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CHINA FORDOO HOLDINGS LIMITED

中國虎都控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2399)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the high concentration of shareholding of the Company in the hands of a limited number of Shareholders as at 1 December 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 at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of shareholding of China Fordoo Holdings Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 1 December 2016.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (the “**SFC Announcement**”) was published by the Securities and Futures Commission (the “**SFC**”) on 16 December 2016.

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 1 December 2016, a group of 20 Shareholders held an aggregate of 96,487,000 shares of the Company (“**Shares**”), representing 20.10% of the issued Shares. Such shareholding, together with an aggregate of 340,812,000 Shares (representing 71.00% of the issued Shares) held by 3 substantial shareholders of the Company, represented 91.10% of the issued Shares as at 1 December 2016. Therefore, only 42,801,000 Shares (representing 8.90% of the issued Shares) were held by other shareholders.

As at 1 December 2016, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
Everkept Limited <i>(Note 1)</i>	244,800,000	51.00
Equal Plus Limited <i>(Note 2)</i>	50,400,000	10.50
Key Tide Limited <i>(Note 3)</i>	45,612,000	9.50
A group of 20 shareholders	96,487,000	20.10
Other shareholders	<u>42,801,000</u>	<u>8.90</u>
Total	<u><u>480,100,000</u></u>	<u><u>100.00</u></u>

Note 1: Everkept Limited is 70% owned by Mr. Kwok Kin Sun, an executive director and chairman of the Company.

Note 2: Equal Plus Limited is wholly-owned by Mr. Kwok Hon Fung, an executive director and chief executive officer of the Company, and the son of Mr. Kwok Kin Sun.

Note 3: Key Tide Limited is wholly-owned by Mr. Kwok Hon Pan, the son of Mr. Kwok Kin Sun and brother of Mr. Kwok Hon Fung.

The closing price of the Shares hovered between \$2.15 and \$2.46 during the period from 1 June 2016 to 29 August 2016. The Company's share price increased substantially by 139.5% from \$2.23 on 29 August 2016 to \$5.34 on 1 December 2016.

During this period, the Company made, inter alia, the following announcements:

1. On 29 August 2016, the Company announced its interim results for the 6 months ended 30 June 2016, reporting a net profit of RMB61.6 million, representing a decrease of 55.0% compared with a net profit of RMB136.9 million for the corresponding period in the previous year.
2. On 11 October 2016, the Company announced the resignation of its auditors, KPMG, with effect from 11 October 2016. As disclosed, KPMG and the Company were unable to reach agreement on the annual audit fee for the year 2016 after KPMG had assessed their extension of procedures as a result of receiving anonymous calls alleging irregularities in the Company's financial information. Elite Partners CPA Limited was appointed as the new auditor of the Company to replace KPMG with effect from 11 October 2016. In relation to the allegation, the Company stated in the announcement that it had completed an internal investigation and no material findings was identified.
3. On 3 November 2016, the Company made a further announcement providing details of the internal investigation conducted and additional steps to be undertaken by the new auditor to address the alleged irregularities.

As of 15 December 2016, the Share price closed at \$6.25, representing an increase of 180.3% from the closing price of \$2.23 on 29 August 2016.

The information above is extracted from the SFC Announcement and the board of the directors of the Company (the “**Board**”) has not independently verified such information (other than the shareholding held by Everkept Limited, Equal Plus Limited and Key Tide Limited based on disclosure of interests filings with the Company). Please refer to the SFC Announcement for further details.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that as at 1 December 2016 and the date of this announcement, not less than 25% of the issued Shares were held in the public hands, and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on 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.

By Order of the Board
China Fordoo Holdings Limited
Kwok Kin Sun
Chairman

Hong Kong, 16 December 2016

As at the date of this announcement, the executive directors are Mr. Kwok Kin Sun, Mr. Kwok Hon Fung and Ms. Yuan Mei Rong; and the independent non-executive directors are Mr. Cheung Chiu Tung, Mr. Poon Yick Pang Philip and Mr. Zhang Longgen.