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## **COMBEST HOLDINGS LIMITED**

**康佰控股有限公司\***

*(incorporated in the Cayman Islands with limited liability)*

**(Stock code: 8190)**

### **QUARTERLY UPDATE ON RECENT DEVELOPMENT OF SUSPENSION OF TRADING**

This announcement is made by the Company pursuant to Rules 17.10 and 17.26A of the GEM Listing Rules and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcement of the Company dated 28 August 2019 in respect of quarterly update on recent development of suspension of trading; (ii) the announcement of the Company dated 15 November 2019 in respect of resumption guidance and delay in publication of the first quarterly results announcement for the three months ended 30 September 2019 and delay in despatch of the first quarterly report; (iii) the announcement of the Company dated 28 November 2019 in respect of quarterly update on recent development of suspension of trading and publication of unaudited management accounts for the three months ended 30 September 2019 (collectively, the “Announcements”); (iv) the announcement of the Company dated 14 February 2020 in respect of quarterly update on recent development of suspension of trading and delay in publication of the interim results announcement and despatch of the interim report for the six months ended 31 December 2019 and publication of unaudited management accounts for the six months ended 31 December 2019; (v) the announcement of the Company dated 22 May 2020 in respect of formation of the review committee; (vi) the announcement of the Company dated 21 May 2020 in respect of insider information winding up petition; (vii) the announcement of the Company dated 22 May 2020 in respect of re-designation of Directors; (viii) the announcement of the Company dated 9 June 2020 in respect of update on the listing status; (ix) the announcement of the Company dated 18 June 2020 in respect of appointment of executive directors; (x) the announcement of the Company dated 23 June 2020 in respect of the decision of the Listing Committee; (xi) the announcement of the Company dated 26 June 2020 in respect of appointment of auditors; and (xii) the resignation of Directors and change of Company Secretary. Capitalised terms used herein shall have the same meanings as those defined in the Announcements.

\* *For identification purposes only*

## **RESUMPTION GUIDANCE**

The Stock Exchange has informed the Company of the following Resumption Guidance:–

- (a) approval of resumption by the Securities and Futures Commission;
- (b) demonstrate the Company's compliance with Rule 17.26 of the GEM Listing Rules;
- (c) publish all outstanding financial results required under the GEM Listing Rules and address any audit modification(s); and
- (d) inform the market of all material information for the Shareholders and investors to appraise its position.

The Company must remedy the issues causing its trading suspension and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction before trading in the Shares is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange has indicated that it might modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 9.14A(1) of the GEM Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from dealings for a continuous period of 12 months. On 12 June 2020, the Company received a letter from the Stock Exchange stating that the GEM Listing Committee decided to cancel the Company's listing under Rule 9.14A of the GEM Listing Rules. It is indicated in the Letter that the last day of listing of the Company's shares will be 29 June 2020 and the listing of shares of the Company will be cancelled with effect from 9:00 a.m. on 30 June 2020. On 23 June 2020, the Company has lodged a written request to the Listing Review Committee for review under Chapter 4 of the GEM Listing Rules. On 29 June 2020, the Company received a letter from the Stock Exchange stating that a Listing Review Committee was set up and directions were made regarding procedures of the review process.

The Company is now taking appropriate steps to comply with the Resumption Guidance and will keep the Shareholders and potential investors informed of the progress as and when appropriate.

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## **UPDATE ON BUSINESS OPERATIONS**

As at the date of this announcement, the business of the Company and its subsidiaries has been operating as usual. The Company is of the view that the operations of the Company and its subsidiaries have not been adversely affected by the suspension of trading in the Shares.

**(I) DELAY IN PUBLICATION OF ANNUAL RESULTS AND DESPATCH OF ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2019 AND POSTPONEMENT OF BOARD MEETING; AND (II) PUBLICATION OF UNAUDITED MANAGEMENT ACCOUNTS FOR THE YEAR ENDED 30 JUNE 2019**

According to the Company's announcement dated 30 September 2019, the Company was not able to publish the Results Announcement in respect of the 2019 Annual Results and Annual Report on or before 30 September 2019. As announced in the Company's announcement dated 6 August 2019, BDO Limited has resigned as the auditor of the Company and its subsidiaries with effect from 6 August 2019. The Company is currently looking for a new audit firm to act as the new auditor of the Company to fill in the vacancy caused by the resignation of BDO Limited and will make further announcement(s) pursuant to the GEM Listing Rules once the appointment is made. Accordingly, the Board meeting to approve the publication of the Results Announcement will be postponed to a date to be fixed by the Board and there has been a delay in the publication of the 2019 Annual Results and Annual Report. The Company will publish a further announcement in due course to inform the Shareholders on the date of the release of the Results Announcement and the Board meeting.

The Board acknowledges that the delay in publication of the Results Announcement and the annual report within three months after the end of the financial year ended 30 June 2019 as required under Rules 18.03, 18.48A and 18.49 of the GEM Listing Rules will constitute a non-compliance of the GEM Listing Rules.

In order to keep the Shareholders and the public informed of the Group's business operation and financial position, the Board has provided the Shareholders and the public with the preliminary unaudited financial information of the Group for the year ended 30 June 2019 together with the audited comparative figures for the same period in 2018 in the announcement of the Company dated 15 November 2019.

## **DELAY IN PUBLICATION OF THE FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 SEPTEMBER 2019 AND DELAY IN DESPATCH OF THE FIRST QUARTERLY REPORT**

As announced in the Company's announcement dated 15 November 2019, pursuant to Rules 18.66 and 18.79 of the GEM Listing Rules, the Company must publish the First Quarterly Results Announcement and the First Quarterly Report in respect of the first three months ended 30 September 2019 by not later than 45 days after the end of the first quarter of each financial year. As the publication of the 2019 Annual Results is still pending, the Company is unable to make the First Quarterly Results Announcement and despatch its First Quarterly Report to the Shareholders within the prescribed time in accordance with the GEM Listing Rules. The unaudited financial information of the first quarter of the Group was published in the announcement of the Company dated 28 November 2019. Further announcement(s) will be made by the Company as and when appropriate to inform the Shareholders in relation to the release and publication of the 2019 Annual Results and Annual Report and the First Quarterly Results Announcement and the First Quarterly Report.

## **DELAY IN PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2019 AND DELAY IN DESPATCH OF THE INTERIM REPORT**

Pursuant to Rules 18.53 and 18.78 of the GEM Listing Rules, the Company must publish the interim results announcement (the "Interim Results Announcement") and the interim report (the "Interim Report") in respect of the first six months ended 31 December 2019 by not later than 45 days after the end of the first six months of each financial year. As the publication of the 2019 Annual Results is still pending, the Company is unable to make the Interim Results Announcement and despatch its Interim Report to the Shareholders within the prescribed time in accordance with the GEM Listing Rules. The unaudited financial information of the interim of the Group was published in the announcement of the Company dated 14 February 2020.

## **DELAY IN PUBLICATION OF THE THIRD QUARTERLY RESULTS ANNOUNCEMENT FOR THE NINE MONTHS ENDED 31 MARCH 2020 AND DELAY IN DESPATCH OF THE THIRD QUARTERLY REPORT**

Pursuant to Rules 18.66 and 18.79 of the GEM Listing Rules, the Company must publish the Third Quarterly Results Announcement and the Third Quarterly Report in respect of the nine months ended 31 March 2020 by not later than 45 days after the end of the third quarter of each financial year. As the publication of the 2019 Annual Results is still pending, the Company is unable to make the Third Quarterly Results Announcement and despatch its Third Quarterly Report to the Shareholders within the prescribed time in accordance with the GEM Listing Rules. The unaudited financial information of the third quarter of the Group was published in the announcement of the Company dated 14 February 2020. Further announcement(s) will be made by the Company as and when appropriate to inform the Shareholders in relation to the release and publication of the 2019 Annual Results and Annual Report and the First Quarterly Results Announcement and the First Quarterly Report and the Interim Results Announcement and the Interim Report and the Third Quarterly Results Announcement and the Third Quarterly Report.

Further announcement(s) will be made by the Company as and when appropriate to inform the Shareholders in relation to the release and publication of the 2019 Annual Results and Annual Report, the First Quarterly Results Announcement and the First Quarterly Report and the Interim Results Announcement and the Interim Report.

## **FORMATION OF THE REVIEW COMMITTEE AND APPOINTMENT OF EXECUTIVE DIRECTOR**

According to the Company's announcement dated 20 May 2020, the Company announces that a review committee (the "Review Committee"), initially comprising Mr. So Pak Kei, Mr. Tsui Kin Fung and Dr. Cheng Chak Ho, all independent non-executive Directors, has been established on 18 May 2020, for the purpose of, among other things, investigating and reporting on various matters and events leading to and/or otherwise relating to the Suspension and forming and executing a plan for resumption of dealings in the Shares (the "Resumption").

According to the Company's announcement dated 18 June 2020, the Company announced that Ms. Tang Shuk Kuen has been appointed as executive Director and a member of the Review Committee.

## **INSIDER INFORMATION WINDING UP PETITION**

On 18 May 2020, the Securities and Futures Commission (the “Petitioner”) has filed a petition to the Court of First Instance of the High Court of Hong Kong Special Administrative Region (the “Court”) for the winding up of the Company (the “Winding Up Petition”) under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) and section 212 of the SFO. In addition, the Petitioner also requested for disqualification orders against, among others, Mr. Liu Tin Lap and Mr. Lee Man To, both as the executive directors of the Company under section 214(2)(a) and/or section 214(2)(d) of the SFO and for an order against, among others, Mr. Liu Tin Lap and Mr. Lee Man To to pay compensation to the Company and/or one or more of its subsidiary in the amount as is assessed together with interest thereon pursuant to section 49 of the High Court Ordinance (Cap. 4), on a joint and several basis. The Winding Up Petition was heard on 12 August 2020 at 9:30 a.m..

On 21 May 2020, the Court rejected the Petitioner’s application for immediate appointment of provisional liquidators over the Company. The court ordered that the Petitioner’s said application be adjourned to be heard on 30 and 31 July 2020 upon undertakings made by the Company including not procuring its subsidiaries and relevant funds to dispose of, deal with, transfer, charge, encumber or diminish the value of the assets and not removing any books and records belonging to the Company, its subsidiaries and relevant funds within their possession, custody or power, whether by the Company’s servants, agents or directors or otherwise howsoever.

The Company opposed the Petitioner’s application for appointment of the provisional liquidators over the Company on the scheduled hearing on 30 and 31 July 2020 and the Court reserved its decision at this moment. The Company will make further announcement in respect of this matter once the decision is made by the Court.

The Company also has defended the Winding Up Petition. The Company is in the course of obtaining legal advice in this matter. The Company will make further announcement(s) to keep its shareholders and investors informed of any significant developments in relation to the Winding Up Petition as and when appropriate.

## **RE-DESIGNATION OF DIRECTORS**

According to the Company’s announcement dated 22 May 2020, the Company announced that with effect from 22 May 2020, (i) Mr. Liu Tin Lap (“Mr. Liu”) has been re-designated from the chairman and executive Director to a non-executive Director and resigned from the position of compliance officer of the Company; and (ii) Mr. Lee Man To (“Mr. Lee”) has been re-designated from the executive Director to a non-executive Director and resigned from the position of financial controller and qualified accountant of the Company. Both Mr. Liu and Mr. Lee would remain as staff of the Group and Mr. Lee would remain as the company secretary of the Company.

## **ABSENCE OF AUDITOR AND APPOINTMENT OF AUDITOR**

As announced in the Company's announcement dated 6 August 2019, BDO Limited has resigned as the auditor of the Company and its subsidiaries with effect from 6 August 2019. The Company is currently looking for a new audit firm to act as the new auditor of the Company to fill in the vacancy caused by the resignation of BDO Limited and will make further announcement(s) pursuant to the GEM Listing Rules once the appointment is made. As announced in the Company's announcement dated 26 June 2020, Zenith CPA Limited has been appointed as the auditor of the Company and its subsidiaries.

## **RESIGNATION OF DIRECTORS AND CHANGE OF COMPANY SECRETARY**

As announced in the Company's announcement dated 10 August 2020, Mr. Liu Tin Lap resigned as a non-executive Director; (ii) Mr. Lee Man To resigned as a non-executive Director, the Company Secretary and the Authorized Representative; and (iii) Ms. Tang Shuk Kuen has been appointed as the Company Secretary. Following the resignation of Mr. Lee Man To as an Authorized Representative, the Company only has Ms. Tang Shuk Kuen as the Authorized Representative and therefore failed to meet the requirement that the Company must ensure at all time, it has 2 Authorized Representatives.

## **CONTINUED SUSPENSION OF TRADING IN THE SHARES**

Trading in the Shares on the GEM has been suspended since 9:00 a.m. on 29 May 2019 and will continue to be suspended until further notice. The Company will keep the public informed of the latest developments by making further announcement(s) as and when appropriate.

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

By Order of the Board  
**Combest Holdings Limited**  
**Tang Shuk Kuen**  
*Executive Director and*  
*member of the Review Committee*

Hong Kong, 27 August 2020

*As at the date of this announcement, the Board is composed of Ms. Tang Shuk Kuen as executive Director, Mr. So Pak Kei, Mr. Tsui Kin Fung and Dr. Cheng Chak Ho as independent non-executive Directors.*

*In case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.*

*This announcement will remain on the "Latest Company Announcement" page of the GEM website for at least seven days from the day of its posting and the website of the Company at <http://www.irasia.com/listco/hk/combestholdings/index.htm>.*