

1st Quarterly Report

2015



JIA MENG HOLDINGS LIMITED 家夢控股有限公司

(a company incorporated in the Cayman Islands with limited liability)

Stock Code: 8101

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 high investment risk may be attached. In particular, companies may list on GEM with neither a track record of profitability nor any obligation to forecast future profitability. Furthermore, there may be risks arising out of the emerging nature of companies listed on GEM and the business sectors or countries in which the companies operate. 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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This report, for which the directors (the “Directors”) of Jia Meng Holdings Limited (the “Company”) collectively and individually accept full responsibilities, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM (the “GEM Listing Rules”) of the Stock Exchange 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: (1) the information contained in this report is accurate and complete in all material respects and not misleading or deceptive; and (2) there are no other matters the omission of which would make any statement in this report misleading.



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CORPORATE INFORMATION

PRC OFFICE

Min Ying Industrial Zone, Shitan,
Zeng Cheng, Guangdong, the PRC

HONG KONG OFFICE

Unit D, 23/F, Infotech Centre, 21 Hung To Road,
Kwun Tong, Kowloon,
Hong Kong

WEBSITE

www.jmbedding.com

BOARD OF DIRECTORS

Mr. Yim Yin Nang (*Chairman*)
Mr. Chan Wing Kit (*Chief Executive Officer*)
Mr. Ng Wing Cheong, Stephen
(*appointed on 22 April 2015*)
Mr. Ng Yat Cheung, JP
Mr. Chan Wai Cheung, Admiral
Mr. Zhu Xiaobing
Mr. Fung Kam Man (*appointed on 1 April 2015*)

AUTHORISED REPRESENTATIVES

Mr. Chan Wing Kit
Mr. Chui See Lai

COMPANY SECRETARY

Mr. Chui See Lai

COMPLIANCE OFFICER

Mr. Chui See Lai

AUDIT COMMITTEE

Mr. Chan Wai Cheung, Admiral (*Chairman*)
Mr. Ng Yat Cheung, JP
Mr. Zhu Xiaobing
Mr. Fung Kam Man (*appointed on 1 April 2015*)

NOMINATION COMMITTEE

Mr. Zhu Xiaobing (*Chairman*)
Mr. Ng Yat Cheung, JP
Mr. Chan Wai Cheung, Admiral
Mr. Fung Kam Man (*appointed on 1 April 2015*)

REMUNERATION COMMITTEE

Mr. Ng Yat Cheung, JP (*Chairman*)
Mr. Chan Wai Cheung, Admiral
Mr. Zhu Xiaobing
Mr. Fung Kam Man (*appointed on 1 April 2015*)

COMPLIANCE ADVISER

Kingsway Capital Limited
7th Floor, Tower One, Lippo Centre
89 Queensway, Hong Kong

AUDITOR

BDO LIMITED

LEGAL ADVISER

DLA Piper Hong Kong

THE CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Codan Trust Company (Cayman) Limited

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
Level 22, Hopewell Centre,
183 Queen's Road East,
Hong Kong

PRINCIPAL BANKERS

Agricultural Bank of China
Industrial and Commercial Bank of China
Construction Bank of China
Public Bank (Hong Kong)

STOCK CODE

8101

The Board of Directors (the "Board") of the Company is pleased to announce the unaudited consolidated financial results of the Company and its subsidiaries (the "Group") for the three months ended 30 June 2015, together with the unaudited comparative figures for the corresponding period in 2014, as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2015

	NOTES	Three months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Revenue	6	26,420	33,694
Cost of sales		(19,868)	(26,359)
Gross profit		6,552	7,335
Other income		394	70
Selling and distribution expenses		(1,618)	(1,629)
Administrative expenses		(4,433)	(3,377)
Research expenses		(1,319)	(1,356)
Fair value gain on financial assets at fair value through profit or loss		76,990	—
Finance costs	7	(382)	—
Profit before income tax		76,184	1,043
Income tax expense	8	(12,725)	(845)
Profit for the period		63,459	198
Other comprehensive income that may be reclassified subsequently to profit or loss			
Exchange difference arising on translation of financial statements of foreign operations		519	42
Total comprehensive income for the period		63,978	240

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

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For the three months ended 30 June 2015

	NOTES	Three months ended 30 June	
		2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Profit for the period attributable to:			
— Owners of the Company		63,456	171
— Non-controlling interests		3	27
		63,459	198
Total comprehensive income for the period attributable to:			
— Owners of the Company		63,970	213
— Non-controlling interests		8	27
		63,978	240
Earnings per share for profit attributable to owners of the Company during the period	9		
— Basic		HK11.48 cents	HK0.04 cent
— Diluted		N/A	N/A

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2015

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands on 26 July 2012, as an exempted company with limited liability under the Companies Law Cap. 22 of the Cayman Islands. The address of its registered office is located at Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is located at Unit D, 23/F, Infotech Centre, 21 Houg To Road, Kwun Tong, Kowloon, Hong Kong.

The Company's shares were listed on GEM of the Stock Exchange on 15 October 2013 (the "Listing"). The Company is an investment holding company. The principal activities of the Group are (i) design, manufacture and sale of mattresses and soft bed products in the People's Republic of China (the "PRC") and export of mattresses to overseas markets; and (ii) Provision of property management and property agency services in Hong Kong (iii) Securities investment in Hong Kong.

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is the same as the functional currency of the Company.

2. GROUP REORGANISATION AND BASIS OF PRESENTATION

Through a reorganisation (the "Reorganisation") to rationalise the structure of the Group in preparation for the listing of the Company's shares on GEM of the Stock Exchange, the Company has since 26 September 2013 become the holding company of its subsidiaries now comprising the Group. Details of the Reorganisation are fully explained in the paragraphs headed "Reorganisation" of the section headed "History and Corporate Structure" to the prospectus of the Company dated 30 September 2013 (the "Prospectus") in connection with the Listing.

3. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards, which collective terms include all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the applicable disclosure requirements of the GEM Listing Rules.

4. ACCOUNTING POLICIES

The accounting policies used in the preparation of the unaudited condensed consolidated financial statements are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2015 except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning on 1 April 2015. The effect of the adoption of these standards, amendments and interpretations was not material to the Group's results of operations or financial position.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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For the three months ended 30 June 2015

5. SEGMENT INFORMATION

(a) Reportable segments

The Group determines its operating segments based on the reports reviewed by the chief operating decision-maker that are used to make strategic decisions. For the period ended 30 June 2015, the Group's principal activities are (i) the design, manufacture and sale of mattress and soft bed products; (ii) the provision of property management and property agency services; and (iii) securities investment.

The segment information provided to the chief operating decision-maker for reportable segments and reconciliation of the segments total to the amounts reported by the Group in the consolidated financial statements are as follows:

For the period ended 30 June 2015

	Mattress and soft bed products HK\$'000	Property management and property agency services HK\$'000	Securities investment HK\$'000	Total HK\$'000
Revenue from external customers	24,667	1,753	—	26,420
Reportable segment profit	327	951	64,286	65,564
Other income				9
Unallocated corporate expenses*				(2,114)
Profit for the period				63,459

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2015

5. SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

For the period ended 30 June 2014

	Mattress and soft bed products HK\$'000	Property management and property agency services HK\$'000	Securities investment HK\$'000	Total HK\$'000
Revenue from external customers	33,694	—	—	33,694
Reportable segment profit	2,698	—	—	2,698
Other income				3
Unallocated corporate expenses*				(2,503)
Profit for the period				198

* Unallocated corporate expense for the period ended 30 June 2014 and 2015 mainly included staff cost and legal and professional fees.

(b) Geographic information

The following table provides an analysis of the Group's revenue from external customers. The Group's non-current assets are situated in the PRC.

	Three months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Revenue from external customers		
PRC (place of domicile)	5,223	4,157
Other countries	21,197	29,537
	26,420	33,694

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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For the three months ended 30 June 2015

5. SEGMENT INFORMATION (Continued)

(c) Information about a major customer

The Group's customer base is diversified and includes only the following customer with whom transactions have exceeded 10% of the Group's revenue:

	Three months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Customer A	12,212	N/A

6. REVENUE

Revenue from the Group's principal activities, which is also the Group's turnover, represented the net invoiced value of goods sold and services provided, net of allowances for returns, trade discounts and value-added tax.

7. FINANCE COSTS

	Three months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Interest of bank borrowings repayable within one year	382	—

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2015

8. INCOME TAX EXPENSE

	Three months ended 30 June	
	2015 HK\$'000 (unaudited)	2014 HK\$'000 (unaudited)
Income tax expense		
— PRC current	22	845
— HK current	1,347	—
— Deferred tax current period	11,356	—
	12,725	845

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operated.

Hong Kong profits tax was calculated at 16.5% on the estimated assessable profits for the period ended 30 June 2015. No Hong Kong profits tax was provided for the period ended 30 June 2014 as the Group did not have assessable profit arising or derived from Hong Kong during the period.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and Implementation Regulation of the EIT Law, the Enterprise Income Tax rate applicable to the Group's subsidiaries in the PRC is 25%.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2015

9. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 30 June	
	2015 HK\$'000 (Unaudited)	2014 HK\$'000 (Unaudited)
Profit		
Profit for the purposes of basic and diluted earnings per share	63,456	171
Number of shares	'000	'000
Weighted average number of ordinary shares for the purposes of basic earnings per share	552,976	400,000
Effect of dilutive potential ordinary shares – share options	N/A^v	N/A [^]
Weighted average number of ordinary shares for the purposes of diluted earnings per share	N/A^v	N/A [^]

[^] No diluted earnings per share is calculated for the three months ended 30 June 2014 as there were no dilutive potential ordinary shares in existence.

^v No diluted earnings per share has been presented for the three months ended 30 June 2015 because the exercise price of the Company's share options was higher than the average market price for shares during the period.

10. DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2015 (2014: Nil).

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2015

11. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Unaudited										
	Equity attributable to owners of the Company								Non-		Total equity
	Share capital	Share premium	Capital reserves	Merger reserves	Statutory reserves	Share option reserve	Translation reserves	Retained earnings	Total	controlling interests	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
At 1 April 2014	10,000	13,224	10,207	8	6,404	—	10,211	40,972	91,026	1,002	92,028
Profit for the period	—	—	—	—	—	—	—	171	171	27	198
Other comprehensive income —											
Exchange differences arising on translation of financial statements of foreign operations	—	—	—	—	—	—	42	—	42	—	42
Total comprehensive income for the period	—	—	—	—	—	—	42	171	213	27	240
At 30 June 2014	10,000	13,224	10,207	8	6,404	—	10,253	41,143	91,239	1,029	92,268
At 1 April 2015	12,050	28,942	10,207	8	6,578	1,034	10,407	32,104	101,230	1,020	102,250
Issues of ordinary shares by placing	2,410	11,855	—	—	—	—	—	—	14,245	—	14,245
Share option scheme — lapsed of share option	—	—	—	—	—	(591)	—	591	—	—	—
Profit for the period	—	—	—	—	—	—	—	63,456	63,456	3	63,459
Other comprehensive income —											
Exchange differences arising on translation of financial statements of foreign operations	—	—	—	—	—	—	514	—	514	5	519
Total comprehensive income for the period	—	—	—	—	—	—	514	63,456	63,970	8	63,978
At 30 June 2015	14,460	40,677	10,207	8	6,578	443	10,921	96,151	179,445	1,028	180,473

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2015

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12. LITIGATION

Guangdong Jia Meng Health Bedding Co Ltd ("Guangdong Jia Meng"), refused to settle the amount of approximately HK\$5,167,000 ("the Debt") to a supplier (the "Supplier") due to quality problems of the raw materials supplied by it. On 18 July 2014, the Supplier claimed against Guangdong Jia Meng in 廣州市增城區人民法院 (the "Court") for the settlement plus accrued interest and related legal costs. On 11 February 2015, a court order was issued pursuant to which bank deposits of Guangdong Jia Meng amounting to approximately HK\$5,250,000 were frozen. On 13 June 2015, Guangdong Jia Meng received civil judgement from the Court in favor to the Supplier that Guangdong Jia Meng was ordered to settle the Debt plus accrued interest to the Supplier and related legal costs. Guangdong Jia Meng is in progress to appeal to 廣州市中級人民法院. In case where Guangdong Jia Meng ultimately loses in the proceedings, it may have to settle the Debt to the Supplier, which has already been recorded as trade payables in its financial statements, plus accrued interest and related legal costs (as at 30 June 2015, provision of interests and related legal costs of HK\$457,000 was made). The proceedings are ongoing up to the date of this report and the outcome is subject to uncertainties. The Directors consider that the aforesaid provision is sufficient at this stage of the proceedings in accordance with the Group's relevant accounting policy.

13. EVENTS AFTER THE REPORTING DATE

- (a) On 9 June 2015, the Company proposed rights issue (the "Proposed Rights Issue") on the basis of three rights shares for every one existing share held on the record date at the subscription price of HK\$0.12 per rights share. On 22 July 2015, the Company and CNI Securities Group Limited (the "Underwriter") entered into a supplemental agreement to the Underwriting Agreement, pursuant to which the Company and the Underwriter agreed to amend the Subscription Price from HK\$0.12 per Rights Share to HK\$0.08 per Rights Share. Up to the date of issuance of this report, the Proposed Rights Issue has not yet completed. The details of the Proposed Rights Issue are set out in the announcement of the Company dated 9 June 2015 and 22 July 2015.
- (b) On 21 April 2015, Colourful Focus Limited ("Colourful Focus") entered into an agreement with a vendor pursuant to which Colourful Focus conditionally agreed to purchase and the vendor conditionally agreed to sell the entire issued shares of a target company at the consideration of HK\$24,000,000. The principal business of the target company is properties holding. The possible acquisition has completed on 30 July 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2015 (2014: Nil).

RESERVES

Movements in the reserves of the Group for the three months ended 30 June 2014 and 2015 are set out in note 11 to the condensed consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

Financial Review

During the period, the turnover of the Group for the three months ended 30 June 2015 was approximately HK\$26.4 million, representing a decrease of approximately 21.6% as compared to the same period in the previous year. The decrease in turnover was mainly due to the decrease in demand of mattresses from the overseas markets and domestic markets.

For the three months ended 30 June 2015, the Group achieved an overall gross profit of approximately HK\$6.6 million, representing a decrease of approximately HK\$0.78 million over the corresponding period in previous year. Gross profit margin for the three months ended 30 June 2015 increased to 24.8% from 21.8% recorded in the corresponding period in the previous year. The increase in gross profit margin was mainly due to the new segment of property management and property agency services carry a higher profit margin.

The administrative expenses of the Group primarily comprised of expenses incurred for the professional fee, staff costs and social insurance cost. For the three months ended 30 June 2015, the Group's administrative expenses increased to approximately HK\$4.4 million compared to approximately HK\$3.4 million for the corresponding period of last year, representing an increase of approximately 31.3%. The increase was mainly attributed to the increase in Directors' remuneration of approximately HK\$0.44 million and legal costs and related interests on litigation of approximately HK\$0.47 million.

Selling and distribution expenses for the three months ended 30 June 2015 was approximately HK\$1.6 million (2014: HK\$1.6 million). Selling and distribution expenses of the Group mainly comprised of exhibition expenses, salaries and custom duties.

The Group recorded fair value gain on financial assets at fair value through profit or loss approximately HK\$77 million during the period which included realised and unrealised fair value gain on the financial assets at fair value through profit or loss are approximately HK\$8.2 million and approximately HK\$68.8 million respectively. The unrealised fair value gain is related to the shares of i-Control Holdings Limited which is listed on GEM (Stock Code: 8355) held by the Company as of 30 June 2015. The Group disposed all of the shares in i-Control Holdings Limited on 17 and 20 July 2015 and recorded a decrease of fair value gain on financial assets at fair value through profit or loss of approximately HK\$63.8 million. After the disposal, the Company no longer held any share in i-Control Holdings Limited. For detail, please refer to the announcement of the Company dated 17 and 20 July 2015 in relation to the "discloseable transaction – disposal of shares on exchange".

MANAGEMENT DISCUSSION AND ANALYSIS

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Business Review and Prospect

Looking forward, the challenging business environment confronting the furnishing and bedding business is expected to continue in the coming year. The worldwide markets are getting more competitive and are facing challenging operating environment. It is estimated that the growth in the overseas markets will be lower than expected.

The export businesses is expected to slow down because of the weakening on overall demand of mattresses in overseas markets. The Group will continue its efforts to broaden its customer bases and offer customers with quality products at competitive prices.

For the PRC market, the Group expects that China will continue to face the downward pressure in its economic performance. Even though the Chinese government has ended a five-year tightening stance on the property sector, the furniture industry is still struggling. The Group shall continue its efforts to maintain its branding and position, to increase more sales channels in the furnishing and bedding business, to explore further quality investment opportunities and to consider investing in quality listed securities to enhance the Group's return.

The Group are adopting business diversification strategy and develop other business operation in order to maximize the returns for the shareholders of the Group.

USE OF PROCEEDS FROM THE PLACING OF SHARES

The Company raised fund by way of a placing of 30,000,000 shares of the Company at the placing price of HK\$1.15 per share at the listing of the Company on 15 October 2013. Net proceeds from the placing of shares amounted to approximately HK\$13.4 million (after deducting the placing commission and legal and professional expenses). As at 30 June 2015, the unutilised proceeds were deposited in licensed banks in Hong Kong and the PRC. Such net proceeds have been used in the following manner:

	Net proceeds (HK\$ in million)	Approximate amount of net proceeds utilised up to 30 June 2015 (HK\$ in million)	Approximate amount of net proceeds unutilised up to 30 June 2015 (HK\$ in million)
Participate in overseas trade fairs	3.2	2.0	1.2
Production design, research and development and hire of new designer	2.4	1.5	0.9
Enter into distributorship arrangement with our specialty retailers and promote our brand image and products with them	2.0	1.3	0.7
Construct new production facility	4.6	—	4.6
General working capital	1.2	1.2	—
Total	13.4	6.0	7.4

USE OF PROCEEDS FROM THE PLACING OF NEW SHARES UNDER GENERAL MANDATE

On 11 December 2014, a total of 80,000,000 ordinary shares were placed to not less than six placees, and an Independent Third Party, pursuant to the terms and conditions of the Placing Agreement. Reference is made to the announcement of the Company dated 28 November 2014 in relation to the placing of new shares of the Company under a general mandate. The net proceeds from placing, after deducting professional fees and all related expenses, were approximately HK\$16.34 million. As at 30 June 2015, the proceeds have not yet been utilised and will be used as follows: (i) approximately HK\$10.34 million for the establishment of retail network for the sales of the Group's mattress and soft bed products, and (ii) approximately HK\$6 million as the general working capital of the Group.

On 9 April 2015, a total of 96,400,000 ordinary shares were placed to not less than six placees, and an Independent Third Party, pursuant to the terms and conditions of the Placing Agreement. Reference is made to the announcement of the Company dated 24 April 2015 in relation to the placing of new shares of the Company under a general mandate. The net proceeds from placing, after deducting professional fees and all related expenses, were approximately HK\$14.25 million. As at 30 June 2015, the proceeds have not yet been utilised and will be used as the general working capital of the Group.

OTHER INFORMATION

(7)

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES**Directors', chief executives' interests in shares and short positions in the shares of the Company (the "Share(s)")**

As at 30 June 2015, save as disclosed below, none of the Directors or chief executive had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part V of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or (b) to be entered into the register required to be kept therein, pursuant to section 352 of the SFO, or (c) to be notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors of listed issuers.

Long positions in Shares

Name of Directors	Nature of shares interested	Number of shares interested	Numbers of underlying shares (note 3)	Percentage of shareholding (%)
Mr. Yim Yin Nang (Note 1)	Interest of a controlled corporation	67,205,600	—	11.62%
Mr. Chan Wing Kit ("Mr. Chan") (Note 2)	Interest of a controlled corporation	4,800,000 (long position)	2,000,000 (long position)	1.18%

Note 1: Platinum Tools Trading Limited ("Platinum Tools") is 100% owned as by Mr. Yim Yin Nang.

Note 2: The entire issued share capital of World Partner Development Limited is beneficially owned by Mr. Chan. Accordingly, Mr. Chan is deemed to be interested in the 2,800,000 shares of the Company held by World Partner Development Limited by virtue of the SFO and Mr. Chan personally holds 2,000,000 shares.

Note 3: The interests in underlying shares represented the interests in share options granted to the Director, further details of which are set out in the section headed "Share Option Scheme" below.

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors and chief executive as at 30 June 2015, the following persons had an interest or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept under section 336 of the SFO:

Name of shareholders	Capacity	Number of shares held	Percentage of shareholding (%)
Platinum Tools Trading Limited (Note 1)	Beneficial owner	67,205,600	11.62%
Mr. Yim Yin Nang (Note 1)	Interest of a controlled corporation	67,205,600	11.62%
China Mobile Game and Entertainments Group Limited	Beneficial owners	29,220,000	5.05%

Note:

1. Platinum Tools is 100% owned by Mr. Yim Yin Nang.

OTHER INFORMATION

Save as disclosed above, as at 30 June 2015, the Directors are not aware of any other person (other than the Directors) who has an interest or short position in the shares or underlying shares (including interest in options, if any) of the Company as recorded in the register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The following table discloses details of movements in respect of the Company's share options for the period are set as below.

Grantee	Date granted and vested	Exercisable period (Both dates inclusive)	Exercise price	At 1 April 2015	Granted during the period	Lapsed during the period	Outstanding at 30 June 2015
Director — Mr. Chan	4 Sept 2014	4 Sept 2014 to 3 Sept 2016	0.442	2,000,000	—	—	2,000,000
An employee	4 Sept 2014	4 Sept 2014 to 3 Sept 2016	0.442	4,000,000	—	4,000,000	—
				6,000,000	—	4,000,000	2,000,000

INTERESTS OF THE COMPLIANCE ADVISER AND ITS DIRECTORS, EMPLOYEES AND ASSOCIATES

Pursuant to the agreement dated 27 September 2013 entered into between Kingsway Capital Limited and the Company, Kingsway Capital Limited received and will receive fees for acting as the Company's compliance adviser.

As confirmed by Kingsway Capital Limited, the compliance adviser of the Company, save as disclosed above, and as disclosed in the Prospectus, none of Kingsway Capital Limited and its directors, employees nor associates is materially interested in any contract or arrangement as at 30 June 2015, which is significant in relation to the business of the Group.

DIRECTORS' INTERESTS IN CONTRACTS

No contracts of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the three months ended 30 June 2015 or at any time during such period.

COMPETING INTERESTS

During the period under review, none of the Directors or the controlling shareholders of the Company or their respective associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Groups or had any other conflict or potential conflict of interest with the Group.

AUDIT COMMITTEE

The Company has established an audit committee (the "Audit Committee") on 26 September 2013 with written terms of reference in compliance with the requirements as set out in Rule 5.28 and 5.29 of the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Company, nominate and monitor external auditors, review the quarterly report of the compliance department's findings and provide advice and comments to the Directors.

The Audit Committee comprises four independent non-executive Directors, namely Chan Wai Cheung, Admiral, Ng Yat Cheung, Zhu Xiaobing and Fung Kam Man. Chan Wai Cheung, Admiral is the chairman of the Audit Committee.

The Audit Committee has reviewed the unaudited financial information of the Group for the three months ended 30 June 2015.

The Audit Committee also reviewed the non-compliance report of the Group for the three months ended 30 June 2015 and no material non-compliance issue has been identified.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company has complied with all the code provisions set out in the Code on Corporate Governance Practices (the "CG Code") contained in Appendix 15 of the GEM Listing Rules of the Stock Exchange.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company had adopted Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct regarding securities transactions by the Directors. The Company has confirmed, having made specific enquiry of the Directors, that all the Directors have complied with the required standards of dealings throughout the period under review.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

By order of the Board
Jia Meng Holdings Limited
CHAN WING KIT
Executive Director

Hong Kong, 10 August 2015

As at the date of this report, the executive directors of the Company are Mr. Yim Yin Nang, Mr. Ng Wing Cheong, Stephen and Mr. Chan Wing Kit; and the independent non-executive directors of the Company are Mr. Ng Yat Cheung, Mr. Chan Wai Cheung, Admiral, Mr. Zhu Xiaobing and Mr. Fung Kam Man.