

11 November 2014

**High Concentration of Shareholding
in
Sinogreen Energy International Group Limited (Stock Code: 01159)**

This announcement is made by the Securities and Futures Commission (“SFC”) in respect of the concentration of the shareholding of Sinogreen Energy International Group Limited (“the Company”) in the hands of a limited number of shareholders as at 22 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 22 October 2014, a group of 16 shareholders held an aggregate of 87,896,800 Shares, representing 17.81% of the issued Shares. Such shareholding, together with an aggregate of 369,405,600 Shares (representing 74.85% of the issued Shares) held by the controlling shareholder and three executive directors of the Company, represented 92.66% of the issued Shares as at 22 October 2014. Therefore, only 36,262,400 Shares (representing 7.34% of the issued Shares) were held by other shareholders.

As at 22 October 2014, the shareholding structure of the Company was as follows:-

	Number of Shares held (Shares)	% of total number of issued Shares (%)
Reach Luck International Limited (Note 1)	295,023,200	59.77
Mega Start Limited (Note 2)	49,693,600	10.07
Fount Holdings Limited (Note 3)	18,188,800	3.69
New Elect International Limited (Note 4)	6,500,000	1.32
A group of 16 shareholders	87,896,800	17.81
Other shareholders	36,262,400	7.34
Total	493,564,800	100.00

Note 1: The entire issued share capital of Reach Luck International Limited is owned by Dr. Lam Yin Lok. Dr. Lam Yin Lok was appointed as an executive director and the chairman of the Company with effect on 3 November 2014.

Note 2: The entire issued share capital of Mega Start Limited is owned by Mr. Chau Chit, an executive director of the Company.



Note 3: The entire issued share capital of Fount Holdings Limited is owned by Mr. Tang Hao, an executive director of the Company. Mr. Tang Hao resigned as the executive director of the Company with effect on 3 November 2014.

Note 4: The entire issued share capital of New Elect International Limited is owned by Mr. Hung Ching Fung, an executive director of the Company and the nephew-in-law of Dr. Lam Yin Lok.

The trading of the Shares was suspended from 14 July 2014 to 25 July 2014. On 25 July 2014, the Company made an announcement proposing a capital reorganization, whereby every five original Shares would be consolidated into one new Share. The capital reorganization was completed with effect on 12 September 2014.

In the same announcement on 25 July 2014, the Company also stated that it entered into subscription agreement with Reach Luck International Limited, Creative Cosmo Limited and New Elect International Limited, whereby they would subscribe 295,000,000, 23,500,000 and 6,500,000 new Shares respectively at \$0.35 per new Share, representing a discount of 94.31% to the closing price of \$6.15 (adjusted for share consolidation) on 11 July 2014. Upon the completion of the share subscription, Reach Luck International Limited would make an unconditional mandatory cash offer to the public shareholders of the Company at \$0.35 per Share.

The trading of the Shares was resumed on 28 July 2014. The Share price increased 46.3% from the adjusted closing price of \$6.15 on 11 July 2014 to the adjusted closing price of \$9.0 on 28 July 2014, and continued to increase a further 65.6% to the adjusted closing price of \$14.9 on 18 August 2014. Since then, the Share price traded between \$10.5 and \$15.8.

The share subscription was completed on 19 September 2014 and the unconditional mandatory cash offer was closed on 17 October 2014 with valid acceptance of 23,200 Shares (representing 0.005% of the issued Shares).

On 10 November 2014, the Share price closed at \$12.8, representing an increase of 108.1% from the adjusted closing price of \$6.15 on 11 July 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.

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