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JC Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 8326)

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 9 May 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 JC Group Holdings Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 9 May 2014.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement has been published by the Securities and Futures Commission (the “**SFC**”) on 26 May 2014 (the “**SFC Announcement**”).

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings indicated that as at 9 May 2014, 18 Shareholders held an aggregate of 81,100,000 shares of the Company (the “**Shares**”), representing 20.28% of the issued Shares. Such shareholding, together with 300,000,000 Shares (representing 75% of the issued Shares) held aggregately by two substantial Shareholders, namely Victory Stand International Limited and Dragon Flame Holdings Limited, represented 95.28% of the issued Shares as at 9 May 2014. Therefore, only 18,900,000 Shares (representing 4.72% of the issued Shares) were held by other Shareholders.

As disclosed in the SFC Announcement, as at 9 May 2014, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Victory Stand International Limited (<i>Note 1</i>)	217,500,000	54.38
Dragon Flame Holdings Limited (<i>Note 2</i>)	82,500,000	20.62
A group of 18 Shareholders	81,100,000	20.28
Other Shareholders	18,900,000	4.72
Total	<u>400,000,000</u>	<u>100.00</u>

Note 1: Victory Stand International Limited is beneficially owned as to 45.88%, 29.75%, 16.24% and 8.13% by Mr. Zhang Fuzhu, Mr. Wu Kai Char, Ms. Wong Wai Ling and Mr. Lui Hung Yen respectively. Mr. Wu Kai Char, Ms. Wong Wai Ling and Mr. Lui Hung Yen are executive directors of the Company.

Note 2: Dragon Flame Holdings Limited is wholly and beneficially owned by Mr. Pan Chik. Mr. Pan Chik is a non-executive director of the Company.

As disclosed in the SFC Announcement:

(A) Since 18 February 2014, price of the Shares surged substantially by 548.15% from the closing price of HK\$0.54 on 17 February 2014 to the closing price of HK\$3.50 on 8 May 2014. The Company announced that it was not aware of any reasons for the increase in the Share price and trading volume on 4 March 2014 and 8 May 2014 respectively.

(B) As at 23 May 2014, the closing price of the Company was HK\$2.88, representing an increase of 433.33% from the closing price of HK\$0.54 on 17 February 2014.

The board of directors (the “**Board**”) of the Company 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 Victory Stand International Limited and Dragon Flame Holdings Limited set out in the table above, the respective closing prices of the Shares on 17 February 2014, 8 May 2014 and 23 May 2014, the 548.15% increase of closing price from HK\$0.54 on 17 February 2014 to HK\$3.50 on 8 May 2014, the 433.33% increase of closing price from HK\$0.54 on 17 February 2014 to HK\$2.88 on 23 May 2014, and the announcements made by the Company on 4 March 2014 and 8 May 2014.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that not less than 25% of the issued Shares are held in public hands as at 9 May 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 Growth Enterprise Market of 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
JC Group Holdings Limited
Wu Kai Char
Chairman and Executive Director

Hong Kong, 26 May 2014

As at the date of this announcement, the executive directors are Mr. Wu Kai Char, Ms. Wong Wai Ling and Mr. Lui Hung Yen; the non-executive director is Mr. Pan Chik; and the independent non-executive directors are Mr. Law Yiu Sing, Ms. Yue Chung Sze Joyce and Mr. Chan Wai Hung Clarence.

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 Growth Enterprise Market of the Stock Exchange 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 Stock Exchange's website (www.hkexnews.hk) and will also be published on the Company's website (www.jcgroup.hk).