

**JIYI HOUSEHOLD INTERNATIONAL HOLDINGS LTD:
THIS FINANCIAL YEAR WILL BE THE WORST
OF THE PREVIOUS THREE FINANCIAL YEARS – GUARANTEED !**

One need not be a forensic scientist to adduce as to the dominant reasons that JiYi Household International Holdings Ltd () (Code: 1495, Main Board, The Stock Exchange of Hongkong Ltd) decided to try to raise some money via the premier equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC) – because, simply by scanning the Company's Global Offering Prospectus, the reasons are all there for anybody with a little intelligence to discover.

First, The Initial Public Offering (IPO)

JiYi Household International published and disseminated its Global Offering Prospectus on October 27, 2015.

The Global Offering was for the sales of 90 million, 10-cent Shares at the Indicative Offer Price Per Share, ranging from a low of \$HK1.10 to a high of \$HK1.60.

HKSAR Investors were Offered nine million Shares and the remaining 81 million Shares were reserved for International Investors.

At the midpoint of the Indicative Offer Price Per Share, being \$HK1.35, Page 245 of the Global Offering Prospectus states that the net proceeds will come in at about \$HK89.90 million.

This amount of money will be utilised as follows, one is told:

1. Approximately, 51.00 percent, that is about \$HK45.80 million, *'will be used for the establishment of one flagship mall with a GFA (Gross Floor Area) of approximately 12,000 sq.m. (square metres) in Meijiang District () of Meizhou which is expected to be put into operation during the first half of 2017'*;
2. Approximately, 35.00 percent, that is about \$HK31.50 million, *'will be used for the establishment of our new logistics centre with a GFA of approximately 13,500 sq.m. which is expected to be put into operation by the fourth quarter of 2016 to enhance our logistics and delivery efficiency'*;
3. Approximately, 4.00 percent, that is about \$HK3.60 million, *'will be used for refurbishing our Meijiang Outlet to strengthen our brand influence and reputation'*;
4. Approximately, 3.50 percent, that is about \$HK\$3.10 million, *'will be used for the establishment of one sales outlet with a GFA of approximately 1,500 sq.m. in Wuhua County () of Meizhou which is expected to be put into operation during the second quarter of 2016'*;
5. Approximately, 1.50 percent, that is about \$HK1.40 million, *'will be used for upgrading our information system to increase our overall efficiency and optimize our operational flow'*; and,
6. Approximately, 5.00 percent, that is about \$HK4.50 million, *'will be used as Working Capital*

and other general corporate purposes’.

Second, The Business

Jiyi Household International is in the business of being a provider of building and home-improvement materials, furnishings supplier and interior design, and engineering services in the PRC proper, being separate and distinct from the HKSAR of the PRC.

The Company’s history can be traced back to April 21, 1997, with the incorporation in the PRC of Guangdong Jiyi Household Building Materials Chain Company Ltd ().

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