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Takbo Group Holdings Limited

德寶集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8436)

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 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 Takbo Group 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 “**Shareholders**”) 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 25 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 19 Shareholders held an aggregate of 68,740,000 shares of the Company (“**Shares**”), representing 17.19% of the issued Shares. Such shareholding, together with 300,000,000 Shares (representing 75.00% of the issued Shares) held by Classic Charm Investments Limited, the controlling shareholder of the Company, represented 92.19% of the issued Shares as at 9 April 2019. Therefore, only 31,260,000 Shares (representing 7.81% of the issued Shares) were held by other Shareholders.

According to the SFC Announcement, as at 9 April 2019, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Classic Charm Investments Limited <i>(Note)</i>	300,000,000	75.00
A group of 19 Shareholders	68,740,000	17.19
Other Shareholders	<u>31,260,000</u>	<u>7.81</u>
Total	<u><u>400,000,000</u></u>	<u><u>100.00</u></u>

Note: Classic Charm Investments Limited is legally and beneficially owned as to 50.8% by Mr. Or Naam, an executive director and chief executive officer of the Company, as to 39.7% by Ms. Chu Siu Fong and 9.5% by Ms. Chan Hoi Yan Polly, an executive director of the Company (“**Director**”).

As stated in the SFC Announcement:

- (a) The Shares were listed on GEM of the Stock Exchange on 27 October 2017 by way of placing and public offer of a total of 100,000,000 Shares (representing 25% of the issued Shares) at HK\$0.69 per Share.
- (b) The Share price closed at a range between HK\$0.405 and HK\$0.70 during the period between 27 October 2017 and 10 September 2018. Subsequently, the closing price of the Shares surged 184.6% from HK\$0.65 on 10 September 2018 to HK\$1.85 on 26 September 2018 and then plunged 72.4% to HK\$0.51 on 2 October 2018. Since then, the closing Share price surged 7.1 times to HK\$4.12 on 3 April 2019.
- (c) On 24 April 2019, the Share price closed at HK\$3.53, which was 5.9 times higher than the closing Share price of HK\$0.51 on 2 October 2018.

The board of directors of the Company (the “**Board**”) 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 number of Shares held by and the percentage of shareholding of Classic Charm Investments Limited; and (ii) the information set out in paragraphs (a) to (c) above. Please refer to the SFC Announcement for other information.

The Company is in the process of investigating the matter and will publish further announcement(s) to update the market as soon as practicable.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Directors after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares were and are in the hands of the public as at 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 of the Stock Exchange.

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
Takbo Group Holdings Limited
Or Naam
Executive Director and Chief Executive Officer

Hong Kong, 25 April 2019

As at the date of this announcement, the executive Directors are Mr. Or Naam, Ms. Chan Hoi Yan Polly and Mr. Or Huen; and the independent non-executive Directors are Mr. Tan Chong Huat, Mr. Sung Chi Keung and Mr. Wong, Irving Holmes Weng Hoong.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange 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, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the "Latest Company Announcements" page on the GEM website at www.hkgem.com for a minimum period of 7 days from the date of its publication and on the Company's website at www.takbogroup.com.