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Champion Alliance International Holdings Limited

冠均國際控股有限公司

(Formerly known as Mengke Holdings Limited (盟科控股有限公司))

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1629)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the concentration of the shareholding of 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.

This announcement is made by Champion Alliance International Holdings Limited (the “**Company**”) at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of the Company in the hands of a limited number of shareholders of the Company (the “**Shareholder**”) as at 9 April 2019.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (the “**SFC Announcement**”) has been published by the Securities and Futures Commission (the “**SFC**”) on 24 April 2019.

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC's 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 set out in the SFC Announcement, as at 9 April 2019, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	Percentage of total number of issued Shares (%)
Champion Alliance International Corporation (<i>Note 1</i>)	350,000,000	70.00
Million Success Group Corporation (<i>Note 2</i>)	25,000,000	5.00
A group of 15 shareholders	108,798,000	21.76
Other shareholders	<u>16,202,000</u>	<u>3.24</u>
Total	<u>500,000,000</u>	<u>100</u>

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

As stated in the SFC Announcement:

- (1) 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 Rules Governing the Listing of Securities on the Stock Exchange (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.
- (2) 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.

- (3) 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.
- (4) 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.

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to clarify that the above information is extracted from the SFC Announcement and the Board has not independently verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the above information except for (i) the shareholding of Mr. Chen Shuming and Mr. He Guangrui in the Company through Champion Alliance and Million Success Group Corporation, respectively, based on the latest available disclosure of interests notices filed pursuant to Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong); and (ii) the information set out in paragraphs (1) to (4) above. Please refer to the SFC Announcement for more information.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that not less than 25% of the Company’s issued Shares are held in public hands as at the date of this announcement and the Company is able to comply with the public float requirement under the Listing Rules.

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. Further, as a result of high concentration of shareholding, the Company’s securities may not have a genuine market or its shareholding may have been concentrated in the hands of a few Shareholders.

By Order of the Board
Champion Alliance International Holdings Limited
Chen Shuming
Chairman and Executive Director

Hong Kong, 24 April 2019

As at the date of this announcement, the Board comprises Mr. Chen Shuming, Mr. He Guangrui, Mr. Chen Xiaolong, Mr. Hu Enfeng, Mr. Zhang Shihua and Mr. Zhan Qingtao as executive Directors and Mr. Chen Hua, Mr. Zhao Zhendong and Mr. Chan Yee Ping Michael as independent non-executive Directors.