

## Hua Han – Only One Question

September 7, 2016

The Basics	
Ticker:	HK:0587
Recent Price:	HK\$0.55
Market Cap:	HK\$4.1bn

Emerson Analytics Forecast
<b><i>Delisting</i></b>

Predictably, Hua Han Health's further "clarification" dated September 6 admits that the distribution "subsidiary" that accounted for some 84% of its 2013-14 revenue was held by staff who acted as nominees.

We have no desire to argue with liars. Our reports dated August 10 and August 26 have provided conclusive evidence that Hua Han had doctored its books for many years.

We only have one more question, not for the company but for the regulators who are safeguarding the integrity of Hong Kong financial markets.

**A "subsidiary" that accounted for the bulk of a listco's revenue was held by staff as nominees without any disclosure for five years. Is this a generally accepted practice under Hong Kong's listing rules?**

### Disclaimer

We are a group of seasoned equities analysts with many years of experience in the research of economic and political trends as well as individual stocks around the world. With background in various international investment banks, we have followed the development of the Chinese equities market right from day one.

We are determined to expose as much of the fraud in the Chinese stock market as we can. The most widespread and serious fraud is probably that undertaken by listed companies, in fabricating non-existent businesses and stealing shareholders money, among other tricks.

In exposing these crimes we challenge the listed companies to prove the integrity of their announcements and financial statements. The listed companies, of course, want everybody to believe that their announcements and financial statements are true. Their auditors, employees, independent directors, lawyers, shareholders and even the general public all hope that these announcements and financial statements are true.

**We have made our best effort to ascertain that everything we say in this report is accurate. We have obtained our information from public sources that we believe to be accurate and reliable, or from sources whom we believe are not insiders or connected parties to the companies mentioned herein. However, we are certainly NOT in the business of making investment recommendations. This is not an investment report and should not be regarded as such. Read and use our reports at your own risk. Most important of all, DO YOUR OWN RESEARCH BEFORE YOU COMMIT OTHER PEOPLE'S MONEY.**

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