

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.



WINSHINE SCIENCE COMPANY LIMITED

瀛晟科學有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 209)

QUARTERLY UPDATE ON SUSPENSION OF TRADING

This announcement is made by the board (the “Board”) of directors (the “Directors”) of Winshine Science Company Limited (the “Company”, together with its subsidiaries, the “Group”) pursuant to Rules 13.09 and 13.24A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (the “Listing Rules”) and the provisions of inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to the announcements of the Company dated 28 March 2019, 1 April 2019, 16 April 2019, 19 June 2019, 25 June 2019, 2 September 2019, 2 October 2019, 30 October 2019 and 1 November 2019 in relation to, among other things, (i) the delay in publication of the annual results of the Group for the year ended 31 December 2018 (the “2018 Annual Results”); (ii) the delay in despatch of the annual report of the Group for the year ended 31 December 2018 (the “2018 Annual Report”); (iii) the delay in publication of the interim results of the Group for the six months ended 30 June 2019 (the “2019 Interim Results”); (iv) the delay in despatch of the interim report of the Group for the six months ended 30 June 2019 (the “2019 Interim Report”); (v) the resumption guidance issued by the Stock Exchange (the “Resumption Guidance”); (vi) suspension of trading in the shares (the “Shares”) of the Company on the Stock Exchange with effect from 9:00 a.m. on 1 April 2019; (vii) key findings of the independent investigation; and (viii) results of internal control review (collectively, the “Announcements”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Announcements.

UPDATE ON SUSPENSION OF TRADING

For the Resumption Guidance, the latest updates are as follows:

- (i) Complete an appropriate independent investigation to address the audit issues identified by the Former Auditors and the Company, disclose the findings and take appropriate remedial actions**

The Company has conducted independent investigation to address the audit issues identified by the Former Auditors, has published the results of the independent investigation on 30 October 2019 and has taken appropriate remedial actions. For further details on the independent investigation, please refer to the Company's announcement dated 30 October 2019.

- (ii) Publish all outstanding financial results and address any audit modifications**

The Company has published the 2018 Annual Results, the 2018 Annual Report, the 2019 Interim Results and the 2019 Interim Report on 30 October 2019, 4 November 2019, 6 November 2019 and 11 November 2019, respectively. Details of the audit modifications are included in the 2018 Annual Report.

- (iii) Conduct an independent internal control review and demonstrate that the issuer has in place adequate internal control and procedures to comply with the Listing Rules**

The Company has published the results of the Internal Control Review in the announcement dated 30 October 2019. A follow-up review has been conducted by the Internal Control Adviser and the Group has implemented enhanced internal control measures to remedy all major internal control deficiencies identified by the Internal Control Adviser.

- (iv) Announce all material information for the Shareholders and other investors to appraise the Company's position**

The Company will keep monitoring if there is any material information for the Shareholders and other investors to appraise the Company's position and will inform the public of such information as and when appropriate.

The Company is using its best endeavours to address the Stock Exchange's concern on the issues causing the suspension of trading in the Shares and to fully fulfil the Resumption Guidance to the Stock Exchange's satisfaction. The Company will seek to resume trading in the Shares as soon as possible.

UPDATE ON BUSINESS OPERATIONS

The Group is mainly engaged in manufacturing and trading of toys, securities investments and medical and health. The Group has continued to carry out its normal business operations and there has been no major change on the business operations since the suspension of trading in the Shares.

CONTINUED SUSPENSION OF TRADING

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on 1 April 2019 and will remain suspended until further notice pending fulfilment of the Resumption Guidance to the Stock Exchange's satisfaction.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

By Order of the Board
Zhao Deyong
Chairman

Hong Kong, 31 December 2019

As at the date of this announcement, the Board comprises three Executive Directors, namely Mr. Zhao Deyong (Chairman), Mr. Liu Michael Xiao Ming (Chief Executive Officer) and Mr. Luo Lianjun; one Non-executive Director, namely Mr. Lin Shaopeng; and three Independent Non-executive Directors, namely Mr. Kwok Kim Hung Eddie, Mr. Ng Wai Hung and Ms. Shi Xiaolei.

* *For identification purpose only*