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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)

DISCLOSEABLE TRANSACTION

THE ACQUISITION

On 4 January 2016, the Purchaser and the Vendor entered into the Sale and Purchase Agreement, pursuant to which the Company conditionally agreed to purchase, and the Vendor conditionally agreed to sell, the Sale Share at a consideration of HK\$70 million.

GEM LISTING RULES IMPLICATIONS

As more than one of the applicable percentage ratios for the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is subject to the reporting and announcement requirements but is exempted from the shareholders' approval requirement under Chapter 19 of the GEM Listing Rules.

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* For identification purposes only

The Sale and Purchase Agreement

Date: 4 January 2016 (after trading hours)

Parties: the Purchaser, a wholly-owned subsidiary of the Company (as purchaser)
the Vendor (as vendor)

To the best of the Directors' knowledge, information and belief having made all reasonable enquires, the Vendor is an investment holding company, it and its ultimate beneficial owner are third parties independent of the Company and connected persons of the Company.

Assets to be acquired

The Sale Share represents the entire issued share capital of the Target Company.

Consideration

The consideration for the Sale Share is HK\$70 million, which shall be satisfied by way of issue of the Promissory Notes by the Purchaser to the Vendor or its nominee(s) at Completion.

The consideration was reached based on arm's length negotiation between the Company and the Vendor by reference to the business prospects and historical profitability of the Target Group and the amounts of the Facility provided to the Target Group arranged by the Vendor upon Completion.

Conditions Precedent

Completion shall take place on the next business day after the last of the following conditions precedent is satisfied (or otherwise waived by the Purchaser):

- (a) the outcome of the Purchaser's financial, legal and business due diligence against the Target Group to the satisfaction of the Purchaser;
- (b) the passing by the directors of the Vendor all necessary resolutions for approving the Sale and Purchase Agreement and the transactions contemplated thereunder;
- (c) the warranties remaining true and correct in all respects and not misleading in any respect at Completion as if repeated at all times between the date of the Sale and Purchase Agreement up to Completion; and

- (d) all necessary approvals, permits, consents and authorization having been obtained by the parties in connection with the transactions contemplated under the Sale and Purchase Agreement, whether pursuant to law, regulatory compliance or the GEM Listing Rules or otherwise.

The Sale and Purchase Agreement shall be terminated automatically if any of the above conditions is not satisfied or waived (whether in whole or in part by the Purchaser as to the conditions above (so far as it relates to the Vendor)) on or before the 31 January 2016 (the “**Long Stop Date**”) (unless the parties have agreed in writing to extend the Long Stop Date for fulfilment of any of the relevant conditions) and none of the parties shall have any claim against the other party save in respect of any antecedent breaches of the terms of the Sale and Purchase Agreement.

Completion

Parties to the Sale and Purchase Agreement shall use their best endeavors to procure the fulfillment of the conditions precedent set out above on or before 31 January 2016.

Upon Completion, the Vendor undertakes to grant or procure the granting of the Facility to be provided to the Target Group in the amount of HK\$200 million for the business development of the Target Group for 12 months.

Terms of the Promissory Notes

Principal amount: HK\$70 million

Interest: Nil

Maturity: The Promissory Notes shall be repaid on the day which is twelve months from the date of issue of the Promissory Notes

Collateral: The Promissory Notes is secured by a share mortgage to be entered into between the Purchaser as the mortgagor and the Vendor as mortgagee in respect of the Sale Share upon Completion

Information on the Target Group

The Target Company is an investment holding company incorporated in the British Virgin Islands with limited liability and the principal activities of the Target Group are money lending, provision of credits, and provision of lending consultancy services and company secretarial services. The Target Group holds a Money Lender’s License under the Money Lenders Ordinance.

According to the management accounts as provided by the Vendor, the unaudited profit before and after taxation of the Target Group were approximately HK\$2.25 million and HK\$1.88 million respectively for the year ended 31 December 2014, while the unaudited profit before and after taxation of the Target Group were approximately HK\$16.35 million and HK\$13.65 million respectively for the year ended 31 December 2015. The unaudited net assets of the Target Group amounted to approximately HK\$15.53 million as at 31 December 2015.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Company is principally engaged in two business segments, namely (i) manufacturing and sales of functional healthcare products, and (ii) manufacturing and trading of OEM consumer electronic products and components.

The Board is of the view that the Acquisition will enable the Group to broaden its income base and to tap into the business of money lending and related services, which should be beneficial to the future growth of the Group. As the consideration of the Sale and Purchase Agreement will be satisfied by the issue of the Promissory Notes and taking into account the amounts of the Facility, the Acquisition does not create immediate cash burden for the Company but also can accelerate the business growth of the Target Group in the future. Accordingly, the Directors consider that the terms of the Sale and Purchase Agreement are fair and reasonable and the Acquisition is in the interests of the Company and its shareholders as a whole.

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DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Acquisition”	the acquisition of the Sale Share pursuant to the Sale and Purchase Agreement
“Board”	the board of Directors

“business day(s)”	a day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong
“Company”	Combest Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on GEM
“Completion”	the completion of the Acquisition
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules and the word “connected” shall be construed accordingly
“Director(s)”	the director(s) of the Company
“Facility”	the grant or procure the granting of loan facility in the amount of HK\$200 million for 12 months by the Vendor to the Target Group upon Completion for the business development of the Target Group
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Purchaser”	Ample Precious Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Promissory Notes”	the interest-free promissory notes in the principal amount of HK\$70 million, due on the day following the expiry of the twelve (12) months after the date of Completion to be issued by the Purchaser to the Vendor at Completion

“Sale and Purchase Agreement”	the conditional sale and purchase agreement in relation to the Acquisition entered into between the Purchaser and the Vendor on 4 January 2016
“Sale Share”	the one (1) share of US\$1.0 in the issued share capital of the Target Company legally and beneficially owned by the Vendor, representing the entire issued share capital of the Target Company
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Giant Goal Limited, a company incorporated in the British Virgin Islands with limited liability
“Target Group”	the Target Company and its subsidiaries
“US\$”	U.S. dollar, the lawful currency of the United States of America
“Vendor”	Grand Castle Limited, a company incorporated in the British Virgin Islands with limited liability
“%”	per cent.

By order of the Board
Combest Holdings Limited
Lee Man To
Executive Director

Hong Kong, 4 January 2016

As at the date of this announcement, the Board is composed of Mr. Qian Shi Yu and Mr. Lee Man To as executive Directors, Mr. Chan Kin Sang as non-executive Director, and Mr. Chan Ngai Sang, Kenny, Mr. Nguyen Van Tu, Peter and Mr. Liu Wei Zhong as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 GEM's website at www.hkgem.com on the "Latest Company Announcement" pages for 7 days from the date of this posting and the website of the Company at www.combestholdings.com.