



18 March 2020

**High Concentration of Shareholding
in
Confidence Intelligence Holdings Limited (Stock Code: 01967)**

This announcement is made by the Securities and Futures Commission ("SFC") in respect of the concentration of the shareholding of Confidence Intelligence Holdings Limited ("the Company") in the hands of a limited number of shareholders as at 6 March 2020.

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 6 March 2020, 16 shareholders held an aggregate of 38,795,000 Shares, representing 15.51% of the issued Shares. Such shareholding, together with 198,589,000 Shares (representing 79.44% of the issued Shares) held by four substantial shareholders, represented 94.95% of the issued Shares as at 6 March 2020. As such, only 12,616,000 Shares (representing 5.05% of the issued Shares) were held by other shareholders.

As at 6 March 2020, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Skyflying Company Limited (<i>Note 1</i>)	99,881,250	39.95
Central Wealth Limited (<i>Note 2</i>)	46,950,000	18.78
Realtime Limited (<i>Note 3</i>)	27,543,750	11.02
Regan International Growth Fund SPC	24,214,000	9.69
A group of 16 shareholders	38,795,000	15.51
Other shareholders	<u>12,616,000</u>	<u>5.05</u>
Total	<u><u>250,000,000</u></u>	<u><u>100.00</u></u>

Note 1: Skyflying Company Limited is wholly-owned by Mr Li Hao (the Chairman and executive director of the Company).

Note 2: Central Wealth Limited is wholly-owned by Mr. Yuan Shuntang (a non-executive director of the Company).

Note 3: Realtime Limited is wholly-owned by Mr. Zhang Bizhong (an executive director of the Company).

The Company was listed on the Main Board of the Stock Exchange of Hong Kong Limited on 18 October 2019 by way of placing and public offer of a total of 62,500,000 Shares (representing 25% of the issued Shares) at HK\$2.00 per Share (the “Initial Offer Price”). At the time of listing, the top 20 shareholders held an aggregate 84.22% of the issued Shares.

During the period from 10 February 2020 to 2 March 2020, the closing price of the Shares increased 86.38% from HK\$4.48 on 7 February 2020 to HK\$8.35 on 2 March 2020.

On 18 February 2020, the Company announced that operation of its production plant in Shenzhen (the “Shenzhen Production Plant”) has been suspended after the statutory holidays for Chinese New Year as part of the Chinese government’s countermeasures in containing the novel coronavirus outbreak.

On 20 February 2020, the Company announced that while it received the official notice approving resumption of operation at the Shenzhen Production Plant on 19 February 2020, production capacity at the plant would be temporarily reduced due to the suspension or limited transportation facilities available to its workers. In addition, it is expected that the Shenzhen Production Plant will experience delay in reaching its original production schedule and late delivery of products in the first half of 2020, which may have an adverse impact on the group’s operation and financial performance.

As at 17 March 2020, the Shares closed at HK\$7.42, representing an increase of 65.63% from the closing price of HK\$4.48 on 7 February 2020, or an increase of 271% from the Initial Offer Price.

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.

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