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Cloud Investment Holdings Limited
雲信投資控股有限公司

(formerly known as China Bio Cassava Holdings Limited 中國生物資源控股有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8129)

UPDATE ON THE LISTING STATUS
AND
THE GEM LISTING (REVIEW) COMMITTEE'S DECISION

Reference is made to the announcements (the “**Announcements**”) of Cloud Investment Holdings Limited (formerly known as “China Bio Cassava Holdings Limited”) (the “**Company**”) dated 28 July 2017, 2 August 2017, 31 October 2017 and 13 November 2017 respectively. Terms defined in the Announcements shall have the same meaning herein unless otherwise defined or the context otherwise required.

This announcement is made by the Company pursuant to the inside information provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

DECISION OF THE GEM LISTING (REVIEW) COMMITTEE

On 15 December 2017, the GEM Listing (Review) Committee of the Stock Exchange (the “**Review Committee**”) conducted a review hearing, upon the request of the SFC pursuant to paragraph 10.6 of the MOU, to review the decision of the GEM Listing Committee set out in the letter dated 31 October 2017 (the “**LC's Decision**”). Please refer to the announcement of the Company dated 31 October 2017 for details of the LC's Decision. Please also refer to the announcement of the Company dated 13 November 2017 for details of the said request of the SFC.

On 22 December 2017, the Company received a letter from the Review Committee setting out its decision (the “**Review Committee Decision Letter**”).

The Review Committee’s Decision and reasons thereof

Pursuant to the Review Committee Decision Letter, the Review Committee considered all the submissions (both written and oral) made by the Company and the Listing Department (the “**Department**”), and the letter from the SFC dated 10 November 2017. The Review Committee considered that the Company has failed to comply with the requirements under GEM Listing Rule 17.26 to warrant the continued listing of its shares and therefore decided to overturn the LC’s Decision. The Review Committee further decided to suspend the trading in the Company’s shares under GEM Listing Rule 9.04 and proceed with cancellation of the Company’s listing under GEM Listing Rule 9.14.

Pursuant to the Review Committee Decision Letter, the Company is required to submit a resumption proposal to demonstrate that it has a sufficient level of operations or assets required by GEM Listing Rule 17.26 at least 10 business days before the expiry of the six months from the date of the Review Committee Decision Letter. If the Company fails to submit a viable proposal by the expiry of the six-month period, the Stock Exchange will proceed with cancellation of the Company’s listing. The Review Committee Decision Letter serves as a notice to the Company under GEM Listing Rule 9.15.

Pursuant to the Review Committee Decision Letter, the Review Committee arrived at its decision for the following reasons:

Regarding the Financial Business

1. The Company has not demonstrated that its business is sustainable. The Review Committee specifically noted the following:
 - (a) The Company did not appear to have made sufficient investment in the system and controls relating to the credit assessment process, which is a material part of the money lending business. No information was provided in relation to the infrastructure, process or controls in place to safeguard against the risks that may arise from the business operation, such as details about the debt collection procedures (including recovery of overdue loans or interests, and enforcement of security), risk management and assessment (including credit risk and market risk), and a policy on impairment and provisioning.
 - (b) The loan economic model was not clear. There was no credit cost/provisioning or customer acquisition cost with respect to the loan business in the Company’s forecast.

- (c) The business was operated only by 4 full time staff. No information about their experience or expertise was provided. The directors serving on the credit committee did not have direct prior experience in the money lending business. The Company failed to explain why and how the appointments of the two ex-policemen, without the experience in developing or operating a money lending business, could lead to a substantial growth of the Financial Business. The fact that there was no balance sheet forecast further suggested the management's lack of experience in figures.
 - (d) There was no analysis on the balance sheet and credit facility drawdown schedule to back up the Company's profit forecast. This raised a serious concern about the reasonableness and credibility of the forecasted figures.
2. The unsecured money lending business is risky by nature, especially given the small scale of the business. A small deviation in credit and loan losses could cause substantial stress to the Company, especially where the Company plans to leverage its balance sheet with the credit facility. The customer concentration also exacerbated the unsecured lending risk.
 3. In view of the above, the Review Committee considered that the Company did not have a credible or concrete plan to properly develop or operate the Financial Business as a substantive business.

Regarding the Software Business, Financial Business and PR Segment

4. The business plan submitted by the Company in respect of all business lines appeared to be prompted by the Department's concerns about the Company's insufficiency of operations, and was intended to be a means to show the Company's purported compliance with the sufficiency requirement under GEM Listing Rule 17.26 and an attempt to maintain its listing status. This raised a serious question about the viability and substantiality of all the Company's business lines.

Under GEM Listing Rule 4.07, the Company has the right to have the decision of the Review Committee referred to the Listing Appeals Committee for further and final review. The Company is still in the process of reviewing the Review Committee Decision Letter and will discuss the same with the Company's legal and financial advisers, and would actively consider lodging a review request for the ruling be referred to the Listing Appeals Committee for review.

The Directors would remind the Shareholders and potential investors that (i) the Company may or may not proceed with the review by the Listing Appeals Committee; and (ii) the outcome of such review is uncertain, if undertaken.

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
Cloud Investment Holdings Limited
TANG LAP CHIN RICHARD
Executive Director

Hong Kong, 22 December 2017

As at the date of this announcement, the Board comprises Mr. Poon Yu Keung, Mr. Hung Ching Fung, Mr. Tang Lap Chin Richard and Mr. Ng Chung Yuen Frank as executive Directors, Mr. Chow Wing Tung, Mr. Ko Wai Lun Warren and Mr. Yam Chiu Fan Joseph as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at <http://www.hkgem.com> on the “latest company announcements” page for at least 7 days from the day of its posting and on the Company’s website at www.cloud-grp.com.