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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 GEM 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 571, 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 terminate its bakery production and sales business (the “**Bakery Business**”) and close down its central kitchen which supplies bakery and semi-finished food products to the Group’s restaurants and other corporate customers. For the year ended 31 December 2017, our Bakery Business generated approximately HK\$8.0 million of revenue (audited), representing approximately 5.8% of the Group’s total revenue, and our Bakery Business recorded a segment loss of approximately HK\$3.9 million for the same year due to its decreasing revenue and high operating costs. For the three months ended 31 March 2018, our Bakery Business generated approximately HK\$1.4 million of revenue (unaudited), representing approximately 4.6% of the Group’s total revenue for the same period and a decrease of approximately 30.7% as compared to approximately HK\$2.0 million for the last corresponding period. Segment loss for the three months ended 31 March 2018 was approximately HK\$1.0 million.

Taking into consideration the above factors, the adverse impact of our Bakery Business’s financial performance on the Group’s overall financial performance and its prospects, the Directors consider that it is in the best interest of the Shareholders to terminate the Bakery Business and close down its central kitchen (the “**Proposed Termination**”). Such Proposed Termination is expected to take place in July 2018. The Board believes that the Proposed Termination would not materially impact the Group’s operations as the Group’s individual restaurants will and are equipped to process and produce the food products (including bakery products) in their own kitchens. The Board further believes that this could provide freshly made food and tasty dining experience for its customers.

In accordance with the terms of the tenancy agreement of the central kitchen, the Group will inform the landlord of its intention to early terminate the agreement and handover the premise on 1 October 2018. No additional compensation is expected to be made to landlord in respect of the early termination. An impairment loss of approximately HK\$2.2 million is expected to be recognised in respect of the property, plant and equipment for the six months ending 30 June 2018.

Saved as disclosed above, the Directors confirm that the Proposed Termination will not have material impact on its business and the use of proceeds and the placing proceeds disclosed in the prospectus of the Company dated 30 June 2016 and supplemental announcement dated 1 November 2017 respectively. As at the date of this announcement, the Group is still in the process of preparing its consolidated interim results for the six months ending 30 June 2018, which are expected to be published in mid-August 2018.

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.**

For and on behalf of the Board  
**Classified Group (Holdings) Limited**  
**WONG Arnold Chi Chiu**  
*Chairman and Executive Director*

Hong Kong, 22 June 2018

*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 <http://www.classifiedgroup.com.hk>.*