

## MONTHLY PROLONGED SUSPENSION STATUS REPORT (GEM BOARD) (as at 31 August 2019)

1. This report summarises the status of companies which have been suspended for three months or more.

### *Suspension, resumption criteria, and delisting periods under the GEM Listing Rules (Rules)*

2. The Exchange, as frontline regulator of listed companies, is obliged to maintain a fair, orderly and efficient market for the trading of securities. It may suspend trading in any securities for the purpose of protecting investors or maintaining an orderly market. Where there are concerns about investor protection, the Exchange may require the company to address these specific concerns before allowing trading to resume<sup>1</sup>.
3. In the interests of promoting a continuous market for the trading of listed securities, the period of suspension should be kept as short as possible. Resumption of trading normally takes place after the publication of information, and where applicable, fulfillment of conditions imposed by the Exchange.
4. On 1 August 2018 (the **Effective Date**), amendments to the delisting framework under the Rules came into effect. Under the amended Rules, the Exchange would cancel the listing of a suspended company after a trading suspension of 12 continuous months (the **12 month period**). Depending on the specific facts and circumstances of a suspended company, the Exchange may at any time publish a delisting notice stating its right to delist the company if it fails to resume trading within a shorter period specified in the notice (**specific remedial period**).
5. The amended Rules provide the following transitional arrangements for companies under a trading suspension immediately before the Effective Date:
  - (a) for companies having been given a delisting notice, the delisting notice continues to apply (see table A); and
  - (b) in other cases, the companies would be delisted if it remains suspended for 12 continuous months from the Effective Date (see table B).
6. Table B also includes cases where trading begins to suspend after the Effective Date. The companies concerned will be delisted if they remain suspended for the 12 month period. Where appropriate, the Exchange may at any time during the trading suspension issue a delisting notice specifying a shorter specific remedial period referred to in paragraph 4 above, in which event the company will be transferred to table A.

### *Disclosure of information by companies*

7. A suspended company is obliged to disclose (i) inside information under the Securities and Futures Ordinance, and (ii) all information required to be disclosed by a listed company under the Rules (e.g. financial results, notifiable and connected transactions). In addition, it must announce quarterly updates on its developments, such as its business operations, resumption plan and timetable, and the progress of implementing such resumption plan and satisfying the resumption conditions/guidance issued by the Exchange. Please see the companies' announcements available on the HKEXnews website at [www.hkexnews.hk](http://www.hkexnews.hk).
8. For guidance on the operation of the amended Rules, general obligations of suspended companies, the Exchange's regulatory actions during the resumption process, and guidance specific to different types of suspension cases<sup>2</sup>, please see Guidance Letter GL95-18.
9. The table below presents a status summary of long suspended companies based on their published announcements, including conditions for resumption, deadlines for resumption, major developments and outstanding issues. The Exchange may modify or impose further resumption conditions/guidance subject to developments.

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<sup>1</sup> Please see also the Exchange's article Overview of Policy on Share Trading Suspension available at <http://www.hkex.com.hk/eng/newsconsul/newsltr/2004/documents/2004-07-02-e.pdf> for details about circumstances for suspension

<sup>2</sup> Including (i) failure to maintain sufficient operations or assets, (ii) failure to publish financial results or inside information due to material irregularities, and (iii) failure to maintain sufficient public float

**A. Companies subject to a specific remedial period (see paragraph 5(a))**

No	Long suspended GEM companies	Date of suspension	End date of specific remedial period	Resumption conditions or guidance / Major issues to be addressed	Major developments based on company's announcements	Outstanding issues
1	Union Asia Enterprise Holdings Limited (8173)	20-Mar-17	29-Jun-18	1. Demonstrate sufficient operations / assets	<ul style="list-style-type: none"> <li>▪ New listing application concerning its proposed reverse takeover was submitted in Jan 2019 and lapsed in Jul 2019</li> <li>▪ A revised resumption proposal relating to amended and restated terms of the restructuring agreement was finalised in May 2019</li> <li>▪ Circular relating to proposed restructuring was despatched on 29 May 2019 and extraordinary general meeting was held on 24 Jun 2019</li> <li>▪ New listing application would be resubmitted as and when appropriate</li> </ul>	1. Demonstrate sufficient operations / assets
2	Jian ePayment Systems Limited (8165)	15-May-18	14-Nov-18	1. Demonstrate sufficient operations / assets	<ul style="list-style-type: none"> <li>▪ New listing application relating to its resumption proposal was submitted in May 2019</li> </ul>	1. Demonstrate sufficient operations / assets
3	Netel Technology (Holdings) Limited (8256)	8-Aug-18	7-Feb-19	1. Demonstrate sufficient operations / assets	<ul style="list-style-type: none"> <li>▪ GEM Listing (Review) Committee upheld the Listing Department's decision in Aug 2018 to impose a remedial period of six months for restoring sufficient operations and assets to avoid delisting</li> <li>▪ The company submitted a resumption proposal in Jan 2019</li> </ul>	1. Demonstrate sufficient operations / assets

**B. Other suspended companies (see paragraph 5(b) and 6)**

No	Long suspended GEM companies	Date of suspension	End date of remedial period	Resumption conditions or guidance / Major issues to be addressed	Major developments based on company's announcements	Outstanding issues
1	First Credit Finance Group Limited (8215)	24-Nov-17	31-Jul-19	1. Approval of resumption by Securities and Futures Commission (SFC)	<ul style="list-style-type: none"> <li>▪ SFC directed suspension of trading on 24 Nov 2017</li> <li>▪ The Exchange will, until further notice, withhold exercising its right to delist the company should trading in the company's securities remain suspended on 31 Jul 2019</li> </ul>	1. Address issues arisen from SFC directed suspension
2	China Candy Holdings Limited (8182)	12-Dec-17	31-Jul-19	<ol style="list-style-type: none"> <li>1. Publish forensic review findings and address any identified issues</li> <li>2. Publish outstanding financial results and address any audit modifications</li> <li>3. Inform market of all material information</li> <li>4. Demonstrate no regulatory concern about management integrity</li> <li>5. Demonstrate the fulfillment of the duties of skill, care and diligence by directors and supervisors</li> <li>6. Demonstrate adequate internal control system</li> </ol>	<ul style="list-style-type: none"> <li>▪ Key findings of forensic investigation were announced in Mar 2019</li> <li>▪ The company will overhaul its management team in end of Aug 2019</li> <li>▪ The draft internal control report is expected to be completed by mid-Aug 2019</li> <li>▪ 2017 to 2018 annual results and 2019 interim results are expected to be published by late Sep 2019 or early Oct 2019</li> <li>▪ The company applied to the GEM Listing Review Committee for review of the GEM Listing Committee's delisting decision made in Aug 2019</li> </ul>	<ol style="list-style-type: none"> <li>1. Publish forensic review findings and address any identified issues</li> <li>2. Publish outstanding financial results and address any audit modifications</li> <li>3. Inform market of all material information</li> <li>4. Demonstrate no regulatory concern about management integrity</li> <li>5. Demonstrate the fulfillment of the duties of skill, care and diligence by directors and supervisors</li> <li>6. Demonstrate adequate internal control system</li> </ol>
3	Zhejiang Prospect Company Limited (8273)	3-Apr-18	31-Jul-19	<ol style="list-style-type: none"> <li>1. Address all audit issues</li> <li>2. Publish outstanding financial results and address any audit modifications</li> <li>3. Inform market of material information</li> <li>4. Demonstrate no regulatory concern about management integrity</li> <li>5. Demonstrate the fulfillment of the duties of skill, care and diligence by directors and supervisors</li> <li>6. Demonstrate adequate internal control system</li> </ol>	<ul style="list-style-type: none"> <li>▪ Findings on internal control review announced in Aug 2018</li> <li>▪ Findings on second stage internal control review announced in Apr 2019</li> <li>▪ Forensic accounting report was issued to the company in Jul 2019</li> <li>▪ The listing of the company's H shares will be cancelled with effect from 2 Sep 2019</li> </ul>	<ol style="list-style-type: none"> <li>1. Address all audit issues</li> <li>2. Publish outstanding financial results and address any audit modifications</li> <li>3. Inform market of material information</li> <li>4. Demonstrate no regulatory concern about management integrity</li> <li>5. Demonstrate the fulfillment of the duties of skill, care and diligence by directors and supervisors</li> <li>6. Demonstrate adequate internal control system</li> </ol>

No	Long suspended GEM companies	Date of suspension	End date of remedial period	Resumption conditions or guidance / Major issues to be addressed	Major developments based on company's announcements	Outstanding issues
4	Shanxi Changcheng Microlight Equipment Co. Ltd. (8286)	3-Apr-18	31-Jul-19	<ol style="list-style-type: none"> <li>1. Publish outstanding financial results and address any audit modifications</li> <li>2. Inform market of material information</li> <li>3. Demonstrate sufficient operations / assets</li> <li>4. Restore and maintain sufficient public float</li> </ol>	<ul style="list-style-type: none"> <li>▪ 2017 to 2018 annual results, 2018 to 2019 first quarterly results, 2018 to 2019 interim results and 2018 third quarterly results were published</li> <li>▪ The company submitted a resumption proposal in Apr 2019</li> <li>▪ In relation to the resumption proposal, the company entered into certain agreements for its fund raising plan</li> <li>▪ The minimum prescribed percentage of public shareholders was met on 26 Jul 2019</li> </ul>	<ol style="list-style-type: none"> <li>1. Address any audit modifications</li> <li>2. Inform market of material information</li> <li>3. Demonstrate sufficient operations / assets</li> <li>4. Restore and maintain sufficient public float</li> </ol>
5	Baytacare Pharmaceutical Co., Ltd (8197)	27-Sep-18	26-Sep-19	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> <li>2. Publish outstanding financial results and address any audit modifications</li> </ol>	<ul style="list-style-type: none"> <li>▪ As a result of the breach by the vendors under the acquisition agreement, the company terminated the major acquisition in Nov 2018</li> <li>▪ 2018 annual results, 2019 first quarterly results and 2019 interim results were published</li> </ul>	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> <li>2. Publish outstanding financial results and address any audit modifications</li> </ol>
6	China Fortune Investments (Holding) Limited (8116)	5-Nov-18	4-Nov-19	<ol style="list-style-type: none"> <li>1. Conduct appropriate investigation into potential irregularities</li> <li>2. Demonstrate adequate internal control systems</li> <li>3. Publish outstanding financial results and address any audit modifications</li> <li>4. Inform market of material information</li> </ol>	<ul style="list-style-type: none"> <li>▪ An investigation committee was set up to investigate into the financial, operational and other affairs of the company's operating subsidiary</li> <li>▪ Key findings of the investigation and internal control review reports are expected to be published by 31 Aug 2019</li> <li>▪ 2018 third quarterly results, 2018 annual results, 2019 first quarterly results and 2019 interim results are expected to be published by 15 Oct 2019</li> </ul>	<ol style="list-style-type: none"> <li>1. Conduct appropriate investigation into potential irregularities</li> <li>2. Demonstrate adequate internal control systems</li> <li>3. Publish outstanding financial results and address any audit modifications</li> <li>4. Inform market of material information</li> </ol>
7	China Yu Tian Holdings Limited (8230)	29-Mar-19	28-Mar-20	<ol style="list-style-type: none"> <li>1. Publish outstanding financial results and address any audit modifications</li> <li>2. Inform market of material information</li> </ol>	<ul style="list-style-type: none"> <li>▪ Audit works for the financial year ended 31 Dec 2018 were substantially completed and were subject to internal review and approval</li> <li>▪ Board meeting to approve publication of 2018 annual results, 2019 first quarterly results and 2019 interim results is further postponed</li> </ul>	<ol style="list-style-type: none"> <li>1. Publish outstanding financial results and address any audit modifications</li> <li>2. Inform market of material information</li> </ol>

No	Long suspended GEM companies	Date of suspension	End date of remedial period	Resumption conditions or guidance / Major issues to be addressed	Major developments based on company's announcements	Outstanding issues
8	Dahe Media Co., Ltd (8243)	1-Apr-19	31-Mar-20	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> <li>2. Demonstrate adequate internal control systems</li> <li>3. Publish outstanding financial results and address any audit modifications</li> <li>4. Inform market of material information</li> </ol>	<ul style="list-style-type: none"> <li>▪ The company's internal management structure was paralyzed due to lack of staff, in addition to the frozen bank account due to litigation, and the company has been unable to meet the requirements of the auditors</li> <li>▪ The company has been discussing with parties to explore the possibility of restructuring and to consider different options to formulate a feasible resumption proposal</li> </ul>	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> <li>2. Demonstrate adequate internal control systems</li> <li>3. Publish outstanding financial results and address any audit modifications</li> <li>4. Inform market of material information</li> </ol>
9	China Assurance Finance Group Limited (8090)	1-Apr-19	31-Mar-20	<ol style="list-style-type: none"> <li>1. Publish outstanding financial results and address any audit modifications</li> <li>2. Settlement of the winding up petition and the relevant legal proceedings</li> <li>3. Inform market of material information</li> </ol>	<ul style="list-style-type: none"> <li>▪ The company has published unaudited management accounts for the year ended 31 Dec 2018, and needs additional time to complete the 2018 annual results</li> <li>▪ Hearing of the winding up petition was scheduled for 11 Sep 2019</li> </ul>	<ol style="list-style-type: none"> <li>1. Publish outstanding financial results and address any audit modifications</li> <li>2. Settlement of the winding up petition and the relevant legal proceedings</li> <li>3. Inform market of material information</li> </ol>
10	Janco Holdings Limited (8035)	1-Apr-19	31-Mar-20	<ol style="list-style-type: none"> <li>1. Publish outstanding financial results and address any audit modifications</li> <li>2. Announce findings of independent review and take appropriate remedial actions</li> <li>3. Inform market of material information</li> </ol>	<ul style="list-style-type: none"> <li>▪ 2018 annual results and 2019 first quarterly results are expected to be published by late Sep 2019</li> <li>▪ The company expects the investigation report would be completed in late Aug 2019</li> </ul>	<ol style="list-style-type: none"> <li>1. Publish outstanding financial results and address any audit modifications</li> <li>2. Announce findings of independent review and take appropriate remedial actions</li> <li>3. Inform market of material information</li> </ol>
11	Polyard Petroleum International Group Limited (8011)	1-Apr-19	31-Mar-20	<ol style="list-style-type: none"> <li>1. Publish outstanding financial results and address any audit modifications</li> <li>2. Inform market of material information</li> </ol>	<ul style="list-style-type: none"> <li>▪ Due to the company's unsettled convertible bonds, the auditor has been unable to complete the relevant audit procedures</li> </ul>	<ol style="list-style-type: none"> <li>1. Publish outstanding financial results and address any audit modifications</li> <li>2. Inform market of material information</li> </ol>
12	Combest Holdings Limited (8190)	29-May-19	28-May-20	<ol style="list-style-type: none"> <li>1. Approval of resumption by Securities and Futures Commission (SFC)</li> </ol>	<ul style="list-style-type: none"> <li>▪ SFC directed suspension of trading on 29 May 2019</li> </ul>	<ol style="list-style-type: none"> <li>1. Approval issues arisen from SFC directed suspension</li> </ol>