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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)

**APPOINTMENT OF PROVISIONAL LIQUIDATORS,
UPDATES ON WINDING-UP PROCEEDINGS,
APPLICATION FOR LEAVE TO APPEAL
AND
RESIGNATION OF EXECUTIVE DIRECTORS AND
CHANGE OF MEMBER OF NOMINATION COMMITTEE**

This announcement is made by Hua Han Health Industry Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.25 (1) of the Listing Rules. Reference is made to the announcement of the Company dated 27 June 2019 (the “**Proceedings Announcement**”) in relation to, among other matters, the Winding-up Proceedings and the announcement of the Company dated 21 November 2016 (the “**Investigation Announcement**”, together with the Proceedings Announcement, the “**Announcements**”), in relation to the engagement of Grant Thornton, an independent third party investigator, to investigate the issues and matters referred to in the Letters. Unless otherwise defined herein, capitalised terms used herein shall have the same meaning as defined in the Announcements.

APPOINTMENT OF PROVISIONAL LIQUIDATORS

The Company announces that pursuant to the order appointing provisional liquidators dated 18 July 2019 and filed on 26 July 2019 (the “**PL Order**”) in respect of the Winding-up Proceedings, Mr Chan Ho Yin and Ms Chi Lai Man Jocelyn, both of Borrelli Walsh Limited, have been appointed as the provisional liquidators of the Company (the “**Provisional Liquidators**”) with power to act jointly and severally until determination of the re-amended petition to the Amended Petition or until further order.

UPDATES ON WINDING-UP PROCEEDINGS

In addition, pursuant to the order dated 18 July 2019 and filed on 26 July 2019 (the “**Order**”, collectively with the PL Order, the “**Orders**”) in respect of the Winding-up Proceedings, (i) Haw Par Pharmaceutical Holdings Pte Ltd has been substituted as petitioner in place of the Petitioner in the Winding-up Proceedings; and (ii) the PL Order was stayed until the later of (a) 7 days after the date of the Order, or (b) the hearing of any application by the Company or Bull’s-Eye Limited for permission to appeal the PL Order.

APPLICATION FOR LEAVE TO APPEAL

On 25 July 2019, the Company applied for permission to appeal against the Orders. The application was heard and rejected on 26 July 2019. However, the PL Order was stayed for a further 7 days (i.e. until 2 August 2019) pending the Company's intended renewal of its application for permission to the higher courts.

Since the appointment of Mr. Choong Khuat Leok as an independent non-executive Director and the formation of the Resumption Committee which is chaired by Mr. Choong Khuat Leok, the Resumption Committee has, on behalf of the Company as authorised by the Board, taken active steps in relation to the Resumption Matters and the Litigation Matters, including but not limited to:

- (i) engaging FTI Consulting (Hong Kong) Limited as an independent monitoring accountant to access the business and asset position of the Company;
- (ii) engaging in discussion with Grant Thornton and contact with the former professional advisors of the Company to address the difficulties in the investigation work of Grant Thornton and to ensure that the investigation can be completed as soon as practicable;
- (iii) implementing measures to improve internal coordination and corporate governance of the Group; and
- (iv) consulting professional advisors of the Company to resolve any issue arising from the Resumption Matters and the Litigation Matters

In addition, based on the management accounts of several key subsidiaries of the Group as at 31 December 2018, the executive Directors considered that the Group is still operating normally and is solvent. Accordingly, the Board does not consider the Orders were appropriate and intends to contest them. The Company is taking legal advice in connection with the renewal of its application for permission to appeal the Orders.

RESIGNATION OF EXECUTIVE DIRECTORS

The Board also announces that Mr. Zhang Peter Y. (“**Mr. Zhang**”) has resigned as the chairman of the Board and an executive Director of the Company with effect from 31 July 2019 in order to pursue his other personal commitments. Mr. Zhang also gave notice dated 31 July 2019 to resign his other positions within the Group including directorship in certain subsidiaries.

Mr. Zhang has confirmed that there is no disagreement with the Board and he is not aware of any additional matters relating to his resignation that need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited and that he has no claims against the Company whether by way of compensation, severance payments, expenses, damages or otherwise.

The Board also announces that Mr. Deng Jie (“**Mr. Deng**”) has resigned as an executive Director and a member of each of the nomination committee and remuneration committee of the Company with effect from 31 July 2019 in order to pursue his other personal commitments (“**Mr. Deng’s Resignation**”). Mr. Deng also gave notice dated 31 July 2019 to resign his other positions within the Group including directorship in certain subsidiaries.

Mr. Deng has confirmed that there is no disagreement with the Board and he is not aware of any additional matters relating to his resignation that need to be brought to the attention of the shareholders of the Company or The Stock Exchange of Hong Kong Limited and that he has no claims against the Company whether by way of compensation, severance payments, expenses, damages or otherwise.

CHANGE OF MEMBER OF NOMINATION COMMITTEE

Subsequent to Mr. Deng’s Resignation and with effect from 31 July 2019, Mr. Choong Khuat Leok, an existing independent non-executive Director and the chairman of the audit committee and resumption committee of the Company, has been appointed as a member of the nomination committee in replacement of Mr. Deng.

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.

For and on behalf of the Board
Hua Han Health Industry Holdings Limited
Choong Khuat Leok
Elected Chairman of Resumption Committee

Hong Kong, 31 July 2019

As at the date of this announcement, the Board comprises Mr. Bian Shu Guang and Ms. Niu Yi as executive Directors, and Professor Lin Shu Guang, Professor Zhou Xin and Mr. Choong Khuat Leok as independent non-executive Directors.