



29 October 2014

**High Concentration of Shareholding
in
Rising Development Holdings Limited (Stock Code: 1004)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Rising Development Holdings Limited (“the Company”) in the hands of a limited number of shareholders as at 10 October 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 of the Company (“Shares”) could fluctuate substantially even with a small number of shares traded, and should exercise extreme caution when dealing in the Shares.

The SFC has recently completed an enquiry into the shareholding of the Company. Our findings suggested that as at 10 October 2014, 17 shareholders held an aggregate of 558,848,615 Shares, representing 37.60% of the issued Shares. Such shareholding, together with the 833,987,840 Shares (representing 56.11% of the issued Shares) held by 3 substantial shareholders of the Company, represented 93.71% of the issued Shares as at 10 October 2014. Therefore, only 93,392,145 Shares (representing 6.29% of the issued Shares) were held by other shareholders.

As at 10 October 2014, the shareholding structure of the Company was as follows:

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Oriental Day International Limited (<i>Note 1</i>)	500,757,600	33.69
CAO Zhiying	240,000,000	16.15
Freeman Financial Corporation Limited (<i>Note 2</i>)	93,230,240	6.27
A group of 17 shareholders	558,848,615	37.60
Other shareholders	93,392,145	6.29
	1,486,228,600	100.00

Note 1: Oriental Day International Limited is wholly and beneficially owned by Mr. LAI Leong, the Chairman, Chief Executive Officer and Executive Director of the Company.

Note 2: Freeman Financial Corporation Limited is a listed company in the Hong Kong Stock Exchange. The stock code is 279.



Since the beginning of this year, the closing price of the Shares surged substantially by 792% from HK\$0.79 on 31 December 2013 to HK\$7.05 on 10 October 2014. During this period, the Company made, inter alia, the following announcements:

- 1) On 15 January 2014, 28 January 2014, 13 February 2014 and 12 March 2014, the Company issued four announcements in relation to preliminary discussions over solar power business development in the PRC.
- 2) On 9 May 2014 after market close, the Company announced its annual results for the year ended 31 March 2014. The loss attributable to equity shareholders of the Company for the period was HK\$118.1 million (compared with a loss of HK\$214.5 million for the same period of last year). The net asset value attributable to equity holders of the Company was approximately HK\$0.428 per Share as at 31 March 2014.
- 3) On 15 July 2014, the Company announced that it will acquire two solar power stations in Gansu Province, PRC for HK\$620 million.
- 4) On 22 August 2014, the Company announced the issuance of convertible bonds in the principle amount of HK\$700 million ("the Convertible Bond") at a conversion price of HK\$3.39 to a subsidiary of Shanghai Electric Group Co. Ltd. (stock code: 2727). The Company has the right to redeem the convertible bonds by issuing consideration shares at the conversion price then prevailing after one year, if the closing price of the Shares for 10 consecutive trading days exceeds 200% of the conversion price then prevailing with average daily turnover being not less than HK\$30 million (the "Put Event"). Subsequently on 8 October 2014, the Company announced that the Put Event has occurred given the movement in share price and turnover from 23 September 2014 to 8 October 2014.
- 5) On 26 September 2014 and 3 October 2014, the Company announced that it expects to record a net profit for the six months ended 30 September 2014, as compared to a net loss for the same period last year, due to unrealised gain of approximately HK\$157 million on investments in listed financial assets.

The Share price declined 12% from HK\$7.05 on 10 October 2014 to HK\$6.20 on 20 October 2014 and has since rebounded. On 28 October 2014, the Share price closed at HK\$6.72, still representing an increase of 751% from the closing price of HK\$0.79 on 31 December 2013.

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.

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