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CHINESE FOOD AND BEVERAGE GROUP LIMITED

華人飲食集團有限公司

(Incorporated in the Cayman Islands and continued in Bermuda with limited liability)

(Stock Code: 8272)

**UPDATE ON LISTING STATUS
GEM LISTING (REVIEW) COMMITTEE'S DECISION
AND
SUSPENSION OF TRADING**

This is made by Chinese Food and Beverage Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to the inside information provisions 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 16 August 2019, 27 August 2019, 13 February 2020 and 24 February 2020 (the “**Announcements**”). Unless otherwise stated, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements.

The Board wishes to inform the Shareholders and potential investors of the Company that the review hearing of the GEM Listing Committee Decision by the GEM Listing Review Committee took place on 8 May 2020. On 2 June 2020, the Company received a letter from the GEM Listing Review Committee that they had decided to uphold the GEM Listing Committee Decision (the “**GEM Listing Review Committee Decision**”). According to the letter, the GEM Listing Review Committee arrived at the GEM Listing Review Committee Decision for, amongst others, the following reasons:

- (1) Having considered all of the submissions and evidence including the status of the Company's business operations, the GEM Listing Review Committee considered that the Company is currently neither carrying out a sufficient level of operations nor had demonstrated that it has sufficient assets required under the Rule 17.26 of the GEM Listing Rules to warrant a continued listing of its Shares, and therefore failed to comply with Rule 17.26 of the GEM Listing Rules.
- (2) The GEM Listing Review Committee noted that despite the Company's efforts in developing the Korean restaurant business since June 2019 and pursuing potential new business ventures, the scale of its existing business operations remained small and insufficient for the purposes of Rule 17.26 of the GEM Listing Rules. The existing business operations consisted mainly of the operation of one Korean restaurant.

- (3) In any event, the assessment to be conducted when considering the question of suspension was in respect of the Company's current operations and assets as at the time of the hearing, and not future potential.
- (4) The GEM Listing Review Committee further noted that Company did not provide any written or oral submission in relation to the securities trading business.
- (5) The GEM Listing Review Committee considered that the FY2019 annual results, the Company's net liabilities position, and the auditors' disclaimer opinion on the basis of going concern showed a continuous downward trend in the Company's financial performance and a severely tight cash position even in the short term. The GEM Listing Review Committee considered that the above trend in the Company's financial performance which spanned over the past few years did not appear to be temporary in nature. Its position had deteriorated prior to summer 2019 and had not materially improved in the time thereafter.

The GEM Listing Review Committee Decision noted that the Company would have a remedial period of twelve months from a date to be specified by the Listing Division to re-comply with Rule 17.26 of the GEM Listing Rules, and that, if the Listing Division and the Company continued to disagree on whether or not the Company complied with Rule 17.26 of the GEM Listing Rules at the expiry of that period, then the matter would be considered by the GEM Listing Committee at that time in the context of the cancellation of the Company's listing under Rule 9.14/9.14A(I). In such remedial period, the Company would also have time to pursue business opportunities to ensure re-compliance.

The Board is still in the process of reviewing the GEM Listing Review Committee Decision and is discussing the same with the Company's legal advisers and financial adviser and will actively prepare for the proposal(s) to re-comply with Rule 17.26 of the GEM Listing Rules.

TRADING SUSPENSION

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on Wednesday, 3 June 2020.

Further announcement(s) will be made by the Company as and when appropriate and in accordance with the requirements of the GEM Listing Rules.

Dealing in the Shares on the Stock Exchange has been suspended since 9:00 a.m. on Wednesday, 3 June 2020 and will remain suspended until further notice. There is no guarantee that the resumption of trading in the Shares on the Stock Exchange will take place. Shareholders who have any queries about the implications of the GEM Listing Review Committee Decision are advised to seek appropriate professional advice.

By order of the Board
CHINESE FOOD AND BEVERAGE GROUP LIMITED
Chow Cheuk Hang
Executive Director

Hong Kong, 3 June 2020

As at the date of this announcement, Mr. Chow Cheuk Hang and Mr. Eric Todd are executive Directors; Mr. Lau Man Tak, Mr. Yeung Wai Hung, Peter and Mr. Ma Stephen Tsz On are 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 “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least seven days from the date of its publication and the Company’s website at www.cfbgroup.com.hk