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Jin Cai Holdings Company Limited

金彩控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1250)

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 7 April 2014.

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.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the concentration of the shareholding of Jin Cai Holdings Company Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 7 April 2014.

HIGH CONCENTRATION OF SHAREHOLDING

The Company notes that an announcement (the “**SFC Announcement**”) has been published by the Securities and Futures Commission (the “**SFC**”) on 24 April 2014. As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. Its findings suggested that as at 7 April 2014, 19 Shareholders held an aggregate of 67,180,000 shares of the Company (the “**Shares**”), representing 20.99% of the issued Shares. Such shareholding, together with the 240,000,000 Shares (representing 75% of the issued Shares) held by the substantial shareholder of the Company, represented 95.99% of the issued Shares. As such, only 12,820,000 Shares, representing approximately 4.01% of the issued share capital of the Company, were in the hands of other Shareholders as at 7 April 2014.

As disclosed in the SFC Announcement, as at 7 April 2014, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Ocean Ahead International Limited (<i>Note 1</i>)	240,000,000	75.00
A group of 19 Shareholders	67,180,000	20.99
Other Shareholders	<u>12,820,000</u>	<u>4.01</u>
	<u><u>320,000,000</u></u>	<u><u>100.00</u></u>

Note 1: Ocean Ahead International Limited is wholly and beneficially owned by Ms. Huang Li, who is the chairman and an executive director of the Company.

It was disclosed in the SFC Announcement that the Company was listed on the Main Board of the Stock Exchange on 5 July 2013 by way of placing and public offering of a total of 80,000,000 Shares, representing 25% of the issued Shares, at HK\$0.82 per Share (the “**Offer Price**”). Share price of the Company closed at HK\$0.85 on the first day of listing.

The SFC Announcement also states that, after market close on 28 March 2014, the Company announced its annual results for the year ended 31 December 2013 which reported a profit attributable to Shareholders of approximately RMB21.25 million, representing a decline of 31.6% compared to the corresponding period of the previous year.

It is further disclosed in the SFC Announcement that since 31 March 2014, price of the Shares surged substantially by 100% from the closing price of HK\$0.79 on 28 March 2014 to the closing price of HK\$1.58 on 3 April 2014. The Company announced on 3 April 2014 that, it was not aware of any reasons for the increase in share price and trading volume. As of 23 April 2014, the price of the Shares closed at HK\$1.23, representing an increase of 56% from the closing price of HK\$0.79 on 28 March 2014.

The board (the “**Board**”) of the directors of the Company (the “**Directors**”) wishes to clarify that the above information is extracted from the SFC Announcement and that the Board has not verified such information. Accordingly, the Board is not in a position to comment on the accuracy of the information above except for the shareholding of the controlling Shareholder, namely Ocean Ahead International Limited set out in the table above, the date on which the Company was listed on the Main Board of the Stock Exchange, the Offer Price, the respective closing prices of the Shares as at 5 July 2013, 28 March 2014, 3 April 2014 and 23 April 2014, and the announcements made by the Company on 28 March 2014 and 3 April 2014.

PUBLIC FLOAT

Based on the information available and to the Directors’ best knowledge after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares are held in public hands as at 7 April 2014 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 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
Jin Cai Holdings Company Limited
HUANG Li
Chairman

Hong Kong, 24 April 2014

As at the date of this announcement, the Board comprises six Directors, namely: Ms. Huang Li and Mr. Zheng Hua as executive Directors; Mr. Huang Chao as non-executive Director; Mr. Zeng Shiquan, Mr. Tam Tak Kei Raymond and Professor Lam Sing Kwong Simon as independent non-executive Directors.