

**MONTHLY PROLONGED SUSPENSION STATUS REPORT (GEM BOARD)**  
**(as at 30 June 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	China Nonferrous Metals Company Limited (8306)	1-Apr-15	30-Jun-18	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> <li>2. Conduct investigation to address potential irregularities</li> <li>3. Demonstrate no management integrity concern</li> <li>4. Publish outstanding financial results and address any audit modifications</li> <li>5. Demonstrate adequate internal control system</li> <li>6. Inform market of material information</li> </ol>	<ul style="list-style-type: none"> <li>▪ GEM Listing (Review) Committee upheld GEM Listing Committee's delisting decision in Mar 2019</li> <li>▪ The company applied for review of the GEM Listing (Review) Committee's decision</li> </ul>	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> <li>2. Demonstrate no management integrity concern</li> <li>3. Publish outstanding financial results and address any audit modifications</li> <li>4. Demonstrate adequate internal control system</li> <li>5. Inform market of material information</li> </ol>
2	Union Asia Enterprise Holdings Limited (8173)	20-Mar-17	29-Jun-18	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> </ol>	<ul style="list-style-type: none"> <li>▪ New listing application concerning its proposed reverse takeover was submitted in Jan 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> </ul>	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> </ol>
3	Jian ePayment Systems Limited (8165)	15-May-18	14-Nov-18	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> </ol>	<ul style="list-style-type: none"> <li>▪ New listing application relating to its resumption proposal was submitted in May 2019</li> </ul>	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> </ol>
4	Netel Technology (Holdings) Limited (8256)	8-Aug-18	7-Feb-19	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> </ol>	<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>	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> </ol>
5	Heng Xin China Holdings Limited (8046)	27-Nov-18	25-May-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>▪ GEM Listing (Review) Committee upheld the Listing Department's decision in Apr 2018 to impose a remedial period of six months for restoring sufficient operations and assets to avoid delisting</li> <li>▪ Listing of the company's shares will be cancelled with effect from 2 July 2019</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>

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
6	Rui Feng Group Holdings Company Limited (formerly named as China Hanya Group Holdings Limited) (8312)	10-Dec-18	10-Jun-19	1. Demonstrate sufficient operations / assets	<ul style="list-style-type: none"> <li>▪ GEM Listing (Review) Committee decided to uphold the GEM Listing Committee's decision in Jun 2018 to impose a remedial period of six months for restoring sufficient operations and assets to avoid delisting</li> <li>▪ GEM Listing Committee decided to proceed with the cancellation of the company's listing. The company decided not to request a review of the GEM Listing Committee's decision. The company's listing of shares will be cancelled with effect from 9 Jul 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	Aeso Holding Limited (Provisional Liquidators appointed) (8341)	12-Jun-17	31-Jul-19	<ol style="list-style-type: none"> <li>1. Demonstrate the validity of the board of directors under articles of association</li> <li>2. Address allegation about the lack of an open market in the company's shares</li> <li>3. Publish outstanding financial results and address any audit modifications</li> <li>4. Inform market of all material information</li> <li>5. Withdraw winding up petition and discharge liquidators</li> </ol>	<ul style="list-style-type: none"> <li>▪ Provisional liquidators were appointed in May 2018</li> <li>▪ 2016/2017 to 2018/2019 annual results were published</li> <li>▪ The winding up petition was dismissed and provisional liquidators were discharged on 29 Apr 2019</li> </ul>	<ol style="list-style-type: none"> <li>1. Demonstrate the validity of the board of directors under articles of association</li> <li>2. Address allegation about the lack of an open market in the company's shares</li> <li>3. Publish outstanding financial results and address any audit modifications</li> <li>4. Inform market of all material information</li> <li>5. Withdraw winding up petition and discharge liquidators</li> </ol>
2	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

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
3	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> </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>
4	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>▪ The company appointed a forensic accountant and anticipated the investigation to commence in May 2019 and a draft forensic report to be available in Jun 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>
5	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 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> </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>
6	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 and 2019 first quarterly results were published</li> </ul>	<ol style="list-style-type: none"> <li>1. Demonstrate sufficient operations / assets</li> <li>2. Address any audit modifications</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
7	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>▪ The draft investigation and internal control review reports are expected to be available for consideration by the investigation committee by end of May 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>
8	China Yu Tian Holdings Limited (8230)	29-Mar-19	28-Mar-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> </ol>	<ul style="list-style-type: none"> <li>▪ Profit warnings for the annual results for the year ended 31 Dec 2018 and the quarterly results for the three months ended 31 Mar 2019 were announced</li> <li>▪ Board meeting was to be held on 28 Jun 2019 to approve the financial results for the year ended 31 Dec 2018 and three months ended 31 Mar 2019</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>