

24 April 2019

**High Concentration of Shareholding
in
Champion Alliance International Holdings Limited (Stock Code: 1629)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Champion Alliance International Holdings Limited (“the Company”) in the hands of a limited number of shareholders as at 9 April 2019.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the shares of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that, as at 9 April 2019, a group of 15 shareholders held an aggregate of 108,798,000 Shares, representing 21.76% of the issued Shares. Such shareholding, together with an aggregate of 375,000,000 Shares (representing 75.00% of the issued Shares) held by 2 substantial shareholders of the Company, represented 96.76% of the issued Shares as at 9 April 2019. Therefore, only 16,202,000 Shares (representing 3.24% of the issued Shares) were held by other shareholders.

As at 9 April 2019, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Champion Alliance International Corporation (Note 1)	350,000,000	70.00
Million Success Group Corporation (Note 2)	25,000,000	5.00
A group of 15 shareholders	108,798,000	21.76
Other shareholders	16,202,000	3.24
Total	500,000,000	100.00

Note 1: Champion Alliance International Corporation (“Champion Alliance”) is wholly-owned by Chen Shuming, the Chairman and an Executive Director of the Company.

Note 2: Million Success Group Corporation is wholly-owned by He Guangrui, the Chief Executive Officer and an Executive Director of the Company.

During the period between 10 December 2018 and 9 April 2019, the closing price of the Shares increased 323%, from \$1.42 on 7 December 2018 to \$6.00 on 9 April 2019.

During this period, the Company had made, inter alia, the following announcements:

- On 10 December 2018, the Company announced the close of an unconditional mandatory cash offer from Champion Alliance at the offer price of \$1.42 per offer Share. At the close of the share offer, only 88,898,000 Shares or 17.78% of issued Shares were held by the public, hence the minimum public float requirement of 25% under the Listing Rules was not satisfied. A temporary waiver from strict compliance with the public float requirement was granted by The Stock Exchange of Hong Kong Limited on 21 December 2018. On 27 December 2018, the Company announced that the public float of the Company was restored in compliance with the Listing Rules.
- On 11 March 2019, the Company issued a profit warning, expecting to record a net loss for the year ended 31 December 2018 as compared to a net profit for the year ended 31 December 2017 due to a decrease in revenue and gross profit by approximately 10% and 30% respectively.
- On 28 March 2019, the Company announced the annual results for the year ended 31 December 2018, reporting a loss attributable to equity holders of the Company of approximately RMB4.6 million as compared to the profit attributable to equity holders of the Company of approximately RMB4.7 million for the corresponding period in 2017.

As of 23 April 2019, the Share price closed at \$6.81, representing an increase of 380% from the closing price of \$1.42 on 7 December 2018.

In view of the high concentration of shareholding in a small number of shareholders, shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

End