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## **JC Group Holdings Limited**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8326)**

### **FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 30 JUNE 2015**

#### **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.**

This announcement, for which the directors (the “Directors”) of JC Group Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (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.

## **FINANCIAL HIGHLIGHTS**

- Revenue for the three months ended 30 June 2015 increased by approximately 12% to approximately HK\$65,259,000 (2014: approximately HK\$58,518,000).
- Loss attributable to owners of the Company for the three months ended 30 June 2015 amounted to approximately HK\$2,740,000 (2014: approximately HK\$1,918,000).
- Basic and diluted loss per share attributable to ordinary equity holders of the Company for the three months ended 30 June 2015 was approximately HK\$0.0069 (2014: basic and diluted loss per share of approximately HK\$0.0048).
- The Board does not recommend the payment of dividend for the three months ended 30 June 2015 (2014: nil).

The board of Directors (the “Board”) of the Company announces the unaudited condensed consolidated results of the Company and the subsidiaries (collectively, the “Group”) for the three months ended 30 June 2015, together with the unaudited comparative figures for the respective corresponding periods in 2014 as follows:

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

*For the three months ended 30 June 2015*

		<b>Three months ended 30 June</b>	
		<b>2015</b>	<b>2014</b>
	<i>Notes</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		<b>(Unaudited)</b>	<b>(Unaudited)</b>
<b>REVENUE</b>	3	<b>65,259</b>	58,518
Other income and gains	3	<b>56</b>	88
Cost of inventories sold		<b>(18,966)</b>	(16,285)
Staff costs		<b>(19,986)</b>	(18,575)
Depreciation and amortisation		<b>(5,013)</b>	(3,958)
Property rentals and related expenses		<b>(14,415)</b>	(12,601)
Fuel and utility expenses		<b>(1,415)</b>	(1,322)
Other operating expenses		<b>(7,690)</b>	(6,522)
		<hr/>	<hr/>
<b>LOSS BEFORE TAX</b>	4	<b>(2,170)</b>	(657)
Income tax expense	5	<b>(673)</b>	(1,195)
		<hr/>	<hr/>
<b>LOSS FOR THE PERIOD</b>		<b>(2,843)</b>	(1,852)
Other comprehensive income, net of tax		–	–
		<hr/>	<hr/>
<b>TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD</b>		<b>(2,843)</b>	(1,852)
Attributable to:			
Owners of the Company		<b>(2,740)</b>	(1,918)
Non-controlling interests		<b>(103)</b>	66
		<hr/>	<hr/>
		<b>(2,843)</b>	(1,852)
		<hr/> <hr/>	<hr/> <hr/>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY</b>			
– Basic and diluted (HK cents)	6	<b>(0.69)</b>	(0.48)
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# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 30 June 2015*

## 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 21 June 2013 as an exempted company with limited liability under the Companies law of the Cayman Islands. Its parent and ultimate holding company is Victory Stand International Limited, a company incorporated in the British Virgin Islands. The shares of the Company have been listed on the GEM of The Stock Exchange with effect from 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 three months ended 30 June 2015 was investment holding. The Group's principal activity during the three months ended 30 June 2015 was the operation and management of various restaurants and cake shops in Hong Kong.

## 2. BASIS OF PREPARATION AND PRINCIPAL ACCOUNTING POLICIES

The unaudited condensed consolidated financial statements for the three months ended 30 June 2015 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 three months ended 30 June 2015 are consistent with those adopted in the Group's annual financial statements for the year ended 31 March 2015, 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 2015. The unaudited condensed consolidated financial statements for the three months ended 30 June 2015 do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the audited financial statements included in the annual report of the Company dated 23 June 2015.

The adoption of the New and Revised HKFRSs has had no significant effect on these unaudited condensed consolidated financial statements for the three months ended 30 June 2015 and there have been no significant changes to the accounting policies applied in these unaudited condensed consolidated financial statements for the three months ended 30 June 2015.

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 three months ended 30 June 2015 have been prepared under the historical cost convention. The unaudited condensed consolidated financial statements for the three months ended 30 June 2015 are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Group.



## 5. INCOME TAX EXPENSE

	Three months ended 30 June	
	2015	2014
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Current tax – charge for the period	<u>673</u>	<u>1,195</u>

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong for the three months ended 30 June 2015 and 2014.

## 6. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE COMPANY

For the three months ended 30 June 2015, the calculation of the basic loss per share attributable to owners of the Company was based on (i) the unaudited condensed consolidated loss attributable to owners of the Company of approximately HK\$2,740,000 and (ii) the weighted average number of ordinary shares 400,000,000 in issue.

For the three months ended 30 June 2014, the calculation of the basic loss per share attributable to owners of the Company was based on (i) the unaudited condensed consolidated loss attributable to owners of the Company of approximately HK\$1,918,000 and (ii) the weighted average number of ordinary shares 400,000,000 in issue.

The diluted loss per share is equal to the basic loss per share as there were no dilutive potential ordinary shares in issue during the three months ended 30 June 2015 and 2014.

## 7. DIVIDENDS

No dividend has been paid or declared by the Company for the three months ended 30 June 2015 (three months ended 30 June 2014: Nil).

## MANAGEMENT DISCUSSION AND ANALYSIS

### BUSINESS REVIEW

The Group is a food and beverage group in Hong Kong operating 11 full-service restaurants, 2 cake shops and 1 café as at 30 June 2015, namely “Inakaya”, “Harlan’s”, “Kaika”, “Mekikinoginji-Okinawa” in Tuen Mun, Causeway Bay, Tsim Sha Tsui and Mongkok, “Hooray”, “Pearl Delights”, “PHO Hoi An” in Tsim Sha Tsui and San Po Kong, “Harlan’s Cake Shop”, “Carousel” and “a la Folie”, of which some are operated by way of franchising agreement.

The Group endeavored to work out the philosophy – “unique dining concepts” through quality dishes accompanied by a pleasant atmosphere and attentive services. The Group continues to explore fresh and high quality food ingredients with reasonable prices and sources some seafood supply directly from Japan to our Japanese style restaurants. Both newly-joined and existing chefs are committed to preparing innovative dishes and executing stringent food quality control.

In view of the high popularity of Japanese food among young customers in middle class market and the high demand in prime area, development of our Japanese brand “Mekikinoginji – Okinawa” was one of our key strategies. In May 2015, a new outlet was launched in MOKO Mongkok under the brand name “Royal Grill Ginji”, which was established under the brand name of “Mekikinoginji – Okinawa”.

#### *Mekikinoginji-Okinawa*

The Group operates a restaurant under the franchise name of “Mekikinoginji-Okinawa”, a famous izakaya chain well known for its creative dishes and contemporary interior design in Okinawa Prefecture of Japan. In December 2014, the restaurant was granted the award of A Grade restaurant by Taste of Hong Kong Awards which affirm our achievement.

Due to the successful launch of restaurants under the franchise name of “Mekikinoginji-Okinawa” in V city, Tuen Mun, and World Trade Centre, Causeway Bay, which serve contemporary Japanese cuisine and are frequently patronized by young customers. The Group further opened the third restaurant under this franchise name in The ONE, Tsim Sha Tsui, which was changed from the Group’s previous Chinese cuisine restaurant with further expansion. The restaurant commenced its operation in November 2014.

In view of the high demand in middle class market and the potential demand in prime area in Mongkok for Japanese cuisine, the Group opened the forth restaurant in MOKO, Mongkok in May 2015 under the brand name “Royal Grill Ginji”, which was established under the franchise name “Mekikinoginji-Okinawa”. It is a new concept izakaya restaurant that serves teppanyaki delights together with signature izakaya dishes.

### ***Inakaya***

Being one of the few robatayaki Japanese restaurants that is located on the upper floors of one of the tallest buildings in the world, Inakaya has successfully maintained and strengthened its upscale and fine-dining image in Hong Kong. Our executive chef brought in the new Japanese cuisine essence together with traditional style to the restaurant and further established the unique connection between Japan and Hong Kong. Inakaya was included in the world-famous “The MICHELIN GUIDE” (Hong Kong and Macau 2015) with two Fork & Spoon designations representing “comfortable restaurant”, and was granted an award from “Hong Kong Tatler Best Restaurants – Hong Kong & Macau Edition 2015”.

### ***Harlan’s***

With an inviting ambience and plush interior design, in 2015, Harlan’s successfully joined the quality wedding merchant scheme held by ESD Services Limited which further demonstrate our strength in providing perfect venue and attentive services for holding wedding banquets and corporate events. Harlan’s also received accolades from “Hong Kong Tatler Best Restaurants – Hong Kong and Macau Edition” in 2015, and has maintained its unique position as one of the finest restaurants with splendid view in Tsim Sha Tsui.

### ***Kaika***

The Teppanyaki brand has been moving on with enormous momentum which transcended itself from merely a teppanyaki restaurant from Ginza Tokyo. Kaika also received accolades from “Hong Kong Tatler Best Restaurants – Hong Kong and Macau Edition in 2015”. With the completion of the interior renovation in early April 2015, the restaurant captured not only frequent diners but also new customers with a discerning palate.

### ***Hooray***

Acclaimed as the sky garden restaurant, “Hooray”, with a 12,000 sq. ft. venue, continued to explore new cuisine and dining fashions for the young and trend-setting customers. The chef team of Hooray was granted the “Silver Award” in Asian Culinary Contest 2014 – Western cuisine – seafood in November 2014. Hooray has established a sharp image for modern and adventurous cuisine which had been popular among the young clientele. Together with Harlan’s, Hooray also successfully joined the quality wedding merchant scheme held by ESD Services Limited in 2015.

### ***Pearl Delights***

Being a Chinese cuisine restaurant, “Pearl Delights” brings in a new Cantonese cuisine dining concept that focuses on dim sum and Cantonese barbeque meat for its customers in the Shatin District, one of the most populous districts in Hong Kong. The performance of Pearl Delights was satisfactory, which was mainly attributable to traditional cantonese gourmet and the delicate cuisines prepared by our chefs.

### ***PHO Hoi An***

The Vietnamese eatery continues to maintain its image as major casual dining restaurant of the Group and was successfully rebranded from “PHO24” in August 2014. Through providing efficient service and an array of Vietnamese cuisines inspired from Hoi An, the world heritage town in Vietnam, the new brand is expected to strengthen the clientele base and establish a new stream of customers for the Group.

In view of the success in casual dining, the Group further expanded its business in this segment by launching another Vietnamese cuisine restaurant under the brand name of “PHO Hoi An” in a young and refreshing shopping mall in San Po Kong in September 2014.

### ***Harlan’s Cake Shop***

Harlan’s Cake Shop has been growing with a strong and loyal customer base. Delightful pastry, aromatic coffee together with the graceful décor set an inviting tone for the shop which won the hearts among the locals and tourists in the Tsim Sha Tsui area.

### ***a la Folie***

The Group established a café under the brand name of “a la Folie” in MOKO, Mongkok in December 2013. This café targets middle to higher income consumers by serving light refreshments and offering quality pastries.

### ***Carousel***

Carousel Fine Cake & Pastries, being a dainty cake shop brimming with sweet delights, is well accepted as an exclusive cake shop that excels in tailor-made cakes. The shop provides a series of delicate pastry at reasonable prices such as cakes, macarons, cookies, and is usually frequented by regular customers.

## **FINANCIAL REVIEW**

### **Revenue**

For the three months ended 30 June 2015, the Group recorded revenue of approximately HK\$65,259,000 (2014: approximately HK\$58,518,000), representing an increase of approximately 12% compared with the three months ended 30 June 2014. The growth in revenue was mainly attributable to the increase in total number of outlets to 14 as at 30 June 2015 (2014: 12). As the Group realised the potential of middle class market and casual dining, the Group further expanded its business by opening two more outlets in these segments. Meanwhile, the success in adoption of diversification strategy also reflected in the increase in revenue. With a slightly drop in revenue in some of the fine dining restaurants resulted from the economic and political uncertainty, the effect was minimised by the growth in revenue of middle class and casual dining restaurants.

## **Cost of inventories sold**

The cost of inventories sold for the three months ended 30 June 2015 amounted to approximately HK\$18,966,000 (2014: approximately HK\$16,285,000). Despite rising inflation in the market, the Group was able to maintain the overall cost margin at a level below 30% of revenue for both of the three months ended 30 June 2014 and 2015. 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 increased by approximately 7% to approximately HK\$19,986,000 for the three months ended 30 June 2015 (2014: approximately HK\$18,575,000). The increase was mainly attributable to the increase in the number of outlets of the Group as well as the increase in salaries to attract experienced staffs in view of the shortage of labour and high staff turnover rate in the food and beverage industry. The expansion of the size of corporate headquarters by hiring Operation Management, Accounting and Finance, and HR was also another factor for the increase in order to strengthen the functions of the Group's strategic future development.

## **Depreciation and amortisation**

Depreciation and amortisation increased by approximately 27% to approximately HK\$5,013,000 for the three months ended 30 June 2015 (2014: approximately HK\$3,958,000). The increase was mainly attributable to the decoration cost, expenses for purchase of property, plant and equipment, and the provision of reinstatement cost in relation to newly-opened outlets.

## **Property rentals and related expenses**

The property rentals and related expenses for the three months ended 30 June 2015 amounted to approximately HK\$14,415,000 (2014: approximately HK\$12,601,000), representing an increase of approximately 14% as compared to the corresponding period in 2014. Such increase was mainly attributable to the property rentals and related expenses of newly-opened outlets and the rise in the rent of some existing outlets upon the renewal of tenancy agreements.

## **Other operating expenses**

Other operating expenses increased by approximately 18% to approximately HK\$7,690,000 for the three months ended 30 June 2015 from approximately HK\$6,522,000 for the corresponding period in 2014. The increase was mainly derived from the expansion of operating size by opening more new outlets as well as the grand opening cost for the new outlet. Likewise, relative expenses for business development also caused the increase in other operating expenses.

## **Net loss for the period**

The Group recorded loss attributable to owners of the Company of approximately HK\$2,740,000 (2014: approximately HK\$1,918,000). The loss was mainly attributable to i) the losses incurred for the three months ended 30 June 2015 in relation to the one-off startup costs and less operational efficiency in some of the newly opened outlets; ii) the depreciation charges of the newly-opened outlets; and iii) expenses incurred for the Group's business and strategic development. The start-up costs and inefficiency of newly-opened outlets are expected to be incurred only in the preliminary stage and be short-term in nature.

## **FUTURE PROSPECTS**

The Group faced challenging operating environment of the restaurant business including keen competition, inflation pressure, shortage of labour and political disputes. Despite that, the management strived to overcome the challenges through the diversification strategy by expanding into casual dining as well as strengthening the development of existing fine-dining restaurants. In order to increase market shares in the middle class market, We have set up an outlet under the name "Royal Grill Ginji" in MOKO, Mongkok in May 2015, which is established under the Japanese cuisine brand of "Mekikinoginji-Okinawa".

Looking ahead, the Group anticipates the coming year is still challenging with the high operating cost. To cope with this, the Group will make effective cost control as its first priority in its strategies. We will enhance the operating efficiency of each outlet especially for those newly established and keep monitoring the trend of rent and rental condition in the market.

The Group will also continue to adhere to its philosophy – "unique dining concepts", by developing innovative and tasty dishes, creating a pleasant atmosphere and providing attentive services. With the great opportunities brought from the listing of the shares of the Company on the GEM of the Stock Exchange, the Group has confidence that it will utilise the resources efficiently in expanding our brand in the middle class market which have been burgeoning in Hong Kong in the recent year.

Meanwhile, we are currently looking for potential business opportunities in Mainland China which the Group believes will be another important market to drive our growth in the future and broaden our income stream. Looking ahead, we will launch our successful fine-dining restaurant "Inakaya" in Guangzhou, the PRC in a newly constructed shopping mall located in prime area with hotels and commercial buildings nearby. The role and image of the Group can be further enhanced in the dining market in both Hong Kong and the PRC.

The Board is optimistic that the Group's insistence in the quality of its food and service will enable the Group to grow continuously in the foreseeable future. The Group will continue to make its best efforts in achieving satisfactory returns for the shareholders of the Company.

## **LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES**

### **Capital structure**

As at 30 June 2015, the share capital and equity attributable to owners of the Company amounted to HK\$4,000,000 and approximately HK\$77,670,000 respectively (2014: HK\$4,000,000 and approximately HK\$77,953,000 respectively).

### **Cash position**

As at 30 June 2015, the cash and cash equivalents of the Group amounted to approximately HK\$47,172,000 (2014: approximately HK\$50,225,000), representing a slightly decrease of approximately 6% as compared to that as at 30 June 2014.

### **Bank borrowings and charges on the Group's assets**

The Group did not have any bank borrowings nor charges on the assets of the Group as at 30 June 2014 and 2015.

### **Gearing ratio**

As at 30 June 2015, the gearing ratio of the Group was approximately 3% (2014: approximately 1%). The gearing ratio is calculated based on the total debt at the end of the period divided by the total debt plus total equity at the end of the respective period. Total debt represents all liabilities excluding trade payables, other payables and accruals, tax payable and provision for reinstatement costs.

## **CORPORATE GOVERNANCE CODE**

During the three months ended 30 June 2015, 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 close 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 three months ended 30 June 2015, none of the Directors, the controlling shareholders or the substantial shareholders of the Company or any of their respective close 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 during the three months ended 30 June 2015.

## **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 30 June 2015, 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 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	3,189	31.89%
Ms. Wong Wai Ling	Victory Stand	Beneficial owner	1,741	17.41%

Save as disclosed above and so far as is known to the Directors, as at 30 June 2015, 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 30 June 2015 and so far as is known to the Directors, 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 of Shareholder	Nature of Interest	Number of Shares held/interested	Approximate percentage of shareholding
Victory Stand	Beneficial owner	121,000,000	30.25%
Mr. Zhang Fuzhu (“Mr. Zhang”)	Interest in a controlled corporation ( <i>Note 1</i> )	121,000,000	30.25%

#### Notes:

1. These 121,000,000 Shares are held by Victory Stand, the entire issued share capital of which is legally and beneficially owned as to 41.99%, 31.89%, 17.41% and 8.71% 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 and Mr. Wu are the executive directors. Each of Mr. Wu and Ms. Wong is a director of Victory Stand.

Save as disclosed above, as at 30 June 2015, 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.

## **SHARE OPTION SCHEME**

The Company had adopted a share option scheme (the “Share Option Scheme”) on 2 November 2013.

Since the adoption of the Share Option Scheme up to the date of this announcement, no share options have been granted pursuant to the Share Option Scheme.

There is no option outstanding, granted, cancelled and lapsed during the three months ended 30 June 2015.

## **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 for the three months ended 30 June 2015.

## **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 three months ended 30 June 2015 and this announcement, and considered that the results and this announcement 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, 10 August 2015

*As at the date of this announcement, the executive Directors are Mr. Wu Kai Char, Ms. Wong Wai Ling, Ms. Chen Chen and Ms. Shen Meng Hong; the non-executive Director is Mr. Kwok Chun Chung; and the independent non-executive Directors are Ms. Au Man Yi, Mr. Chan Wai Hung Clarence and Mr. Pao Ping Wing.*

*This announcement will remain on the “Latest Company Announcements” page of the Stock Exchange website at [www.hkexnews.hk](http://www.hkexnews.hk) for 7 days from the date of its posting. This announcement will also be posted on the Company’s website at [www.jcgroup.hk](http://www.jcgroup.hk).*