



2 April 2019

**High Concentration of Shareholding
in
Xinchengyue Holdings Limited (Stock Code: 1755)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Xinchengyue Holdings Limited (“the Company”) in the hands of a limited number of shareholders as at 21 March 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 21 March 2019, 19 shareholders held an aggregate of 161,093,392 Shares, representing 19.65% of the issued Shares. Such shareholding, together with deemed interests in 600,000,000 Shares (representing 73.17% of the issued Shares) held by a non-executive Director of the Company, represented 92.82% of the issued Shares as at 21 March 2019. Therefore, only 58,906,608 Shares (representing 7.18% of the issued Shares) were held by other shareholders.

As at 21 March 2019, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Mr. Wang Zhenhua (Note 1)	600,000,000	73.17
A group of 19 shareholders	161,093,392	19.65
Other shareholders	58,906,608	7.18
Total	820,000,000	100.00

Note 1: The shares were held by Innovative Hero Limited, which is indirectly wholly owned by a discretionary trust set up and controlled by Mr. Wang Zhenhua (a non-executive Director of the Company).



The Shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited by way of global offering of 200,000,000 Shares at \$2.9 per Share on 6 November 2018.

From 7 November 2018 to 21 March 2019, the closing price of the Shares increased by 142%, from \$3.01 on 6 November 2018 to \$7.29 on 21 March 2019.

As at 1 April 2019, price of the Shares closed at \$8.24, which was 184% higher than the initial offer price of \$2.9.

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