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KPM HOLDING LIMITED

吉輝控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8027)

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 3 February 2016.

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.

This announcement is made by KPM Holding 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 “**Shareholders**”) as at 3 February 2016.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement has been published by the Securities and Futures Commission (the “**SFC**”) on 29 February 2016 (the “**Announcement**”).

As disclosed in the Announcement, SFC has recently completed an enquiry into the shareholding of the Company. SFC’s findings indicated that as at 3 February 2016, 9 Shareholders held an aggregate of 81,670,000 shares of the Company (the “**Shares**”) (representing 20.42% of the issued Shares). Such shareholding, together with 300,000,000 Shares (representing 75% of the issued Shares) held by the substantial shareholder of the Company, represented 95.42% of the issued Shares as at 3 February 2016. Therefore, only 18,330,000 Shares (representing 4.58% of the issued Shares) were in the hands of other investors as at 3 February 2016.

The information above is extracted from the Announcement and the Company has not independently verified such information. Please refer to the Announcement for more information.

As set out in the Announcement, the shareholding structure of the Company as at 3 February 2016 was as follows:

	Number of Shares held <i>(shares)</i>	% of total number of issued Shares <i>(%)</i>
Absolute Truth Investments Limited (<i>Note</i>)	300,000,000	75.00
A group of 9 Shareholders	81,670,000	20.42
Other shareholders	<u>18,330,000</u>	<u>4.58</u>
	<u>400,000,000</u>	<u>100.00</u>

Note: Absolute Truth Investments Limited is owned as to 50% by Mr. Tan Thiam Kiat Kelvin, the chairman and the executive Director, and 50% by Mr. Tan Kwang Hwee Peter, the executive Director.

The Company was listed on the Growth Enterprise Market (“GEM”) of the Stock Exchange on 10 July 2015 by way of placing a total of 100,000,000 Shares, representing 25% of the issued Shares, at HK\$0.50 per Share. The share price closed at HK\$1.35 on its first day of listing, 170% higher than the initial placing price.

During the period from 4 January 2016 to 3 February 2016, the closing price of the Shares increased substantially by 343% from HK\$0.79 to HK\$3.5. As at 26 February 2016, the Shares closed at HK\$3.16, which represented an increase of 532% from the initial placing price of HK\$0.50 in July 2015.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the board of directors of the Company (the “**Directors**”) after making all reasonable enquiries of its connected persons, the Company confirms that not less than 25% of the Company’s issued Shares are in the hands of the public as at 3 February 2016 and the date of this announcement and the Company is able to comply with the public float requirement under the Rules Governing the Listing of Securities on GEM (the “**GEM 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.

By order of the board of Directors of
KPM Holding Limited
Tan Thiam Kiat Kelvin
Chairman

Hong Kong, 29 February 2016

As at the date of this announcement, the executive Directors are Mr. Tan Thiam Kiat Kelvin, Mr. Tan Kwang Hwee Peter and Ms. Liu Qian and the independent non-executive Directors are Mr. Oh Eng Bin (Hu Rongming), Mr. Tan Kiang Hua, and Mdm. Kow Yuen-Ting (Gao Yun Ting).

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, (i) the information contained in this announcement is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this announcement misleading; and (iii) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

This announcement will remain on the “Latest Listed Company Information” page of the website of the Stock Exchange at www.hkexnews.hk for at least seven days from the day of its posting. This announcement will also be published on the Company’s website at www.kpmholding.com.

** For identification purposes only*