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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: ACQUISITION OF THE ENTIRE ISSUED CAPITAL OF THE TARGET

THE AGREEMENT

The Board wishes to announce that after trading hours on 21 April 2015, the Purchaser, a wholly-owned subsidiary of the Company, the Vendor and the Warrantor entered into the 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 at Completion at the Consideration of HK\$24,000,000.

IMPLICATION 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 Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board wishes to announce that after trading hours on 21 April 2015, the Purchaser, the Vendor and the Warrantor entered into the Agreement in respect of the Acquisition.

The principal terms of the Agreement are set out below:

THE AGREEMENT

Date

21 April 2015

Parties

Purchaser: Colorful Focus Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company.

Vendor: A company incorporated in the British Virgin Islands with limited liability, the principal business of which is investment holding.

Warrantor: An individual who beneficially holds 60% of a private company, which in turn wholly owns the Vendor as at the date of the Agreement. The Warrantor joined as a party to the Agreement to guarantee the due and punctual performance and observance by the Vendor of all of its obligations and undertakings under the Agreement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of the Vendor, its ultimate beneficial owners and the Warrantor is a third party independent of (i) the Company and (ii) connected persons of the Company.

Assets to be acquired

The Vendor conditionally agreed to sell and the Purchaser conditionally agreed to purchase the Sale Shares free from all encumbrances together with all rights now or thereafter attaching thereto, including 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\$24,000,000.

The Sale Shares represent the entire issued shares of the Target at Completion.

Consideration

The Consideration for the Sale Shares payable by the Purchaser to the Vendor is HK\$24,000,000 and shall be paid by the Purchaser to the Vendor in the following manner:

- (1) as to HK\$15,000,000 ("**Deposit**") within 7 calendar days from the date of signing of the Agreement as refundable deposit; and
- (2) as to the remaining balance of HK\$9,000,000 upon Completion.

The Consideration shall be settled by the Purchaser in cash and will be funded by the internal resources and/or borrowings of the Group.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms principally with reference to the valuation of the Properties of approximately HK\$26,400,000 as at 31 March 2015 conducted by an independent professional valuer.

If the conditions precedent set out in sub-section headed "Conditions precedent" below have been fulfilled or waived but the Vendor does not proceed to Completion in accordance with the Agreement, the Purchaser may terminate the Agreement by giving notice of termination in writing to the Vendor, in which event the Vendor shall refund the Deposit (without interest), and pay HK\$750,000, being an amount equivalent to 5% of the Deposit, as liquidated damages, to the Purchaser and neither party shall have any further obligations and liabilities under the Agreement and neither party shall take any action to claim for damages or to enforce specific performance or any other rights and remedies under the Agreement.

Conditions precedent

Completion shall be conditional upon the following conditions precedent:

- (1) the completion of the capitalisation of the entire amount of the Shareholder's Loan for the allotment and issue, credited as fully paid, of 99 shares of the Target by the Target to the Vendor ("**Capitalisation Arrangement**");
- (2) the Purchaser being reasonably satisfied that all of the charges and mortgages on the Properties, which were created by the Target to secure general banking facilities granted by Dah Sing Bank Limited, shall have been released and discharged;
- (3) 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;
- (4) the Purchaser being satisfied, from the date of the Agreement and at any time before the Completion, that the warranties, representations and undertakings given by the Vendor and the Warrantor ("**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 Agreement by the Vendor;
- (5) there being no Material Adverse Change up to Completion;
- (6) (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 Agreement having been obtained; and
- (7) (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 Agreement having been obtained.

The Purchaser may waive the conditions precedent referred to in paragraphs (2), (3), (4), (5) and (7) above by written notice to the Vendor. Save as aforesaid, none of the other conditions precedent above is capable of being waived. If any of the above conditions precedent have not been fulfilled or waived (as the case may be) 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 Agreement shall lapse immediately thereafter and be of no further effect and neither party to the Agreement shall have any claim against or liability or obligation to other party under the Agreement save for any antecedent breaches.

Completion

Subject to the fulfillment or waiver (as the case may be) of all the above conditions precedent, Completion shall take place within five business days after the last outstanding condition precedent above 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.

Immediately after Completion, the Target will become a wholly-owned subsidiary of the Company, and the financial results of the Target will be consolidated with the results of the Group.

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 and occupied as (i) private residence or (ii) retail shop for image and photo printing and gift items or (iii) retail shop for home necessities by third parties independent of (aa) the Company and (bb) connected persons of the Company at an aggregate monthly rental of HK\$89,500.

As at 28 February 2015, the Target was indebted to the Vendor the Shareholder's Loan of approximately HK\$10,544,000. As a condition precedent to the Acquisition as set out in the paragraph headed "Conditions precedent" above, the Vendor will undertake the Capitalisation Arrangement to settle the Shareholder's Loan by way of capitalisation before Completion.

The unaudited total asset value and net asset value of the Target as at 28 February 2015 were approximately HK\$23,684,000 and HK\$12,892,000 respectively.

The financial information of the Target for the period from 1 July 2012 to 31 December 2013 and the year ended 31 December 2014 are set out below:

	For the period from 1 July 2012 to 31 December 2013	For the year ended 31 December 2014
	HK\$	HK\$
	<i>approximately (audited)</i>	<i>approximately (unaudited)</i>
Turnover	2,937,000	1,154,000
Net profit (before taxation)	8,540,000	51,000
Net profit (after taxation)	8,781,000	51,000

Note: After 30 June 2012, the financial year of the Target was changed from 30 June to 31 December.

INFORMATION ON THE GROUP

The Group is principally engaged in the design, manufacture and sale of mattress and soft bed products in the People's Republic of China and export mattress to overseas markets.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The principal assets of the Target are the Properties, which are located in residential area of Siu Sai Wan and Taikoo Shing. The Directors are optimistic about the property market in Hong Kong and hence consider that the Properties to be acquired under the Acquisition will generate stable rental income to the Group and provide capital appreciation potential to the Group.

The terms of the Agreement were determined after arm's length negotiations between the parties thereto and the Directors are of the view that the terms of the Agreement are on normal commercial terms and are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATION 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 Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Acquisition”	the acquisition of the Sale Shares
“Agreement”	the agreement dated 21 April 2015 entered into between the Purchaser, the Vendor and the Warrantor in relation to the Acquisition
“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 GEM
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Agreement
“Completion Date”	the date of Completion, which means within five business days after the last outstanding condition precedent above 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
“connected person(s)”	has the meaning as ascribed to it in the GEM Listing Rules
“Consideration”	the aggregate sum of HK\$24,000,000, being the consideration for sale and purchase of the Sale Shares
“Director(s)”	the 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 the GEM of the Stock Exchange
“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
“Long Stop Date”	31 July 2015 (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
“Properties”	Flat G on 14th Floor, Tai Shan Mansion, Kao Shan Terrace, No. 7 Taikoo Shing Road, Taikoo Shing, Hong Kong and Shop Nos. 53 & 56, 54 and 57 on Ground Floor, Commercial Centre, Fullview Garden, No.18 Siu Sai Wan Road, Hong Kong
“Purchaser”	Colorful Focus Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“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
“Shareholder’s Loan”	an amount as equals the face value of the entire sum owing by the Target to the Vendor immediately before Completion, and as at 28 February 2015, such sum amounted to approximately HK\$10,544,000
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target”	China Universal Limited, a company incorporated in Hong Kong with limited liability and is wholly owned by the Vendor
“Vendor”	a company incorporated in the British Virgin Islands with limited liability
“Warrantor”	an individual, who beneficially holds 60% of a private company, which in turn wholly owns the Vendor as at the date of the Agreement

By order of the Board
Jia Meng Holdings Limited
Chan Wing Kit
Executive Director

Hong Kong, 21 April 2015

As at the date of this announcement, the executive Directors are Mr. Yim Yin Nang and Mr. Chan Wing Kit; and the independent non-executive Directors are Mr. Ng Yat Cheung, Mr. Zhu Xiaobing, Mr. Chan Wai Cheung, Admiral and Mr. Fung Kan Man.

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 “Latest Company Announcements” page of the website of GEM at <http://www.hkgem.com> for a minimum period of seven days from the date of its publication and on the Company’s website at www.jmbedding.com.