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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 THE ENTIRE ISSUED SHARES OF THE TARGET

THE DISPOSAL

The Board is pleased to announce that after trading hours on 7 March 2016, the Vendor, a wholly-owned subsidiary of the Company, and the Purchaser entered into the SP Agreement, pursuant to which the Purchaser conditionally agreed to purchase and the Vendor conditionally agreed to sell the Sale Shares, representing the entire issued shares of the Target as at Completion, free from all encumbrances together with all rights attaching thereto including but not limited to all dividends or distributions which may be paid, declared or made in respect thereof at any time on or after the Completion Date, at the Consideration of HK\$25,900,000.

The principal business of the Target is properties holding and its principal assets are the Properties.

IMPLICATIONS UNDER THE GEM LISTING RULES

As more than one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are more than 5% but all relevant percentage ratios in respect of the Disposal are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

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The principal terms of the SP Agreement are set out below:

THE SP AGREEMENT

Date

7 March 2016

Parties

- (a) Vendor: Colorful Focus Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
- (b) Purchaser: Wise Link International Limited, a company incorporated in the British Virgin Islands with limited liability, the principal business of which is investment holding

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are Independent Third Parties.

Assets to be disposed of

The Sale Shares, representing the entire issued shares of the Target as at Completion.

Consideration

The Consideration is HK\$25,900,000 and shall be payable by the Purchaser to the Vendor in cash in the following manner:

- (1) as to HK\$2,590,000 ("**Deposit**") within 7 calendar days from the date of signing of the SP Agreement as refundable deposit; and
- (2) as to the remaining HK\$23,310,000 ("**Remaining Balance**") upon Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to the unaudited net asset value of the Target of approximately HK\$25,909,000 as at 4 March 2016.

Conditions Precedent

The obligations of the Vendor and the Purchaser to effect Completion shall be conditional upon:

- (1) the Purchaser being reasonably satisfied with the results of the due diligence exercise (whether on legal, accounting, financial, operational, properties or other aspects that the Purchaser may consider necessary) on the Target and its assets, properties, liabilities, activities, operations, prospects and other status which the Purchaser, its agents or professional advisers think reasonably necessary and appropriate to conduct;
- (2) the Purchaser being satisfied, from the date of the SP Agreement and at any time before the Completion, that the Warranties remain true, accurate and not misleading and that no events have occurred that would result in any breach of any of the Warranties or other provisions of the SP Agreement by the Vendor;
- (3) there being no Material Adverse Change up to Completion;
- (4) (if applicable) all such waivers, consents or other documents as the Purchaser may require in relation to the completion of the transactions contemplated under the SP Agreement having been obtained; and
- (5) (if applicable) all such waivers, consents or other documents as the Vendor may require in relation to the completion of the transactions contemplated under the SP Agreement having been obtained.

The Purchaser may waive any of the Conditions Precedent as set out above at any time before the Long Stop Date by notice in writing to the Vendor.

If any of the Conditions Precedent has not been fulfilled or waived on or before 5:00 p.m. Hong Kong time on the Long Stop Date, then the Deposit, without interest, shall be refunded by the Vendor to the Purchaser within three Business Days from the Long Stop Date and upon the refund of the Deposit, the SP Agreement (save and except those relating to confidentiality, costs and expenses and miscellaneous matters) shall lapse immediately thereafter and be of no further effect and neither party to the SP Agreement shall have any claim against or liability or obligation to other party under the SP Agreement save for any antecedent breaches.

Completion

Completion of the SP Agreement shall take place on the Completion Date.

Upon Completion, the Target will cease to be a subsidiary of the Vendor and the Group will cease to have any interest in the Target.

INFORMATION ON THE TARGET

The Target is a company incorporated in Hong Kong with limited liability on 6 September 2006. The principal business of the Target is properties holding and its principal assets are the Properties, which are currently leased to Independent Third Parties with details as follows:

	User	Rental, management fee and other fees (per month)	Term of the tenancy agreement
Property A	Private residence	HK\$19,800 (inclusive of rates, government rent, management fees)	From 2 August 2014 to 1 August 2016 (both days inclusive)
Property B	Retail store of image and photo printing and gift items	HK\$31,200 (inclusive of government rent and exclusive of management fees and rates)	Two years commencing from 1 November 2014 and expiring on 31 October 2016
Property C	Retail store of home necessities	HK\$38,500 (inclusive of rates, government rent and management fees)	Two years commencing from 28 July 2014 and expiring on 27 July 2016

Set out below is a summary of certain financial information of the Target for the year ended 31 December 2014 and 31 December 2015:

	For the year ended 31 December 2014	For the year ended 31 December 2015
	<i>HK\$ approximately (audited)</i>	<i>HK\$ approximately (unaudited)</i>
Turnover	1,154,000	1,074,000
Net profit before taxation	640,000	834,000
Net profit after taxation	640,000	697,000

The unaudited total asset value and net asset value of the Target as at 4 March 2016 were approximately HK\$26,356,000 and HK\$25,909,000 respectively.

INFORMATION ON THE GROUP

The Group is principally engaged in (i) the design, manufacture and sale of mattress and soft bed products in the People's Republic of China and export mattress to overseas markets; (ii) securities investment in Hong Kong; and (iii) property investment.

REASONS FOR THE DISPOSAL AND USE OF PROCEEDS

The Group expects to recognise an unaudited accounting loss of approximately HK\$34,900 from the Disposal, being the difference between the Consideration and the aggregate of the estimated unaudited net asset value of the Target and the estimated expenses in connection with the Disposal to be recorded in the Group's financial statements as at the Completion Date.

The Directors expect that the net proceeds from the Disposal, after deducting the expenses directly attributable thereto, will be approximately HK\$25,874,000, which will be used for financing other future potential investment opportunities and/or general working capital of the Group.

Reference is made to the announcement of the Company dated 21 April 2015. The Group purchased the Target at a consideration of HK\$24,000,000, the completion of which took place on 30 July 2015.

In view of the uncertainty of the economy, it has become uncertain whether properties in non-core area in Hong Kong, including the area where the Properties are located, will still enjoy any future capital appreciation. The Directors consider that the Disposal represents an opportunity for the Group to realise its investment in the Target, which holds the Properties, and thereby utilise such financial resources for financing other future potential investment opportunities and/or general working capital of the Group.

The Directors (including the independent non-executive Directors) are of the view that the terms of the SP Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER THE GEM LISTING RULES

As more than one of the relevant percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal are more than 5% but all relevant percentage ratios in respect of the Disposal are less than 25%, the Disposal constitutes a discloseable transaction for the Company under the GEM Listing Rules and is subject to the notification and announcement requirements under Rule 19.34 of the GEM Listing Rules.

DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day(s) (except any Saturday, Sunday or public holiday) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours.
“Company”	Jia Meng Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on GEM
“Completion”	completion of the Disposal in accordance with the terms and conditions of the SP Agreement
“Completion Date”	a day within five Business Days after the last outstanding Conditions Precedent (other than the Conditions Precedent which are only capable of being fulfilled upon Completion) shall have been fulfilled or waived (or such other date as the Vendor and the Purchaser may agree in writing) on which Completion is to take place
“Conditions Precedent”	the conditions precedent to which the Completion is subject as set out in the paragraph headed “Conditions Precedent” under the section headed “The SP Agreement” in this announcement
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules

“Consideration”	the sum of HK\$25,900,000, being the consideration for the sale and purchase of the Sale Shares
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by the Vendor
“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 People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of the Company and connected person(s) of the Company
“Long Stop Date”	the 7th day after the date of the SP Agreement (or such later date as the Vendor and the Purchaser may agree in writing)
“Material Adverse Change”	any change (or effect) which has a material and adverse effect on the financial position, business or prospects or results of operations, of the Target as a whole.
“Property A”	the property located at Flat G on 14th Floor, Tai Shan Mansion, Kao Shan Terrace, No. 7 Taikoo Shing Road, Taikoo Shing, Hong Kong
“Property B”	the property located at Shop Nos. 53 & 56 on Ground Floor, Commercial Centre, Fullview Garden, No.18 Siu Sai Wan Road, Hong Kong
“Property C”	the property located at Shop Nos. 54 & 57 on Ground Floor, Commercial Centre, Fullview Garden, No.18 Siu Sai Wan Road, Hong Kong

“Properties”	Property A, Property B and Property C
“Purchaser”	Wise Link International Limited, a company incorporated in the British Virgin Islands with limited liability
“Sale Shares”	such number of issued shares in the share capital of the Target, which shall represent the entire issued shares of the Target as at Completion.
“SP Agreement”	the agreement dated 7 March 2016 entered into between the Purchaser and the Vendor in relation to the Disposal
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	China Universal Limited 華宙有限公司, a company incorporated in Hong Kong with limited liability and is wholly owned by the Vendor as at the date of the SP Agreement
“Vendor”	Colorful Focus Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Warranties”	the representations, warranties and undertakings given by the Vendor in the SP Agreement to the Purchaser

On behalf of the Board
Jia Meng Holdings Limited
Wong Siu Ki
Executive Director

Hong Kong, 7 March 2016

As at the date of this announcement, the executive Directors are Mr. Yim Yin Nang and Mr. Wong Siu Ki; and the independent non-executive Directors are Mr. Chan Wai Cheung, Admiral, Mr. Fung Kam Man and Mr. Au-Yeung Hau Cheong.

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: (1) the information contained in this announcement is accurate and complete in all material aspects and not misleading or deceptive; and (2) 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 publication and on the website of the Company at <http://www.jmbedding.com>.