



# 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

**2017** FIRST QUARTERLY REPORT

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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

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*)  
Mr. Yim Yin Nang  
Mr. Wong Siu Ki  
Mr. Matthew Chung  
Mr. Wong Pak Kan Martin  
Mr. Qin Yuquan (appointed on 1 August 2017)

#### Independent Non-executive Directors

Mr. Tang Kin Chor  
Mr. Chan Chun Wing  
Ms. Lai Mei Kwan (resigned on 1 August 2017)  
Mr. Li Siu Yui (appointed on 11 July 2017)

#### 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*)  
Mr. Tang Kin Chor  
Ms. Lai Mei Kwan (resigned on 1 August 2017)  
Mr. Li Siu Yui (appointed on 11 July 2017)

#### NOMINATION COMMITTEE

Mr. Tang Kin Chor (*Chairman*)  
Mr. Chan Chun Wing  
Ms. Lai Mei Kwan  
(resigned on 1 August 2017)  
Mr. Li Siu Yui (appointed on 11 July 2017)

#### REMUNERATION COMMITTEE

Mr. Li Siu Yui (*Chairman*)  
(appointed on 11 July 2017)  
Mr. Lai Mei Kwan (*Chairman*)  
(resigned on 1 August 2017)  
Mr. Tang Kin Chor  
Mr. Chan Chun Wing

#### AUDITOR

Elite Partners CPA Limited

#### LEGAL ADVISER

Lin and Associates

#### 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 2017, together with the unaudited comparative figures for the corresponding period in 2016, as follows:

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2017

	Notes	Three months ended 30 June	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
Revenue	5	11,379	15,998
Cost of sales		(8,971)	(13,626)
Gross profit		2,408	2,372
Other income	5	557	221
Selling and distribution expenses		(2,273)	(821)
Administrative expenses		(4,299)	(5,135)
Research expenses		(268)	(182)
Other operating expenses			
Fair value (loss)/gain on financial assets at fair value through profit or loss		(129,945)	59,480
Share of result of an associate		(58)	—
Finance costs	6	(452)	(724)
<b>(Loss)/profit before income tax credit/ (expenses)</b>	7	<b>(134,330)</b>	55,211
Income tax credit/(expenses)	8	21,526	(9,261)
<b>(Loss)/profit for the period</b>		<b>(112,804)</b>	45,950

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three months ended 30 June 2017

	Notes	Three months ended 30 June	
		2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
<b>Other comprehensive income that may be reclassified subsequently to profit or loss:</b>			
Exchange differences arising on translation of financial statements of foreign operation		581	3,555
Total comprehensive (loss)/income for the period		(112,223)	49,505
(Loss)/profit for the period attributable to:			
— Owners of the Company		(112,804)	45,951
— Non-controlling interests		—	(1)
		(112,804)	45,950
Total comprehensive (loss)/income for the period attributable to:			
— Owners of the Company		(112,223)	49,622
— Non-controlling interests		—	(117)
		(112,223)	49,505
(Loss)/earnings per share attributable to owners of the Company during the period			
— Basic	9	HK(3.90) cents	HK1.99 cents

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2017

	Unaudited										
	Equity attributable to owners of the Company									Non-controlling interests	Total equity
	Share capital	Share premium	Capital reserves	Merger reserves	Statutory reserves	Share option reserves	Translation reserves	Retained earnings	Total		
<b>At 1 April 2016</b>	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
<b>At 30 June 2016 (unaudited)</b>	57,840	131,546	10,207	8	6,578	1,956	11,966	71,824	291,925	387	292,312
<b>At 1 April 2017</b>	72,300	172,613	10,207	8	6,578	3,766	5,882	143,727	415,081	352	415,433
Loss for the period	—	—	—	—	—	—	—	(112,804)	(112,804)	—	(112,804)
Other comprehensive income: Exchange differences arising on translation of financial statements of foreign operations	—	—	—	—	—	—	581	—	581	—	581
Total comprehensive (loss) for the period	—	—	—	—	—	—	581	(112,804)	(112,223)	—	(112,223)
<b>At 30 June 2017 (unaudited)</b>	72,300	172,613	10,207	8	6,578	3,766	6,463	30,923	302,858	352	303,210

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2017

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

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, (iii) property investment in Hong Kong and (iv) money lending in Hong Kong.

The financial statements for the period ended 30 June 2017 were approved by the board of directors on 9 August 2017.

## 2. 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.



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2017

### 3. ACCOUNTING POLICIES

The accounting policies used in the preparation of the first quarterly financial information are consistent with those used in the preparation of the Group's annual financial statements for the year ended 31 March 2017 ("2016/17 Annual Financial Statements") except for the adoption of the standards, amendments and interpretations issued by the HKICPA mandatory for annual periods beginning on 1 April 2016. The effect of which was not material to the Group's results of operations of financial position.

### 4. 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 2017, the Group principally operates in four business segments, which are:

- (i) the design, manufacture and sale of mattress and soft bed products;
- (ii) securities investment;
- (iii) property investment; and
- (iv) money lending.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2017

### 4. 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 2017

	Mattress and soft bed products HK\$'000 (unaudited)	Property investment HK\$'000 (unaudited)	Securities investment HK\$'000 (unaudited)	Money lending HK\$'000 (unaudited)	Unallocated HK\$'000 (unaudited)	Total HK\$'000 (unaudited)
Revenue from external customers	10,468	523	—	388	—	11,379
Reportable segment (loss)/profit	(1,913)	280	(110,205)	332	—	(111,506)
Unallocated other income					—	—
Unallocated corporate expenses					(1,298)	(1,298)
Loss for the period						(112,804)

\* Unallocated corporate expense for the period ended 30 June 2016 and 2017 mainly included staff cost and legal and professional fees.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2017

### 4. SEGMENT INFORMATION (Continued)

#### (a) Reportable segments (Continued)

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)	Money lending 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

#### (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	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
PRC (place of domicile)	2,821	3,548
Other countries	8,558	12,450
	11,379	15,998

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2017

### 4. SEGMENT INFORMATION (Continued)

#### (b) Geographic information (Continued)

##### Non-current assets

	<b>30 June 2017 HK\$'000 (unaudited)</b>	31 March 2017 HK\$'000 (audited)
PRC (place of domicile)	13,418	13,119
Other countries	221,999	221,957
	<b>235,417</b>	235,076

#### (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:

	<b>Three months ended 30 June</b>	
	<b>2017 HK\$'000 (unaudited)</b>	2016 HK\$'000 (unaudited)
Mattress and soft bed products segment		
Customer A	3,723	5,165
Customer B	1,365	8,990
	<b>5,088</b>	14,155

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2017

### 5. 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	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
<b>Revenue</b>		
Sales of goods	10,468	15,899
Loan interest income	388	—
Rental income	523	99
	<b>11,379</b>	<b>15,998</b>
<b>Other income</b>		
Interest income	36	2
Exchange gain	58	142
Sundry income	463	77
	<b>557</b>	<b>221</b>

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2017

### 6. FINANCE COSTS

	Three months ended 30 June	
	2017	2016
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Bank charge for over draft	—	70
Interest of other borrowings repayable within one year	95	—
Interest of bank borrowings repayable within one year	320	445
Others	37	209
	<b>452</b>	<b>724</b>

### 7. (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is arrived at after charging.

	Three months ended 30 June	
	2017	2016
	HK\$'000 (unaudited)	HK\$'000 (unaudited)
Depreciation of property, plant and equipment	34	36
Staff cost (including directors' remuneration)		
— Wages, salaries and bonus	1,692	1,509
— Contribution to defined contribution plans	402	407

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2017

### 8. INCOME TAX EXPENSE

	Three months ended 30 June	
	2017	2016
	HK\$'000	HK\$'000
	(unaudited)	(unaudited)
Current tax — PRC	1	17
Current tax — Hong Kong	496	1,339
Deferred tax current year	(22,023)	7,905
	(21,526)	9,261

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% (2016: 16.5%) on the estimated assessable profits for the period ended 30 June 2017. Enterprise income tax arising from subsidiary operated in the PRC for the year was calculated at 25% (2016: 25%) of the estimated assessable profits during the year.

## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 30 June 2017

### 9. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earn per share attributable to the owners of the Company is as follows:

	Three months ended 30 June	
	2017 HK\$'000 (unaudited)	2016 HK\$'000 (unaudited)
(Loss)/earning for the purpose of basic and diluted (loss)/earning per share	(112,804)	45,951
<b>Number of shares</b>	'000	'000
Weighted average number of ordinary shares for the purpose of calculating basic (loss)/earnings per share	2,892,000	2,313,600

No diluted earnings per share has been presented for the period ended 30 June 2017 and 2016 because the impact of share options outstanding had an anti-dilutive effect on the basic loss per share.

### 10. DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2017 (2016: Nil).



## MANAGEMENT DISCUSSION AND ANALYSIS

### DIVIDENDS

The Board does not recommend the payment of any dividend for the three months ended 30 June 2017 (2016: Nil).

### RESERVES

#### Financial Review

During the period, the turnover of the Group for the three months ended 30 June 2017 was approximately HK\$11.4 million, representing a decrease of approximately 28.9% 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. For the three months ended 30 June 2017, the Group achieved an overall gross profit of approximately HK\$2.4 million, representing an increase of approximately HK\$36,000 from the corresponding period in the preceding year. Gross profit margin also increased to 21.16% for this period as compared to 14.8% of last year comparative. Such improvement was due to the introduction of property investment and money lending business which do not have direct cost for their operation.

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 2017, the Group's administrative expenses decreased to approximately HK\$4.3 million compared to approximately HK\$5.1 million for the corresponding period of last year, representing a decrease of approximately 16.3%. The decrease was mainly attributed to the decrease in legal and professional expenses in relation to some acquisitions as well as other corporate actions.

Selling and distribution expenses for the three months ended 30 June 2017 was approximately HK\$2.3 million (2016: HK\$0.8 million). Selling and distribution expenses of the Group mainly comprised of trademark, exhibition expenses, salaries and custom duties. The increase is mainly attributable to the HK\$1.8 million trademark expense incurred during the period.



## MANAGEMENT DISCUSSION AND ANALYSIS

The Group recorded fair value loss on financial assets at fair value through profit or loss approximately HK\$129.9 million during the period which included realised loss and unrealized fair value gain on the financial assets at fair value through profit or loss are approximately HK\$132.7 million and approximately HK\$2.8 million respectively. The realised fair value loss was predominantly attributable to the investment in shares of Luen Wong Group Holdings Limited (“Luen Wong”) which is listed on HKEX (Stock Code: 8217) which was acquired in the first quarter of 2016 at a cost of approximately HK\$2.0 million. In June 2016, the Group had disposed part of its stock holding and recognized a profit of approximately HK\$2.4 million. Its remaining fair value as at 31 March 2017 was approximately HK\$138.7 million which represents an unrealized fair value gain of approximately HK\$136.8 million. During the period under review, the Group had disposed all of its remaining interest in Luen Wong and resulted in a loss of approximately HK\$131.6 million for the period. Nevertheless, the overall performance of the investment in Luen Wong since its acquisition in April 2016 was a net gain of approximately HK\$7.5 million. In view of the recent volatility of the stock market, the Board will adopt cautious measures to manage the Group’s investment portfolio.

## SIGNIFICANT INVESTMENTS

As at 30 June 2017, the Group held approximately HK\$20.7 million equity investments at fair value through profit or loss (2016: approximately HK\$93.7 million). Details of the significant investments are as follows:

	Notes	Stock Code	Place of incorporation	No. of shares held	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 %
Deson Construction International Holdings Limited	1	08268	Cayman Islands	17,400,000	(522)	4,872	23.6%	1.6%
Koala Financial Group Limited	2	08226	Cayman Islands	35,200,000	6,090	11,968	57.9%	3.9%
Individual Investment Less than 1% of net assets the Group					(2,802)	3,832	18.5%	1.3%

## MANAGEMENT DISCUSSION AND ANALYSIS

## Notes:

1. Deson Construction International Holdings Limited was principally engaged as contractor in the building industry operating in Hong Kong. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$102,531,000 as at 31 March 2017.
2. Koala Financial Group Limited is an investment holding company. Its subsidiaries are principally engaged in (i) Securities brokerage & investment; (ii) manufacture and sales of straw briquettes (disposed in the first quarter of 2016); (iii) trading of commodities; (iv) trading of garment accessories; (v) manufacture and sales of LED digital display products and (vi) money lending. No dividend was received during the period. According to its latest published financial statements, it had net asset value of approximately HK\$106,285,000 as at 31 December 2016.

During the three months ended 30 June 2017, the Group disposed some of the investments on market and the sales proceeds generated from the investments in marketable securities amounted to approximately HK\$19.6 million and loss recognised for the amount of HK\$132.7 million.

Details of the transactions are as follows:

	Stock code	Place of incorporation	Sales proceeds HK\$'000	Realised gain/(loss) HK\$'000
LEAP Holdings Group Limited	01499	Cayman Islands	3,773	(1,282)
Luen Wong Group Holdings Limited	08217	Cayman Islands	7,064	(131,636)
Investment with Individual Realised Gain/(Loss) Less than HK\$1,000,000			8,773	206

## MANAGEMENT DISCUSSION AND ANALYSIS

### Business Review and Prospect

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 34.1% from last year approximately HK\$15.9 million to this year approximately HK\$10.5 million. The net profit from this segment has decreased by approximately HK\$2.06 million from last year profit of approximately HK\$147,000 to this year loss of approximately HK\$1.93 million. The decrease is consistent with the management's expectation, and the Group was endeavor to develop new businesses as well as shifting focus to other existing business segments that has better prospect.

Securities investment segment had made a substantial loss of approximately HK\$110.2 million. However, this was due to an exceptional loss of approximately HK\$131.6 million resulted from the investment in Luen Wong Group Holdings Limited, which has already explained in detail above. The rest of the investments had actually generated a net profit of approximately HK\$1.7 million for the segment. Which is actually the best performing segment among all.

Due to the more and more volatile of the stock market, the Group would remain its current scale of investment portfolio at approximately HK\$20 million level.

There were three investment properties held by the Group as of 30 June 2017 with the total book cost of approximately HK\$193.5 million. Whereas, there were only two investment properties held by the Group in 2016 with the book cost of approximately HK\$35.5million. The three months revenue of the segment increased by approximately HK\$424,000 from last year approximately HK\$99,000 to this year approximately HK\$523,000. This was due to rental income contributed by the newly acquired investment property during the year. The net profit of the segment has also increased from approximately HK\$83,000 from last year to approximately HK\$280,000 this year.

## MANAGEMENT DISCUSSION AND ANALYSIS

Money lending business was new addition to the Group. Total loan receivable as of the period ended 30 June 2017 was approximately HK\$10 million. Interest rate charged to borrower were ranged from 8% to 9% per annum. The total interest generated from the business was approximately HK\$388,000. And, net profit of this new segment is approximately HK\$332,000. Going forward, the Group is intended to maintain the loan receivable scale to no more than HK\$30 million level, and the loan interest rate will be ranging from 8% to 15% per annum.

### USE OF PROCEEDS FROM THE PLACING OF SHARES

The Company raised its fund by way of a placing of 30,000,000 shares of the Company at the placing price of HK\$1.15 per share 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), 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 2017 (HK\$ in million)	Approximate amount of net proceeds unutilised up to 30 June 2017 (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	—
<b>Total</b>	<b>13.4</b>	<b>8.1</b>	<b>5.3</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

As at 30 June 2017, 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 placees, 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 placees, 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\$114.5 million was used for the acquisition of properties in Hong Kong for retail purpose; and approximately HK\$20 million was used for the further development of the existing and future business of the Group.
- (iv) On 11 November 2016, a total of 462,720,000 ordinary shares at HK\$0.1 were placed to not less than six placees, an Independent Third Party, pursuant to the terms and conditions of the placing agreement dated 26 October 2016. Reference is made to the announcement of the Company dated 26 October 2016 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\$44.80 million. Approximately HK\$20.6 million of the net proceeds had been utilized for the repayment of loan, and approximately HK\$24.2 million was used for general working capital purpose.

## 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

As at 31 March 2017, save as disclosed below, none of the Directors and chief executive has 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 5.68 of the GEM Listing Rules relating to securities transactions by directors or 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)	0.41%
Mr. Hung Cho Sing	Beneficial owner	23,136,000	(Note 1)	0.80%

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

Name of shareholders	Capacity	Number of shares interested	Percentage of shareholdings
Legendary Idea Limited	Beneficial owner (Note 1)	1,927,272,727	66.64%
Corsello Investments Limited	Interest of a controlled corporation (Note 1)	1,927,272,727	66.64%
Tian Cheng Ventures Limited	Interest of a controlled corporation (Note 1)	1,927,272,727	66.64%
Mr. Chang Tin Duk, Victor	Interest of a controlled corporation (Note 1)	1,927,272,727	66.64%
Mr. Qin Yuquan	Interest of a controlled corporation (Note 1)	1,927,272,727	66.64%
Ms. Lai Yongmei	Interest of spouse (Note 2)	1,927,272,727	66.64%
Ms. Tong Shing Ann, Sharon	Interest of spouse (Note 3)	1,927,272,727	66.64%

Note:

1. Legendary Idea Limited is beneficially owned as to 50% by Corsello Investments Limited and 50% by Tian Cheng Ventures Limited. In return, Corsello Investments Limited is wholly owned by Chang Tin Duk, Victor. And, Tian Cheng Ventures Limited is wholly owned by Mr. Qin Yuquan. Accordingly, Mr. Chang Tin Duk, Victor and Mr. Qin Yuquan are deemed to be interested in the 1,927,272,727 shares of the Company held by Corsello Investments Limited and Tian Cheng Ventures Limited respectively under the SFO.
2. Ms. Lai Yongmei, the spouse of Mr. Qin Yuquan, is deemed, or taken to be, interested in the 1,927,272,727 shares of the Company in which Mr. Qin Yuquan is interested for the purpose of the SFO.
3. Ms. Tong Shing Ann, Sharon, the spouse of Mr. Chang Tin Duk, Victor, is deemed, or taken to be, interested in the 1,927,272,727 shares of the Company in which Mr. Chang Tin Duk, Victor is interested for the purpose of the SFO.



## OTHER INFORMATION

Save as disclosed above, as at 30 June 2017, 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.

Grantee	Date granted and vested	Exercisable period (Both dates inclusive)	Exercise price	At 1 April 2017	Granted during the period	Lapsed during the period	Adjusted during the effective of open offer	Outstanding at 30 June 2017
Director — Mr. Wong	12 Jan 2016	12 Jan 2016 to 11 Jan 2018	0.079	12,000,000	—	—	—	12,000,000
Director — Mr. Hung	8 Sep 2016	8 Sep 2016 to 7 Sep 2021	0.087	23,136,000	—	—	—	23,136,000
An employee A	12 Jan 2016	12 Jan 2016 to 11 Jan 2018	0.079	20,000,000	—	—	—	20,000,000
An employee A	8 Sep 2016	8 Sep 2016 to 7 Sep 2021	0.087	3,136,000	—	—	—	3,136,000
An employee B	8 Sep 2016	8 Sep 2016 to 7 Sep 2021	0.087	23,136,000	—	—	—	23,136,000
Consultant	8 Sep 2016	8 Sep 2016 to 7 Sep 2021	0.087	23,136,000	—	—	—	23,136,000
				104,544,000	—	—	—	104,544,000

## 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 2017 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 Mr. Li Siu Yui. 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 2017.

The Audit Committee also reviewed the non-compliance report of the Group for the year ended 30 June 2017 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.

## OTHER INFORMATION

### 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, 9 August 2017

*As at the date of this report, the executive Directors are Mr. Hung Cho Sing, Mr. Yim Yin Nang, Mr. Wong Siu Ki, Mr. Matthew Chung, Mr. Wong Pak Kan Martin and Mr. Qin Yuquan; and the independent non-executive Directors are Mr. Tang Kin Chor, Mr. Chan Chun Wing and Mr. Li Siu Yui.*