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JIA MENG HOLDINGS LIMITED

家夢控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8101)

DISCLOSEABLE TRANSACTION: DISPOSAL OF LISTED SECURITIES AND PROFIT WARNING

The Group disposed on-market of a total of 7,300,000 Luen Wong Shares in a series of transactions conducted on 29 June 2017, at prices between HK\$0.95 and HK\$1.00 per Luen Wong Share for an aggregate gross sale proceeds of approximately HK\$7.1 million (excluding transaction costs).

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but below 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the Board, it is expected that, mainly attributable realized fair value loss of held for-trading investment in the Luen Wong Shares, the Group will record a substantial loss attributable to the Shareholders for the three months ended 30 June 2017.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

THE DISPOSAL

The Group disposed on-market of a total of 7,300,000 Luen Wong Shares in a series of transactions conducted on 29 June 2017, at prices between HK\$0.95 and HK\$1.00 per Luen Wong Share for an aggregate gross sale proceeds of approximately HK\$7.1 million (excluding transaction costs).

As the Disposal was made on the market, the Company is not aware of the identities of the purchasers of the Luen Wong Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the 7,300,000 Luen Wong Shares and their ultimate beneficial owners are third parties independent of the Company and its connected persons.

Assets disposed of

The Group disposed of a total of 7,300,000 Luen Wong Shares, representing approximately 0.58% of the issued share capital of Luen Wong (based on the 1,248,000,000 Shares as at 31 May 2017 according to the monthly return of Luen Wong dated 1 June 2017). Before the Disposal, the Group held a total of 7,300,000 Luen Wong Shares. After the Disposal, the Group does not hold any Luen Wong Shares.

Consideration

The aggregate gross sale proceeds of the Disposal is approximately HK\$7.1 million (excluding transaction costs), which is receivable in cash on settlement. The consideration for the Disposal represented the market price of the Luen Wong Shares at the time of the Disposal.

INFORMATION OF LUEN WONG

Luen Wong is a company incorporated in the Cayman Islands with limited liability whose shares are listed on the GEM (stock code: 8217). Luen Wong is principally engaged in the provision of civil engineering works and investment holding.

The following information is extracted from the annual report of Luen Wong for the year ended 31 March 2017:

	For the year ended 31 March 2017 <i>HK\$'000</i>	For the year ended 31 March 2016 <i>HK\$'000</i>
Revenue	735,330	315,004
Profit before taxation	37,976	12,061
Profit after taxation	30,549	8,391
Net asset value	106,361	27,095

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (i) design, manufacture and sale of mattress and soft bed products in the PRC and export mattress to overseas markets; (ii) securities investment in Hong Kong; (iii) property investment in Hong Kong; and (iv) money lending in Hong Kong.

The Company was aware of the fluctuation in share prices of the Luen Wong Shares during the week and in order to cut losses in case there would be further drop in the share prices of the Luen Wong Shares, the Company decided to dispose of the Luen Wong Shares it held.

The Group acquired the 7,300,000 Luen Wong Shares on 11 April 2016 at HK\$0.26 per share. The total cost was approximately HK\$1,898,000 (exclusive of transaction costs). As a result of the Disposal, a capital gain of approximately HK\$5,202,000 was realized by the Group. However, the Group is also expected to recognize a loss of approximately HK\$131.7 million for the three months ended 30 June 2017, which is calculated on the basis of the difference between the fair value of Luen Wong Shares as at 31 March 2017, and the disposal price (exclusive of transaction costs) of the Luen Wong Shares.

The Disposal was made at market price and the Board is of the view that the Disposal will enhance the liquidity of the Company and was fair and reasonable and is on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

IMPLICATION UNDER THE GEM LISTING RULES

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal is more than 5% but below 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

PROFIT WARNING

This announcement is also made by the Company pursuant to Rule 17.10 of the GEM Listing Rules and the Inside Information Provisions (as defined under the GEM Listing Rules).

The Board wishes to inform the Shareholders and potential investors that, based on the information currently available to the Board, it is expected that the Group will record a substantial loss attributable to the Shareholders for the three months ended 30 June 2017. Such substantial loss was mainly attributable to the realized fair value loss of held for-trading investment in the Luen Wong Shares.

The Company is still in the process of finalizing the financial statements of the Group for the three months ended 30 June 2017. The information contained in this announcement is only a preliminary assessment by the Board based on information currently available and are subject to further review by the Board. Financial information and other details of the Group will be disclosed in the first quarterly results announcement of the Group for the three months ended 30 June 2017.

Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

DEFINITIONS

Unless otherwise specified, the following terms have the following meanings in this announcement:

“Board”	the board of Directors
“Company”	Jia Meng Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on the GEM
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Disposal”	the disposal by the Company of a total of 7,300,000 Luen Wong Shares on the market dated 29 June 2017 for a total consideration of approximately HK\$7.1 million
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Luen Wong”	Luen Wong Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the GEM (stock code: 8217)
“Luen Wong Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of Luen Wong
“Share(s)”	ordinary share(s) of HK\$0.025 each in the share capital of the Company

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

By order of the Board of
Jia Meng Holdings Limited
Wong Siu Ki
Executive Director

Hong Kong, 30 June 2017

As at the date of this announcement, the executive Directors are Mr. Hung Cho Sing, Mr. Yim Yin Nang, Mr. Wong Siu Ki, Mr. Matthew Chung and Mr. Wong Pak Kan Martin; and the independent non-executive Directors are Ms. Lai Mei Kwan, Mr. Tang Kin Chor and Mr. Chan Chun Wing.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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 <http://www.hkgem.com> on the “Latest Company Announcements” page for at least seven days from the date of its posting and the Company’s website at <http://www.jmbedding.com>.