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JC Group Holdings Limited

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 8326)

INSIDE INFORMATION CONTINUING CONNECTED TRANSACTION PATENT LICENCE AGREEMENT

THE PATENT LICENCE AGREEMENT

The Board is pleased to announce that on 7 May 2016, Zhejiang Tonking New Energy Group Company Limited* (浙江同景新能源集團有限公司), as the Licensor, and Tonking New Energy Technology (Shanghai) Company Limited* (同景新能源科技(上海)有限公司), an indirect wholly-owned subsidiary of the Company, as the Licensee, entered into the Agreement for the grant of right to use of the patented technology of the Dual-Axis Linkage PV Tracking System* (光伏雙軸聯動跟踪系統和網格化的光伏雙軸聯動跟踪系統) by the Licensor to the Licensee for the period commencing from 9 May 2016 to 8 May 2019 with nil annual fee.

As all of the applicable percentage ratios in respect of the Agreement are less than 0.1%, the transaction contemplated under the Agreement is fully exempted from Shareholders' approval, annual review and all disclosure requirements under Chapter 19 or Chapter 20 of the GEM Listing Rules.

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

THE PATENT LICENCE AGREEMENT

Principal Terms of the Agreement

Date: 7 May 2016

Parties:

Licensor: Zhejiang Tonking New Energy Group Company Limited* (浙江同景新能源集團有限公司)

Licensee: Tonking New Energy Technology (Shanghai) Company Limited* (同景新能源科技(上海)有限公司), an indirect wholly-owned subsidiary of the Company

Subject matter: Grant of right by the Licensor to the Licensee for the use of the patented technology of Dual-Axis Linkage PV Tracking System* (光伏雙軸聯動跟踪系統和網格化的光伏雙軸聯動跟踪系統), with the patent number ZL201420512124.3.

Term: From 9 May 2016 to 8 May 2019

Annual fee: Nil

The annual fee is arrived at after arm's length negotiation between the Licensor and the Licensee.

Pursuant to the Agreement, the Licensor will provide the following items concerning the patented technology of Dual-Axis Linkage PV Tracking System* (光伏雙軸聯動跟踪系統和網格化的光伏雙軸聯動跟踪系統) to the Licensee, within 30 days upon Completion:

- (i) all relevant documents of the Patent;
- (ii) the necessary standard operation procedures and production flow charts for the application and implementation of the Patent;
- (iii) the list of necessary production equipment and machineries for the application and implementation of the Patent;
- (iv) the relevant know-how concerning the Patent; and
- (v) other technological know-how.

Completion

Subject to the fulfillment (or waiver) of all the conditions precedent before the Long Stop Date as stipulated in the Agreement, Completion shall take place on the Completion Date or such other date as the Parties may from time to time agree in writing. If the conditions precedent are not fulfilled by the Long Stop Date (or such other later date as the Parties to the Agreement may agree in writing), the Agreement shall lapse and be of no further effect and the Parties thereto shall have no further obligations or liabilities thereunder save in respect of any antecedent breaches.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Group is principally engaged in the renewable energy business in PRC, and operation and management of restaurants and cake shops in Hong Kong.

The Directors are of the opinion that the patented innovation concerning the Dual-Axis Linkage PV Tracking System* (光伏雙軸聯動跟踪系統和網格化的光伏雙軸聯動跟踪系統) and the relevant know-how are important to one of the Group's core businesses, being the renewable energy business in relation to the provision of the EPC (Engineering, Procurement and Construction) business and the sales of solar mounting and tracking system materials. The patented technology on intelligent tracking photovoltaic systems enables the photovoltaic modules to follow the path of the sun and consequently allow the said photovoltaic modules to capture and produce a higher amount of energy than photovoltaic modules in a fixed installation.

The Directors hold the view that the patented technology would increase the competitive advantage of the Company as the leading contractor of the EPC (Engineering, Procurement and Construction) business concerning the renewable energy business and the leading provider of solar mounting and tracking system materials.

The Directors (including the independent non-executive Directors) are of the view that the Agreement is in the ordinary and usual course of business of the Group, and the respective terms of the Agreement are on normal commercial terms, fair and reasonable, and in the interests of the Company and its Shareholders as a whole.

INFORMATION ON THE COMPANY

The Company is principally engaged in the renewable energy business in the PRC and the operation and management of restaurants and cake shops in Hong Kong.

INFORMATION ON THE LICENSOR

Zhejiang Tonking New Energy Group Company Limited* (浙江同景新能源集團有限公司), a company incorporated in the PRC with limited liability, is principally engaged in research and development of photovoltaic tracking systems and fixtures for securing photovoltaic component tracking supports.

Mr. Wu Jian Nong, an executive Director and chief executive officer of the Company and vice chairman of the Board, is also a director of the Licensor and holds approximately 97% interest in the Licensor. Mr. Xu Shui Sheng, an executive Director of the Company, holds approximately 3% interest in the Licensor. Ms. Shen Meng Hong, an executive Director of the Company, is also a Supervisor of the Licensor. Accordingly Mr. Wu Jian Nong, Mr. Xu Shui Sheng, Ms. Shen Meng Hong and the Licensor are connected persons of the Company under the GEM Listing Rules.

INFORMATION ON THE LICENSEE

Tonking New Energy Technology (Shanghai) Company Limited* (同景新能源科技(上海)有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company, is principally engaged in the renewable energy business activities concerning research and development of solar power technology, the EPC (Engineering, Procurement and Construction) business and sales of photovoltaic mounting and tracking system materials.

OTHER INFORMATION

As all of the applicable percentage ratios in respect of the Agreement are less than 0.1%, the transaction contemplated under the Agreement is fully exempted from Shareholders' approval, annual review and all disclosure requirements under Chapter 19 or Chapter 20 of the GEM Listing Rules.

DEFINITIONS

In this announcement, the following expressions shall have the following meanings unless the context requires otherwise:

“Agreement”	the patent license agreement dated 7 May 2016 and entered into between the Licensor and the Licensee
“Board”	the board of Directors
“Company”	JC Group Holdings Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the GEM
“Completion”	completion of the Agreement in accordance with the terms and conditions of the Agreement
“Completion Date”	the date of Completion, which shall be within 30 business days upon the fulfilment, or in the case may be, waiver, of the conditions precedent of the Agreement or such other date as the Parties may agree in writing
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules

“Directors”	the directors of the Company
“GEM”	The Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Licensee”	Tonking New Energy Technology (Shanghai) Company Limited* (同景新能源科技(上海)有限公司), a company incorporated in the PRC with limited liability and an indirect wholly-owned subsidiary of the Company
“Licensor”	Zhejiang Tonking New Energy Group Company Limited* (浙江同景新能源集團有限公司), a company incorporated in the PRC with limited liability and a connected person of the Company
“Long Stop Date”	the date which the conditions precedent stipulated in the Agreement shall be fulfilled, which shall be within 30 business days upon the signing of the Agreement or such other date(s) as may be agreed in writing by the Licensor and the Licensee
“Parties”	the Licensor and the Licensee
“Patent”	the patented technology of Dual-Axis Linkage PV Tracking System* (光伏雙軸聯動跟踪系統和網格化的光伏雙軸聯動跟踪系統), with the patent number ZL 201420512124.3
“PRC”	the People’s Republic of China, for the purpose of this announcement, excludes Hong Kong, Macau Special Administrative Region and Taiwan
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Supervisor”	a member elected to the supervisory committee of a PRC company which under PRC law performs a supervisory function in relation to such company’s board of directors, the manager and other officers

By order of the Board
JC Group Holdings Limited
Wu Jian Nong
*Executive Director,
Vice Chairman of the Board
and Chief Executive officer*

Hong Kong, 7 May 2016

As at the date of this announcement, the executive Directors are Mr. Wu Kai Char, Ms. Wong Wai Ling, Ms. Shen Meng Hong, Mr. Wu Jian Nong and Mr. Xu Shui Sheng; and the independent non-executive Directors are Ms. Au Man Yi, Mr. Pao Ping Wing and Ms Wang Xiaoxiong.

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 Stock Exchange’s website (www.hkexnews.hk) for 7 days from the date of its posting and will also be published on the Company’s website (www.jcgroup.hk).

** The English names of the PRC entities are translations of their Chinese names, and are included herein for identification purposes only. In the event of any inconsistency, the Chinese names shall prevail.*