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## **Classified Group (Holdings) Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8232)**

### **INSIDE INFORMATION**

This announcement is made by Classified Group (Holdings) Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 517, Laws of Hong Kong).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group intends to close down one of its restaurants, namely, The Fat Pig. The Fat Pig is a full service restaurant with a pork-based concept which was opened in November 2015. The Fat Pig’s financial performance has been below the Group’s expectation due to the decrease in the number of visitors and shoppers and spending of customers which the Directors believe was caused by the sluggish economy. For the year ended 31 December 2016, The Fat Pig generated approximately HK\$23.9 million of revenue, representing approximately 14.2% of the Group’s total revenue for the same period. During the three months ended 31 March 2017 and the six months ended 30 June 2017, The Fat Pig’s unaudited revenue amounted to approximately HK\$2.7 million and approximately HK\$5.6 million, respectively, representing a decrease of approximately 65.1% and approximately 62.3%, respectively, as compared to approximately HK\$7.8 million and approximately HK\$14.7 million for the last corresponding periods.

Given the adverse impact of The Fat Pig’s financial performance on the Group’s overall financial performance, the Directors consider that it is in the best interest of the Shareholders to close down The Fat Pig (the “**Proposed Closure**”) and divert the Group’s existing resources to the remaining brands, being “Classified” and “The Pawn”. Such Proposed Closure is expected to take place in September 2017.

In view of the Proposed Closure, the Group has been in discussion with the landlord (the “**Landlord**”) of The Fat Pig premises (the “**Premises**”) in respect of an early termination of the lease which was originally signed for a period of approximately five years from 1 September 2015 to 31 May 2020 (the “**Lease**”). Based on the preliminary discussion with the Landlord, the Group shall, inter alia, (i) remain responsible for full payment of rent, air-conditioning charge, service charge, promotional charge, government rates and other charges until the surrender date (the “**Surrender Date**”); (ii) forfeit the existing security deposit in full in the amount of approximately HK\$1.9 million held by the Landlord; (iii) pay a compensation representing the additional costs incurred by the Landlord and (iv) execute a surrender agreement for the purpose of relinquishing the Group’s right to occupy the Premises from the Surrender Date and releasing the Landlord from all its obligations under the Lease.

Saved as disclosed above, the Directors confirms that the Proposed Closure will not have material impact on its business objectives and the proposed use of proceeds as disclosed in the prospectus of the Company dated 30 June 2016. As at the date of this announcement, the Group is still in the process of preparing its consolidated interim results for the six months ended 30 June 2017, including other comprehensive income items, which are expected to be published in mid-August 2017. As such, the information disclosed in this announcement is made solely on the basis of an assessment by the Board with reference to the information currently available to the Company and such information has not been confirmed or audited by the Company's auditors and may be subject to adjustment after further internal review by the Board and/or review by the auditors of the Company.

**Shareholders and potential investors should exercise caution when dealing in the securities of the Company.**

By order of the Board  
**Classified Group (Holdings) Limited**  
**LO Yeung Kit Alan**  
*Executive Director*

Hong Kong, 9 August 2017

*As at the date of this announcement, the chairman and the executive director of the Company is Mr. WONG Arnold Chi Chiu, the executive directors of the Company are Mr. LO Yeung Kit Alan, Mr. PONG Kin Yee and Mr. MA Chun Fai; and the independent non-executive directors of the Company are Dr. CHAN Kin Keung Eugene, Mr. CHUM Kwan Yue Desmond and Mr. NG Chun Fai Frank.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of The Stock Exchange of Hong Kong Limited 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 GEM website at [www.hkgem.com](http://www.hkgem.com) on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the Company's website at [www.classifiedgroup.com.hk](http://www.classifiedgroup.com.hk).*