end of the relevant financial period.

Further announcement(s) will be made to inform the Shareholders the date of release of the abovementioned Annual Results and Interim Results and the despatch of corresponding annual reports and interim reports, when appropriate.

FURTHER DELAY IN PAYMENT DATE OF FINAL DIVIDEND

As disclosed in the Circular, the Final Dividend of HK\$2.2 cents (equivalent to approximately RMB1.85 cents) per Share for the year ended 31 December 2017 will be payable on or around 6 July 2018 to the shareholders of the Company whose names appear on the register of members of the Company on 9 May 2018. The declaration of the Final Dividend was approved at the annual general meeting of the Company held on 30 April 2018.

The Company would like to announce that the payment date of the Final Dividend will be further delay until the completion of the Independent Investigation and the publication of Interim Results and Annual Results, instead of 29 March 2019 as disclosed in the Announcements. The Company will publish further announcement(s) to inform Shareholders of the payment date of the Final Dividend as and when appropriate.

Save as disclosed above, all other information in relation to the payment of the Final Dividend as mentioned in the Circular shall remain unchanged.

BUSINESS UPDATE

The Group designs and produces a wide range of sportswear products, including swimwear, fitness wear, sports underwear and accessories, which focuses its business in the market of China. The Group operates a wide range of sales coverage to China's second- and third-tier cities. As at the date of this announcement, the day-to-day operations of the Group have not been affected by the Allegation or the suspension of trading. The Group continues its business operations in ordinary forms and manners.

CONTINUED SUSPENSION OF TRADING IN THE SHARES

Trading in the shares of the Company has been suspended since 3 September 2018 and will continue to be suspended pending fulfilment of the Resumption Conditions. The Company is also taking appropriate actions to fulfil all other Resumption Conditions and towards the resumption of trading in the shares as soon as possible. The Board will keep shareholders and the public updated of the results of the independent investigation and the fulfilment progress on other Resumption Conditions as and when appropriate and at least on a quarterly basis.

By order of the Board
Hosa International Limited
Shi Hongliu
Chairman

As at the date of this announcement, the executive directors are Mr. Shi Hongliu, Mr. Shi Hongyan and Mr. Shi Zhixiong, and the independent non-executive directors are Mr. Yao Ge and Mr. He Wenyi.