



29 December 2017

**High Concentration of Shareholding
in
KNK Holdings Limited (Stock Code: 8039)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of KNK Holdings Limited (“the Company”) in the hands of a limited number of shareholders as at 15 December 2017.

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.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 15 December 2017, 17 shareholders held an aggregate of 107,104,000 Shares, representing 25.62% of the issued Shares. Such shareholding, together with the 303,624,000 Shares (representing 72.64% of the issued Shares) held by three substantial shareholders of the Company, represented 98.26% of the issued Shares as at 15 December 2017. Therefore, only 7,272,000 Shares (representing 1.74% of the issued Shares) were held by other shareholders.

As at 15 December 2017, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Energetic Way Limited (<i>Note 1</i>)	196,000,000	46.89
Ke Yuexian	83,624,000	20.01
Mr. Cheung Tuen Ting and Ms. Wang Chang Yu Judy (<i>Note 2</i>)	24,000,000	5.74
A group of 17 shareholders	107,104,000	25.62
Other shareholders	7,272,000	1.74
Total	418,000,000	100.00

Note 1: Energetic Way Limited is owned as to 50% by Mr. Poon Kai Kit Joe, the chairman and executive director of the Company, and 50% by Ms. Chan Ka Yee, the spouse of Mr. Poon Kai Kit Joe and executive director of the Company.

Note 2: Mr. Cheung Tuen Ting and Ms. Wang Chang Yu Judy, the spouse of Mr. Cheung Tuen Ting, directly held 14,000,000 and 10,000,000 shares in the Company respectively.

The price of the Shares closed at a range between HK\$1.67 and HK\$1.80 during the period from 1 November 2017 to 16 November 2017. Since then, it started to increase substantially



and the Shares closed at HK\$3.70 on 12 December 2017, which was 106% higher than the closing price of HK\$1.80 on 16 November 2017. It closed at HK\$3.18 on 15 December 2017.

On 14 November 2017, the Company announced its interim results for the six months ended 30 September 2017, recording a profit for the period attributable to owners of the Company of HK\$5,654,000, which represented a 9% decrease from the profit of HK\$6,240,000 for the corresponding period in 2016.

As at 28 December 2017, the Shares closed at HK\$3.30, which was 83% higher than the closing price of HK\$1.80 on 16 November 2017.

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.

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