



**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

FIRST QUARTERLY REPORT
2016

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

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Zeng Cheng, Guangdong, the PRC

HONG KONG OFFICE

Room 602, New World Tower 1,
16–18 Queen's Road Central,
Central, Hong Kong

WEBSITE

www.jmbedding.com

BOARD OF DIRECTORS

Executive Directors

Mr. Hung Cho Sing (*Chairman*)
(appointed on 23 May 2016)
Mr. Yim Yin Nang
Mr. Wong Siu Ki
Mr. Matthew Chung (appointed on 11 April 2016)

Independent Non-executive Directors

Mr. Chan Wai Cheung, Admiral
(resigned on 23 May 2016)
Mr. Fung Kam Man
Mr. Au-Yeung Hau Cheong
(resigned on 11 April 2016)
Mr. Tang Kin Chor (appointed on 11 April 2016)
Mr. Chan Chun Wing (appointed on 23 May 2016)

AUTHORISED REPRESENTATIVES

Mr. Wong Siu Ki
Mr. Wong King Chung

COMPANY SECRETARY

Mr. Wong King Chung

COMPLIANCE OFFICER

Mr. Wong King Chung

AUDIT COMMITTEE

Mr. Chan Chun Wing (*Chairman*)
(appointed on 23 May 2016)
Mr. Fung Kam Man
Mr. Au-Yeung Hau Cheong
(resigned on 11 April 2016)
Mr. Tang Kin Chor (appointed on 11 April 2016)
Mr. Chan Wai Cheung, Admiral
(resigned on 23 May 2016)

NOMINATION COMMITTEE

Mr. Tang Kin Chor (*Chairman*)
(appointed on 11 April 2016)
Mr. Chan Chun Wing (appointed on 23 May 2016)
Mr. Fung Kam Man
Mr. Au-Yeung Hau Cheong
(resigned on 11 April 2016)
Mr. Chan Wai Cheung, Admiral
(resigned on 23 May 2016)

REMUNERATION COMMITTEE

Mr. Fung Kam Man (*Chairman*)
Mr. Au-Yeung Hau Cheong
(resigned on 11 April 2016)
Mr. Tang Kin Chor (appointed on 11 April 2016)
Mr. Chan Chun Wing (appointed on 23 May 2016)
Mr. Chan Wai Cheung, Admiral
(resigned on 23 May 2016)

AUDITOR

Elite Partners CPA Limited
(appointed on 12 April 2016)
BDO LIMITED (resigned on 12 April 2016)

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)
Bank of Communications (Hong Kong)

STOCK CODE

8101

The Board of Director (the “Board”) of the Company is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “Group”) for the three months ended 30 June 2016, together with the unaudited comparative figures for the corresponding period in 2015, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2016

| | Notes | Three months ended 30 June | |
|--|-------|---------------------------------|---------------------------------|
| | | 2016 HK\$'000 (unaudited) | 2015 HK\$'000 (unaudited) |
| Revenue | 6 | 15,998 | 26,420 |
| Cost of sales | | (13,626) | (19,868) |
| Gross profit | | 2,372 | 6,552 |
| Other income | 6 | 221 | 394 |
| Selling and distribution expenses | | (821) | (1,618) |
| Administrative expenses | | (5,135) | (4,433) |
| Research expenses | | (182) | (1,319) |
| Other operating expenses | | | |
| Fair value gain on financial assets at fair value through profit or loss | | 59,480 | 76,990 |
| Finance costs | 7 | (724) | (382) |
| Profit before income tax credit/(expenses) | | 55,211 | 76,184 |
| Income tax expenses | 9 | (9,261) | (12,725) |
| Profit for the period | | 45,950 | 63,459 |

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2016

| | Three months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2016 HK\$'000 (unaudited) | 2015 HK\$'000 (unaudited) |
| Other comprehensive income that may be reclassified subsequently to profit or loss: | | |
| Exchange differences arising on translation of financial statements of foreign operation | 3,555 | 519 |
| Total comprehensive income for the period | 49,505 | 63,978 |
| Profit for the period attributable to: | | |
| — Owners of the Company | 45,951 | 63,456 |
| — Non-controlling interests | (1) | 3 |
| | 45,950 | 63,459 |
| Total comprehensive income for the period attributable to: | | |
| — Owners of the Company | 49,622 | 63,970 |
| — Non-controlling interests | (117) | 8 |
| | 49,505 | 63,978 |
| Earnings per share attributable to owners of the Company during the period | | |
| — Basic | HK1.99 cents | HK11.48 cents |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

1. GENERAL INFORMATION

Jia Meng Holdings Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 26 July 2012. The Company’s shares have been listed on the Growth Enterprise Market (“GEM”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 October 2013.

The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The principal place of business of the Company and its subsidiaries (the “Group”) is located at Min Ying Industrial Zone, Shitan, Zeng Cheng, Guangdong, the People’s Republic of China (the “PRC”).

The principal activity of the Company is investment holding. The principal activities of the Group are (i) design, manufacture and sales of mattress and soft bed products in the People’s Republic of China (the “PRC”) and export mattress to overseas markets; (ii) securities investment in Hong Kong and (iii) property investment in Hong Kong.

The financial statements for the period ended 30 June 2016 were approved by the board of directors on 13 August 2016.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

2. BASIS OF PREPARATION

2.1 Statement of compliance

The unaudited condensed consolidated financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations (hereinafter collectively referred to as the “HKFRSs”) and the disclosure requirements of Hong Kong Companies Ordinance.

In addition, the unaudited condensed consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on the GEM of the Stock Exchange.

2.2 Basis of measurement

The unaudited condensed consolidated financial statements have been prepared under the historical cost basis.

2.3 Functional and presentation currency

The financial statements are presented in Hong Kong dollar (“HK\$”) which is also the functional currency of the Company.

3. ADOPTION OF NEW AND REVISED STANDARDS

In the current period, the Group has applied, for the first time, certain amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) and Interpretations issued by the HKICPA that are mandatorily effective for the current period. The application of the amendments to HKFRSs and Interpretations in the current period has had no material effect on the amounts reported and/or disclosures set out in these condensed consolidated financial statements.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

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 2016.

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 2016, the Group's principal operates in three business segments, which are:

- (i) The design, manufacture and sale of mattress and soft bed products;
- (ii) Property investment; and
- (iii) Securities investment.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

5. SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

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 unaudited condensed consolidated financial statements are as follows:

For the period ended 30 June 2016

| | Mattress and soft bed products HK\$'000 (unaudited) | Property investment HK\$'000 (unaudited) | Securities investment HK\$'000 (unaudited) | Property management and property agency service HK\$'000 (unaudited) | Unallocated HK\$'000 (unaudited) | Total HK\$'000 (unaudited) |
|------------------------------------|---|---|---|--|--|----------------------------------|
| Revenue from external customers | 15,899 | 99 | — | — | — | 15,998 |
| Reportable segment profit | 147 | 83 | 46,696 | — | — | 46,926 |
| Unallocated other income | | | | | 2 | 2 |
| Unallocated corporate expenses* | | | | | (978) | (978) |
| Profit for the period | | | | | | 45,950 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

5. SEGMENT INFORMATION (Continued)

(a) Reportable segments (Continued)

For the period ended 30 June 2015

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

* Unallocated corporate expense for the period ended 30 June 2015 and 2016 mainly included staff cost and legal and professional fees.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

5. SEGMENT INFORMATION (Continued)

(b) Geographic information

The following table provides an analysis of the Group's revenue from external customers and its non-current assets (other than deferred tax assets).

Revenue from external customers

| | Three months ended 30 June | |
|-------------------------|----------------------------|-------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| PRC (place of domicile) | 3,548 | 5,223 |
| Other countries | 12,450 | 21,197 |
| | 15,998 | 26,420 |

Non-current assets

| | 30 June | 31 March |
|-------------------------|-------------|-----------|
| | 2016 | 2016 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (audited) |
| PRC (place of domicile) | 14,266 | 12,887 |
| Other countries | 38,230 | 19,870 |
| | 52,496 | 32,757 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

5. SEGMENT INFORMATION (Continued)

(c) Information about major customers

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

| | Three months ended 30 June | |
|------------|---------------------------------|---------------------------------|
| | 2016 HK\$'000 (unaudited) | 2015 HK\$'000 (unaudited) |
| Customer A | 5,165 | 12,212 |
| Customer B | 8,990 | N/A |
| | 14,155 | 12,212 |

Transactions with Customer B was not exceeded 10% for the period ended 30 June 2015.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

6. REVENUE AND OTHER INCOME

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. An analysis of the Group's revenue and other income is as follows:

| | Three months ended 30 June | |
|--|---------------------------------|---------------------------------|
| | 2016 HK\$'000 (unaudited) | 2015 HK\$'000 (unaudited) |
| Revenue | | |
| Sales of goods | 15,899 | 24,667 |
| Property agency fee and property management service fee | — | 1,753 |
| Rental income | 99 | — |
| | 15,998 | 26,420 |
| Other income | | |
| Interest income | 2 | 298 |
| Exchange gain | 142 | — |
| Sales of scrap materials | — | 5 |
| Sundry income | 77 | 8 |
| | 221 | 311 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

7. FINANCE COSTS

| | Three months ended 30 June | |
|--|----------------------------|-------------------------|
| | 2016 | 2015 |
| | HK\$'000 (unaudited) | HK\$'000 (unaudited) |
| Bank charge for overdraft | 70 | — |
| Interest of bank borrowings repayable within one year | 445 | 382 |
| Others | 209 | — |
| | 724 | 382 |

8. PROFIT BEFORE INCOME TAX

| | Three months ended 30 June | |
|--|----------------------------|-------------------------|
| | 2016 | 2015 |
| | HK\$'000 (unaudited) | HK\$'000 (unaudited) |
| Depreciation of property, plant and equipment | 36 | 86 |
| Staff cost (including directors' remuneration) | | |
| — Wages, salaries and bonus | 1,509 | 1,993 |
| — Contribution to defined contribution plans | 407 | 468 |

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

9. INCOME TAX EXPENSE

| | Three months ended 30 June | |
|---------------------------|----------------------------|-------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Current tax — PRC | 17 | 22 |
| Current tax — Hong Kong | 1,339 | 1,347 |
| Deferred tax current year | 7,905 | 11,356 |
| | 9,261 | 12,725 |

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 2016. No Hong Kong profits tax was provided for the year ended 31 March 2015 as the Group did not have assessable profit arising or derived from Hong Kong during the year. Enterprise income tax arising from subsidiary operated in the PRC for the year was calculated at 25% (2015: 25%) of the estimated assessable profits during the year.

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

10. EARNINGS PER SHARE

| | Three months ended 30 June | |
|---|----------------------------|-------------|
| | 2016 | 2015 |
| | HK\$'000 | HK\$'000 |
| | (unaudited) | (unaudited) |
| Earning for the purpose of basic and diluted earning per share | 45,951 | 63,456 |
| Number of shares | '000 | '000 |
| Weighted average number of ordinary shares for the purpose of calculating basic earnings/(loss) per share | 2,313,600 | 552,976 |

No diluted earnings per share has been presented for the period ended 30 June 2016 and 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 when the options were outstanding.

11. DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2016 (2015: Nil).

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2016

12. CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

| | Unaudited | | | | | | | | | | |
|---|--|---------------------------|------------------------------|-----------------------------|--------------------------------|-----------------------------------|----------------------------------|-------------------------------|-------------------|---------------------------------------|--------------------------|
| | Equity attributable to owners of the Company | | | | | | | | | | |
| | Share capital HK\$'000 | Share premium HK\$'000 | Capital reserves HK\$'000 | Merger reserves HK\$'000 | Statutory reserves HK\$'000 | Share option reserves HK\$'000 | Translation reserves HK\$'000 | Retained earnings HK\$'000 | Total HK\$'000 | Non-controlling interests HK\$'000 | Total equity HK\$'000 |
| At 1 April 2015 | 12,050 | 28,842 | 10,207 | 8 | 6,578 | 1,034 | 10,407 | 32,104 | 101,230 | 1,020 | 102,250 |
| 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 |
| Issue of ordinary shares by placing | 2,410 | 11,835 | — | — | — | — | — | — | 14,245 | — | 14,245 |
| Share option scheme — elapsed of share option | — | — | — | — | — | (591) | — | 591 | — | — | — |
| At 30 June 2015 (unaudited) | 14,460 | 40,677 | 10,207 | 8 | 6,578 | 443 | 10,921 | 96,151 | 179,445 | 1,028 | 180,473 |
| At 1 April 2016 | 57,840 | 131,546 | 10,207 | 8 | 6,578 | 1,956 | 8,295 | 25,873 | 242,303 | 504 | 242,807 |
| Profit/(loss) for the period | — | — | — | — | — | — | — | 45,951 | 45,951 | (1) | 45,950 |
| Other comprehensive income: Exchange differences arising on translation of financial statements of foreign operations | — | — | — | — | — | — | 3,671 | — | 3,671 | (116) | 3,555 |
| Total comprehensive income for the period | — | — | — | — | — | — | 3,671 | 45,951 | 49,622 | (117) | 49,505 |
| At 30 June 2016 (unaudited) | 57,840 | 131,546 | 10,207 | 8 | 6,578 | 1,956 | 11,966 | 71,824 | 291,925 | 387 | 292,312 |

MANAGEMENT DISCUSSION AND ANALYSIS

DIVIDEND

The Board does not recommend the payment of any dividend for the three months ended 30 June 2016 (2015: Nil).

RESERVES

Movements in the reserves of the Group for the three months ended 30 June 2015 and 2016 are set out in note 12 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 2016 was approximately HK\$15.9 million, representing a decrease of approximately 35.6% 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 as well as domestic markets. Furthermore, the property management and property agency business segment of the Group had been discontinued from operation last year, which had approximately HK\$1.8 million contribution to the turnover of last year.

For the three months ended 30 June 2016, the Group achieved an overall gross profit of approximately HK\$2.3 million, representing a decrease of approximately HK\$4.2 million from the corresponding period in previous year. Such decrease represents a gross profit margin decreased from 24.8% of last year to this year 14.8%. The decrease in gross profit margin was mainly due to the disposal of a business segment which carried out property management and property agency services in the corresponding period which carried a higher profit margin.

MANAGEMENT DISCUSSION AND ANALYSIS

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 2016, the Group's administrative expenses increased to approximately HK\$5.1 million compared to approximately HK\$4.4 million for the corresponding period of last year, representing an increase of approximately 15.9%. The increase was mainly attributed to the increase in legal and professional expenses in relation to a major acquisition as well as other corporate actions.

Selling and distribution expenses for the three months ended 30 June 2016 was approximately HK\$0.8 million (2015: HK\$1.6 million). Selling and distribution expenses of the Group mainly comprised of exhibition expenses, salaries and custom duties. The decrease is consistent with the reducing scale of the sale of mattress and soft bed products.

The Group recorded fair value gain on financial assets at fair value through profit or loss approximately HK\$59.5 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\$8.0 million and approximately HK\$51.5 million respectively. The unrealised fair value gain is predominantly related to the investment in shares of Luen Wong Group Holdings Limited and LEAP Holdings Group Limited which are listed on HKEX (Stock Code: 8217 and 1499 respectively). These shares were being held by the Company as of 30 June 2016 and the total unrealised fair value gain from these two stocks alone were approximately HK\$52.4 million.

MANAGEMENT DISCUSSION AND ANALYSIS

SIGNIFICANT INVESTMENTS

As at 30 June 2016, the Group held approximately HK\$93.7 million equity investments at fair value through profit or loss (2015: approximately HK\$76.9 million). Details of the significant investments are as follows:

| | Notes | Stock Code | Place of incorporation | Fair value Gain/(loss) HK\$'000 | Market Values HK\$'000 | Approximate percentage of equity investments at fair value through profit and loss % | Approximate percentage to the net assets % |
|--|-------|------------|------------------------|------------------------------------|---------------------------|---|---|
| WLS Holdings Limited | 1 | 08021 | Cayman Islands | 72 | 4,752 | 5.1% | 1.6% |
| Convoy Financial Holdings Ltd | 2 | 01019 | Cayman Islands | 201 | 3,572 | 3.8% | 1.2% |
| QPL International Holdings Ltd | 3 | 00243 | Bermuda | 1,811 | 3,744 | 4.0% | 1.3% |
| LUEN WONG GROUP HOLDINGS LIMITED | 4 | 08217 | Cayman Islands | 41,756 | 43,654 | 46.6% | 14.9% |
| Millennium Pacific Group Holdings Ltd | 5 | 08147 | Cayman Islands | (1,469) | 934 | 1.0% | 0.3% |
| Wealth Glory Holdings Ltd | 6 | 08269 | Cayman Islands | (868) | 1,635 | 1.7% | 0.6% |
| Easy One Financial Group Ltd | 7 | 00221 | Bermuda | (60) | 432 | 0.5% | 0.1% |
| Hanny Holdings Ltd | 8 | 00275 | Bermuda | 1,088 | 4,288 | 4.6% | 1.5% |
| LEAP Holdings Group Ltd | 9 | 01499 | Cayman Islands | 10,618 | 21,900 | 23.4% | 7.5% |
| Chen Xing Development Holdings Ltd | 10 | 02286 | Cayman Islands | (569) | 1,346 | 1.4% | 0.5% |
| China Information Technology Development Ltd | 11 | 08178 | Cayman Islands | 1,044 | 3,150 | 3.4% | 1.1% |
| GCL New Energy Holdings Ltd | 12 | 00451 | Bermuda | (2) | 2,010 | 2.1% | 0.7% |
| Sino Haijing Holdings Ltd | 13 | 01106 | Cayman Islands | (360) | 2,260 | 2.4% | 0.8% |

MANAGEMENT DISCUSSION AND ANALYSIS

Notes:

1. WLS Holdings Limited was principally engaged in the provision of scaffolding and fitting out services, management contracting services, and other services for construction and buildings work, money lending business and securities investment business. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$796,187,000 as at 30 April 2016.
2. Convoy Financial Holdings Limited was principally engaged in the IFA business, money lending business, proprietary investment business, asset management business, corporate finance business and securities dealing business. Dividend of approximately HK\$5,613,000 was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$4,960,596,000 as at 31 December 2015.
3. QPL International Holdings Limited was principally engaged in the manufacture and sale of integrated circuit leadframes, heatsinks and stiffeners and investment holding. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$181,545,000 as at 31 October 2015.
4. Luen Wong Group Holdings Limited was principally engaged in the provision of civil engineering works. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$27,095,000 as at 31 March 2016.
5. Millennium Pacific Group Holdings Limited was principally engaged in investment holdings business. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$48,213,000 as at 31 December 2015.
6. Wealth Glory Holdings Limited was principally engaged in the manufacture and sale of fresh and dried noodles; investment in coal trading business; trading of natural resources and commodities; development and promotion of brands, design, manufacture and sale of trendy fashion merchandises and other consumer products; investment in securities; and money lending business. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$126,822,000 as at 31 March 2016.
7. Easy One Financial Group Limited was principally engaged in property development in the PRC and provision of finance in Hong Kong. Dividend of approximately HK\$2,507,000 was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$1,587,792,000 as at 31 March 2016.

MANAGEMENT DISCUSSION AND ANALYSIS

8. Hanny Holdings Limited was principally engaged in property development and trading, industrial water supply business, trading of securities and the holding of other strategic investments. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$4,996,866,000 as at 31 March 2016.
9. Leap Holdings Group Limited was principally engaged in (i) foundation works and ancillary services: Provision of site formation works, excavation and lateral support works, piling construction, pile caps or footing construction and reinforced concrete structure works and ancillary services mainly included hoarding and demolition works and lease of machinery; and (ii) construction wastes handling: Provision of management and operation of public fill reception facilities, including public fill banks and temporary construction waste sorting facilities, for construction and demolition materials. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$166,461,000 as at 31 March 2016.
10. Chen Xing Development Holdings Limited was principally engaged in property development. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately RMB1,123,280,000 as at 31 December 2015.
11. China Information Technology Development Limited was principally engaged in the development and sale of computer software and hardware, the provision of system integration and related support services in the People's Republic of China (the "PRC"). No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$ 358,715,000 as at 31 December 2015.
12. GCL New Energy Holdings Limited is an investment holding company. Its subsidiaries were principally engaged in the development, construction, operation and management of solar power plants ("Solar Energy Business"), as well as the manufacturing and selling of printed circuit boards ("PCB Business"). No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately RMB 2,442,039,000 as at 31 December 2015.
13. Sino Haijing Holdings Limited was principally engaged in the production and sale of expanded polystyrene ("EPS") packaging products for household electrical appliances in the PRC ("Packaging Business"). In order to broaden the Group's investment strategy, during the year, the Group has engaged in the securities investment segment ("Securities Investments"). No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$347,649,000 as at 31 December 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

During the three months ended 30 June 2016, the Group disposed some of the investments on market and the sales proceeds generated from the investments in marketable securities amounted to approximately HK\$21.7 million and income recognised in revenue for the amount of HK\$8.0 million.

Details of the transactions are as follows:

| | Stock code | Place of incorporation | Sales proceeds HK\$'000 | Realised gain/(loss) HK\$'000 |
|-------------------------------------|------------|------------------------|----------------------------|----------------------------------|
| GET Holdings Ltd | 08100 | Cayman Islands | 742 | 20 |
| AP Rentals Holdings Ltd | 01496 | Cayman Islands | 2,662 | 390 |
| Hypebeast Ltd | 08359 | Cayman Islands | 1,794 | 481 |
| Expert Systems Holdings Ltd | 08319 | Cayman Islands | 6,307 | 2,267 |
| Huisheng International Holdings Ltd | 01340 | Cayman Islands | 2,098 | 92 |
| Sino Haijing Holdings Ltd | 01106 | Cayman Islands | 414 | 24 |
| Chen Xing Development Holdings Ltd | 02286 | Cayman Islands | 936 | 404 |
| Wealth Glory Holdings Ltd | 08269 | Cayman Islands | 155 | (19) |
| QPL International Holdings Ltd | 00243 | Bermuda | 4,096 | 2,013 |
| LUEN WONG GROUP HOLDINGS LIMITED | 08217 | Cayman Islands | 2,472 | 2,348 |

In view of the recent volatile and weakness in the stock market, the Board will adopt cautious measures to manage the Group's investment portfolio with an aim to provide positive return to the Group in the near future.

Business Review and Prospect

The principal businesses of the Group are: (i) the design, manufacture and sale of mattress and soft bed products; (ii) property investment; and (iii) securities investment.

MANAGEMENT DISCUSSION AND ANALYSIS

During the three months period under review, the Group's mattress and soft bed products business was reducing in scale due to the keen competition and adverse market condition. As a result, the turnover of the segment was decreased by around 35.6% from last year approximately HK\$24.7 million to this year approximately HK\$15.9 million. The net profit from this segment has decreased by approximately HK\$180,000 from last year approximately HK\$327,000 to this year approximately HK\$147,000. The decrease is consistent with the management's expectation, and therefore the Group was attempting to develop other new businesses as well as divert more resource to other existing business segments. One of which is being the securities investment segment.

More and more capital resources have been invested in securities trading business ever since it was first introduced in December 2014. As of 30 June 2016, approximately HK\$43.7 million of aggregated fund was invested in the securities trading business. It represents 403.9% increased in scale from last year. The fair value gain on financial assets at fair value through profit or loss for the period was approximately HK\$59.5 million, which represents a 22.7% decreased from last year approximately HK\$77.0 million. The net profit of the segment was approximately HK\$46.7 million, which represents a 27.4% decreased from last year approximately HK\$64.3 million. It may seem that the performance of this segment is poorer than the same period of last year. However, the superb performance of last year was actually attributable to an unusually successful investment in the shares of i-Control Holdings Limited which was listed on GEM (Stock Code: 8355) held by the Company as of 30 June 2015. 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".

Last but not least, the Group had disposed all of its investment in property management and property agency service business and replaced it with the property investment business. The property investment business was started in April 2015. There were two investment properties held by the Group as of 30 June 2016 with the total book cost of HK\$35.5 million. One of them was let out to a third party during the period. The three months revenue of the segment was approximately HK\$99,000 and the net profit of the segment was approximately HK\$83,000. On the other hand, the property management and property agency service segment generated approximately HK\$1.8 million revenue and approximately

MANAGEMENT DISCUSSION AND ANALYSIS

HK\$1 million of net profit for the three months ended 30 June 2015. The entire segment was disposed in December 2015.

USE OF PROCEEDS FROM THE PLACING OF SHARES

| | Net proceeds (HK\$ in million) | Approximate amount of net proceeds utilised up to 30 June 2016 (HK\$ in million) | Approximate amount of net proceeds unutilised up to 30 June 2016 (HK\$ in million) |
|--|--|--|--|
| Participate in overseas trade fairs | 3.2 | 3.2 | — |
| Production design, research and development and hire of new designer | 2.4 | 2.4 | — |
| Enter into distributorship arrangement with our specialty retailers and promote our brand image and products with them | 2 | 1.3 | 0.7 |
| Construct new production facility | 4.6 | — | 4.6 |
| General working capital | 1.2 | 1.2 | — |
| Total | 13.4 | 8.1 | 5.3 |

MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2016, the unutilised proceeds were deposited in licensed banks in Hong Kong and the PRC.

- (i) On 11 December 2014, a total of 80,000,000 ordinary shares at HK\$0.213 were placed to not less than six places, an Independent Third Party, pursuant to the terms and conditions of the placing agreement dated 28 November 2014. 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. The proceeds have been used as the general working capital of the Group.
- (ii) On 9 April 2015, a total of 96,400,000 ordinary shares were placed at HK\$0.154 to not less than six places, an Independent Third Party, pursuant to the terms and conditions of the placing agreement dated 9 April 2015. The net proceeds from placing, after deducting professional fees and all related expenses, were approximately HK\$14.2 million. The proceeds have been used as the general working capital of the Group.
- (iii) On 14 October 2015, the Company completed a rights issue on the basis of three rights shares for every one existing share held on 17 September 2015 at HK\$0.08 per rights share (the "Rights Issue") and issued 1,735,200,000 rights shares. The details of the results of the Rights Issue were set out in the announcement of the Company dated 14 October 2015. The net proceeds from the rights issue, after deducting professional fees and all related expenses, were approximately HK\$134.5 million and approximately HK\$51.3 million was used for the acquisition of properties in Hong Kong for retail purpose (among which HK\$15.8 million was deposit paid but the proposed acquisition has not been completed as of 30 June 2016); and approximately HK\$20 million was used for the further development of the existing and future business of the Group.

OTHER INFORMATION

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 2016, 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 | Number of underlying shares interested | Percentage of shareholding % |
|-------------------|-----------------------------|-----------------------------|--|------------------------------|
| Mr. Wong Siu Ki | Beneficial owner | 12,000,000 | (Note 1) | 0.52% |

Note 1: The interests in underlying shares represented interests in share options granted to the Director, further details of which are set out in the section headed "Share Option Scheme" below.

OTHER INFORMATION

SUBSTANTIAL SHAREHOLDERS

So far as is known to the Directors as at 30 June 2016, there was no person 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.

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 | Outstanding Date granted and vested | Exercisable period (Both dates inclusive) | Exercise price | At 1 April 2016 | Granted during the period | Lapsed during the period | Outstanding at 30 June 2016 |
|---------------------|-------------------------------------|---|----------------|-----------------|---------------------------|--------------------------|-----------------------------|
| Director — Mr. Wong | 12 Jan 2016 | 12 Jan 2016 to 11 Jan 2018 | 0.079 | 12,000,000 | — | — | 12,000,000 |
| Employee A | 4 Sept 2014 | 4 Sept 2014 to 3 Sept 2016 | 0.396 | 2,234,234 | — | — | 2,234,234 |
| Employee B | 12 Jan 2016 | 12 Jan 2016 to 11 Jan 2018 | 0.079 | 20,000,000 | — | — | 20,000,000 |
| | | | | 34,234,234 | — | — | 34,234,234 |

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 2016 or at any time during such period.

OTHER INFORMATION

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 established the Audit Committee on 26 September 2013 with written terms of reference in compliance with paragraph C3.3 of the CG Code. The full terms of reference setting out details of duties of the Audit Committee is available on the websites of the Stock Exchange and the Company.

The Audit Committee comprises three independent non-executive Directors, namely Mr. Tang Kin Chor, Mr. Chan Chun Wing and Fung Kam Man. Mr. Chan Chun Wing is the chairman of the Audit Committee.

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 quarterly report of the compliance department's findings, meet with external auditor regularly and provide advices and comments to the Directors.

The Audit Committee has reviewed the Group's consolidated financial statements for the period ended 30 June 2016

The Audit Committee also reviewed the non-compliance report of the Group for the year ended 30 June 2016 and no material non-compliance issue has been identified.

OTHER INFORMATION

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

WONG SIU KI

Executive Director

Hong Kong, 13 August 2016

As at the date of this report, the executive Directors are Mr. Hung Cho Sing, Mr. Yim Yin Nang, Mr. Wong Siu Ki and Mr. Matthew Chung; and the independent non-executive Directors are Mr. Chan Chun Wing, Mr. Fung Kam Man and Mr. Tang Kin Chor.