



22 November 2017

**High Concentration of Shareholding
in
Lai Group Holding Company Limited (Stock Code: 8455)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Lai Group Holding Company Limited (“the Company”) in a limited number of shareholders as at 13 November 2017.

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 13 November 2017, a group of 17 shareholders held an aggregate of 138,180,000 Shares, representing 17.27% of the issued Shares. Such shareholding, together with an aggregate of 600,000,000 Shares (representing 75.00% of the issued Shares) held by the controlling shareholder of the Company, represented 92.27% of the issued Shares as at 13 November 2017. Therefore, only 61,820,000 Shares (representing 7.73% of the issued Shares) were held by other shareholders.

As at 13 November 2017, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Chun Wah Limited (<i>Note 1 and 2</i>)	600,000,000	75.00
A group of 17 shareholders	138,180,000	17.27
Other shareholders	61,820,000	7.73
Total	800,000,000	100.00

Note 1: Chun Wah Limited is beneficially and wholly owned by Mr. Chan Lai Sin (the Chairman and Executive Director of the Company).

Note 2: According to the Disclosure of Interests records of Chun Wah Limited, after the enquiry into the shareholding of the Company by the SFC, Chun Wah Limited sold 1,160,000 shares (i.e. 0.15% of issued Shares) at an average price of \$3.29 per Share on 13 November 2017. Subsequently on 14 November 2017, Chun Wah Limited further sold 630,000 Shares (i.e. 0.08% of issued Shares) at an average price of HKD\$1.70 per Share. After its selling on 13 November 2017 and 14 November 2017, Chun Wah Limited held a total of 598,210,000 Shares (i.e. 74.78% of issued Shares).



The Company was listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 12 April 2017 by way of share offer of a total of 200,000,000 Shares, representing 25% of the issued Shares, at HK\$0.26 per Share. Out of the 200,000,000 Shares, 60,000,000 Shares were offered under public offer and the remaining 140,000,000 Shares were offered under placing. On the first day of listing, the Shares closed at HK\$0.27, which was 3.85% higher than the offer price of HK\$0.26 per Share.

During the period from 13 April 2017 to 2 November 2017, the closing price of the Shares increased 48.15% from HK\$0.27 on 12 April 2017 to HK\$0.40 on 2 November 2017.

During the period from 3 November 2017 to 13 November 2017, the closing price of the Shares further increased 440.0% from HK\$0.40 on 2 November 2017 to reach a high of \$2.16 on 13 November 2017, which was 7 times higher than the initial offer price of \$0.26 per Share. During this period, on 10 November 2017, the Company published its interim results for the six months ended 30 September 2017. It reported a profit and total comprehensive income attributable to the owners of the Company of HK\$3.06 million which represented an increase of 3.59% as compared to the corresponding period of last year.

On 13 November 2017 after market close, the Company announced that it has noted there were articles alleging the change in composition of the Board being disseminated on the internet. The Company clarified that the internet rumour was untrue and irresponsible, and the Company has no current intention to change the composition of the Board.

As at 21 November 2017, the Shares closed at HK\$1.68, which was 5 times higher than the offer price of HK\$0.26 per Share.

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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