



COMBEST HOLDINGS LIMITED 康佰控股有限公司*

(Incorporated in the Cayman Islands with limited liability)
(Stock code: 8190)



Third Quarterly Report
2011/2012

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Combest Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited 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 report 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 document misleading.

HIGHLIGHTS

The financial highlights of the Company and its subsidiaries (collectively, the "Group") for the nine months ended 31 March 2012 (the "Period") are presented as follows:

	Total	
	2012	2011
	RMB'000	<i>RMB'000</i>
Revenue	89,625	272,462
(Loss)/Profit for the period attributable to owners of the Company	(21,838)	65,275
	RMB cents	<i>RMB cents</i>
(Loss)/Earnings per share		
– basic	(0.68)	2.09
– diluted	N/A	N/A

RESULTS

The Board of Directors (the "Board") wishes to announce the unaudited results of the Group for the Period, together with the unaudited comparative figures for the nine months ended 31 March 2011 ("Corresponding period in 2011") as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		Unaudited			
		Three months ended 31 March		Nine months ended 31 March	
		2012	2011	2012	2011
Note		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	Revenue	19,813	67,287	89,625	272,462
	Cost of sales	(13,996)	(43,761)	(65,069)	(173,219)
	Gross profit	5,817	23,526	24,556	99,243
	Other income	8	121	104	717
	Selling and distribution costs	(11,327)	(2,885)	(20,505)	(11,863)
	Administrative expenses	(11,982)	(5,425)	(26,597)	(13,866)
	Other operating expenses	-	-	-	(116)
	(Loss)/Profit from operating activities	(17,484)	15,337	(22,442)	74,115
	Finance costs	-	(78)	-	(456)
	(Loss)/Profit before income tax	(17,484)	15,259	(22,442)	73,659
	Income tax credit/(expense)	471	(1,512)	669	(9,435)
	(Loss)/Profit for the period	(17,013)	13,747	(21,773)	64,224
	Other comprehensive income for the period:				
	Exchange gain/(loss) on translation of financial statements of foreign operations	682	975	1,811	(2,018)
	Total comprehensive income for the period	(16,331)	14,722	(19,962)	62,206

Unaudited					
		Three months ended 31 March		Nine months ended 31 March	
		2012	2011	2012	2011
Note		<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
(Loss)/Profit for the period attributable to:					
	Owners of the Company	(17,103)	14,777	(21,838)	65,275
	Non-controlling interests	90	(1,030)	65	(1,051)
		(17,013)	13,747	(21,773)	64,224
Total comprehensive income attributable to:					
	Owners of the Company	(16,421)	15,752	(19,896)	63,254
	Non-controlling interests	90	(1,030)	(66)	(1,048)
		16,331	14,722	(19,962)	62,206
(Loss)/Earnings per share for (loss)/profit attributable to owners of the Company during the period					
	– Basic (<i>RMB cent(s)</i>)	(0.53) cent	0.46 cent	(0.68) cent	2.09 cent
	– Diluted (<i>RMB cent(s)</i>)	N/A	N/A	N/A	N/A

Notes:

1. General information

Combest Holdings Limited (the "Company") is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 28 August 2001 and its shares are listed on the Growth Enterprise Market (the "GEM") of the Stock Exchange of Hong Kong Limited (the "SEHK").

2. Basis of presentation

The unaudited condensed consolidated results incorporate those of the Company and its subsidiaries for the nine months ended 31 March 2012.

The unaudited condensed consolidated results of the Group are prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs"), issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the Rules Governing the Listing of Securities on the GEM of the SEHK (the "GEM Listing Rules").

The principal accounting policies and methods of computation used in the preparation of this set of report are consistent with those used in the annual financial statements for the year ended 30 June 2011.

The Group has adopted a number of new and revised standards, amendments and interpretations which are effective for the Group's accounting periods beginning on or after 1 July 2011. The adoption of these new and revised standards, amendments and interpretations does not have significant impact on the accounting policies of the Group.

All significant inter-company transactions and balances within the Group are eliminated in the preparation of the consolidated financial statements.

The results of the Company are presented in Renminbi ("RMB"), which is different from the functional currency of the Company, Hong Kong dollars ("HK\$"), as the Directors consider that RMB is the most appropriate presentation currency in view of the most of the underlying transactions of the Group are denominated in RMB.

3. Revenue and other income

Revenue, which is also the Group's turnover, represents the net invoiced value of goods sold and services rendered, after allowances for return and trade discounts, where applicable.

An analysis of the Group's revenue and other income for the nine months ended 31 March 2012 and 2011 is as follows:

	Unaudited	
	Nine months ended	
	31 March	
	2012	2011
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue		
Sales of goods	89,625	272,462
Other income		
Interest income	26	21
Sales of scrap materials	62	586
Sundry income	16	110
	104	717

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4. Segment information

The executive directors have identified the Group's two product lines as reportable segments:

- (a) Functional healthcare bedroom products include mattresses, magnetic chairs, pillows, blankets, other bedroom accessories and a range of functional healthcare clothes and accessories; and
- (b) OEM consumer electronic components include RS connectors, transmitters for consumer electronic products.

An analysis of the Group's revenue and results by principal activities, in respect of the Group's operations for the nine months ended 31 March 2012 is as follows:

	Unaudited					
	Functional healthcare bedroom products		OEM consumer electronic components		Total	
	For the nine months ended 31 March					
	2012 RMB'000	2011 RMB'000	2012 RMB'000	2011 RMB'000	2012 RMB'000	2011 RMB'000
Revenue						
– From external customers						
Reportable segment revenue	78,629	252,389	10,996	20,073	89,625	272,462
Reportable segment (loss)/profit	(14,934)	81,668	464	(2,336)	(14,470)	79,332
Depreciation	1,515	385	1,199	450	2,714	835
Amortisation of intangible assets	5,898	–	–	–	5,898	–
Written off fixed assets of closed customer service centers	7,081	–	–	–	7,081	–

4. Segment information (Continued)

The total represented for the Group's operation segments reconcile to the Group's key financial figures as presented in the financial statements as follows:

	Unaudited	
	For the nine months ended	
	31 March	
	2012	2011
	RMB'000	RMB'000
Reportable segment revenue	89,625	272,462
Reportable segment (loss)/profit	(14,470)	79,332
Finance costs	-	(456)
Unallocated expenses	(7,972)	(5,217)
(Loss)/Profit before income tax	(22,442)	73,659

5. Finance costs

	Unaudited	
	For the nine months ended	
	31 March	
	2012	2011
	RMB'000	RMB'000
Interest on bank loans and overdrafts and other loans wholly repayable within five years	-	456

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6. Income tax (credit)/expense

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

An analysis of the Group's income tax (credit)/expense for the nine months ended 31 March 2012 and 2011 is as follows:

	Unaudited	
	For the nine months ended	
	31 March	
	2012	2011
	RMB'000	RMB'000
Current tax		
PRC income tax	805	9,435
Deferred tax	(1,474)	-
	(669)	9,435

7. Interim dividends

The Board did not recommend the payment of an interim dividend for the nine months ended 31 March 2012 and 2011.

8. (Loss)/Earnings per share

Basic

The calculation of basic (loss)/earnings per share is based on the loss for the three months and nine months ended 31 March 2012 attributable to owners of the Company of approximately RMB17,103,000 and RMB21,838,000 respectively (Corresponding period in 2011: approximately profit of RMB14,777,000 and RMB65,275,000 respectively) and the weighted average of the 3,201,500,000 ordinary shares in issue during the three months and nine months ended 31 March 2012 (Corresponding period in 2011: the weighted average of 3,201,500,000 and 3,121,952,899 ordinary shares respectively).

Diluted

No diluted (loss)/earnings per share were presented for the three months and nine months ended 31 March 2012 and 2011, as the company had no potential ordinary shares outstanding at the end of the reporting periods.

9. Share capital and reserves

For the nine months ended 31 March 2012

	Unaudited							Total equity RMB'000
	Equity attributable to owners of the Company							
	Share capital RMB'000	Share premium RMB'000	Statutory reserves RMB'000	Exchange fluctuation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interests RMB'000	
Balance at 1 July 2011	30,860	419,537	8,268	2,728	(184,004)	277,389	1,958	279,347
Loss for the period	-	-	-	-	(21,838)	(21,838)	65	(21,773)
Other comprehensive income								
Exchange gain/(loss) on translation of financial statements of foreign operation	-	-	-	1,942	-	1,942	(131)	1,811
Total comprehensive income for the period	-	-	-	1,942	(21,838)	(19,896)	(66)	(19,962)
Transfer to statutory reserves	-	-	913	-	(913)	-	-	-
Balance at 31 March 2012	30,860	419,537	9,181	4,670	(206,755)	257,493	1,892	259,385
Balance at 1 July 2010	28,216	322,469	265	333	(245,551)	105,732	1,610	107,342
Transactions with owners								
Issue of new shares	2,644	97,068	-	-	-	99,712	-	99,712
Profit for the Period	-	-	-	-	65,275	65,275	(1,051)	64,224
Other comprehensive income								
Exchange gain on translation of financial statements of foreign operations	-	-	-	(2,017)	-	(2,017)	(1)	(2,018)
Arising from disposal of subsidiaries	-	-	-	(284)	284	-	-	-
Total comprehensive income for the Period	-	-	-	(2,301)	65,559	63,258	(1,052)	62,206
Balance at 31 March 2011	30,860	419,537	265	(1,968)	(179,992)	268,702	558	269,260

FINANCIAL REVIEW

For the nine months ended 31 March 2012, the Group's revenue was approximately RMB89,625,000 which represented a decrease of approximately 67.1% compared to the previous corresponding period. Such decrease in revenue was mainly contributed to by the slowdown of sales to both wholesale customers and franchisees and the continual high turnover of our staff at the Customer Service Centers ("CSCs") during the period under review. Some of our franchisees took longer than expected to educate themselves on our products before promoting them to their customers and we invested some time and effort to educate them on our new products. We have also restructured some of our sales management team to increase management efficiency of the franchise sales network and to allocate our resources more effectively.

The Group's profit margin decreased to approximately 27.4% for the nine months ended 31 March 2012 as compared to approximately 36.4% for the previous corresponding period. The decrease is due to, amongst other things, increased raw material prices, lower economies of scales as a result of decreased sales volume and reduced production activities, which exerted a negative impact on the profit margin.

(Loss)/Profit attributable to owners of the Company

The unaudited loss attributable to owners of the Company for the nine months ended 31 March 2012 amounting to RMB21,838,000, as compared to the profit of RMB65,275,000 for the previous corresponding period. The decrease is due to, amongst other things, increased amortization of intangible assets and depreciation and the cost of closing down the majority of the Group's CSCs which cannot produce the positive impact to the sales and increased advertisement expense.

BUSINESS REVIEW

We are principally engaged in two business segments, namely (i) manufacture and sale of functional healthcare bedroom products and other accessories, and (ii) manufacturing and trading of OEM consumer electronic components.

Restructuring of the Customer Service Centres

As at the date of this report, the Group restructures the CSC programme. We have shutdown approximately 30 self-managed CSCs in various cities in China that could not benefit the Group. After the restructuring, the Group kept approximately 20 self-managed CSCs that could enhance the Combest brand awareness in the marketplace and support franchisees in growing their business volume. Ongoing training and product education of our independent franchisees and our CSC staff are also carried out there.

BUSINESS OUTLOOK

With a growing PRC domestic consumption market having increased spending power, despite the interim setback in our business we continue to believe that the market represents huge potential for the Group.

Continued Expansion of Product Range to Deepen Market Penetration

Based on the technological research and support of Zhejiang University, we will be able to further develop new products based on the applied magnetic physics and ergonomics which will improve the quality of life of consumers. In addition, we are carrying out our own product research and development and these efforts, combined with those of our collaboration with Zhejiang University will yield us a good pipeline of new or upgraded products for sale to consumers in coming quarters. These products will widen our product offerings and help to deepen our market penetration. To further widen our related product range, we will also source and commence to trial sale some of the Chinese herbal-based health supplements.

Focus on Franchisee Retail Sales Network

We plan to focus more on strengthening our franchisee retail network including investing in additional training for our franchisees and staff. We plan to enhance our usage of CSCs to help our sales network promote our products and to improve our brand image and promote sales.

Boost to Combest Brand Awareness through TV and other Advertisements

With our brand spokesperson Madam Lang Ping's standing in the domestic PRC market, her endorsement will certainly help to boost our image positively in the PRC market. The launch of the respective advertisements in the near future will be a good opportunity for our franchisees to take advantage of the goodwill generated to sell our products.

Furthermore, given our leading position in the functional healthcare products industry and our strategy to enhance our brand image and sales, we are confident in our ability to compete successfully. We are committed to investing in our business and will focus on taking steps which will benefit the Group in the long-term with healthy sustainable growth rather than taking short-term steps to boost sales and results.

As we continue to invest in and grow our business, we remain confident in the future of our Group and our stakeholders including our franchisees.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 31 March 2012, none of the Directors or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which would have required to be notified to the Company and the Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provision of the SFO) or which were required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Exchange pursuant to the required standards of dealings by Directors of the Company.

SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS' INTERESTS AND SHORT POSITION IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

A. Substantial shareholders

So far as is known to the Directors, as at 31 March 2012, the persons, other than a director or chief executive of the Company, who had an interest or short position in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO and who were, directly or indirectly, interested in 10% or more of the shares were as follows:

Name	Number and class of securities	Capacity	Approximate percentage to the issued share capital of the Company
Dream Star International Limited ("Dream Star") (Note 1)	474,285,714 ordinary shares	Beneficial owner	14.81%
Famous Kindway Limited ("Famous Kindway") (Note 1)	299,980,000 ordinary shares	Beneficial owner	9.37%
Kiyuhon Limited ("Kiyuhon") (Note 1)	103,630,000 ordinary shares	Beneficial owner	3.24%
	774,265,714 ordinary shares	Interest of controlled corporation	24.18%
Mr. Wang Linjia ("Mr. Wang") (Note 1)	877,895,714 ordinary shares	Interest of controlled corporation	27.42%
Shing Lee Holding Limited ("Shing Lee") (Note 2)	650,000,000 ordinary shares	Beneficial owner	20.30%
Diamond Highway Limited ("Diamond Highway") (Note 2)	39,714,286 ordinary shares	Beneficial owner	1.24%
Mr. Zeng Pei Hui ("Mr. Zeng") (Note 2)	689,714,286 ordinary shares	Interest of controlled corporation	21.54%

Notes:

1. The 474,285,714, 299,980,000 and 103,630,000 shares are registered in the name of Dream Star, Famous Kindway and Kiyuhon which are wholly owned by Mr. Wang. Accordingly, Mr. Wang is deemed to be interested in all the shares in which Dream Star, Famous Kindway and Kiyuhon are interested pursuant to the SFO.
2. The 650,000,000 and 39,714,286 shares are registered in the name of Shing Lee Holding Limited ("Shing Lee") and Diamond Highway Limited (the "Diamond Highway") respectively. Shing Lee and Diamond Highway are wholly owned by Mr. Zeng. Accordingly, Mr. Zeng is deemed to be interested in all the shares in which each of Shing Lee and Diamond Highway is interested pursuant to the SFO.

B. Other persons whose interests are recorded in the register required to be kept under Section 336 of the SFO

As at 31 March 2012, the Company has not been notified of any other person (other than a director or the chief executive of the Company) having an interest or short position in the shares or the underlying shares of Company representing 5% or more of the issued share capital of the Company save as below:

Name	Number and class of securities <i>(Note 1)</i>	Capacity	Approximately percentage to the issued share capital of the Company
Cytech Investment Limited ("Cytech Investment") <i>(Note 3)</i>	164,500,000 ordinary shares	Beneficial owner	5.14%
Benep Management Limited ("Benep") <i>(Note 3)</i>	164,500,000 ordinary shares	Interest of controlled corporation	5.14%
Chinasing <i>(Note 3)</i>	164,500,000 ordinary shares	Interest of controlled corporation	5.14%

Name	Number and class of securities (Note 1)	Capacity	Approximately percentage to the issued share capital of the Company
Pioneer Idea Finance Limited ("Pioneer") (Note 4)	164,500,000 ordinary shares	Interest of controlled corporation	5.14%
Mr. Huang Quan ("Mr. Huang") (Note 4)	164,500,000 ordinary shares	Interest of controlled corporation	5.14%
Treasure Focus Enterprises Limited ("Treasure") (Note 5)	218,000,000 ordinary shares	Beneficial owner	6.81%
Mr. Wang Weijun ("Mr. Wang WJ") (Note 5)	218,000,000 ordinary shares	Interest of controlled corporation	6.81%
Mr. Li Jiahui	243,360,000 ordinary shares	Beneficial owner	7.60%
Brow Crown International Limited ("Brow Crown") (Note 2)	194,000,000 ordinary shares	Beneficial owner	6.06%
Mr. Qian Shiyu ("Mr. Qian") (Note 2)	196,000,000 ordinary shares	Interest of controlled corporation	6.12%

Notes:

1. It represents the interests in the shares or the underlying shares of the Company.
2. The 194,000,000 shares are registered in the name of Brow Crown, which is wholly owned by Mr. Qian. Accordingly, Mr. Qian is deemed to be interested in all the shares in which Brow Crown is interested pursuant to the SFO.
3. The 164,500,000 shares are registered in the name of Cytech Investment. Cytech Investment is a wholly-owned subsidiary of Benep, which is in turn a wholly-owned subsidiary of Chinasing, a company whose shares are listed on the Main Board of the Singapore Exchange Securities Trading Limited. Accordingly, each of Chinasing and Benep is deemed to be interested in all the shares in which Cytech Investment is interested pursuant to the SFO.
4. The issued share capital of Chinasing is owned as to approximately 21.25% and 36.52% by Hebe Finance Limited and Pioneer respectively. The issued share capitals of Hebe Finance Limited and Pioneer are wholly-owned by Mr. Huang. Accordingly, each of Pioneer and Mr. Huang is deemed to be interested in all the shares in which Chinasing is interested pursuant to the SFO.
5. The 218,000,000 shares are registered in the name of Treasure, which is wholly owned by Mr. Wang WJ. Accordingly, Mr. Wang WJ is deemed to be interested in all the shares in which Treasure is interested pursuant to the SFO.

BOARD PRACTICES AND PROCEDURES

The Company has complied with Board Practices and Procedures as set out in Rule 5.34 of the GEM Listing Rules for the nine months ended 31 March 2012.

CORPORATE GOVERNANCE

For the nine months ended 31 March 2012, the Company complied with the provisions set out in Appendix 15 of the Code on Corporate Governance Practice of the Rules Governing the Listing of Securities on the GEM ("GEM Listing Rules") of the Stock Exchange, save as the following deviation.

Chairman and Chief Executive Officer

The Company has not yet adopted A.2.1. Under the code provision A.2.1 of the CG Code, the roles of Chairman and CEO should be separated and would not be performed by the same individual. The division of responsibilities between the Chairman and CEO should be clearly established and set out in writing.

Mr. Yong Kee Poh was appointed as chairman, executive director, compliance officer and authorized representative of the Company with effect from 11 April 2012.

The Company does not presently have any officer with the title CEO. At present, Mr. Yong Kee Poh, being the Chairman and Executive Director of the Company, is responsible for the strategic planning, formulation of overall corporate development policy and running the business of the Group as well as the duties of Chairman. The Board considers that, due to the nature and extent of the Group's operations, Mr. Yong is the most appropriate chief executive because he is experienced in management as well as merger and acquisition and other key corporate matters and will be able to help the sustainable development of the Group. Notwithstanding the above, the Board will review the current structure from time to time. When at the appropriate time and if candidate with suitable leadership, knowledge, skills and experience can be identified within or outside the Group, the Company may make the necessary amendments.

Nomination of Directors

The Board has established a nomination committee in March 2012. The appointment of new director is therefore a matter for consideration and decision by the nomination committee.

Following the passing away of Mr. Xing, the Company only has two INEDs, namely Mr. Chan Ngai Sang, Kenny and Mr. Peter Van Tu Nguyen, and does not meet the requirements under Rule 5.05(1) of the GEM Listing Rules. The Company will announce the appointment of a new INED as soon as possible and use its best endeavour to meet the time period requirement as set forth in Rule 5.06 of the GEM Listing Rules.

CODE OF CONDUCT REGARDING SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding securities transactions by the Directors. Having made specific enquiry of all Directors, the Company confirmed that all Directors have complied with the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules throughout the nine months ended 31 March 2012.

COMPETING BUSINESS

None of the Directors or the management shareholders of the Company (as defined in the GEM Listing Rules) has an interest in a business which competes or may compete with the business of the Group.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 March 2012.

The share option scheme of the Company ("Post-IPO Scheme") was approved and adopted on 24 January 2002. The principal purpose of the Post-IPO Scheme is to enable the Company to grant options to selected persons as incentives and rewards for their contribution to the Group.

As at 31 March 2012, no option has been granted or agreed to be granted under the Post-IPO Scheme.

AUDIT COMMITTEE

As required by Rules 5.28 of the GEM Listing Rules, the Company has established an audit committee which comprises three members, two independent non-executive directors, Mr. Chan Ngai Sang, Kenny, and Mr. Nguyen Van Tu Peter and one non-executive Director, Mr. Chan Kin Sang. Mr. Chan Ngai Sang, Kenny was appointed as the Chairman of the audit committee. The audit committee meets with the Group's senior management and external auditors to review the effectiveness of the internal control systems. This report has been reviewed and approved by the audit committee of the Company which was of the opinion that the preparation of such results complied with applicable accounting standards and the requirements and that adequate disclosures have been made.

By order of the Board
Combest Holdings Limited
Yong Kee Poh
Chairman

Hong Kong, 14 May 2012

As at the date of this report, the Board is composed of Mr. Yong Kee Poh and Mr. Lee Man To as the executive directors of the Company, Mr. Chan Kin Sang as non-executive Director, and Mr. Chan Ngai Sang, Kenny, and Mr. Nguyen Van Tu Peter as an independent non-executive directors.