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Ausupreme International Holdings Limited

澳至尊國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2031)

ANNOUNCEMENT IN RELATION TO PUBLIC FLOAT AND TRADING HALT

This announcement is made by Ausupreme International Holdings Limited (the “**Company**”) pursuant to Rule 13.32(1) of the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

BACKGROUND

Reference is made to the announcements of the Company dated 11 October 2019, 14 October 2019, 16 January 2020 and 26 February 2020 in relation to the previous insufficient minimum public float and restoration of minimum public float by the Company.

As disclosed in the announcement of the Company dated 11 October 2019, the Company conducted an investigation under section 329 of the Securities and Futures Ordinance (Chapter 571 of laws of Hong Kong) and first became aware that a shareholder (i.e. Mr. Gao Yuan (“**Mr. Gao**”)) was holding 75,095,000 shares of the Company (the “**Share(s)**”) and he became a substantial shareholder of the Company and hence resulted in the insufficient minimum public float of the Company.

The root issue of the previous insufficient public float stemmed from the sudden discovery of the shareholding interest of Mr. Gao, who failed to disclose properly his shareholding interest in the Company to the Stock Exchange and the Company in a timely manner. According to the disclosure of interests form filed by Mr. Gao, he disclosed that he acquired 75,095,000 Shares on 10 September 2019 but he only filed the

disclosure of interests form on 29 October 2019, which was over one month after the purported date of acquisition. The Company also conducted its own investigation under section 329 of the Securities and Futures Ordinance (Chapter 571 of laws of Hong Kong) and it was discovered that Mr. Gao was already interested in 75,095,000 Shares on 2 September 2019. As such, the disclosure made by Mr. Gao in his disclosure of interests form was false and misleading. This resulted in the suspension of trading in the Shares on the Stock Exchange with effect from 14 October 2019 as well as depriving the rights of all shareholders of the Company and the public to freely trade the Shares through the Stock Exchange.

In order to restore the previous insufficient minimum public float, the Company used its best efforts to try to liaise with Mr. Gao or his representative numerous times, but Mr. Gao was not cooperative and did not respond to any request or proposal made by the Company to restore the minimum public float.

The Company has all along put in place good corporate governance practices to ensure compliance with the requirements under the Listing Rules. As Mr. Gao failed to cooperate, it left the Company with no other alternative but to take its own initiative to resolve the insufficient minimum public float. Efforts were made by the Company to enter into subscription agreements with investors and as disclosed in the announcement of the Company dated 26 February 2020, upon completion of the subscription pursuant to the subscription agreements, the public float of the Company was restored to at least 25% of the issued share capital of the Company in compliance with Rule 8.08(1)(a) of the Listing Rules.

INSUFFICIENT PUBLIC FLOAT

Based on the latest disclosure of interests form filed by Mr. Gao, the Company became aware that Mr. Gao further acquired 14,130,000 Shares and after the acquisition, he is interested in a total of 89,225,000 Shares, representing approximately 11.71% of the total issued share capital of the Company and is considered as a substantial shareholder of the Company (as defined under the Listing Rules). As a result of the acquisition of Shares by Mr. Gao, the public float of the Company dropped from approximately 26.18% to approximately 14.47%, and once again falls below the minimum percentage of public shareholders of 25% as prescribed by Rule 8.08 of the Listing Rules and inevitably caused the suspension of the trading in the Shares on the Stock Exchange.

Taking into account the background of the previous insufficient minimum public float of the Company (including the failure of Mr. Gao to disclose properly his shareholding interest in the Company to the Stock Exchange and the Company in a timely manner and the way he refused to cooperate and respond to any request or proposal made by the Company to restore the minimum public float), the Board is of the view that the further acquisition of 14,130,000 Shares by Mr. Gao was intentional, irresponsible, lack of integrity and detrimental to the operation of the Company as well as prejudice to the

rights of all shareholders of the Company and the public to freely trade the Shares through the Stock Exchange after the suspension of the trading in the Shares on the Stock Exchange.

Hong Kong is a free market and the public can trade listed stock freely on the Stock Exchange. Mr. Gao's intentional acquisition of Shares has inevitably caused the suspension of trading in the Shares on the Stock Exchange two times. This put the Company in a passive position to react and yet the Company had acted and will continue to act responsibly to resolve the issue. The Company is in the course of discussing the above with its legal advisers as to the possibility of any market misconduct, disruption of market order or stock market manipulation and if appropriate, may take action to report or file complaint with the Stock Exchange and the Securities and Futures Commission. The Stock Exchange and the Securities and Futures Commission have always been the competent regulatory authorities to maintain and promote a fair and orderly securities industry and the Company is confident that they will take appropriate action if necessary to protect the interests of listed companies and public investors. The Company undertakes that appropriate steps will be taken to restore at least 25% of the Shares to be held by the public shareholders as soon as reasonably practicable in accordance with the Listing Rules.

TRADING HALT

At the request of the Company, trading in the Shares on the Stock Exchange has been halted with effect from 9:41 a.m. on Monday, 16 March 2020 until the minimum public float is restored. Further announcement(s) will be made by the Company to update shareholders in relation to the public float as and when appropriate.

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

By order of the board
Ausupreme International Holdings Limited
Choy Chi Fai
Chairman, executive director and managing director

Hong Kong, 17 March 2020

As at the date of this announcement, the board of directors comprises four executive directors, namely Mr. Choy Chi Fai (Chairman and managing director), Ms. Ho Ka Man, Mr. Ho Chun Kit, Saxony and Mr. Au Chun Kit; and three independent non-executive directors, namely Dr. Luk Ting Kwong, Mr. Ko Ming Kin and Dr. Wan Cho Yee.

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