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PERFECT GROUP INTERNATIONAL HOLDINGS LIMITED

保發集團國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3326)

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of Stock Exchange in respect of the high concentration of the shareholding of the Company in the hands of a limited number of Shareholders as at 20 April 2016.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors of the Company 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 the shareholding of Perfect Group International Holdings Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 20 April 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 3 May 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 20 April 2016, 16 Shareholders held an aggregate of 119,670,000 shares of the Company (the “**Shares**”), representing 26.59% of the issued Shares. Such shareholding, together with 320,625,000 Shares (representing 71.25% of the issued Shares) held by three substantial Shareholders and an executive director of the Company, represented 97.84% of the issued Shares as at 20 April 2016. Therefore only 9,705,000 Shares (representing 2.16% of the issued Shares) were held by other Shareholders.

As at 20 April 2016, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Immaculate Diamonds Limited (<i>Note 1</i>)	243,000,000	54.00
Classic Sapphire Holdings Limited (<i>Note 2</i>)	33,750,000	7.50
Classic Amber Holdings Limited (<i>Note 3</i>)	33,750,000	7.50
Classic Emerald Holdings Limited (<i>Note 4</i>)	10,125,000	2.25
A group of 16 Shareholders (<i>Note 5</i>)	119,670,000	26.59
Other Shareholders	9,705,000	2.16
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Total	<u>450,000,000</u>	<u>100.00</u>

Note 1: Immaculate Diamonds Limited is wholly owned by Mr. Kan Kin Kwong, the chairman and executive director of the Company.

Note 2: Classic Sapphire Holdings Limited is wholly owned by Mr. Chan Wing Sum.

Note 3: Classic Amber Holdings Limited is wholly owned by Mr. Luo Jacky, the chief operating officer of the Company.

Note 4: Classic Emerald Holdings Limited is wholly owned by Mr. Chung Chi Keung, the executive director of the Company.

Note 5: 97,032,000 Shares (representing 21.56% of the issued Shares) were held by 13 Shareholders who initially obtained 96,273,000 Shares from the international placing of the global offering of the Company in January 2016.

The Company was listed on the Main Board of the Stock Exchange on 4 January 2016 by way of global offering of 112,500,000 Shares, representing 25.00% of the issued Shares, at an offer price of HK\$0.93 per Share. The share price closed at HK\$1.43 on its first day of listing, 53.76% higher than the offer price.

Subsequently, the closing price of the Shares increased 211.89% from HK\$1.43 on 4 January 2016 to HK\$4.46 on 20 April 2016. During this period, the Company made, inter alia the following announcements:

- On 25 January 2016, the Company announced a profit warning that it expected to record a decline in profit for the year ended 31 December 2015 as compared to that for the corresponding period in 2014.
- On 21 March 2016, the Company announced its annual results for the year ended 31 December 2015 with a profit of HK\$56,460,000 as compared to a profit of HK\$90,439,000 for the corresponding period in 2014, which represented a decline of 37.57%.

As at 29 April 2016, the Shares closed at HK\$4.99, representing an increase of 436.56% from the initial offer price of HK\$0.93.

The information above is extracted from the SFC Announcement and the board (the “**Board**”) of the directors (the “**Directors**”) of the Company has not independently verified such information. Please refer to the SFC Announcement for further details.

PUBLIC FLOAT

Based on the information available and to the Directors’ best knowledge after making all reasonable enquiries, the Directors confirm that not less than 25% of the issued Shares were held in public hands as at 20 April 2016 and the date of this announcement, 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 of the Company 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
Perfect Group International Holdings Limited
Kan Kin Kwong
Chairman

Hong Kong, 3 May 2016

As at the date of this announcement, the executive Directors are Mr. Kan Kin Kwong, Ms. Shek Mei Chun and Mr. Chung Chi Keung; the non-executive Director is Mr. Chu Kin Wang Peleus; and the independent non-executive Directors are Mr. Fan Chor Ho, Mr. Li Cheuk Wai and Mr. Wong Wai Keung Frederick.