

JC Group Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8326

Third Quarterly Report 2013



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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The board of Directors (the "Board") announces the unaudited condensed consolidated results of the Group for the three months and nine months ended 31 December 2013, together with the unaudited comparative figures for the respective corresponding periods in 2012 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

For the three months and nine months ended 31 December 2013

	Notes	For the three months ended 31 December		For the nine months ended 31 December	
		2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	2013 HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
REVENUE	3	64,566	69,481	181,496	187,444
Other income	3	335	297	961	740
Cost of inventories sold		(17,695)	(19,828)	(52,194)	(54,437)
Staff costs		(18,020)	(17,692)	(50,808)	(52,414)
Depreciation and amortisation		(3,894)	(3,558)	(10,219)	(10,827)
Property rentals and related expenses		(12,247)	(12,469)	(36,393)	(34,958)
Fuel and utility expenses		(1,152)	(1,378)	(3,780)	(4,108)
Other operating expenses		(8,512)	(6,640)	(20,998)	(19,354)
Listing expenses		(3,668)	–	(6,701)	–
Finance costs		–	–	–	(1)
(LOSS) PROFIT BEFORE TAX		(287)	8,213	1,364	12,085
Income tax expense	5	(1,442)	(1,967)	(3,249)	(2,998)
(LOSS) PROFIT FOR THE PERIOD		(1,729)	6,246	(1,885)	9,087
Other comprehensive income, net of tax		–	–	–	–
TOTAL COMPREHENSIVE (EXPENSE) INCOME FOR THE PERIOD		(1,729)	6,246	(1,885)	9,087
Attributable to:					
Owners of the Company		(1,416)	5,017	(2,887)	7,621
Non-controlling interests		(313)	1,229	1,002)	1,466
		(1,729)	6,246	(1,885)	9,087
(Loss) earnings per share					
– Basic and diluted (HK cents)	6	(0.39)	1.74	(0.87)	2.64

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)*For the nine months ended 31 December 2013*

	Attributable to owners of the Company						Total equity HK\$'000 (Unaudited)
	Issued Capital HK\$'000 (Unaudited)	Share premium HK\$'000 (Unaudited)	Other reserves HK\$'000 (Unaudited)	Retained profits HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)	Non-controlling interests HK\$'000 (Unaudited)	
At 1 April 2013	11,568	-	-	4,029	15,597	9,003	24,600
Profit and total comprehensive (expense) income for the period	-	-	-	(2,887)	(2,887)	1,002	(1,885)
Acquisition of additional interest in a subsidiary	7,500	-	-	(111)	7,389	(7,389)	-
Shares issued by subsidiaries to shareholders	25	7,499	-	-	7,524	-	7,524
Loan capitalisation	-	-	26,462	-	26,462	-	26,462
Corporate reorganisation	(19,093)	52,986	(33,904)	-	(11)	-	(11)
Issue of new shares	4,000	31,000	-	-	35,000	-	35,000
Cost of issue of new shares	-	(3,152)	-	-	(3,152)	-	(3,152)
Dividend	-	-	-	(1,485)	(1,485)	(515)	(2,000)
At 31 December 2013	4,000	88,333	(7,442)	(454)	84,437	2,101	86,538
At 1 April 2012	11,558	-	-	4,663	16,221	9,298	25,519
Profit and total comprehensive income for the period	-	-	-	7,621	7,621	1,466	9,087
Dividend	-	-	-	(10,605)	(10,605)	(1,995)	(12,600)
At 31 December 2012	11,558	-	-	1,679	13,237	8,769	22,006

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended 31 December 2013

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 21 June 2013 as an exempted company with limited liability. Its parent and ultimate holding company is Victory Stand International Limited, a company incorporated in the British Virgin Islands. The shares of the Company were listed on the GEM of The Stock Exchange since 21 November 2013. The address of its registered office is Clifton House, 75 Fort Street, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands. The address of its principal place of business is at 14th Floor, TAL Building, 45-53 Austin Road, Tsim Sha Tsui, Kowloon, Hong Kong.

The Company's principal activity during the nine months ended 31 December 2013 was investment holding. The Group's principal activity during the nine months ended 31 December 2013 was the operation of various restaurants and cake shops in Hong Kong.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the nine months ended 31 December 2013 have been prepared in accordance with the accounting principles generally accepted in Hong Kong and comply with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements for the nine months ended 31 December 2013 are consistent with those adopted in the Group's annual financial statements for the year ended 31 March 2013, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the "New and Revised HKFRSs") (which include all HKFRSs, Hong Kong Accounting Standards ("HKASs") and Interpretations) issued by the HKICPA that have become effective for accounting period beginning on 1 April 2013. The unaudited condensed consolidated financial statements for the nine months ended 31 December 2013 do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the accountants' report included in the prospectus dated 14 November 2013.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the nine months ended 31 December 2013 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the nine months ended 31 December 2013.

The Group has not applied new and revised standards, amendments or interpretations that have been issued but are not yet effective. The Group is currently assessing the impact of the adoption of such new and revised standards, amendments or interpretations to the Group but is yet to be in a position to state whether they would have any material financial impact on the Group's results of operations and financial position.

The unaudited condensed consolidated financial statements for the nine months ended 31 December 2013 have been prepared on the historical cost basis. The unaudited condensed consolidated financial statements for the nine months ended 31 December 2013 are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Group.

3. REVENUE AND OTHER INCOME

	For the three months ended 31 December 2013		For the nine months ended 31 December 2013	
	HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Revenue				
Restaurant operation	64,566	69,481	181,496	187,444
Other income				
Forfeited income	152	193	251	193
Sponsorship income	75	56	298	161
Compensation for insurance claims	37	–	240	245
Others	71	48	172	141
	335	297	961	740

4. (LOSS) PROFIT BEFORE TAX

The Group's (loss) profit before tax is arrived at after charging:

	For the three months ended 31 December 2013		For the nine months ended 31 December 2013	
	HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)	HK\$'000 (Unaudited)	2012 HK\$'000 (Unaudited)
Cost of inventories sold	17,695	19,828	52,194	54,437
Amortisation of intangible assets	98	76	251	230
Auditors' remuneration	106	22	266	148
Depreciation	3,796	3,482	9,968	10,597
Lease payments under operating lease in respect of land and buildings:				
Minimum lease payments	11,003	10,468	33,417	30,090
Contingent rents	869	1,219	2,054	2,488
	11,872	11,687	35,471	32,578
Employee benefits expenses (excluding directors' remunerations)				
Salaries, wages and other benefits	17,437	16,678	48,930	49,368
Retirement benefits scheme contributions	475	503	1,380	1,516
	17,912	17,181	50,310	50,884
Write-off of items of property, plant and equipment	8	79	141	182
Listing expenses	3,668	–	6,701	–
Exchange difference	–	–	8	2

5. INCOME TAX EXPENSE

	For the three months ended 31 December		For the nine months ended 31 December	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Current income tax	1,442	1,967	3,249	2,992
Deferred tax	-	-	-	6
	1,442	1,967	3,249	2,998

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profits arising in Hong Kong for the nine months ended 31 December 2013.

6. (LOSS) EARNINGS PER SHARE

The calculation of basic (loss) earnings per share for the three months and nine months ended 31 December 2013 are based on the unaudited condensed consolidated loss of approximately HK\$1,416,000 and HK\$2,887,000 attributable to owners of the Company for the three months and nine months ended 31 December 2013 respectively, and divided by the weighted average number of ordinary shares of 361,195,652 and 332,636,364 in issue during the respective periods (three months and nine months ended 31 December 2012: unaudited condensed consolidated profit of approximately HK\$5,017,000 and HK\$7,621,000, and divided by the weighted average number of ordinary shares of 288,750,000 and 288,750,000 respectively).

The diluted (loss) earnings per share for the respective periods are the same as basic (loss) earnings per share as there are no dilutive potential ordinary shares.

7. DIVIDENDS

The dividends paid by the Company's subsidiaries to the then shareholders during the nine months ended 31 December 2013 and 2012 are as follows:

	For the three months ended 31 December		For the nine months ended 31 December	
	2013	2012	2013	2012
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Interim dividend	2,000	9,700	2,000	12,600

No dividends have been declared by the Company during the nine months ended 31 December 2013 and 2012. The Board does not recommend the payment of an interim dividend for the nine months ended 31 December 2013 (2012: nil).

8. RESERVES

After corporate reorganisation in preparation for the listing of the shares of the Company on the GEM of the Stock Exchange (the "Reorganisation"), the excess of the nominal value of the subsidiaries' shares acquired over the nominal value of the Company's shares issued in exchange at the time of the Reorganisation is recognised as other reserves.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is a food and beverage group in Hong Kong operating 7 full-service restaurants, 2 cake shops and 1 café as at 31 December 2013. The Group's philosophy is "unique dining concepts" which is fully reflected in the quality dishes accompanied by a pleasant atmosphere and attentive services. The Group uses quality food ingredients to prepare cuisines based on the recipes that are created by chefs or licensed by the way of franchising arrangements, and implements quality control system to ensure consistency of high food quality. Restaurants are strategically located in prime areas, contemporarily decorated and coupled with trained staff providing attentive services.

In July 2013, the Group has closed down three restaurants in ifc mall, Hong Kong. To mitigate the impact of the closing down of the aforesaid restaurants, the Group has launched two restaurants and one café, namely "Pearl Dining House" in Tsim Sha Tsui, "Mekikinoginji – Okinawa" in Tuen Mun, and "a la Folie" in Mongkok in late 2013. Moreover, the Group has rebranded its Vietnamese cuisine restaurant namely "PHO24" into a Chinese cuisine restaurant namely "Pearl Delights" in New Town Plaza, Sha Tin.

Pearl Dining House

In order to continue the business momentum and further expand the variety of the Group's cuisine offered to its customers, the Group launched its pioneer Chinese cuisine restaurant, the "Pearl Dining House" in September 2013 in The ONE. Pearl Dining House serves a wide range of Huaiyang-style appetisers, homemade dishes, noodles and dumplings.

Mekikinoginji – Okinawa

With a view to capture the high demand in the matured and densely populated new towns, the Group operated a restaurant under the franchise name of "Mekikinoginji – Okinawa", a famous izakaya chain in Okinawa Prefecture, Japan. This restaurant commenced its operation in V city in October 2013.

a la Folie

The Group established a café under the tradename of "a la Folie" in Grand Century Plaza in December 2013. This café targets middle to higher income consumers by serving light refreshments and offering quality baked products, including French and Japanese style breads, rolls and pastries.

Pearl Delights

A second Chinese cuisine restaurant namely "Pearl Delights" under the "Pearl" series was successfully rebranded from the Group's previous Vietnamese cuisine restaurant in December 2013. The Group believes that it is the right time to bring in a new Cantonese cuisine dining concept that focuses on dim sum and Cantonese barbecue meat for its customers in Sha Tin District, one of the most populous districts in Hong Kong.

FINANCIAL REVIEW

Revenue

For the nine months ended 31 December 2013, the Group recorded an unaudited revenue of approximately HK\$181,496,000 showing a slight decrease of approximately 3% compared with HK\$187,444,000 of the corresponding period last year. Revenue generated from the three restaurants in ifc mall, Hong Kong, represented a significant portion of the Group's revenue last year. To alleviate the impact from the closing down of the three restaurants in ifc mall, Hong Kong, the Group has adopted the strategies of boosting the revenue of existing outlets and opening new outlets and revenue was successfully maintained.

Cost of inventories

The cost of inventories for the nine months ended 31 December 2013 amounted to approximately HK\$52,194,000 (2012: HK\$54,437,000). Despite the growing inflation in general in recent years, the Group could still maintain the overall cost margin below 30% of revenue for the nine months ended 31 December 2012 and 2013. The Directors will continue to monitor the cost of inventories sold as a percentage of revenue, which is a key performance indicator of the overall efficiency and profitability of the restaurant operations.

Staff costs

The staff costs for the nine months ended 31 December 2013 amounted to approximately HK\$50,808,000 (2012: HK\$52,414,000). The slight decrease was mainly due to the layoff of some employees in the three restaurants in ifc mall, Hong Kong, upon their closure. Along with the opening of the three new outlets as mentioned above, the number of employees remained the same as at 31 December 2012 and 2013.

Property rentals and related expenses

The property rentals and related expenses for the nine months ended 31 December 2013 amounted to approximately HK\$36,393,000 (2012: HK\$34,958,000), representing an increase of approximately 4% as compared to the corresponding period last year. The increase was mainly due to the newly opened outlets and also increases in rent of some of the existing outlets upon the renewal of tenancy agreements in 2013.

Net (loss) profit for the period

For the nine months ended 31 December 2013, the Group recorded loss attributable to the owners of the Company of approximately HK\$2,887,000 (2012: profit of HK\$7,621,000). The loss was mainly attributable to one-off listing expenses of approximately HK\$6,701,000 incurred in relation to the placing of the shares of the Company on the GEM of The Stock Exchange. If the one-off listing expenses are not taken into account, the Group would record a profit (without listing expenses) for the nine months ended 31 December 2013.

FUTURE PROSPECTS

Despite the keen competition of the restaurant business in Hong Kong, the Group is able to maintain its market position, being the one in changing the landscape of the Hong Kong dining scene since its first restaurant was opened in ifc mall, Hong Kong. To maintain its competitive edge, the Group will continue to adhere to its philosophy – “unique dining concepts”, by innovating tasty dishes, creating pleasant atmosphere and providing attentive services.

During the nine months period ended 31 December 2013, the listing of the shares of the Company on the GEM of the Stock Exchange marked an important milestone in the history of the Group and opened up brand-new opportunities for the Group's development in the future. Meanwhile, the Group also introduced several new restaurants and a café with different and new brand names to the market. Looking forward, the Group will continue its expansion to open new restaurants, through introducing new brand names and/or expanding the existing brand names, if any suitable location matches the Group's strategic position.

The Board will keep an eye on any potential business opportunities for the Group's further expansion. The Board is optimistic that the Group's persistence in food and service qualities will enable the Group to continually grow for the foreseeable future. The Group will continue making its best efforts in achieving satisfactory returns for the shareholders.

CORPORATE GOVERNANCE CODE

During the period from 21 November 2013, being the date of the listing of the shares of the Company on the GEM of the Stock Exchange (the “Date of Listing”) to 31 December 2013, the Company has complied with all the applicable code provisions of the Corporate Governance Code (the “Code”) contained in Appendix 15 to the GEM Listing Rules, except for the deviation from code provision A.1.8 of the Code as described below.

Under code provision A.1.8 of the Code, an issuer should arrange appropriate insurance cover in respect of legal action against its directors. The Company does not have such insurance cover for its Directors. This is a deviation from code provision A.1.8 of the Code.

With regular and timely communications among the Directors and the management of the Group, the management of the Group believes that all potential claims and legal actions against the Directors can be handled effectively, and the possibility of an actual litigation against the Directors is low. The Company understands the importance to arrange insurance cover for its Directors and will consider to make such an arrangement as and when it considers necessary.

INTEREST OF THE COMPLIANCE ADVISER

As confirmed by the Group's compliance adviser, TC Capital Asia Limited (the "Compliance Adviser"), save as the compliance adviser agreement entered into between the Company and the Compliance Adviser dated 8 November 2013, none of the Compliance Adviser or its directors, employees or associates (as defined under the GEM Listing Rules) had any interest in the Group or in the share capital of any member of the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

COMPETING BUSINESS

For the nine months ended 31 December 2013, none of the Directors, the controlling shareholders or the substantial shareholders of the Company or any of their respective associates (as defined under the GEM Listing Rules) are engaged in any business that competes or may compete, directly or indirectly, with the business of the Group or have any other conflicts of interest with the Group nor are they aware of any other conflicts of interest which any such person has or may have with the Group.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any listed securities of the Company from the Date of Listing to 31 December 2013.

THE INTERESTS AND SHORT POSITIONS OF THE DIRECTORS AND THE CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2013, the interests and short positions of the Directors and chief executive of the Company in the shares (the "Shares"), underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including any interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in the Shares

Name of Director	Nature of Interest	Number of Shares interested	Approximate percentage of shareholding
Mr. Pan Chik	Interest in a controlled corporation (<i>Note</i>)	82,500,000	20.625%

Note: These 82,500,000 Shares are held by Dragon Flame Holdings Limited, the entire issued share capital of which is legally and beneficially owned by Mr. Pan Chik. Mr. Pan Chik is deemed to be interested in all the Shares held by Dragon Flame Holdings Limited under the SFO. Mr. Pan Chik is a non-executive Director.

Long positions in the shares of associated corporation

Name of Director	Name of associated corporation	Capacity/Nature of Interest	Number of ordinary shares interested	Approximate percentage of shareholding
Mr. Wu Kai Char	Victory Stand International Limited ("Victory Stand")	Beneficial owner	2,975	29.75%
Ms. Wong Wai Ling	Victory Stand	Beneficial owner	1,624	16.24%
Mr. Lui Hung Yen	Victory Stand	Beneficial owner	813	8.13%

Save as disclosed above, as at 31 December 2013, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

THE INTERESTS OF SUBSTANTIAL SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES AND THE INTERESTS AND SHORT POSITIONS OF OTHER PERSONS IN THE SHARES AND UNDERLYING SHARES

As at 31 December 2013 and so far as the Directors are aware, the following persons (other than the Directors or chief executive of the Company) had interests and short positions in the Shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under Section 336 of the SFO were as follows:

Long positions in the Shares

Name	Nature of Interest	Number of Shares interested	Approximate percentage of shareholding
Victory Stand	Beneficial owner	217,500,000	54.375%
Mr. Zhang Fuzhu ("Mr. Zhang")	Interest in a controlled corporation (<i>Note 1</i>)	217,500,000	54.375%
Dragon Flame Holdings Limited ("Dragon Flame")	Beneficial owner	82,500,000	20.625%
Ms. Liu Ming Lai, Lorna	Interest of spouse (<i>Note 2</i>)	82,500,000	20.625%

Notes:

- These 217,500,000 Shares are held by Victory Stand, the entire issued share capital of which is legally and beneficially owned as to 45.88%, 29.75%, 16.24% and 8.13% by Mr. Zhang, Mr. Wu Kai Char ("Mr. Wu"), Ms. Wong Wai Ling ("Ms. Wong") and Mr. Lui Hung Yen ("Mr. Lui"), respectively. Mr. Zhang is deemed to be interested in all the Shares held by Victory Stand under the SFO. Ms. Wong, Mr. Wu and Mr. Lui are the executive Directors. Each of Mr. Zhang, Ms. Wong, Mr. Wu and Mr. Lui is a director of Victory Stand.
- Ms. Liu Ming Lai, Lorna is the spouse of Mr. Pan Chik. Under the SFO, Ms. Liu Ming Lai, Lorna is deemed to be interested in all the Shares in which Mr. Pan Chik is interested.

Save as disclosed above, as at 31 December 2013, the Directors are not aware of any interests or short positions owned by any persons (other than the Directors or chief executive of the Company) in the Shares or underlying shares of the Company which were required to be disclosed under Divisions 2 and 3 of Part XV of the SFO or which were required to be recorded in the register of the Company under Section 336 of the SFO.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealing and the code of conduct for securities transactions by directors from the Date of Listing to 31 December 2013.

AUDIT COMMITTEE

The Company has established an audit committee with its terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and paragraphs C.3.3 and C.3.7 of the Code. The primary duties of the audit committee are (i) to review the financial systems of the Group; (ii) to review the accounting policy, financial position and financial reporting procedures of the Group; (iii) to communicate with external auditors; (iv) to assess the performance of internal financial and audit personnel; and (v) to assess the internal controls of the Group. The audit committee has reviewed the unaudited condensed consolidated financial statements and the results of the Group for the nine months ended 31 December 2013 and this report, and considered that the results and this report have been prepared in accordance with the applicable accounting standards and requirements.

By order of the Board
JC Group Holdings Limited
Wu Kai Char
Chairman

Hong Kong, 13 February 2014

As at the date of this report, the executive Directors are Mr. Wu Kai Char, Ms. Wong Wai Ling and Mr. Lui Hung Yen; the non-executive Director is Mr. Pan Chik; and the independent non-executive Directors are Mr. Law Yiu Sing, Ms. Yue Chung Sze Joyce and Mr. Chan Wai Hung Clarence.