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Xinchengyue Holdings Limited **新城悅控股有限公司**

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1755)

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 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 (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 Xinchengyue 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 21 March 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 2 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 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 set out in the SFC Announcement, as at 21 March 2019, the shareholding structure of the Company was as follows:–

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

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)

As stated in the SFC Announcement:

- (a) The Shares were listed on the Main Board of the Stock Exchange by way of global offering of 200,000,000 Shares at \$2.9 per Share on 6 November 2018.
- (b) 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.
- (c) 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.

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) Mr. Wang Zhenhua’s shareholding of the Company based on the latest available disclosure of interests notices filed pursuant to Part XV of the Securities and Futures Ordinance (Cap. 571); and (ii) the information set out in paragraphs (a) to (c) 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 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. 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
Xinchengyue Holdings Limited
Qi Xiaoming
Chairman
Executive Director
Chief Executive Officer

Hong Kong, 2 April 2019

As at the date of this announcement, the board of Directors comprises Mr. Qi Xiaoming, Ms. Wu Qianqian and Mr. Lan Ziyong as executive Directors, Mr. Wang Zhenhua, Mr. Lv Xiaoping and Mr. Lu Zhongming as non-executive Directors, and Ms. Zhang Yan, Mr. Zhu Wei and Mr. Xu Xinmin as independent non-executive Directors.