

L & A INTERNATIONAL HOLDINGS LIMITED

樂亞國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立之有限公司)

Stock Code 股份代號：8195



2016

中期報告
Interim Report

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 higher investment risk may be attached than other companies listed on the Stock Exchange. 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 of the Stock Exchange 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 L & A International Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色

創業板乃為較其他於聯交所上市的公司帶有較高投資風險的公司提供一個上市市場。有意投資者應了解投資於該等公司的潛在風險，並應經過審慎周詳考慮後方作出投資決定。創業板的較高風險及其他特色意味著創業板較適合專業及其他經驗豐富的投資者。

由於創業板上市公司的新興性質所然，於創業板買賣的證券可能會較於聯交所主板買賣的證券承受較大的市場波動風險，同時無法保證於創業板買賣的證券會有高流通量的市場。

香港交易及結算所有限公司及香港聯合交易所有限公司對本報告的內容概不負責，對其準確性或完整性亦不發表任何聲明，並明確表示概不就因本報告全部或任何部分內容所產生或依賴該等內容而引致的任何損失承擔任何責任。

本報告乃遵照聯交所創業板證券上市規則(「創業板上市規則」)的規定提供有關樂亞國際控股有限公司(「本公司」)的資料。本公司各董事(「董事」)共同及個別對本報告承擔全部責任。董事於作出一切合理查詢後確認，就彼等所深知及確信，本報告所載資料在各重大方面均屬準確及完整，且並無誤導或欺詐成分，亦無遺漏任何其他事項，致使本報告內任何聲明或本報告有所誤導。

Corporate Information

公司資料

REGISTERED OFFICE IN THE CAYMAN ISLANDS

Maples Corporate Services Limited
P.O. Box 309, Ugland House
Grand Cayman, KY-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Flat 1, Block C, 11/F
Hong Kong Spinner Industrial Building, Phase 5
762 Cheung Sha Wan Road, Kowloon
Hong Kong

EXECUTIVE DIRECTORS

Mr. Ng Ka Ho (*Chairman*) (Re-designated as the
Chairman of the Board on 22 April 2016)
Mr. Yang Si Hang (*Chief Executive Officer*)
(retired on 28 October 2016)
Mr. Yang Si Kit Kenny (resigned on 22 April 2016)

NON-EXECUTIVE DIRECTOR

Mr. Wong Chiu Po

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chan Ming Sun Jonathan
Mr. Kwong Lun Kei Victor
Mr. Ma Chi Ming (appointed on 29 April 2016)

Ms. Cheung Marn Kay (resigned on 29 April 2016)

COMPANY SECRETARY

Mr. Leung Tze Wai *CPA* (appointed on 16 May 2016)

Mr. Wong Lok Man *CPA* (resigned on 16 May 2016)

COMPLIANCE OFFICER

Mr. Ng Ka Ho (appointed as the Compliance Officer
on 22 April 2016)

Mr. Yang Si Kit Kenny (resigned on 22 April 2016)

開曼群島註冊辦事處

Maples Corporate Services Limited
P.O. Box 309, Ugland House
Grand Cayman, KY-1104
Cayman Islands

香港總部及主要經營地點

香港
九龍長沙灣道762號
香港紗廠工業大廈第五期
11樓C座1室

執行董事

吳家豪先生(*主席*)(於二零一六年
四月二十二日調任為董事會主席)
楊詩恒先生(*首席執行官*)
(於二零一六年十月二十八日退任)
楊詩傑先生(於二零一六年
四月二十二日辭任)

非執行董事

黃昭堡先生

獨立非執行董事

陳銘樂先生
鄭麟基先生
馬志明先生(於二零一六年
四月二十九日獲委任)
章曼琪女士(於二零一六年
四月二十九日辭任)

公司秘書

梁子煒先生 *CPA* (於二零一六年
五月十六日獲委任)
王樂民先生 *CPA* (於二零一六年
五月十六日辭任)

合規主任

吳家豪先生(於二零一六年
四月二十二日獲委任為合規主任)
楊詩傑先生(於二零一六年
四月二十二日辭任)

Corporate Information

公司資料

AUDIT COMMITTEE

Mr. Chan Ming Sun Jonathan (*Chairman*)
Mr. Kwong Lun Kei Victor
Mr. Ma Chi Ming (appointed on 29 April 2016)

Ms. Cheung Marn Kay (resigned on 29 April 2016)

REMUNERATION COMMITTEE

Mr. Kwong Lun Kei Victor (Re-designated as
Chairman of the Committee on 29 April 2016)
Mr. Ng Ka Ho (appointed on 22 April 2016)

Mr. Chan Ming Sun Jonathan (appointed on
29 April 2016)
Ms. Cheung Marn Kay (resigned on 29 April 2016)

Mr. Yang Si Kit Kenny (resigned on 22 April 2016)

NOMINATION COMMITTEE

Mr. Kwong Lun Kei Victor (Re-designated as
Chairman of the Committee on 29 April 2016)
Mr. Chan Ming Sun Jonathan (appointed on
29 April 2016)
Mr. Ng Ka Ho (appointed on 29 April 2016)

Ms. Cheung Marn Kay (resigned on 29 April 2016)

Mr. Yang Si Hang (resigned on 29 April 2016)

AUTHORISED REPRESENTATIVES

Mr. Yang Si Hang
Mr. Ng Ka Ho (appointed as an Authorized
Representative on 22 April 2016)
Mr. Yang Si Kit Kenny (resigned on 22 April 2016)

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1104
Cayman Islands

審核委員會

陳銘樂先生(主席)
鄭麟基先生
馬志明先生(於二零一六年
四月二十九日獲委任)
章曼琪女士(於二零一六年
四月二十九日辭任)

薪酬委員會

鄭麟基先生(於二零一六年
四月二十九日調任為委員會主席)
吳家豪先生(於二零一六年
四月二十二日獲委任)
陳銘樂先生(於二零一六年
四月二十九日獲委任)
章曼琪女士(於二零一六年
四月二十九日辭任)
楊詩傑先生(於二零一六年
四月二十二日辭任)

提名委員會

鄭麟基先生(於二零一六年
四月二十九日調任為委員會主席)
陳銘樂先生(於二零一六年
四月二十九日獲委任)
吳家豪先生(於二零一六年
四月二十九日獲委任)
章曼琪女士(於二零一六年
四月二十九日辭任)
楊詩恒先生(於二零一六年
四月二十九日辭任)

授權代表

楊詩恒先生
吳家豪先生(於二零一六年
四月二十二日獲委任為授權代表)
楊詩傑先生(於二零一六年
四月二十二日辭任)

開曼群島主要股份過戶登記處

Maples Fund Services (Cayman) Limited
PO Box 1093, Boundary Hall
Cricket Square
Grand Cayman, KY1-1104
Cayman Islands

Corporate Information

公司資料

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Boardroom Share Registrars (HK) Limited
31/F, 148 Electric Road
North Point
Hong Kong

PRINCIPAL BANKER

The Hongkong and Shanghai Banking Corporation Limited

COMPLIANCE ADVISER

TC Capital International Limited

AUDITORS

Deloitte Touche Tohmatsu
Certified Public Accountants

LEGAL ADVISER

Kwok Yih & Chan

COMPANY'S WEBSITE

www.lna.com.hk

STOCK CODE

8195

香港股份過戶登記分處

實德隆證券登記有限公司
香港
北角
電氣道148號31樓

主要往來銀行

香港上海滙豐銀行有限公司

合規顧問

天財資本國際有限公司

核數師

德勤•關黃陳方會計師行
執業會計師

法律顧問

郭葉陳律師事務所

公司網站

www.lna.com.hk

股份代號

8195

INTERIM RESULTS

中期業績

The board of Directors (the “Board”) of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2016 together with the unaudited comparative figures for the corresponding period in 2015 as follows:

本公司董事會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一六年九月三十日止六個月的未經審核簡明綜合業績，連同二零一五年同期未經審核比較數字如下：

Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

		NOTES 附註	Three months ended 30 September 截至九月三十日止三個月		Six months ended 30 September 截至九月三十日止六個月	
			2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)
Revenue	收益	4	25,937	81,987	47,513	119,240
Cost of sales	銷售成本	9	(34,160)	(64,759)	(53,507)	(93,112)
Gross (loss) profit	毛(損)利		(8,223)	17,228	(5,994)	26,128
Other income	其他收入	5	109	1,371	134	5,347
Fair value change in structured bank deposits	結構性銀行存款的公平值變動		-	(178)	-	(107)
Other gains and losses	其他收益及虧損	6	(47)	(568)	(47)	(453)
Selling and distribution expenses	銷售及分銷開支		(1,384)	(3,051)	(3,150)	(5,830)
Administrative and other expenses	行政及其他開支		(53,472)	(9,706)	(65,783)	(21,749)
Share of result of an associate	應佔一家聯營公司的業績		(5,656)	-	(7,845)	-
Finance costs	財務成本	7	(387)	(715)	(746)	(1,233)
(Loss) profit before taxation	除稅前(虧損)溢利		(69,060)	4,381	(83,431)	2,103
Income tax credit (expense)	所得稅抵免(開支)	8	486	(1,459)	290	(2,763)
(Loss) profit for the period	期內(虧損)溢利	9	(68,574)	2,922	(83,141)	(660)

Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

簡明綜合損益及其他全面收益表

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

		Three months ended 30 September 截至九月三十日止三個月		Six months ended 30 September 截至九月三十日止六個月	
		2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
NOTES 附註					
Other comprehensive expense: <i>Item that may be reclassified subsequently to profit or loss:</i>	其他全面開支： 其後可能重新分類 至損益的項目：				
Exchange differences on translation of foreign operations	換算海外業務所 產生的匯兌差額	(177)	(2,033)	(1,043)	(2,051)
Other comprehensive expense for the period	期內其他全面開支	(177)	(2,033)	(1,043)	(2,051)
Total comprehensive (expense) income for the period	期內全面(開支) 收益總額	(68,751)	889	(84,184)	(2,711)
(Loss) profit for the period attributable to:	以下人士應佔期內 (虧損)溢利：				
Owners of the Company	本公司擁有人	(67,757)	2,922	(82,253)	(660)
Non-controlling interests	非控股權益	(817)	-	(888)	-
		(68,574)	2,922	(83,141)	(660)
Total comprehensive (expense) income for the period attributable to:	以下人士應佔期內 全面(開支)收益 總額：				
Owners of the Company	本公司擁有人	(67,933)	889	(83,295)	(2,711)
Non-controlling interests	非控股權益	(818)	-	(889)	-
		(68,751)	889	(84,184)	(2,711)
(Loss) earnings per share	每股(虧損)盈利				
Basic (HK cents)	基本(港仙)	(0.290)	0.015	(0.378)	(0.003)
Diluted (HK cents)	攤薄(港仙)	(0.290)	N/A 不適用	(0.378)	N/A 不適用

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2016 於二零一六年九月三十日

		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)		31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)	
		NOTES 附註			
NON-CURRENT ASSETS		非流動資產			
Property, plant and equipment	物業、廠房及設備		15,930		17,367
Investment property	投資物業		2,905		3,033
Prepaid lease payments	預付租賃款項		3,397		3,549
Goodwill	商譽	21	7,936		-
Intangible assets	無形資產	12	11,221		-
Interest in an associate	於一家聯營公司的權益	13	464,542		-
Rental deposit	租賃按金		-		200
Loan receivables	應收貸款	14	35,000		-
Deferred tax assets	遞延稅項資產		15		17
			540,946		24,166
CURRENT ASSETS		流動資產			
Inventories	存貨		21,241		51,948
Trade and other receivables	貿易及其他應收款項	15	14,409		42,566
Loan receivables	應收貸款	14	50,000		-
Prepaid lease payments	預付租賃款項		93		96
Pledged bank deposits	已抵押銀行存款		14,211		14,418
Bank balances and cash	銀行結餘及現金		5,873		16,938
			105,827		125,966
CURRENT LIABILITIES		流動負債			
Trade payables	貿易應付款項	16	422		14,105
Others payables and accrued expenses	其他應付款項及應計開支		7,243		10,113
Amounts due to directors	應付董事款項	17	1,161		-
Tax payables	應付稅項		3,051		3,092
Bank borrowings	銀行借貸	18	8,697		29,037
			20,574		56,347

Condensed Consolidated Statement of Financial Position

簡明綜合財務狀況表

At 30 September 2016 於二零一六年九月三十日

		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
	NOTES 附註		
NET CURRENT ASSETS	流動資產淨值	85,253	69,619
TOTAL ASSETS LESS CURRENT LIABILITIES	資產總值減流動負債	626,199	93,785
NON-CURRENT LIABILITY Deferred tax liabilities	非流動負債 遞延稅項負債	2,823	23
NET ASSETS	資產淨值	623,376	93,762
CAPITAL AND RESERVES Share capital Reserves	資本及儲備 股本 儲備	51,200 569,014	40,000 53,762
Equity attributable to owners of the Company	本公司擁有人應佔權益	620,214	93,762
Non-controlling interests	非控股權益	3,162	-
		623,376	93,762

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For The six months ended 30 September 2016 截至二零一六年九月三十日止六個月

		Share capital	Share premium	Translation reserve	Special reserve	Share options reserve	Other reserve	Retained profits/(Accumulated losses)	Total	Non-controlling interests	Total equity
		股本	股份溢價	匯兌儲備	特別儲備	購股權儲備	其他儲備	保留溢利/ (累計虧損)	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(附註(i))		(附註(ii))						
At 1 April 2015 (audited)	於二零一五年四月一日 (經審核)	40,000	23,823	8,927	28,431	-	4,327	23,109	128,617	-	128,617
Exchange differences arising on the translation of foreign operations	換算海外業務所產生的匯兌差額	-	-	(2,051)	-	-	-	-	(2,051)	-	(2,051)
Loss for the period	期內虧損	-	-	-	-	-	-	(660)	(660)	-	(660)
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	(2,051)	-	-	-	(660)	(2,711)	-	(2,711)
At 30 September 2015 (unaudited)	於二零一五年九月三十日(未經審核)	40,000	23,823	6,876	28,431	-	4,327	22,449	125,906	-	125,906
At 1 April 2016 (audited)	於二零一六年四月一日 (經審核)	40,000	23,823	3,374	28,431	-	4,327	(6,193)	93,762	-	93,762
Exchange differences arising on the translation of foreign operations	換算海外業務所產生的匯兌差額	-	-	(1,042)	-	-	-	-	(1,042)	(1)	(1,043)
Loss for the period	期內虧損	-	-	-	-	-	-	(82,253)	(82,253)	(888)	(83,141)
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	(1,042)	-	-	-	(82,253)	(83,295)	(889)	(84,184)
Acquisition of an associate through issuance of share (note 13)	透過發行股份收購一家聯營公司(附註13)	2,260	470,127	-	-	-	-	-	472,387	-	472,387
Acquisition of a business (note 21)	收購一項業務(附註21)	-	-	13	-	-	-	-	13	4,051	4,064
Placing of shares	配售股份	5,740	54,241	-	-	-	-	-	59,981	-	59,981
Transaction costs attributable to issuance of shares	發行股份應佔交易成本	-	(600)	-	-	-	-	-	(600)	-	(600)
Recognition of equity-settled share-based payments	確認以股本結算以股份為基礎付款	-	-	-	-	37,006	-	-	37,006	-	37,006
Exercise of share option	行使購股權	3,200	70,542	-	-	(32,782)	-	-	40,960	-	40,960
At 30 September 2016 (unaudited)	於二零一六年九月三十日(未經審核)	51,200	618,133	2,345	28,431	4,224	4,327	(88,446)	620,214	3,162	623,376

Condensed Consolidated Statement of Changes in Equity

簡明綜合權益變動表

For The six months ended 30 September 2016 截至二零一六年九月三十日止六個月

Notes:

附註：

- | | | | |
|------|---|------|--|
| (i) | Special reserve represented the difference between the nominal amount of the share capital and share premium issued by L & A Interholdings Inc. and the nominal amount of the share capital issued by the Company pursuant to the group reorganisation. | (i) | 特別儲備指L & A Interholdings Inc. 所發行股本的面值及股份溢價與本公司根據集團重組所發行股本面值之間的差額。 |
| (ii) | Other reserve arose from the waiver of loan from a shareholder of the Company in previous years. | (ii) | 其他儲備產生自本公司一名股東於以前年度免除貸款還款。 |

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

		Six months ended 30 September 截至九月三十日止六個月	
		2016 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)
	NOTE 附註		
NET CASH USED IN OPERATING ACTIVITIES	經營活動所用現金淨額	(78,567)	(6,721)
INVESTING ACTIVITIES	投資活動		
Proceeds from disposal of property, plant and equipment	出售物業、廠房及設備的所得款項	–	5,205
Consideration and related expenses from immediate holding company received for disposal of property, plant and equipment	就出售物業、廠房及設備向直接控股公司收取的代價及相關開支	–	3,100
Placement of pledged bank deposits	存置已抵押銀行存款	–	(5,000)
Purchase of property, plant and equipment	購買物業、廠房及設備	(52)	(42)
Acquisition of a business	收購一項業務	(12,372)	–
Interest received	已收利息	14	1
NET CASH (USED IN) FROM INVESTING ACTIVITIES	投資活動(所用)所得現金淨額	(12,410)	3,264
FINANCING ACTIVITIES	融資活動		
New bank borrowings raised	新造銀行借貸	36,495	73,841
Repayment of bank borrowings	償還銀行借貸	(56,834)	(61,994)
Interest paid	已付利息	(685)	(1,233)
Repayment of obligations under finance leases	償還融資租賃債務	–	(46)
Proceeds from issuance of shares	發行股份的所得款項	59,981	–
Proceeds from exercise of share options	行使購股權的所得款項	40,960	–
Advance from directors	來自董事的墊款	11,400	–
Repayment to directors	向董事還款	(10,300)	–
Transaction costs attributable to issuance of shares	發行股份應佔交易成本	(600)	–

Condensed Consolidated Statement of Cash Flows

簡明綜合現金流量表

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

		Six months ended 30 September 截至九月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)
	NOTE 附註		
NET CASH FROM FINANCING ACTIVITIES	融資活動所得現金淨額	80,417	10,568
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	現金及現金等價物(減少)增加淨額	(10,560)	7,111
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	期初現金及現金等價物	16,938	15,808
EFFECT OF FOREIGN EXCHANGE RATE CHANGES	外匯匯率變動的影響	(505)	(851)
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD, represented by bank balances and cash	期末現金及現金等價物，呈列為銀行結餘及現金	5,873	22,068

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 June 2015. The Company's shares have been listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from 10 October 2015. Pursuant to the enforcement on 11 May 2016, as a result of the share charge over 840,000,000 shares in the share capital of the Company executed by Yang's Holdings Capital Limited, a private limited company incorporated in the British Virgin Islands, in favor of a licensed money lender in Hong Kong as security for a term loan facility granted to Yang's Holdings Capital Limited, which reduced the shareholding interests of Yang's Holdings Capital Limited, from 51.02% to 30.02% (the "Share Charge"), Yang's Holdings Capital Limited ceased to be the Company's immediate holding company. Accordingly, the holding company of Yang's Holdings Capital Limited, YWH Investment Holding Limited, a private limited company incorporated in the British Virgin Islands and Mr. Yang Wan Ho who controls YWH Investment Holding Limited, also ceased to be the ultimate controlling shareholder of the Company on 11 May 2016. The addresses of the registered office and the principal place of business of the Company are P.O. Box 309, Ugland House, Grand Cayman, KY-1104 Cayman Islands and Flat 1, Block C, 11/F, Hong Kong Spinner Industrial Building, Phase 5, 762 Cheung Sha Wan Road, Kowloon, Hong Kong, respectively.

The Company is an investment holding company. The Group is principally engaged in the manufacturing, sales and retailing of garment products and money lending business.

1. 一般資料

本公司於二零一五年六月五日 在開曼群島註冊成立為獲豁免有限公司。本公司股份自二零一五年十月十日起於香港聯合交易所有限公司(「聯交所」)創業板上市。根據於二零一六年五月十一日的強制執行，由於在英屬處女群島註冊成立的私人有限公司Yang's Holdings Capital Limited向一名香港持牌放債人簽立涉及本公司股本中840,000,000股股份的股份押記，作為Yang's Holdings Capital Limited所獲授定期貸款融資的抵押，令Yang's Holdings Capital Limited的股權由51.02%減至30.02% (「股份押記」)，Yang's Holdings Capital Limited不再為本公司直接控股公司。因此，Yang's Holdings Capital Limited的控股公司、在英屬處女群島註冊成立的私人有限公司YWH Investment Holding Limited及控制YWH Investment Holding Limited的楊文豪先生於二零一六年五月十一日不再為本公司最終控股股東。本公司的註冊辦事處及主要營業地點的地址分別為P.O. Box 309, Ugland House, Grand Cayman, KY-1104 Cayman Islands及香港九龍長沙灣道762號香港紗廠工業大廈第五期11樓C座1室。

本公司為投資控股公司。本集團主要從事製造、銷售及零售服裝產品以及放債業務。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

2. BASIS OF PREPARATION

The condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is different from the functional currency of the Company, United States dollars ("US\$"). The directors of the Company consider that presenting the condensed consolidated financial statements in HK\$ is preferable when controlling and monitoring the performance and financial position of the Group.

The condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard 34 ("HKAS 34") *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") as well as with the applicable disclosure requirements of Chapter 18 of the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "GEM Rules").

3. SIGNIFICANT ACCOUNTING POLICIES

The condensed consolidated interim financial information have been prepared on the historical cost basis except for certain financial instruments, which are measured at fair values. Except as described below, the accounting policies and methods of computation used in the condensed consolidated interim financial information for the six months ended 30 September 2016 are the same as those followed in the preparation of the annual financial statements of the Group for the year ended 31 March 2016.

2. 編製基準

簡明綜合財務報表乃以港元(「港元」)呈列，有別於本公司功能貨幣美元(「美元」)。本公司董事認為，就控制及監控本集團的表現及財務狀況而言，首選以港元呈列簡明綜合財務報表。

簡明綜合財務報表已根據香港會計師公會(「香港會計師公會」)頒佈的香港會計準則第34號(「香港會計準則第34號」)中期財務報告及香港聯合交易所有限公司創業板證券上市規則(「創業板上市規則」)第18章的適用披露規定編製。

3. 主要會計政策

除若干金融工具按公平值計量外，簡明綜合中期財務資料已根據歷史成本基準編製。除下文所述者外，截至二零一六年九月三十日止六個月的簡明綜合中期財務資料所採用會計政策及計算方法與編製本集團截至二零一六年三月三十一日止年度全年財務報表所遵循者一致。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with HKAS 12 “Income Taxes” and HKAS 19 “Employee Benefits” respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with HKFRS 2 at the acquisition date; and
- assets (or disposal groups) that are classified as held for sale in accordance with HKFRS 5 “Non-current Assets Held for Sale and Discontinued Operations” are measured in accordance with that standard.

3. 主要會計政策(續)

業務合併

業務收購乃以收購法入賬。業務合併中所轉移的代價乃按公平價值計量，計算方式為本集團所轉讓資產、本集團對收購對象的前擁有人產生的負債及本集團為交換取得收購對象的控制權而發行的股本權益的收購日期公平值的總和。收購相關成本一般在產生時於損益予以確認。

於收購日期，所收購的可識別資產及所承擔負債均按其公平價值予以確認，惟下列各項除外：

- 遞延稅項資產或負債，以及僱員福利安排的相關資產或負債，乃分別按香港會計準則第12號「所得稅」及香港會計準則第19號「僱員福利」予以確認及計量；
- 收購對象的以股份為基礎付款的安排（或本集團用以取代收購對象的以股份為基礎付款的安排而訂立的以股份為基礎付款的安排）的相關負債或股本工具，均於收購日期按香港財務報告準則第2號予以計量；及
- 按照香港財務報告準則第5號「持作出售的非流動資產及已終止業務」而獲分類為持作出售的資產（或出售集團）均按該準則予以計量。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another standard.

3. 主要會計政策(續)

業務合併(續)

商譽按所轉移代價、於收購對象的任何非控股權益金額，以及收購人於收購對象先前持有的股本權益(如有)的公平值超出於收購日期所收購的可識別資產及所承擔負債的淨額部分予以計量。倘在重新評估後，所收購的可識別資產及所承擔負債於收購日期的淨額，超出獲轉移代價、於收購對象的任何非控股權益金額，以及收購人於收購對象先前持有的權益(如有)的公平值的總和，則超出部分將即時於損益獲確認為議價收購收益。

屬目前擁有權權益且於清盤情況下賦予有關持有人權利享有有關實體的資產淨值的合比例份額的非控股權益，初步可按公平值，或按該非控股權益在收購對象可識別資產淨值的獲確認金額中的按比例份額予以計量。有關計量基準的選擇乃視乎每宗交易的個別情況作出。其他類型的非控股權益則按其公平值或(如適用)另一準則所指明基準予以計量。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Business combinations (Continued)

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with the corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), and additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (see the accounting policy above) less accumulated impairment losses, if any, and is presented separately in the consolidated statement of financial position.

3. 主要會計政策 (續)

業務合併 (續)

倘本集團於業務合併中轉讓的代價(包括或然代價安排)產生的資產或負債,則或然代價按其於收購日期的公平值予以計量並視為於業務合併中所轉讓代價的一部份。或然代價的公平值變動(合資格作為按計量期調整)可追溯調整,並就商譽作出相應調整。計量期調整為於「計量期間」(不得超過自收購日期起計一年)就於收購日期存在的事實及情況所獲得其他資料產生的調整。

倘業務合併的初步會計處理於合併發生的報告期末尚未完成,則本集團呈報未完成會計處理的項目的暫定數額。該等暫定數額會於計量期間(見上文)內調整,及確認額外資產或負債,以反映所取得於收購當日存在而據所知可能已影響該日確認款額的相關事實與情況的新資訊。

商譽

收購一項業務產生的商譽乃按於業務收購日期所確立的成本(見上文會計政策)減累計減值虧損(如有)列賬,並於綜合財務狀況表內獨立呈列。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Goodwill (Continued)

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units, or groups of cash-generating units that is expected to benefit from the synergies of the combination.

A cash-generating unit ("CGU") to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal. The Group's policy for goodwill arising on the acquisition of an associate or a joint venture is described below.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

3. 主要會計政策(續)

商譽(續)

就減值測試而言，商譽乃分配至預期從合併的協同效應中獲利的本集團各現金產生單位或現金產生單位組別。

已獲分配商譽的現金產生單位(「現金產生單位」)每年或當有跡象顯示單位可能出現減值時更頻繁測試減值。倘現金產生單位的可收回金額少於其賬面值，減值虧損的分配首先減少該單位獲分配的任何商譽的賬面值，其後以單位各資產的賬面值為基準按比例分配至該單位的其他資產。商譽的任何減值虧損直接於損益確認。確認為商譽的減值虧損於隨後期間不予撥回。

若出售有關現金產生單位，商譽的應佔金額乃計入釐定出售收益或虧損金額內。本集團有關收購聯營公司及合營公司產生的商譽的政策載述如下。

於聯營公司的投資

聯營公司是指本集團對其有重大影響力的實體。重大影響是指參與投資對象的財務及經營決策的權力，而並非控制或共同控制該等政策。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with HKFRS 5. Under the equity method, an investment in an associate is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

3. 主要會計政策(續)

於聯營公司的投資(續)

聯營公司的業績及資產與負債以權益會計法計入此等綜合財務報表，除非有關投資(或當中部分)分類為持作銷售，於此情況下，則按香港財務報告準則第5號入賬。根據權益法，於聯營公司的投資初步按成本於綜合財務狀況表確認，並於其後作出調整以確認本集團應佔該聯營公司的損益及其他全面收益。當本集團應佔聯營公司的虧損超出本集團於該聯營公司的權益時(包括實質上成為本集團於該聯營公司投資淨額一部分的任何長期權益)，本集團終止確認其所佔進一步虧損。僅於本集團已產生法律或推定責任，或已代表該聯營公司支付款項的情況下，方會進一步確認虧損。

聯營公司的投資自投資對象成為一家聯營公司當日起採用權益法入賬。於收購一家聯營公司的投資時，投資成本超過本集團分佔該投資對象可識別資產及負債公平淨值的任何部分乃確認為商譽，並計入投資的賬面值。倘本集團所佔可識別資產及負債於重新評估後的公平淨值高於投資成本，則會於收購投資的期間即時在損益確認。

Notes to the Condensed Consolidated Financial Statements

簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The requirements of HKAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with HKAS 36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with HKAS 36 to the extent that the recoverable amount of the investment subsequently increases. The Group discontinues the use of the equity method from the date when the investment ceases to be an associate, or when the investment is classified as held for sale. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKAS 39. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the equity method is discontinued.

3. 主要會計政策 (續)

於聯營公司的投資 (續)

香港會計準則第39號的規定獲應用以釐定是否需要確認有關本集團投資於聯營公司的任何減值虧損。於有需要時，投資的全部賬面值(包括商譽)將會根據香港會計準則第36號作為單一資產進行減值測試，方法為比較其可收回金額(使用價值及公平值減出售成本的較高者)與其賬面值。被確認的任何減值虧損均形成投資賬面值的一部分。該減值虧損的任何撥回根據香港會計準則第36號確認，惟受可收回投資金額隨後增加規限。於投資停止為聯營公司，或投資(或其部份)被分類為持作銷售當日起，本集團終止使用權益法。當本集團保留於前聯營公司的權益及該保留權益為一項金融資產，則本集團按於該日的公平值計量該保留權益，而公平值乃根據香港會計準則第39號視為其初步確認時的公平值。聯營公司於終止使用權益法當日的賬面值與任何保留權益的公平值及出售該部份聯營公司的任何所得款項之間的差額，乃計入釐定出售聯營公司的損益。此外，本集團就該聯營公司先前確認於其他全面收益的所有數額(按相同基準)，猶如直接出售該聯營公司的相關資產或負債予以入賬。因此，倘該聯營公司先前確認於其他全面收益的收益或虧損會在相關資產或負債出售時重新分類至損益中，則本集團會在不再使用權益法時將此收益或虧損由權益重新分類至損益(如重新分類的調整)。

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments in associates (Continued)

The Group continues to use the equity method when an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate. There is no remeasurement to fair value upon such changes in ownership interests. When the Group reduces its ownership interest in an associate or a joint venture but the Group continues to use the equity method, the Group reclassifies to profit or loss the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest if that gain or loss would be reclassified to profit or loss on the disposal of the related assets or liabilities.

When a group entity transacts with an associate of the Group (such as a sale or contribution of assets), profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

3. 主要會計政策 (續)

於聯營公司的投資 (續)

倘聯營公司投資變成合營公司投資或合營公司投資變成聯營公司投資，本集團會繼續採用權益法。該擁有權的變動毋須對公平值重新計量。倘本集團減少擁有聯營公司或合營公司的權益，但本集團繼續採用權益法時，本集團則會將先前就該項擁有權削減確認於其他全面收益的收益或虧損部分重新分類至損益中，前提為該收益或虧損於有關資產或負債出售時亦會重新分類至損益中。

倘一集團實體與本集團的聯營公司或合營公司進行交易時(例如銷售或投入資產)，所產生的溢利及虧損僅於有關聯營公司或合營公司的權益與本集團無關的情況下，方會於本集團的綜合財務報表確認。

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簡明綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses.

Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. Alternatively, intangible assets acquired in a business combination with indefinite useful lives are carried at cost less any subsequent accumulated impairment losses (see the accounting policy in respect of impairment of tangible and intangible assets below).

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

3. 主要會計政策 (續)

無形資產

於業務合併中所收購的無形資產

於業務合併中所收購的無形資產與商譽分開確認並初步按收購日期的公平值(視為彼等的成本)確認。於初步確認後,於業務合併中所收購的具有限可使用年限的無形資產乃按成本減累計攤銷及任何累計減值虧損入賬。

具有限可使用年限的無形資產攤銷按直線法在其估計可使用年期確認。此外,於業務合併中所收購的具無限可使用年期的無形資產按成本減任何其後累計減值虧損入賬(見下文有關有形及無形資產減值的會計政策)。

無形資產於出售或預期使用或出售不會產生未來經濟利益時終止確認。終止確認無形資產產生的盈虧乃按出售所得款項淨額與資產賬面值間的差額計算,並於資產終止確認時於損益確認。

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簡明綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity-settled share-based payment transactions

Share options granted to directors and employees

The fair value of services received determined by reference to the fair value of share options granted at the grant date is expensed on a straight-line basis over the vesting period or recognised as an expense in full at the grant date which the share options granted vest immediately, with a corresponding increase in share option reserve.

At the end of the reporting period, the Group revises its estimates of the number of options that are expected to ultimately vest. The impact of the revision of the original estimates during the vesting period, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to share option reserve.

When the share options are exercised, the amount previously recognised in share option reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share option reserve will be transferred to retained profits.

3. 主要會計政策(續)

以股本結算以股份為基礎付款的交易

授予董事及僱員的購股權

已獲得服務的公平值乃參考於購股權授出日期的公平值釐定，並在歸屬期間按直線法支銷，或於所授出購股權即時歸屬之授出日期全數確認為開支，且於購股權儲備中相應增加。

於各報告期末，本集團修訂對預期將會歸屬的股本工具數目的估計。於歸屬期間，修訂原估計所產生的影響(如有)於損益表確認，致使累計開支反映經修訂的估計，而購股權儲備則作出相應調整。

購股權獲行使時，先前於購股權儲備中確認的款項將轉撥至股份溢價。當購股權於歸屬日期後被沒收或於到期日仍未獲行使，則先前於購股權儲備中確認的款項將撥入保留溢利。

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簡明綜合財務報表附註

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3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity-settled share-based payment transactions (Continued)

Share options granted to other parties

Share options issued in exchange for goods or services are measured at the fair values of the goods or services received. The fair values of the goods or services received are recognised as expenses, with a corresponding increase in share option reserve, when the Group obtains the goods or when the counterparties render services, unless the goods or services qualify for recognition as assets.

Application of new and revised Hong Kong Financial Reporting Standards ("HKFRSs")

In the current interim period, the Group has applied the following new and revised HKFRSs issued by the HKICPA for the first time in current period:

Amendments to HKFRS 11	Accounting for Acquisitions of Interests in Joint Operations
Amendments to HKAS 1	Disclosure Initiative
Amendments to HKAS 16 and HKAS 38	Clarification of Acceptable methods of Depreciation and Amortisation
Amendments to HKAS 16 and HKAS 41	Agriculture: Bearer Plants
Amendments to HKAS 27	Equity Method in Separate Financial Statements
Amendments to HKFRS 10, HKFRS 12 and HKAS 28	Investment Entities: Applying the Consolidation Exception
Amendments to HKFRSs	Annual Improvements to HKFRSs 2012–2014 Cycle

3. 主要會計政策(續)

以股本結算以股份為基礎付款的交易(續)

授予其他人士的購股權

為換取貨品或服務而發行的購股權按所獲貨品或服務的公平值計量。當本集團取得貨品或當交易對手提供服務時，所獲貨品或服務的公平值即時確認為開支，購股權儲備亦相應增加，惟貨品或服務符合資格確認為資產則除外。

應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)

於本中期期間，本集團已於本期間首次應用下列由香港會計師公會頒佈的新訂及經修訂香港財務報告準則：

香港財務報告準則第11號(修訂本)	收購合營業務權益的會計處理
香港會計準則第1號(修訂本)	披露計劃
香港會計準則第16號及香港會計準則第38號(修訂本)	澄清折舊及攤銷的可接納方法
香港會計準則第16號及香港會計準則第41號(修訂本)	農業：產花果植物
香港會計準則第27號(修訂本)	獨立財務報表的權益法
香港財務報告準則第10號、香港財務報告準則第12號及香港會計準則第28號(修訂本)	投資實體：應用綜合入賬的例外情況
香港財務報告準則(修訂本)	香港財務報告準則二零一二年至二零一四年週期的年度改進

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

3. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Application of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”) (Continued)

The application of these new and revised HKFRSs did not have any material impact on the Group’s condensed consolidated interim financial information.

4. REVENUE AND SEGMENT INFORMATION

The Group’s operating segments are determined based on information reported to the chief operating decision maker of the Group (the executive directors of the Company who are also directors of certain major operating subsidiaries), for the purpose of resource allocation and performance assessment. These directors regularly review revenue and results analysis by (i) OEM Business, (ii) Retail Business and (iii) Money Lending Business. No analysis of segment assets or segment liabilities is presented as such information is not regularly provided to these directors.

- (i) OEM Business: manufacturing and sales of OEM garment products
- (ii) Retail Business: retailing and wholesaling of garment products under the Group’s own brand and high-end fashion brand
- (iii) Money Lending Business: provision of loan services

3. 主要會計政策 (續)

應用新訂及經修訂香港財務報告準則(「香港財務報告準則」)(續)

應用此等新訂及經修訂香港財務報告準則並無對本集團的簡明綜合中期財務資料造成任何重大影響。

4. 收益及分部資料

本集團的營運分部乃根據向本集團主要經營決策者(本公司執行董事, 彼等亦為若干主要營運附屬公司的董事)就資源分配及表現評估而呈報的資料釐定。該等董事按(i)原設備製造業務; (ii)零售業務; 及(iii)放債業務。定期審閱收益及業績分析。由於該等董事未獲定期提供分部資產或分部負債的資料, 故並無呈列有關分析。

- (i) 原設備製造業務: 製造及銷售原設備製造服裝產品
- (ii) 零售業務: 在本集團自有品牌及高檔時裝品牌下零售及批發服裝產品
- (iii) 放債業務: 提供貸款服務

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簡明綜合財務報表附註

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4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

The following is an analysis of the Group's revenue and results by reportable and operating segments:

4. 收益及分部資料(續)

分部收益及業績

本集團按可呈報及營運分部劃分的收益及業績分析如下：

Six months ended 30 September 2016
(unaudited)

截至二零一六年九月三十日止
六個月(未經審核)

		OEM Business 原設備 製造業務 HK\$'000 千港元	Retail Business 零售業務 HK\$'000 千港元	Money lending business 放債業務 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益						
External sales	對外銷售	42,812	3,746	955	47,513	-	47,513
Inter-segment sales*	分部間銷售*	480	-	-	480	(480)	-
Total segment revenue	總分部收益	43,292	3,746	955	47,993	(480)	47,513
Results	業績						
Segment results	分部業績	(16,220)	(7,306)	797	(22,729)		(22,729)
Corporate expenses	企業開支						(52,198)
Share of result of an associate	分佔一家聯營公司的業績						(7,845)
Finance costs	財務成本						(746)
Other income and other gains and losses	其他收入以及 其他收益及虧損						87
Loss before taxation	除稅前虧損						(83,431)

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

4. REVENUE AND SEGMENT INFORMATION (Continued)

Segment revenue and results

(Continued)

Six months ended 30 September 2015
(unaudited)

4. 收益及分部資料(續)

分部收益及業績(續)

截至二零一五年九月三十日止
六個月(未經審核)

		OEM Business 原設備 製造業務 HK\$'000 千港元	Retail Business 零售業務 HK\$'000 千港元	Segment total 分部總計 HK\$'000 千港元	Eliminations 對銷 HK\$'000 千港元	Total 總計 HK\$'000 千港元
Revenue	收益					
External sales	對外銷售	111,270	7,970	119,240	-	119,240
Inter-segment sales*	分部間銷售*	4,343	-	4,343	(4,343)	-
Total segment revenue	總分部收益	115,613	7,970	123,583	(4,343)	119,240
Results	業績					
Segment results	分部業績	10,060	(5,823)	4,237	-	4,237
Corporate expenses	企業開支					(5,688)
Finance costs	財務成本					(1,233)
Other income and other gains and losses	其他收入以及其他收益及虧損					4,787
Profit before taxation	除稅前溢利					2,103

* Inter-segment revenue is charged at prevailing market rates.

* 分部間收益按現行市場價格入賬。

Segment results represents profit earned from each segment without allocation of other income and other gains and losses, corporate expenses, share of result of an associate and finance costs. This is the measure reported to the chief operating decision maker of the Group for the purpose of resource allocation and performance assessment.

分部業績指各分部所賺取的溢利，且並未分配其他收入以及其他收益及虧損、企業開支、分佔一家聯營公司的業績及財務成本。此乃向本集團主要經營決策者呈報以分配資源及評估表現的計量方法。

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

5. OTHER INCOME

5. 其他收入

	Three months ended 30 September		Six months ended 30 September	
	截至九月三十日止三個月		截至九月三十日止六個月	
	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Claims receivable from customers for cancelled orders 就客戶取消訂單的應收索償	90	1,349	108	5,086
Rental income from an investment property 來自一項投資物業的租金收入	-	-	-	83
Bank interest income 銀行利息收入	13	-	14	1
Others 其他	6	22	12	177
	109	1,371	134	5,347

6. OTHER GAINS AND LOSSES

6. 其他收益及虧損

	Three months ended 30 September		Six months ended 30 September	
	截至九月三十日止三個月		截至九月三十日止六個月	
	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
Net loss on disposal of property, plant and equipment 出售物業、廠房及設備的虧損淨額	-	(398)	-	(183)
Others 其他	(47)	(170)	(47)	(270)
	(47)	(568)	(47)	(453)

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

7. FINANCE COSTS

7. 財務成本

	Three months ended 30 September		Six months ended 30 September	
	截至九月三十日止三個月 2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)	截至九月三十日止六個月 2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)
Interest on:				
Bank borrowings wholly repayable within five years	326	713	685	1,229
Obligations under finance leases	-	2	-	4
Amounts due to directors	61	-	61	-
	387	715	746	1,233

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

8. INCOME TAX (CREDIT) EXPENSE 8. 所得稅(抵免)開支

		Three months ended 30 September 截至九月三十日止三個月		Six months ended 30 September 截至九月三十日止六個月	
		2016 二零一六年	2015 二零一五年	2016 二零一六年	2015 二零一五年
		HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元	HK\$'000 千港元
		(unaudited) (未經審核)	(unaudited) (未經審核)	(unaudited) (未經審核)	(unaudited) (未經審核)
Hong Kong Profits Tax (Note (i)) — current period	香港利得稅(附註(i)) — 本期間	(195)	1,309	-	2,637
PRC Enterprise Income Tax ("EIT") (Note (ii)) — current period	中國企業所得稅 (「企業所得稅」) (附註(ii)) — 本期間	-	186	-	186
		(195)	1,495	-	2,823
Deferred tax	遞延稅項	(291)	(36)	(290)	(60)
		(486)	1,459	(290)	2,763

Notes:

- (i) **Hong Kong**
Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit.
- (ii) **PRC**
PRC EIT is calculated based on the statutory rate of 25% of the assessable profit for those subsidiaries established in the PRC, as determined in accordance with the relevant income tax rules and regulations in the PRC.

附註：

- (i) **香港**
香港利得稅乃按估計應課稅溢利的16.5%計算。
- (ii) **中國**
中國企業所得稅乃按該等於中國成立的附屬公司應課稅溢利25%的法定稅率計算，有關稅率乃根據中國相關所得稅規例及條例釐定。

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

9. (LOSS) PROFIT FOR THE PERIOD/ COST OF SALES 9. 期內(虧損)溢利/銷售成本

(Loss) profit for the period 期內(虧損)溢利

		Three months ended 30 September 截至九月三十日止三個月		Six months ended 30 September 截至九月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)
Profit (loss) for the period has been arrived at after charging (crediting):	期內溢利(虧損)於扣除(計入)以下各項後計算得出:				
Directors' remuneration:	董事薪酬:				
— Fees	— 袍金	1,286	1,786	1,902	3,526
— Other emoluments, salaries and other benefits	— 其他酬金、工資及其他福利	–	252	–	486
— Retirement benefit scheme contributions	— 退休福利計劃供款	9	14	18	23
		1,295	2,052	1,920	4,035
Other staff salaries and allowances	其他員工工資及津貼	8,143	10,840	14,063	21,974
Retirement benefit scheme contributions, excluding those of directors	退休福利計劃供款(董事除外)	207	246	428	511
Share-based payments	以股份為基礎付款	3,214	–	3,214	–
Total employee benefits expenses	僱員福利開支總額	12,859	13,138	19,625	26,520
Cost of inventories recognised as an expense	已確認為開支的存貨成本	33,394	62,133	51,336	87,773
Depreciation of an investment property	一項投資物業折舊	19	20	38	40
Depreciation of property, plant and equipment	物業、廠房及設備折舊	536	1,293	1,159	2,731
Amortisation of intangible assets (included in administrative and other expenses)	無形資產攤銷(計入行政及其他開支)	1,152	–	1,152	–
Amortisation of prepaid lease payments	預付租賃款項攤銷	24	27	48	55
Allowance for inventories	存貨撥備	7,441	–	7,441	–
Net exchange loss	匯兌虧損淨額	375	48	503	76

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簡明綜合財務報表附註

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9. (LOSS) PROFIT FOR THE PERIOD/ COST OF SALES (Continued)

Costs of sales

Cost of sales included cost of inventories and other direct operating cost of retail business such as rental of retail shops.

10. DIVIDEND

The Board does not recommend the payment of a dividend for the six months ended 30 September 2016 (2015: Nil).

11. (LOSS) EARNINGS PER SHARE

The calculation of the basic (loss) earnings per share attributable to owners of the Company is based on the following data:

9. 期內(虧損)溢利／銷售成本(續)

銷售成本

銷售成本包括存貨成本及零售業務的其他直接經營成本，如零售商舖租金。

10. 股息

董事會不建議就截至二零一六年九月三十日止六個月派付股息(二零一五年：無)。

11. 每股(虧損)盈利

本公司擁有人應佔每股基本(虧損)盈利乃按以下數據計算：

	Three months ended 30 September		Six months ended 30 September	
	截至九月三十日止三個月		截至九月三十日止六個月	
	2016	2015	2016	2015
	二零一六年	二零一五年	二零一六年	二零一五年
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	千港元	千港元	千港元	千港元
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	(未經審核)	(未經審核)	(未經審核)	(未經審核)
(Loss) earnings	(虧損) 盈利			
(Loss) earnings for the purposes of basic earnings per share (loss) profit for the period attributable to the owners of the Company)	計算每股基本盈利所用的(虧損)盈利(本公司擁有人應佔期內(虧損)溢利)			
	(67,757)	2,922	(82,253)	(660)
Number of shares	股份數目			
Weighted average number of ordinary shares in issue for the purposes of basic (loss) earnings per share	計算每股基本(虧損)盈利所用的已發行普通股加權平均數			
Effect of dilutive potential ordinary shares in respect of share options (Note)	與購股權有關的潛在攤薄普通股的影響(附註)			
	23,399,289,764	20,000,000,000	21,776,862,885	20,000,000,000
	-	-	-	-
Weighted average number of ordinary shares for the purposes of dilutive (loss) earnings per share	計算每股攤薄(虧損)盈利所用的已發行普通股加權平均數			
	23,399,289,764	20,000,000,000	21,776,862,885	20,000,000,000

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

11. (LOSS) EARNINGS PER SHARE

(Continued)

Note: The computation of diluted loss per share for the three months and six months ended 30 September 2016 does not assume the exercise of the Company's share options since their exercise would result in an increase in loss per share.

The weighted average number of ordinary shares for the purpose of basic earnings (loss) per share for the three months and six months ended 30 September 2016 and 2015 have been adjusted for the subdivision of shares as detailed in note 19(ii).

No diluted (loss) earnings per share has been presented for the three months and six months ended 30 September 2015 as the Company has no potential dilutive ordinary shares outstanding during both periods.

12. INTANGIBLE ASSETS

The intangible assets represent trademark and employment service contract which arose from acquisition of business as disclosed in note 21.

13. INTEREST IN AN ASSOCIATE

On 28 April 2016, the Group entered into a sales and purchase agreement with New Star International Development Limited, SOPD, Incisight Limited, Zhu Jun, Lai Kwok Ho, Li Jia, Chi Weina and Ji Wei (collectively the "Vendors") and The9 Limited ("Guarantor") pursuant to which the Group conditionally agreed to purchase 47.63% of equity interests in Red 5 Studios, Inc. ("Red 5"), a limited liability company incorporated in Delaware, the United States of America.

11. 每股(虧損)盈利(續)

附註：計算截至二零一六年九月三十日止三個月及六個月的每股攤薄盈利並無假設本公司購股權獲行使，原因為行使將會導致每股虧損增加。

計算截至二零一六年及二零一五年九月三十日止三個月及六個月的每股基本盈利(虧損)所用的普通股加權平均數已就附註19(ii)所詳述的股份拆細作出調整。

由於本公司於兩個期間並無發行在外的潛在攤薄普通股，故並無呈列截至二零一五年九月三十日止三個月及六個月的每股攤薄(虧損)盈利。

12. 無形資產

無形資產指附註21所披露收購業務產生的商標及僱傭服務合約。

13. 於一家聯營公司的權益

於二零一六年四月二十八日，本集團與New Star International Development Limited、東方明珠、Incisight Limited、朱駿、Lai Kwok Ho、Li Jia、Chi Weina及Ji Wei(統稱「賣方」)及第九城市(「擔保人」)訂立買賣協議，據此，本集團有條件同意購買Red 5 Studios, Inc. (「Red 5」，於美利堅合眾國特拉華州註冊成立的有限公司)的47.63%股權。

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簡明綜合財務報表附註

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13. INTEREST IN AN ASSOCIATE

(Continued)

Red 5 and its subsidiaries are principally engaged in the development of innovative entertainment software and online games in the United States of America, Europe, the PRC and Southeast Asia. The acquisition was completed on 20 June 2016. 226,022,723 shares of the Company were allotted and issued to Vendors in proportion to numbers of shares sold by each of the Vendor.

Cost of investment in Red 5 and its subsidiaries was approximately HK\$472,387,000, which represented the fair value of the ordinary shares of the Company, determined using the published bid price available at 20 June 2016.

14. LOAN RECEIVABLES

The exposure of the Group's fixed-rate loan receivables to interest rate risks and their contractual maturity dates are as follows:

13. 貿易及其他應收款項 (續)

Red 5 及其附屬公司主要於美利堅合眾國、歐洲、中國及東南亞從事創新娛樂軟件及網絡遊戲開發。收購已於二零一六年六月二十日完成。226,022,723 股本公司股份獲按賣方所售入股數比例配發及發行予各賣方。

Red 5 及附屬公司的投資成本約為 472,387,000 港元，即按二零一六年六月二十日已公佈購買價所釐定本公司普通股的公平值。

14. 應收貸款

本集團固定利率應收貸款所涉及的利率風險及其合同到期日如下：

	30 September 2016 二零一六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
Fixed-rate loan receivables: 應收固定利率貸款：		
Within one year 一年內	50,000	-
In more than one year but not more than two years 一年以上但不超過兩年	35,000	-
	85,000	-

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簡明綜合財務報表附註

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14. LOAN RECEIVABLES (Continued)

The ranges of effective interest rates on the Group's loan receivables are as follows:

14. 應收貸款 (續)

本集團應收貸款的實際利率範圍介乎：

		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
Effective interest rate:	實際利率：	12% to 18% p.a. 年利率	N/A
Fixed-rate loan receivables	應收固定利率貸款	12 厘至 18 厘	不適用

The collaterals of loan receivables included shares of a private company in Hong Kong and a company listed on the Stock Exchange.

應收貸款的抵押品包括香港私人公司及一家聯交所上市公司的股份。

15. TRADE AND OTHER RECEIVABLES

15. 貿易及其他應收款項

		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
Trade receivables, net of allowance for doubtful debts	貿易應收款項(扣除呆賬撥備)	8,076	23,556
Prepayments, deposits and other receivables	預付款項、按金及其他應收款項	5,378	4,861
Interest receivables	應收利息	955	-
Consideration receivable	應收代價	-	14,149
		14,409	42,566

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

15. TRADE AND OTHER RECEIVABLES 15. 貿易應付款項(續)

(Continued)

The Group allows credit period ranging from 30 days to 60 days to customers from OEM Business. For Retail Business, its revenue comprises of cash, credit card sales and concessionaire sales through concession counters in department stores. The credit period granted to banks and department stores ranges from 30 days to 60 days.

The following is an ageing analysis of trade receivables, net of allowance for doubtful debts presented based on the invoice date or the monthly statement received from department stores at the end of the reporting period.

本集團授予原設備製造業務客戶的信貸期介乎30日至60日。就零售業務而言，其收入包括現金、信用卡銷售及在百貨商店專櫃進行的寄賣銷售。授予銀行及百貨商店的信貸期介乎30日至60日。

以下為於報告期末按發票日期或收到來自百貨商店的月結單呈列的貿易應收款項(扣除呆壞賬撥備)的賬齡分析。

		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
0-30 days	0至30日	6,247	21,412
31-60 days	31至60日	-	444
61-90 days	61至90日	-	202
Over 90 days	90日以上	1,829	1,498
		8,076	23,556

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

16. TRADE PAYABLES

The ageing analysis of the trade creditors presented based on the invoice date at the end of each reporting period is as follows:

16. 貿易應付款項

於各報告期末按發票日期呈列的貿易應付賬款賬齡分析載列如下：

		30 September 2016 二零一六年 九月三十日 HK\$'000 千港元 (unaudited) (未經審核)	31 March 2016 二零一六年 三月三十一日 HK\$'000 千港元 (audited) (經審核)
0 to 60 days	0至60日	134	13,808
61 to 90 days	61至90日	-	7
Over 90 days	90日以上	288	290
		422	14,105

17. AMOUNTS DUE TO DIRECTORS

The balances represented amounts due to Mr. Ng Ka Ho and Mr. Ma Chi Ming. The balances were denominated in HK\$, bearing interest at the fixed rate of 8% per annum, unsecured and repayable on demand.

17. 應付董事款項

有關結餘指應付吳家豪先生及馬志明先生的款項。該等結餘以港元計值、按固定年利率8厘計息、無抵押及須應要求償還。

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18. BANK BORROWINGS

During the current interim period, the Group obtained new bank borrowings amounting to approximately HK\$36,495,000 (2015: approximately HK\$73,841,000) and repaid approximately HK\$56,834,000 (2015: approximately HK\$61,994,000).

The bank borrowings of the Group are secured and repayable within one year from the end of the reporting period based on scheduled repayment dates set out in the loan agreements. All the bank borrowings contain a repayable on demand clause, hence, the amounts are shown under current liabilities.

The bank borrowings as at 30 September 2016 carry interest at Trade Finance Rate quoted by the lender plus 1.00% to 1.75% per annum (31 March 2016: carry interests at Trade Finance Rate quote by the lender plus 1.00% to 1.75% per annum). The ranges of effective interest rates on borrowings are 4.26% to 8.22% per annum as at 30 September 2016 (31 March 2016: 2.01% to 6.75% per annum).

The trust receipt loans of HK\$1,695,000 and advance to manufacturers on purchase orders of HK\$7,002,000 (31 March 2016: trust receipt loan of HK\$11,816,000 and advance to manufacturer loans of HK\$17,221,000) were secured by:

- Undertakings of certain subsidiaries of the Company
- Pledged bank deposits of HK\$14,211,000 (31 March 2016: HK\$14,418,000)

18. 銀行借貸

於本中期期間，本集團取得約36,495,000港元(二零一五年：約73,841,000港元)的新造銀行借貸，並償還約56,834,000港元(二零一五年：約61,994,000港元)的借貸。

本集團的銀行借貸為有抵押及須根據貸款協議所載預訂償還日期於報告期末起計一年內償還。所有銀行借貸均包含須應要求償還的條款，因此，該等款項於流動負債項下列示。

於二零一六年九月三十日，銀行借貸按貸款人所報貿易融資利率加年利率1.00厘或1.75厘計息(二零一六年三月三十一日：按貸款人所報貿易融資利率加年利率1.00厘至1.75厘計息)。於二零一六年九月三十日，借貸實際年利率介乎4.26厘至8.22厘(二零一六年三月三十一日：年利率介乎2.01厘至6.75厘)。

為數1,695,000港元的信託收據貸款及為數7,002,000港元就購買訂單向製造商提供的墊款(二零一六年三月三十一日：為數11,816,000港元的信託收據貸款及為數17,221,000港元的墊付製造商貸款)乃以下列各項作抵押：

- 本公司若干附屬公司的承諾
- 為數14,211,000港元的已抵押銀行存款(二零一六年三月三十一日：14,418,000港元)

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18. BANK BORROWINGS (Continued)

During the current interim period, the Group could not comply with certain bank covenants under the bank facilities, which are primarily related to the consolidated tangible net worth of the Group. On discovery of the breach, the directors of the Company informed the lender and commenced a renegotiation of the terms of the borrowings with the relevant banker. As at 31 March 2016, the relevant bank borrowings amounted to approximately HK\$8,697,000. In addition, on 11 May 2016, the Group further breached another covenant requirement of the bank borrowings as the Group could not comply with the shareholding requirement upon the enforcement of Share Charge as stated in note 1. Up to the date of approval for issuance of these condensed consolidated financial statements, all the outstanding bank borrowings have been repaid and no new bank borrowings have been obtained. In any event, the directors of the Company believe that adequate alternative sources of finance are available to ensure that there is no threat to the continuing operations of the Group.

18. 銀行借貸(續)

於本中期期間，本集團未能遵守銀行融資項下若干銀行契約，有關條款主要與本集團綜合有形淨值有關。於發現違約時，本公司董事知會借貸人並開始與相關銀行重新磋商借貸條款。於二零一六年三月三十一日，相關銀行借貸約為8,697,000港元。此外，於二零一六年五月十一日，本集團又再違反另一契約規定，原因為本集團未能符合附註1所述實行股份押記的持股要求。截至該等簡明綜合財務報表批准刊發日期，已倘還所有銀行借貸，且並無取得任何新銀行借貸。於任何情況下，本公司董事相信具備其他充裕財務資源，確保對本集團持續經營並無構成威脅。

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簡明綜合財務報表附註

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19. SHARE CAPITAL

19. 股本

	Notes 附註	Number of shares 股份數目	Amount 金額 HK\$'000 千港元
Authorised:	法定：		
— At 1 April 2016, ordinary shares of HK\$0.01 each	— 於二零一六年四月一日，每股面值0.01港元的普通股	10,000,000,000	100,000
— Increase in authorised share capital, ordinary shares of HK\$0.002 each	— 增加法定股本，每股面值0.002港元的普通股	40,000,000,000	—
— At 30 September 2016, ordinary shares of HK\$0.002 each	— 於二零一六年九月三十日，每股面值0.002港元的普通股	(ii) 50,000,000,000	100,000
Issued and fully paid:	已發行及繳足：		
— At 1 April 2016, ordinary shares of HK\$0.01 each	— 於二零一六年四月一日，每股面值0.01港元的普通股	4,000,000,000	40,000
— Issue of shares upon acquisition of an associate	— 於收購一家聯營公司時發行股份	(i) 226,022,723	2,260
— Share subdivision of HK\$0.002 each	— 股份分拆為每股面值0.002港元	(ii) 16,904,090,892	—
— Issue of shares upon placing	— 於配售時發行股份	(iii) 2,869,886,385	5,740
— Exercise of share options	— 行使購股權	(iv) 1,600,000,000	3,200
— At 30 September 2016, ordinary shares of HK\$0.002 each	— 於二零一六年九月三十日，每股面值0.002港元的普通股	25,600,000,000	51,200

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

19. SHARE CAPITAL (Continued)

Notes:

- (i) On 20 June 2016, 226,022,723 ordinary shares of the Company of HK\$0.01 each were issued in relation to the acquisition of an associate as disclosed in note 13.
- (ii) Pursuant to the resolutions of the shareholders passed at an extraordinary general meeting of the Company on 21 June 2016, every one issued and unissued ordinary share with a par value of HK\$0.01 each in the share capital of the Company was subdivided into 5 ordinary shares with a par value of HK\$0.002 each, such that the authorised share capital of the Company is HK\$100,000,000 divided into 50,000,000,000 shares with a par value of HK\$0.002 each, the subdivided shares shall rank pari passu in all aspects with each other in accordance with the memorandum and articles of association of the Company.
- (iii) On 11 August 2016, 2,869,886,385 new shares of the Company were placed at the placing price of HK\$0.0209 per placing share. For details, details of these are set out in the Company's announcement dated 11 August 2016.
- (iv) During the current interim period, 1,600,000,000 ordinary shares of the Company of HK\$0.002 each were issued upon the exercise of 1,600,000,000 share options.

19. 股本(續)

附註：

- (i) 於二零一六年六月二十日，就附註13所披露收購一家聯營公司發行226,022,723股每股面值0.01港元的本公司普通股。
- (ii) 根據股東於二零一六年六月二十一日舉行的本公司股東特別大會上通過的決議案，本公司股本中每一股面值0.01港元的已發行及未發行普通股分拆為五股每股面值0.002港元的普通股，致使本公司的法定股本為100,000,000港元(分為50,000,000,000股每股面值為0.002港元的股份)，根據本公司組織章程大綱及細則，分拆股份彼此於各方面享有同等權益。
- (iii) 於二零一六年八月十一日，2,869,886,385股本公司新股份按配售價每股配售股份0.0209港元配售。有關詳情載於本公司日期為二零一六年八月十一日的公佈。
- (iv) 於本中期期間，1,600,000,000股每股面值0.002港元的本公司普通股於1,600,000,000份購股權獲行使時發行。

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

20. RELATED PARTY DISCLOSURES

(a) Related party balances

Details of the outstanding balances with related parties are set out in the condensed consolidated statement of financial position and in note 17.

(b) Related party transactions

Saved as disclosed in the condensed consolidated financial statements, the Group entered into the following transactions with related parties:

20. 關連方披露

(a) 關連方結餘

與關連方的尚未償還結餘詳情載於簡明綜合財務狀況表以及附註 17。

(b) 關連方交易

除簡明綜合財務報表所披露者外，本集團與關連方訂有下列交易：

Related party	Nature of expenses paid/ payable by the Group 本集團已付／應付的開支性質	Three months ended 30 September 截至九月三十日止三個月		Six months ended 30 September 截至九月三十日止六個月	
		2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)
Mr. Yang Wan Ho 楊文豪先生	Rental 租金	62	62	123	123
Parkerson Trading Limited	Rental 租金	53	53	105	105
Kitwise Limited	Rental 租金	122	122	244	244
Mr. Ng Ka Ho 吳家豪先生	Interest 利息	33	-	33	-
Mr. Ma Chi Ming 馬志明先生	Interest 利息	28	-	28	-

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簡明綜合財務報表附註

For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

20. RELATED PARTY DISCLOSURES

20. 關連方披露(續)

(Continued)

(c) Compensation of directors and key management personnel

(c) 董事及主要管理人員薪酬

	Three months ended 30 September		Six months ended 30 September	
	截至九月三十日止三個月 2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)	截至九月三十日止六個月 2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	2015 二零一五年 HK\$'000 千港元 (unaudited) (未經審核)
Salaries and other allowances 工資及其他津貼	1,286	2,340	1,902	4,617
Retirement benefit scheme and contributions 退休福利計劃及供款	9	14	18	23
	1,295	2,354	1,920	4,640

The remuneration of directors and key management personnel are determined having regard to the performance of the individuals.

董事及主要管理人員薪酬乃參考個人表現釐定。

21. ACQUISITION OF A BUSINESS

On 17 May 2016, the Group acquired 55.56% of the issued share capital of Aji On Worldwide Holdings Limited and its subsidiaries (collectively "Aji On") for a cash consideration of HK\$13,000,000, subject to the revenue guarantee of and adjustments on consideration. This acquisition has been accounted for using the purchase method. The amount of provisional goodwill arising as a result of the acquisition was HK\$7,936,000. Aji On was acquired so as to captivate audiences of high-end fashion retail industry in the PRC.

21. 收購一項業務

於二零一六年五月十七日，本集團以現金代價13,000,000港元收購Aji On Worldwide Holdings Limited及其附屬公司(統稱「Aji On」)的55.56%已發行股本(受限於收益保證及代價調整)。此收購事項已按購買法列賬。收購事項所產生的暫定商譽為7,936,000港元。收購Aji On旨在吸引中國高級時裝零售業的顧客。

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簡明綜合財務報表附註

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21. ACQUISITION OF A BUSINESS

(Continued)

Based on the acquisition agreement of Aji On, the revenue guarantee of Aji On from 17 May 2016 till 31 December 2018 will be 3.33 multiplied by the total amount the Company will be advanced to Aji On from 17 May 2016 till 31 December 2018, which will not be exceeding RMB9,000,000 ("Revenue Guarantee"). In case the Revenue Guarantee could not be met, the seller of Aji On is required to pay back the Company an amount of 5% of the Revenue Guarantee.

As at the acquisition date and up to the date of the issuance of this condensed consolidated financial statements, the directors are of the opinion that the revenue guarantee would be met based on the latest forecast of Aji On. No adjustment to the contingent consideration is considered necessary, however, it may be adjusted upon the completion of initial accounting year which shall not exceed on year from the respective acquisition date when the directors consider probable that the Revenue Guarantee cannot be met.

Acquisition-related costs amounting to HK\$201,000 have been excluded from the consideration transferred and have been recognised as an expense in the current reporting period, within the administrative expenses line item in the condensed consolidated statement of profit or loss and other comprehensive income.

21. 收購一項業務 (續)

根據Aji On的收購協議，Aji On由二零一六年五月十七日至二零一八年十二月三十一日的收益保證將為本公司由二零一六年五月十七日至二零一八年十二月三十一日向Aji On墊付總額的3.33倍，有關總額將不會超過人民幣9,000,000元（「收益保證」）。倘未能達到收益保證，Aji On的賣方須向本公司歸還收益保證的5%。

於收購日期及截至本簡明綜合財務報表刊發日期，董事認為，根據Aji On的最新預測，收益保證可獲達成。或然代價毋須作出調整，然而，於初始會計年度（自各收購日期起計不超過一年）完成時，倘董事認為收益保證可能無法達成，或然代價或會調整。

收購相關成本201,000港元已自所轉讓代價中剔除，並已於本報告期間在簡明綜合損益及其他全面收益表的行政開支內確認為開支。

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21. ACQUISITION OF A BUSINESS

21. 收購一項業務 (續)

(Continued)

Assets acquired and liabilities recognised at the date of acquisition are as follows:

於收購日期所收購資產及所確
認負債如下：

		HK\$'000 千港元
Intangible assets	無形資產	12,373
Other receivables	其他應收款項	309
Bank balances and cash	銀行結餘及現金	628
Other payables	其他應付款項	(1,102)
Deferred tax liabilities	遞延稅項負債	(3,093)
		9,115

Provisional goodwill arising on acquisition:

收購事項所產生的暫定商譽：

		HK\$'000 千港元
Consideration transferred	所轉讓代價	13,000
Plus: non-controlling interests (44.44% in Aji On)	加：非控股權益 (Aji On 的44.44%權益)	4,051
Less: net assets acquired	減：所收購資產淨值	(9,115)
		7,936
Provisional goodwill arising on acquisition	收購事項所產生的暫定商譽	7,936

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簡明綜合財務報表附註

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21. ACQUISITION OF A BUSINESS

(Continued)

Cash flows arising on acquisition:

21. 收購一項業務(續)

收購事項所產生的現金流量：

	HK\$'000 千港元
Cash consideration paid for acquisition 就收購事項已付現金代價	13,000
Less: bank balances and cash acquired 減：所收購銀行結餘及現金	(628)
Net cash outflow 現金流出淨額	12,372

Provisional goodwill arose in the acquisition of Aji On because the cost of the combination included a control premium. In addition, the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce of Aji On. These benefits are not recognised separately from provisional goodwill because they do not meet the recognition criteria for identifiable intangible assets.

None of the provisional goodwill arising on this acquisition is expected to be deductible for tax purposes.

The provisional goodwill arising from the above acquisition is determined on a provisional basis as the Group is in the process of completing the identification of separable intangible assets and the independent valuation to assess the provisional fair value of the identifiable assets acquired. It may be adjusted upon the completion of initial accounting year which shall not exceed one year from the respective acquisition date.

由於合併成本(包括控制權溢價)，令收購Aji On產生暫定商譽。此外，合併的已付代價實際包括與預期協同效益的利益、收益增長、未來市場發展及Aji On的整體人手有關的金額。此等利益未與暫定商譽分開確認，原因為其未符合可識別無形資產的確認標準。

預計本收購事項產生的暫定商譽概不可作扣稅用途。

上述收購事項產生的暫定商譽按暫定基準釐定，原因為本集團正待完成可分離無形資產的識別工作以及所收購可識別資產的獨立估值以釐定其暫定公平值。於初始會計年度(自各收購日期起計不超過一年)完成時，商譽或會調整。

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簡明綜合財務報表附註

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21. ACQUISITION OF A BUSINESS

(Continued)

During the current interim period, acquired businesses contributed HK\$33,000 to the Group's revenue and incurred loss of HK\$1,997,000 for the period between the date of acquisition and the end of the reporting period.

Had the above acquisition been effected at the beginning of the current interim period, the total amount of revenue of the Group for the current interim period would have been HK\$47,513,000, and the amount of the loss would have been HK\$82,538,000. The pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisitions been completed at the beginning of the current interim period, nor is it intended to be a projection of future results.

22. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 25 September 2014 for the primary purpose of providing incentives or rewards to eligible participants, and will expire on 10 October 2024. Under the Scheme, the Board of Directors of the Company may grant options to:

- (a) any employee or proposed employee (whether full-time or part-time and including any executive director), consultants or advisers of or to the Company, any of the subsidiaries or any entity (the "Invested Entity") in which the Company holds an equity interest;
- (b) any non-executive Directors (including independent non-executive directors) of the Company, any of the subsidiaries or any Invested Entity;

21. 收購一項業務 (續)

於本中期期間，所收購業務自收購日期至報告期末為本集團貢獻收益33,000港元及產生虧損1,997,000港元。

倘上述收購事項於本中期期初生效，本集團於本中期期間的收益總額將為47,513,000港元，而虧損則為82,538,000港元。備考資料僅供說明用途，並不代表假設收購事項於本中期期初完成，本集團實際將取得的收益及經營業績，並不應被視為未來業績的預測。

22. 購股權計劃

本公司根據於二零一四年九月二十五日通過的決議案採納購股權計劃（「該計劃」），主要旨在鼓勵或獎勵合資格參與者，該計劃將於二零二四年十月十日屆滿。根據該計劃，本公司董事會可授出購股權予：

- (a) 本公司、其任何附屬公司或本公司持有股本權益的任何實體（「投資實體」）的任何僱員或擬聘請僱員（不論全職或兼職，包括任何執行董事）、顧問或諮詢人；
- (b) 本公司、任何附屬公司或任何投資實體的任何非執行董事（包括獨立非執行董事）；

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22. SHARE OPTION SCHEME (Continued)

- (c) any supplier of goods or services to the Company or any of its subsidiaries or any Invested Entity;
- (d) any customer of the Group or any Invested Entity;
- (e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and
- (f) any shareholders or any shareholder of any of its subsidiaries or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

At 30 September 2016, the number of shares in respect of which options had been granted and remained outstanding under the Scheme was 200,000,000, representing 0.8% (2015: Nil) of the shares of the Company in issue at that date. The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

22. 購股權計劃(續)

- (c) 本公司或其任何附屬公司或任何投資實體的任何貨品或服務供應商；
- (d) 本集團或任何投資實體的任何客戶；
- (e) 為本集團或任何投資實體提供研究、開發或其他技術支援的任何人士或實體；及
- (f) 任何股東或其任何附屬公司或任何投資實體的任何股東或本集團任何成員公司或任何投資實體所發行任何證券的任何持有人。

於二零一六年九月三十日，根據該計劃已授出及尚未行使的購股權所涉及的股份數目為200,000,000股，相當於本公司於該日已發行股份的0.8%（二零一五年：無）。未經本公司股東事先批准的情況下，根據該計劃可能授出的購股權涉及的股份總數不得超過本公司任何時候已發行股份的10%。未經本公司股東事先批准的情況下，於任何一年內向任何人士授出及可能授出的購股權所涉及的已發行及將發行的股份數目不得超過本公司任何時候已發行股份的1%。

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22. SHARE OPTION SCHEME (Continued)

Options granted must be taken up within 28 days of the date of grant, upon payment of HK\$1 per option. Options may be exercised at any time from the date of grant of the share option. The exercise price is determined by the directors of the Company, and will not be less than the highest of (i) the average closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of the option (which must be a business day); and (ii) the closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day).

The following table discloses movements of the Company's share options held by employees and consultants during the current interim period:

22. 購股權計劃(續)

授出的購股權須在授出日期後28日內支付每份購股權1港元付款方獲接納。購股權自購股權授出日期起可隨時行使。行使價由本公司董事釐定，惟不得低於以下的最高者：(i) 普通股於緊接授出購股權日期（必須為營業日）前五個營業日聯交所每日報價表所報平均收市價；及(ii) 普通股於授出購股權日期（必須為營業日）聯交所每日報價表所報收市價。

下表披露僱員及顧問所持本公司購股權於本中中期期間的變動：

		Outstanding at 1 April 2016 於二零一六年 四月一日 尚未行使	Granted during period 期內已授出	Exercised during period 期內已行使	Outstanding at 30 September 2016 於二零一六年 九月三十日 尚未行使
Consultants	顧問	-	1,600,000,000	(1,400,000,000)	200,000,000
Employees	僱員	-	200,000,000	(200,000,000)	-
		-	1,800,000,000	(1,600,000,000)	200,000,000
Exercisable at the end of the period	於期末可予行使				200,000,000
Weighted average exercise price	加權平均行使價	N/A 不適用	HK\$0.0256 0.0256港元	HK\$0.0256 0.0256港元	HK\$0.0256 0.0256港元

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22. SHARE OPTION SCHEME (Continued)

The options were granted on 22 July 2016. The estimate fair value of the options granted is HK\$37,006,000.

In respect of the share options exercised during current interim period, the weighted average share price at the dates of exercise is HK\$0.048.

These fair value was calculated by Roma Appraisals Limited, an independent qualified professional valuer not connected with the Group, using the Binomial model. The inputs into the model were as follows:

Weighted average share price	HK\$0.024
Exercise price	HK\$0.0256
Expected volatility	98.02%
Expected life	9.99 years
Risk-free rate	0.98%
Expected dividend yield	nil

Expected volatility was determined by using the historical volatility of the Company's share price since 10 October 2014, the date of the Company has been listed on the Growth Enterprise Market of the Stock Exchange. The expected life used in the model has been adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioral considerations.

The Group recognised the total expense of HK\$37,006,000 during the current interim period in relation to share options granted by the Company.

23. NON-CASH TRANSACTION

During the current interim period, the acquisition of 47.63% of equity interest in Red 5 was settled by the allotment and issuance of the Company's ordinary shares.

22. 購股權計劃(續)

購股權於二零一六年七月二十二日獲授出。已授出購股權的公平值估計為37,006,000港元。

就本中期間已行使購股權而言，於行使日期的加權平均股價為0.048港元。

此等公平值乃與本集團概無關連的獨立合資格估值師羅馬國際評估有限公司以二項式模式計算。模式所用的輸入數據如下：

加權平均股價	0.024 港元
行使價	0.0256 港元
預期波幅	98.02%
預計年期	9.99 年
無風險利率	0.98%
預期股息收益	無

預期波幅乃使用自二零一四年十月十日(即本公司於聯交所創業板上市當日)以來本公司股價的歷史波幅釐定。模式所用的預計年期已根據管理層就非轉讓性、行使限制及行為因素影響的最佳估算進行調整。

於本中期間，本集團就本公司所授出購股權確認開支總額37,006,000港元。

23. 非現金交易

於本中期間，收購Red 5的47.63%股權已透過配發及發行本公司普通股償付。

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For the six months ended 30 September 2016 截至二零一六年九月三十日止六個月

24. LEGAL PROCEEDINGS

During the current interim period, there were 2 legal proceedings against the Company:

(i) Registration of Shares of the Company (the "Registration")

Reference is made to the Company's announcements dated 9 August 2016 and 28 October 2016 in relation to the originating summons dated 27 July 2016 (the "Originating Summons of the Registration") filed by (i) Sun Jiyou; (ii) Chen Haiyan; (iii) Liu Jing; (iv) Ling Chuanshun; (v) Zhang Bing; and (vi) Xiao Laiwen as the plaintiffs (collectively, the "Plaintiffs of the Registration") against the Company and Yang's Holdings Capital Limited ("Yang's Holdings") as the defendants in the High Court of Hong Kong (the "Court") (the "Legal Proceedings of the Registration") and a summons dated 28 July 2016 (the "Summons of the Registration") filed by the Plaintiffs of the Registration for the Legal Proceedings of the Registration.

In the Originating Summons of the Registration, the Plaintiffs of the Registration sought, *inter alia*, (i) orders from the Court that the Company shall register in aggregate of 1,545,000,000 shares of the Company (the "Relevant Shares") which were allegedly transferred from Yang's Holdings to the Plaintiffs of the Registration; (ii) declaration from the Court that the Plaintiffs of the Registration are the beneficial owners of the Relevant Shares in their respective proportion; and (iii) an injunction, *inter alia*, that pending registration of the Plaintiffs of the Registration as the registered shareholders of the Company, Yang's Holdings shall exercise all rights attached to the Relevant Shares (including but not limited to voting rights at general meetings of the Company) according to the instructions of the Plaintiffs of the Registration and, that the Company shall exercise and/or count the votes of the Plaintiffs of the Registration in the general meetings.

24. 法律訴訟

於本中期期間，有兩宗針對本公司的法律訴訟：

(i) 本公司股份登記（「登記」）

茲提述本公司日期為二零一六年八月九日及二零一六年十月二十八日的公佈，內容有關由 (i) Sun Jiyou；(ii) Chen Haiyan；(iii) Liu Jing；(iv) Ling Chuanshun；(v) Zhang Bing；及(vi) Xiao Laiwen 作為原告（統稱「登記原告」）入稟香港高等法院（「法院」）對本公司及 Yang's Holdings Capital Limited（「Yang's Holdings」）作為被告發出日期為二零一六年七月二十七日的原訴傳票（「登記原訴傳票」）（「登記法律程序」），以及登記法律程序的登記原告入稟發出日期為二零一六年七月二十八日的傳票（「登記傳票」）。

根據登記原訴傳票，登記原告尋求（其中包括）(i) 法庭頒令本公司須登記聲稱由 Yang's Holdings 轉讓予登記原告的合共 1,545,000,000 股本公司股份（「有關股份」）；(ii) 法庭宣佈登記原告按各自所佔比例為有關股份的實益擁有人；及(iii) 頒發禁制令促使（其中包括）Yang's Holdings 在登記原告登記為本公司登記股東之前須按登記原告的指示行使有關股份附帶的全部權利（包括但不限於在本公司股東大會的表決權），而本公司須承認及／或計算登記原告在股東大會上行使的表決權。

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24. LEGAL PROCEEDINGS (Continued)

(i) Registration of Shares of the Company (the "Registration")

(Continued)

In the Summons of the Registration, the Plaintiffs of the Registration applied for, inter alia, (i) an order that Yang's Holdings be compelled to exercise its voting rights in any general meetings of the Company in accordance with the instructions of the Plaintiffs of the Registration; (ii) an order that the Company shall register the transfer of the Relevant Shares (the "Registration Order Sought"); and (iii) an injunction against the Company that the Company be restrained from holding any general meeting of the shareholders (including but not limited to the annual general meeting) until such date after the completion of the registration of the Relevant Shares (the "Injunction Sought").

The Summons of the Registration was heard on 5 August 2016, the Court ordered, inter alia, that (i) Yang's Holdings shall exercise its voting rights in respect of the Relevant Shares in any general meetings of the Company in accordance with the instructions of the Plaintiffs of the Registration (the "Voting Order") and the other orders sought by the Plaintiffs of the Registration in the Summons of the Registration be adjourned for argument.

24. 法律訴訟 (續)

(i) 本公司股份登記 (「登記」) (續)

根據登記傳票，登記原告申請 (其中包括) (i) 頒令強制 Yang's Holdings 於本公司任何股東大會上按登記原告指示行使其表決權；(ii) 頒令本公司須辦理有關股份的轉讓登記 (「尋求登記令」)；及 (iii) 向本公司頒發禁制令不得舉行任何股東大會 (包括但不限於股東週年大會)，直至辦妥有關股份登記手續翌日 (「尋求禁制令」)。

登記傳票已於二零一六年八月五日進行聆訊，法院頒令 (其中包括) (i) Yang's Holdings 須於本公司任何股東大會上按登記原告指示行使有關股份的表決權 (「表決令」) 及押後爭論登記原告於登記傳票中尋求的其他命令。

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24. LEGAL PROCEEDINGS (Continued)

(i) Registration of Shares of the Company (the "Registration")

(Continued)

On 23 August 2016, Flying Mortgage Limited (the "Flying Mortgage"), who claims to have interests in the Relevant Shares, issued a summons ("Flying Mortgage Summons"), inter alia, for leave to (i) intervene in the Legal Proceedings of the Registration; (ii) be joined as the third defendant in the Legal Proceedings of the Registration; and (iii) vary the Voting Order to the effect that Yang's Holdings shall not exercise its voting rights in respect of the Relevant Shares in any general meeting of the Company.

The Court gave a written decision on 26 October 2016 and ruled, inter alia, that (i) the Registration Order Sought and the Injunction Sought in the Summons of the Registration be dismissed; (ii) the Voting Order be varied to the effect that Yang's Holdings shall not exercise its voting rights in respect of the Relevant Shares in any general meeting of the Company until further order; (iii) Flying Mortgage was allowed to intervene and be joined as the third defendant in the Legal Proceedings of the Registration; and (iv) the Company shall not register the Relevant Shares until further order of the Court.

The directors of the Company will follow the Court Order in relation to the Registration of the Shares. In the opinion of the directors of the Company, no contingent liability is expected up to the date of this condensed consolidated financial statements.

24. 法律訴訟 (續)

(i) 本公司股份登記 (「登記」) (續)

於二零一六年八月二十三日，聲稱於有關股份擁有權益的飛亞物業按揭有限公司 (「飛亞物業按揭」) 發出一份傳票 (「飛亞物業按揭傳票」)，要求許可 (其中包括) (i) 介入登記法律程序；(ii) 加入為登記法律程序的第三被告；及 (iii) 修改表決令，以使 Yang's Holdings 不得於本公司任何股東大會上行使有關股份的表決權。

法院於二零一六年十月二十六日作出書面判決，裁定 (其中包括) (i) 撤銷登記傳票中尋求登記令及尋求禁制令；(ii) 修改表決令，以使 Yang's Holdings 不得於本公司任何股東大會上行使有關股份的表決權，直至有進一步頒令；(iii) 飛亞物業按揭獲准介入登記法律程序及加入為第三被告；及 (iv) 本公司不得登記有關股份，直至法院作進一步命令。

本公司董事將遵循有關股份登記的法院命令。本公司董事認為，截至本簡明綜合財務報表日期，預期並無或然負債。

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24. LEGAL PROCEEDINGS (Continued)

(ii) Share options of the Company (the "Share Options")

Reference is made to the Company's announcement dated 2 September 2016 in relation to, inter alia, (i) a draft originating summons to be filed by Ge Qingfu, Li Quan and Liu Longcheng as the plaintiffs (collectively, the "Plaintiffs of the Share Options") against the Company and all the directors of the Company as the defendants in the Court; and (ii) a draft injunction order received by the Company's legal adviser on 26 August 2016.

The Company's legal adviser received on 30 August 2016 a hearing bundle containing, inter alia, an originating summons (the "Originating Summons of the Share Options") issued by the Plaintiffs of the Share Options on 26 August 2016 and claimed against the Company, the directors of the Company, eight grantees of share options referred to in the Company's announcement dated 22 August 2016 (the "Share Option Announcement"), and two broker firms as the defendants in the Court (the "Legal Proceedings of the Share Options") and a draft injunction order for the Legal Proceedings of the Share Options.

24. 法律訴訟(續)

(ii) 本公司的購股權(「購股權」)

茲提述本公司日期為二零一六年九月二日的公佈，內容有關(其中包括)本公司法律顧問於二零一六年八月二十六日接獲(i)葛慶福、Li Quan及Liu Longcheng(作為原告，統稱「購股權原告」)入稟法院向本公司及本公司全體董事(作為被告)發出的原訴傳票草擬本；及(ii)強制令草擬本。

本公司法律顧問於二零一六年八月三十日收到一疊聆訊文件，當中包括(其中包括)購股權原告於二零一六年八月二十六日發出的原訴傳票(「購股權原訴傳票」)，於法院向本公司、本公司董事、本公司日期為二零一六年八月二十二日的公佈(「購股權公佈」)所述八名購股權承授人及兩家經紀公司(作為被告)提出索償(「購股權法律程序」)，以及購股權法律程序的強制令草擬本。

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24. LEGAL PROCEEDINGS (Continued)

- (ii) **Share options of the Company (the "Share Options") (Continued)**
In the Originating Summons of the Share Options, the Plaintiffs of the Share Options sought reliefs, inter alia, (i) a declaration that the granting of the 2,000,000,000 share options referred to in the Share Option Announcement ("Purported Options") is void and of no legal effect or, alternatively, voidable; (ii) a declaration that any allotment of shares made pursuant to the exercise of any of the Purported Options is void and no legal effect or, alternatively, voidable; (iii) the Company and the Directors (whether acting by themselves, their officers, servants, agents or otherwise howsoever) be restrained from: (1) recognising or giving effect or otherwise taking any step to implement the purported exercise of any of the Purported Options; (2) recognising or giving effect or otherwise taking any step to implement the exercise of any disposition, rights (including voting rights) or power attached to the 1,800,000,000 shares of the Company derived from the exercise of the Purported Options; (3) taking, or procuring the taking, of any steps to alter the issued share capital of the Company save and except for those which are for proper purposes and in the best interests of the Company; (4) taking, or procuring the taking, of any step to frustrate or defeat the requisition contained in the notice of requisition dated 23 August 2016 issued by the Plaintiffs (the "Plaintiffs Requisition") for the purpose of convening an extraordinary general meeting of the Company to be held; or alternatively, an order requiring the Company to convene the extraordinary general meeting set out in the Plaintiffs Requisition within 21 days from the date of deposit of the requisition in accordance with Article 12.3 of the Articles of Association of the Company.

24. 法律訴訟(續)

- (ii) 本公司的購股權(「購股權」)(續)
於購股權原訴傳票內，購股權原告尋求(其中包括)
(i) 聲明購股權公佈所述授出2,000,000,000份購股權(「指稱購股權」)屬無效及不具法律效力或可被撤銷；(ii) 聲明因任何指稱購股權獲行使而配發任何股份屬無效及不具法律效力或可被撤銷；(iii) 限制本公司及董事(不論自行及由其主管、僱員、代理或其他人士行事)：(1) 確認或落實或以其他方式採取任何步驟以執行任何指稱購股權的意圖行使；(2) 確認或落實或以其他方式採取任何步驟以執行指稱購股權獲行使所涉及1,800,000,000股本公司股份附帶的任何安排、權利(包括投票權)或權力；(3) 採取或促使採取任何步驟以改變本公司的已發行股本，惟出於適當目的及符合本公司最佳利益者除外；(4) 採取或促使採取任何步驟以阻撓或拒絕原告就召開本公司股東特別大會所發出日期為二零一六年八月二十三日的要求通知(「原告要求」)所載要求；或頒令本公司須於根據本公司組織章程細則第12.3條送達要求當日起計21日內召開原告要求所載的股東特別大會。

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24. LEGAL PROCEEDINGS (Continued)

(ii) Share options of the Company (the "Share Options") (Continued)

The Company and the directors of the Company (except Mr. Yang Si Hang who was absent and unrepresented) in the hearing heard on 31 August 2016 undertook to the Court, inter alia, not to give effect to the exercise of any of the outstanding 200,000,000 share options and not to alter the issued share capital of the Company without the leave of the Court. No injunction order was made against the Company and the directors of the Company. The Company is seeking legal advice in respect of the Legal Proceedings of the Share Options.

In the opinion of the directors of the Company, no contingent liability is expected up to the date of this condensed consolidated financial statements.

25. EVENT AFTER THE REPORTING PERIOD

Subsequent to 30 September 2016, the Company planned to reduce excessive workers in the PRC, the directors of the Company expected the total redundancy payment of approximately HK\$4,000,000 will be paid.

24. 法律訴訟(續)

(ii) 本公司的購股權(「購股權」)(續)

本公司及本公司董事(缺席及無委派代表出席的楊詩恒先生除外)於二零一六年八月三十一日舉行的聆訊向法院承諾(其中包括)未經法院許可,彼等不會落實行使該200,000,000份尚未行使購股權,及不會改變本公司的已發行股本。並無向本公司及本公司董事發出強制令。本公司現正就購股權法律程序諮詢法律意見。

本公司董事認為,截至本簡明綜合財務報表日期,預期並無或然負債。

25. 報告期後事項

於二零一六年九月三十日後,本公司計劃在中國裁減冗員,本公司董事預期將支付遣散費合共約4,000,000港元。

Management Discussion and Analysis

管理層討論及分析

BUSINESS REVIEW

The Group principally derives its revenue from manufacturing and selling Pure Cashmere Apparel and Other Apparel products under its two business arms: (i) OEM business segment, which entails product design and development, raw materials sourcing and procurement, manufacturing and product quality control management (the “OEM business”) and (ii) apparel retail business segment, which entails designing, procuring, manufacturing, marketing and retailing of Pure Cashmere Apparel and Other Apparel products as well as accessories through an established retail network in Hong Kong under the Group’s proprietary trademarks, “Casimira” and “Les Ailes” (the “Retail Business”).

Further to our disclosures earlier in the year on the downward trend of our business, the performance of our OEM Business continued to experience decline as compared to the same period last year. Shopping trends in the United States of America (“US”) has been shifted from major branded apparels to large affordable fashion retailers, and spending patterns shifted towards a higher willingness to spend on electronics products instead. As a result, major apparel brands in the US are experiencing this pressure and resulting in a wave of cost cutting, store closures and discounted sales of their products this period. This trend is particularly evident for “middle” market brands where they cannot charge excessive premium for their products or lower their cost sufficiently to compete with large scale affordable fashion retailers. Unfortunately, our products rely on the performance of these “middle” market branded retailers in the US and their poor performance has negatively impacted us in this period and is expected to continue throughout the rest of the year. While we do not foresee the disappearance of this market segment, we do expect reduced sales from them, as well as higher demand from them for cost control and lower priced products. Based on our long term experience in this industry, we believe this is part of the cyclical nature of the fashion industry. While we have stepped up the efforts in controlling our expenses, such as redundant excessive headcount,

業務回顧

本集團的收入主要源自於其兩個業務部門下製造及銷售純羊絨服裝及其他服裝產品：(i)原設備製造業務分部，承擔產品設計及開發、原材料採購、製造及產品質量控制管理（「原設備製造業務」）；及(ii)服裝零售業務分部，透過於香港的零售網絡以本集團的專屬商標「Casimira」及「Les Ailes」承擔設計、採購、製造、市場推廣及零售純羊絨服裝以及其他服裝產品及配飾（「零售業務」）。

繼我們於本年度較早時間披露業務走勢下滑後，與去年同期相比，原設備製造業務的表現持續下跌。美利堅合眾國（「美國」）的購物趨勢已由各大品牌服裝轉移至價格實惠的大型時裝零售商，而消費模式亦轉移至傾向電子產品消費。因此，美國各大服裝品牌正面對此壓力，導致於本期間紛紛削減成本、關閉店舖及提供折扣促銷產品。此趨勢在「中檔」市場品牌尤其顯著，原因為該等品牌無法就其產品收取過高溢價或大幅降低其成本以與價格實惠的大型時裝零售商競爭。然而，我們的產品依賴該等美國「中檔」市場品牌零售商的表現，而零售商表現欠佳已於本期間對我們構成負面影響，並預期將持續至整個餘下年度。儘管我們並不認為該市場分部將會消失，但預期該市場分部的銷售將會減少，且對成本控制及低價產品的需求會更高。基於我們在該行業的長期經驗，我們相信此乃時裝業的週期性質。儘管我們已加大力度控制開支（例

Management Discussion and Analysis

管理層討論及分析

we are also looking for innovative ways on how we can weather this downturn and at the same time look for opportunities in any niche segment that our know-how in cashmere garment manufacturing that we could utilize on.

For the Retail Business, the decline in revenue is mainly attributable to the prolongation of the sluggish consumer market in Hong Kong, arising from the negative consumption sentiments of the general consumers and tourists under the persistent uncomfortable shopping atmosphere. These trigger the consequence of weak foot traffic and declining number of Mainland customers visiting Hong Kong.

The Group has commenced the Money Lending Business in Hong Kong during the period. The Group targets customers who look for substantial loan amounts and can offer security for the relevant loans.

During the period under review, except for the commencement of Money Lending Business, the Group had no material changes in its business nature and principal activities.

PROSPECTS

For the OEM Business, the downturn in the US retail industry as previously disclosed was much more severe than the management of the Company had anticipated and some players in the US retail market may even face liquidity issues. Based on the management's past experience in previous downturn cycles of this industry, it will be a prudent approach not to accept any risk in the attempt to secure business during such challenging moment. Aside, from the reducing sales orders from the major customers, the Group is also facing ever-increasing cost of productions in Mainland China. The estimated revenue of OEM Business for the period from 1 October 2016 to 31 December 2016 is expected to decline significantly as compared to the same period of last year. However, the management of the Company will continue to find new orders and customers to widen the customer base and reallocate the resources for production according to the order received in order to save cost.

如裁減冗員)，亦尋求創新途徑安渡市場低潮，同時於任何能將我們於羊絨成衣製造方面的知識派上用場的特定市場分部尋找機會。

零售業務方面，收益下跌主要由於瀟漫不愉快的購物氣氛使一般消費者及旅客的消費意欲降低，導致香港消費市場長時間低迷，繼而令人流減少及訪港內地顧客數目下降。

本集團已於期內在香港開展放債業務。本集團針對尋求大額貸款並可為相關貸款提供擔保的客戶。

於回顧期內，除開展放債業務外，本集團的業務性質及主要活動並無重大變動。

前景

原設備製造業務方面，先前所披露美國零售業倒退的情況遠較本公司管理層預期嚴峻，部分美國零售業者甚至可能面對流動資金問題。憑藉過去應付業界週期性衰退的經驗，管理層認為於艱巨時期以迴避風險的態度爭取商機屬審慎做法。此外，除主要客戶減少銷售訂單外，本集團亦面對中國內地生產成本不斷上漲問題。預期原設備製造業務於二零一六年十月一日至二零一六年十二月三十一日期間的估計收益將較去年同期大幅下跌。然而，本公司管理層將繼續物色新訂單及客戶以擴大客戶基礎，並將按照所接獲訂單重新分配生產資源以節省成本。

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For the Retail Business, the management of the Company will closely monitor the consumers' behaviour and will continue the promotion campaigns. The management of the Company is also monitoring the movement of the rental of retail outlets and will adjust the expansion plan for Retail Business if necessary. Despite the uncertainties, the management of the Company still remains positive towards the Retail Business.

Furthermore, the management of the Company is also looking for new investment opportunities, especially retail market in Mainland China and Hong Kong, in order to compensate the shrinking retail market of cashmere garments in the US.

To diversify the Group's business scope and broaden the Group's sources of income, the Group is now engaged in money lending business in Hong Kong. The Group targets customers who look for substantial loan amounts and can offer security for the relevant loans. The financial performance of money lending business will review separately from that of the other operating segments and its results will be presented as a separate operating and reportable segment. Looking forward, the Group will from time to time aims to focus on money lending business and seek the business opportunities that can broaden the income base of the Group and create the maximum returns to the shareholder.

FINANCIAL REVIEW

Revenue

The Group's revenue dropped from approximately HK\$119.2 million for the six months ended 30 September 2015 to approximately HK\$47.5 million for the six months ended 30 September 2016, representing a decrease of approximately 60.2%. The revenue of OEM Business decreased by approximately 61.5% to approximately HK\$42.8 million for the six months ended 30 September 2016 as compared to the six months ended 30 September 2015. On the other hand, the revenue from Retail Business decreased by approximately 52.9% to approximately HK\$3.7 million for the six months ended 30 September 2016 as compared to the six months ended 30 September 2015.

零售業務方面，本公司管理層將密切監察消費者的消費行為，並繼續進行推廣活動。本公司管理層亦將監控零售店舖的租金走勢，並在有需要時調整零售業務的擴充計劃。儘管存在不明朗因素，惟本公司管理層對零售業務仍然保持樂觀態度。

此外，本公司管理層亦不斷發掘新投資機會，尤其著重中國內地及香港零售市場，藉此彌補萎縮的美國羊絨服裝零售市場。

為多元化發展本集團業務範圍及擴闊本集團收入來源，本集團現於香港從事放債業務。本集團針對尋求大額貸款並可為相關貸款提供擔保的客戶。放債業務的財務表現將與其他經營分部分開審閱，而其業績將作為一個獨立經營及可申報分部呈列。展望未來，本集團將致力專注放債業務及不時尋求可擴闊本集團收入基礎的業務機會並為股東創造最大回報。

財務回顧

收益

本集團的收益由截至二零一五年九月三十日止六個月約119.2百萬港元下跌約60.2%至截至二零一六年九月三十日止六個月約47.5百萬港元。截至二零一六年九月三十日止六個月，原設備製造業務的收益較截至二零一五年九月三十日止六個月減少約61.5%至約42.8百萬港元。另一方面，截至二零一六年九月三十日止六個月，零售業務的收益較截至二零一五年九月三十日止六個月減少約52.9%至約3.7百萬港元。

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管理層討論及分析

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the six months ended 30 September 2015 and 30 September 2016.

下表載列本集團截至二零一五年九月三十日及二零一六年九月三十日止六個月各個期間按分部劃分的收益分析。

		Six months ended 30 September 截至九月三十日止六個月			
		2016 二零一六年		2015 二零一五年	
		HK\$'000 千港元	% 百份比	HK\$'000 千港元	% 百份比
OEM Business	原設備製造業務	42,812	90.1	111,270	93.3
Retail Business	零售業務	3,746	7.9	7,970	6.7
Money Lending Business	放債業務	955	2.0	-	-
		47,513	100.0	119,240	100.0

Cost of Sales and Gross Profit

The majority of the Group's cost of sales was raw material costs. The Group's cost of sales dropped by 42.5% to approximately HK\$53.5 million for the six months ended 30 September 2016 as compared to the six months ended 30 September 2015. The gross profit margin decreased from approximately 21.9% for the six months ended 30 September 2015 to approximately -12.6% for the six months ended 30 September 2016. The gross profit dropped by approximately -122.9% to approximately HK\$-6.0 million for the six months ended 30 September 2016 as compared to the six months ended 30 September 2015.

銷售成本及毛利

本集團的銷售成本大部分為原材料成本。截至二零一六年九月三十日止六個月，本集團的銷售成本較截至二零一五年九月三十日止六個月下跌42.5%至約53.5百萬港元。毛利率由截至二零一五年九月三十日止六個月約21.9%下跌至截至二零一六年九月三十日止六個月約-12.6%。截至二零一六年九月三十日止六個月，毛利較截至二零一五年九月三十日止六個月下跌約-122.9%至約-6.0百萬港元。

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Expenses

Selling and administrative expenses for the six months ended 30 September 2016 was approximately HK\$68.9 million (six months ended 30 September 2015: approximately HK\$27.6 million), representing an increase of approximately HK\$41.3 million, as a result of approximately HK\$37.0 million share option expenses and approximately HK\$10.1 million professional expenses incurred in relation to legal proceedings and a voluntary conditional offer by Favorite Number Limited, which was subsequently withdrawn.

Loss for the period

The loss for the six months ended 30 September 2016 was approximately HK\$83.1 million. The loss for the six months ended 30 September 2015 was approximately HK\$0.7 million.

Liquidity, Financial Resources and Capital Structure

Historically, the Group has funded the liquidity and capital requirements primarily through operating cash flows and bank borrowings. The Group's bank borrowings are primarily for financing raw materials purchases. As at 30 September 2016, the Group had bank borrowings of approximately HK\$8.7 million (31 March 2016: HK\$29.0 million). The decrease is mainly due to the Group intends to lower the gearing ratio.

開支

截至二零一六年九月三十日止六個月，銷售及行政開支增加約41.3百萬港元至約68.9百萬港元(截至二零一五年九月三十日止六個月：約27.6百萬港元)，歸因於約37.0百萬港元的購股權開支以及約10.1百萬港元因法律訴訟及由Favorite Number Limited提出自願有條件要約(其後已撤回)產生的專業費用。

期內虧損

截至二零一六年九月三十日止六個月錄得虧損約83.1百萬港元，而截至二零一五年九月三十日止六個月的虧損約為0.7百萬港元。

流動資金、財務資源及資本結構

本集團過往主要透過經營現金流量及銀行借貸撥付流動資金及資金需求。本集團的銀行借貸主要用於為購買原材料提供資金。於二零一六年九月三十日，本集團有銀行借貸約8.7百萬港元(二零一六年三月三十一日：29.0百萬港元)。銀行借貸減少主要由於本集團擬降低資產負債比率所致。

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管理層討論及分析

As at 30 September 2016, the bank borrowings of the Group are secured and repayable within one year from the end of the reporting period based on scheduled repayment dates set out in the loan agreements. The variable rate bank borrowings carry interests at trade finance rates quoted by the lender plus 1.00% to 1.75% per annum. The ranges of effective interest rates on borrowings are 4.26% to 8.22% per annum as at 30 September 2016 (31 March 2016: 2.01% to 6.75% per annum).

As at 30 September 2016, the Group had approximately HK\$5.9 million in bank balance and cash (31 March 2016: HK\$16.9 million).

Capital Raising

Reference is made to the announcement of the Company dated on 21 July 2016. The Company entered a placing agreement with a placing agent for the placing of an aggregate of 2,869,886,385 new shares of the Company at a placing price of HK\$0.0209 per share. The Placing was completed on 11 August 2016.

Capital Commitments

The Group did not have any significant capital commitments as at 30 September 2016 (31 March 2016: nil).

Gearing ratio

As at 30 September 2016, the Group's gearing ratio was approximately 1.4% (31 March 2016: approximately 31.0%), based on total debt of approximately HK\$8.7 million and total equity of approximately HK\$623.4 million. The decrease was mainly attributable to increase in the repayment of bank borrowings during the six months ended 30 September 2016.

Note: Gearing ratio is calculated as the total debt divided by total equity. Total debt includes bank borrowings.

於二零一六年九月三十日，本集團的銀行借貸為有抵押，且根據貸款協議所載預訂償還日期須於報告期末起計一年內償還。浮息銀行借貸按貸款人所報貿易融資利率加年利率1.00厘至1.75厘計息。於二零一六年九月三十日，借貸的實際年利率介乎4.26厘至8.22厘(二零一六年三月三十一日：年利率介乎2.01厘至6.75厘)。

於二零一六年九月三十日，本集團有銀行結餘及現金約5.9百萬港元(二零一六年三月三十一日：16.9百萬港元)。

集資

茲提述本公司日期為二零一六年七月二十一日的公佈。本公司與配售代理訂立配售協議，以按配售價每股0.0209港元配售合共2,869,886,385股本公司新股份。配售事項於二零一六年八月十一日完成。

資本承擔

於二零一六年九月三十日，本集團並無任何重大資本承擔(二零一六年三月三十一日：無)。

資產負債比率

於二零一六年九月三十日，按債務總額約8.7百萬港元及權益總額約623.4百萬港元計算，本集團的資產負債比率約為1.4%(二零一六年三月三十一日：約31.0%)。有關增加主要由於截至二零一六年九月三十日止六個月增加償還銀行借貸。

附註：資產負債比率乃按債務總額除以權益總額計算。債務總額包括銀行借貸。

Management Discussion and Analysis

管理層討論及分析

Charge over Assets of the Group

As at 30 September 2016, the Group had pledged deposits of approximately HK\$14.2 million (31 March 2016: approximately HK\$14.4 million). These deposits are pledged to banks to secure bank facilities granted to the Group.

Legal Proceedings

Registration of Shares of the Company (the "Registration")

Reference is made to the Company's announcements dated 9 August 2016 and 28 October 2016 respectively in relation to the originating summons dated 27 July 2016 (the "Originating Summons of the Registration") filed by (i) Sun Jiyou; (ii) Chen Haiyan; (iii) Liu Jing; (iv) Ling Chuanshun; (v) Zhang Bing; and (vi) Xiao Laiwen as the plaintiffs (collectively, the "Plaintiffs of the Registration") against the Company and Yang's Holding Capital Limited ("Yang's Holding") as the defendants in the High Court of Hong Kong (the "Court") (the "Legal Proceedings of the Registration") and a summons dated 28 July 2016 (the "Summons of the Registration") filed by the Plaintiffs of the Registration for the Legal Proceedings of the Registration.

In the Originating Summons of the Registration, the Plaintiffs of the Registration sought, inter alia, (i) orders from the Court that the Company shall register in aggregate of 1,545,000,000 shares of the Company (the "Relevant Shares") which were allegedly transferred from Yang's Holdings to the Plaintiffs of the Registration; (ii) declaration from the Court that the Plaintiffs of the Registration are the beneficial owners of the Relevant Shares in their respective proportion; and (iii) an injunction, inter alia, that pending registration of the Plaintiffs of the Registration as the registered shareholders of the Company, Yang's Holdings shall exercise all rights attached to the Relevant Shares (including but not limited to voting rights at general meetings of the Company) according to the instructions of the Plaintiffs of the Registration and, that the Company shall exercise and/or count the votes of the Plaintiffs of the Registration in the general meetings.

本集團的資產抵押

於二零一六年九月三十日，本集團有已抵押存款約14.2百萬港元（二零一六年三月三十一日：約14.4百萬港元）。此等存款已就本集團獲授銀行融資向銀行抵押。

法律訴訟

本公司股份登記（「登記」）

茲提述本公司日期分別為二零一六年八月九日及二零一六年十月二十八日的公佈，內容有關由(i)Sun Jiyou；(ii)Chen Haiyan；(iii)Liu Jing；(iv)Ling Chuanshun；(v)Zhang Bing及(vi)Xiao Laiwen作為原告（統稱「登記原告」）入稟香港高等法院（「法院」）對本公司及Yang's Holdings Capital Limited（「Yang's Holdings」）作為被告發出日期為二零一六年七月二十七日的原訴傳票（「登記原訴傳票」）（「登記法律程序」），以及登記法律程序的登記原告入稟發出日期為二零一六年七月二十八日的傳票（「登記傳票」）。

根據登記原訴傳票，登記原告尋求（其中包括）(i)法庭頒令本公司須登記聲稱由Yang's Holdings轉讓予登記原告的合共1,545,000,000股本公司股份（「有關股份」）；(ii)法庭宣佈登記原告按各自所佔比例為有關股份的實益擁有人；及(iii)頒發禁制令促使（其中包括）Yang's Holdings在登記原告登記為本公司登記股東之前須按登記原告的指示行使有關股份附帶的全部權利（包括但不限於在本公司股東大會的表決權），而本公司須承認及／或計算登記原告在股東大會上行使的表決權。

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In the Summons of the Registration, the Plaintiffs of the Registration applied for, inter alia, (i) an order that Yang's Holdings be compelled to exercise its voting rights in any general meetings of the Company in accordance with the instructions of the Plaintiffs of the Registration; (ii) an order that the Company shall register the transfer of the Relevant Shares (the "Registration Order Sought"); and (iii) an injunction against the Company that the Company be restrained from holding any general meeting of the shareholders (including but not limited to the annual general meeting) until such date after the completion of the registration of the Relevant Shares (the "Injunction Sought").

The Summons of the Registration was heard on 5 August 2016, the Court ordered, inter alia, that (i) Yang's Holdings shall exercise its voting rights in respect of the Relevant Shares in any general meetings of the Company in accordance with the instructions of the Plaintiffs of the Registration (the "Voting Order") and the other orders sought by the Plaintiffs of the Registration in the Summons of the Registration be adjourned for argument.

On 23 August 2016, Flying Mortgage Limited (the "Flying Mortgage"), who claims to have interests in the Relevant Shares, issued a summons ("Flying Mortgage Summons"), inter alia, for leave to (i) intervene in the Legal Proceedings of the Registration; (ii) be joined as the third defendant in the Legal Proceedings of the Registration; and (iii) vary the Voting Order to the effect that Yang's Holding shall not exercise its voting rights in respect of the Relevant Shares in any general meeting of the Company.

根據登記傳票，登記原告申請(其中包括)(i)頒令強制Yang's Holdings於本公司任何股東大會上按登記原告指示行使其表決權；(ii)頒令本公司須辦理有關股份的轉讓登記(「尋求登記令」)；及(iii)向本公司頒發禁制令不得舉行任何股東大會(包括但不限於股東週年大會)，直至辦妥有關股份登記手續翌日(「尋求禁制令」)。

登記傳票已於二零一六年八月五日進行聆訊，法院頒令(其中包括)(i) Yang's Holdings須於本公司任何股東大會上按登記原告指示行使有關股份的表決權(「表決令」)及押後爭論登記原告於登記傳票中尋求的其他命令。

於二零一六年八月二十三日，聲稱於有關股份擁有權益的飛亞物業按揭有限公司(「飛亞物業按揭」)發出一份傳票(「飛亞物業按揭傳票」)，要求許可(其中包括)(i)介入登記法律程序；(ii)加入為登記法律程序的第三被告；及(iii)修改表決令，以使Yang's Holdings不得於本公司任何股東大會上行使有關股份的表決權。

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管理層討論及分析

The Court gave a written decision on 26 October 2016 and ruled, inter alia, that (i) the Registration Order Sought and the Injunction Sought in the Summons of the Registration be dismissed; (ii) the Voting Order be varied to the effect that Yang's Holdings shall not exercise its voting rights in respect of the Relevant Shares in any general meeting of the Company until further order; (iii) Flying Mortgage was allowed to intervene and be joined as the third defendant in the Legal Proceedings of the Registration; and (iv) the Company shall not register the Relevant Shares until further order of the Court.

The Directors of the Company will follow the Court Order in relation to the Registration of the Shares. As a result, no contingent liability is expected up to the issuance of the interim report.

Share Options of the Company (the "Share Options")

Reference is made to the Company's announcement dated 2 September 2016 in relation to, inter alia, (i) a draft originating summons to be filed by Ge Qingfu, Li Quan and Liu Longcheng as the plaintiffs (collectively, the "Plaintiffs of the Share Options") against the Company and all the directors of the Company (the "Directors") as the defendants in the Court; and (ii) a draft injunction order received by the Company's legal adviser on 26 August 2016.

The Company's legal adviser received on 30 August 2016 a hearing bundle containing, inter alia, an originating summons (the "Originating Summons of the Share Options") issued by the Plaintiffs of the Share Options on 26 August 2016 and claimed against the Company, the Directors, eight grantees of share options referred to in the Company's announcement dated 22 August 2016 (the "Share Option Announcement"), and two broker firms as the defendants in the Court under action number HCMP 2222 of 2016 (the "Legal Proceedings of the Share Options") and a draft injunction order for the Legal Proceedings of the Share Options.

法院於二零一六年十月二十六日作出書面判決，裁定(其中包括)(i)撤銷登記傳票中尋求登記令及尋求禁制令；(ii)修改表決令，以使Yang's Holdings不得於本公司任何股東大會上行使有關股份的表決權，直至有進一步頒令；(iii)飛亞物業按揭獲准介入登記法律程序及加入為第三被告；及(iv)本公司不得登記有關股份，直至法院作進一步命令。

本公司董事將遵循有關股份登記的法院命令。因此，截至中期報告刊發時，預期並無或然負債。

本公司的購股權(「購股權」)

茲提述本公司日期為二零一六年九月二日的公佈，內容有關(其中包括)本公司法律顧問於二零一六年八月二十六日接獲(i)葛慶福、Li Quan及Liu Longcheng(作為原告，統稱「購股權原告」)入稟法院向本公司及本公司全體董事(「董事」)(作為被告)發出的原訴傳票草擬本；及(ii)強制令草擬本。

本公司法律顧問於二零一六年八月三十日收到一疊聆訊文件，當中包括(其中包括)購股權原告於二零一六年八月二十六日發出的原訴傳票(「購股權原訴傳票」)，於法院向本公司、董事、本公司日期為二零一六年八月二十二日的公佈(「購股權公佈」)所述八名購股權承授人及兩家經紀公司(作為被告)提出索償(訴訟編號為HCMP 2222/2016)(「購股權法律程序」)，以及購股權法律程序的強制令草擬本。

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In the Originating Summons of the Share Options, the Plaintiffs of the Share Options sought reliefs, inter alia, (i) a declaration that the granting of the 2,000,000,000 share options referred to in the Share Option Announcement (“Purported Options”) is void and of no legal effect or, alternatively, voidable; (ii) a declaration that any allotment of shares made pursuant to the exercise of any of the Purported Options is void and no legal effect or, alternatively, voidable; (iii) the Company and the Directors (whether acting by themselves, their officers, servants, agents or otherwise howsoever) be restrained from: (1) recognising or giving effect or otherwise taking any step to implement the purported exercise of any of the Purported Options; (2) recognising or giving effect or otherwise taking any step to implement the exercise of any disposition, rights (including voting rights) or power attached to the 1,800,000,000 shares of the Company derived from the exercise of the Purported Options; (3) taking, or procuring the taking, of any steps to alter the issued share capital of the Company save and except for those which are for proper purposes and in the best interests of the Company; (4) taking, or procuring the taking, of any step to frustrate or defeat the requisition contained in the notice of requisition dated 23 August 2016 issued by the Plaintiffs (the “Plaintiffs Requisition”) for the purpose of convening an extraordinary general meeting of the Company to be held; or alternatively, an order requiring the Company to convene the extraordinary general meeting set out in the Plaintiffs Requisition within 21 days from the date of deposit of the requisition in accordance with Article 12.3 of the Articles of Association of the Company.

於購股權原訴傳票內，購股權原告尋求（其中包括）(i) 聲明購股權公佈所述授出2,000,000,000份購股權（「指稱購股權」）屬無效及不具法律效力或可被撤銷；(ii) 聲明因任何指稱購股權獲行使而配發任何股份屬無效及不具法律效力或可被撤銷；(iii) 限制本公司及董事（不論自行及由其主管、僱員、代理或其他人士行事）：(1) 確認或落實或以其他方式採取任何步驟以執行任何指稱購股權的意圖行使；(2) 確認或落實或以其他方式採取任何步驟以執行指稱購股權獲行使所涉及1,800,000,000股本公司股份附帶的任何安排、權利（包括投票權）或權力；(3) 採取或促使採取任何步驟以改變本公司的已發行股本，惟出於適當目的及符合本公司最佳利益者除外；(4) 採取或促使採取任何步驟以阻撓或拒絕原告就召開本公司股東特別大會所發出日期為二零一六年八月二十三日的要求通知（「原告要求」）所載要求；或頒令本公司須於根據本公司組織章程細則第12.3條送達要求當日起計21日內召開原告要求所載的股東特別大會。

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The Company and the Directors (except Yang Si Hang who was absent and unrepresented) in the hearing heard on 31 August 2016 undertook to the Court, *inter alia*, not to give effect to the exercise of any of the outstanding 200,000,000 share options and not to alter the issued share capital of the Company without the leave of the Court. No injunction order was made against the Company and Directors. The Company is seeking legal advice in respect of the Legal Proceedings of the Share Options.

As a result, no contingent liability is expected up to the issuance of the interim report.

Significant investments, acquisitions and disposals, and Plans for Material Investment or Capital Assets

On 28 April 2016, the Group entered into a sales and purchase agreement with New Star International Development Limited, SOPD, Incisight Limited, Zhu Jun, Lai Kwok Ho, Li Jia, Chi Weina and Ji We (“Vendors”) and The9 Limited (“Guarantor”) pursuant to which the Group conditionally agreed to purchase 47.63% of equity interests in Red 5 Studios, Inc. (“Target Company”), a limited liability company incorporated in Delaware, the United States of America for a total of consideration of US\$76,500,000 (equivalent to approximately HK\$596,700,000). The Target Company and its subsidiaries are principally engaged in the development of innovative entertainment software and online games in the United States of America, Europe, the PRC and Southeast Asia.

The transaction was completed on 20 June 2016.

本公司及董事(缺席及無委派代表出席的楊詩恒除外)於二零一六年八月三十一日舉行的聆訊向法院承諾(其中包括)未經法院許可,彼等不會落實行使該200,000,000份尚未行使購股權,及不會改變本公司的已發行股本。並無向本公司及董事發出強制令。本公司現正就購股權法律程序諮詢法律意見。

因此,截至中期報告刊發時,預期並無或然負債。

重大投資、收購事項及出售事項以及重大投資或資本資產的計劃

於二零一六年四月二十八日,本集團與New Star International Development Limited、東方明珠、Incisight Limited、朱駿、Lai Kwok Ho、Li Jia、Chi Weina及Ji Wei(「賣方」)及第九城市(「擔保人」)訂立買賣協議,據此,本集團有條件同意購買Red 5 Studios, Inc.(「目標公司」,於美利堅合眾國特拉華州註冊成立的有限公司)的47.63%股權,總代價為76,500,000美元(相當於約596,700,000港元)。目標公司及其附屬公司主要於美利堅合眾國、歐洲、中國及東南亞從事創新娛樂軟件及網絡遊戲開發。

交易已於二零一六年六月二十日完成。

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226,022,723 shares at issue price of HK\$2.64 per share were allotted and issued to Vendors in proportion to numbers of shares sold by the Vendors. Details are set out in the announcements of the Company dated 28 April 2016 and 20 June 2016.

Save for above, there were no significant investments held as at 30 September 2016, nor other material acquisitions and disposals of subsidiaries and associated companies during the six months ended 30 September 2016. There is no future plan for material investments or capital assets as at 30 September 2016.

Contingent Liabilities

As at 30 September 2016, the Group had no material contingent liabilities (2015: nil).

Foreign Exchange Risk

The Group settles the cost of production in Renminbi ("RMB") and Hong Kong dollars ("HK\$") and most of the sales of the Group are settled in United States dollars ("US\$") and others are denominated in HK\$. Therefore, the Group is exposed to foreign exchange risk of both US\$ and RMB. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities.

226,022,723股股份獲按賣方所售出股數比例以發行價每股2.64港元配發及發行予賣方。有關詳情載於本公司日期為二零一六年四月二十八日及二零一六年六月二十日的公佈。

除上述者外，於二零一六年九月三十日概無持有任何重大投資，亦無於截至二零一六年九月三十日止六個月進行任何其他重大收購及出售附屬公司及聯營公司。於二零一六年九月三十日，概無重大投資或資本資產的未來計劃。

或然負債

於二零一六年九月三十日，本集團並無重大或然負債(二零一五年：無)。

外匯風險

本集團以人民幣(「人民幣」)及港元(「港元」)結算生產成本，而本集團大部分銷售乃以美元(「美元」)結算，其餘則以港元計值。因此，本集團面對美元及人民幣的外匯風險。本集團現時並無有關外幣交易、資產及負債的外幣對沖政策。

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Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2016 (six months ended 30 September 2015: nil).

Employees and Remuneration Policies

As at 30 September 2016, the Group had approximately of 120 employees. The Group's staff cost for the six months ended 30 September 2016 amounted to approximately HK\$19.6 million. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of good relationship with its employees. The remuneration payable to its employees includes salaries and allowance.

In Hong Kong, the Group's employees have participated in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong). In the PRC, the Group's employees have participated in various security insurance including social insurance prescribed by the Social Insurance Law of PRC (《中華人民共和國社會保險法》), and housing provident fund prescribed by the Regulations on Management of Housing Provident Fund (《住房公積金管理條例》).

中期股息

本集團不建議就截至二零一六年九月三十日止六個月派付中期股息(截至二零一五年九月三十日止六個月：無)。

僱員及薪酬政策

於二零一六年九月三十日，本集團約有120名僱員。截至二零一六年九月三十日止六個月，本集團的員工成本約為19.6百萬港元。本集團的薪酬政策與現行市場慣例一致，乃按個別僱員的表現、資歷及經驗釐定。本集團深明與僱員保持良好關係的重要性。應付僱員薪酬包括工資及津貼。

本集團在香港的僱員已參加香港法例第485章強制性公積金計劃條例規定的強制性公積金計劃。本集團在中國的僱員已參加多種保障保險，包括《中華人民共和國社會保險法》及《住房公積金管理條例》規定的社會保險及住房公積金。

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COMPARISON OF BUSINESS OBJECTIVES WITH ACTUAL BUSINESS PROGRESS

The following is a comparison of the Group's business plan as set out in the Company's prospectus dated 30 September 2014 (the "Prospectus") with actual business progress for the six months ended 30 September 2016.

業務目標與實際業務進展的比較

以下為本公司日期為二零一四年九月三十日的招股章程(「招股章程」)所載本集團的業務計劃與截至二零一六年九月三十日止六個月的實際業務進展的比較。

Business plan as set out in the Prospectus

招股章程所載的業務計劃

Progress up to 30 September 2016

截至二零一六年九月三十日的進展

Expansion of the Group's OEM Business

擴展本集團的原設備製造業務

Purchase of cashmere yarns
購買羊絨紗線

The fund has been used to purchase cashmere yarns for production.
資金已用於購買用於生產的羊絨紗線。

Marketing and promotion activities
市場推廣及促銷活動

The Group met OEM customers regularly for exchange of new ideas in respect of fashion market trend and introducing the Group's craftsmanship in knitting.
本集團定期拜訪原設備製造客戶，就時裝市場潮流交流新意見並介紹本集團的織造工藝。

Purchase of new production machineries
購買新的生產機器

The funds have been used to maintain the productivity of the existing machineries.
資金已用於維持現有機器的生產力。

Improving water quality systems
改善水質系統

Some funds have been used to improve the water quality systems.
若干資金已用於改善水質系統。

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Business plan as set out in the Prospectus

招股章程所載的業務計劃

Progress up to 30 September 2016

截至二零一六年九月三十日的進展

Expansion of the Retail Business

擴展零售業務

Establish new Concession Stores or
Free-Standing Stores
開設新的專櫃店或專賣店

The Group has set up 1 Free-Standing Stores and
1 Concession Stores during the period.

The Group is reviewing the needs and
timeframe for establishing new retail outlets.
本集團於期內開設一間專賣店及一間專櫃店。
本集團正檢討開設新 零售店舖的需要及時間表。

Brand promotional and marketing activities
品牌宣傳及市場推廣活動

The Group has placed various advertisements on
magazines during the period. The Group is
planning to escalate its marketing efforts by
continuing existing advertising activities on
a more extensive scale.

本集團於期內在雜誌投放多種廣告。本集團計劃
增加其市場推廣力度，擴大現有廣告宣傳活動
的規模。

Upgrading ERP system
升級企業資源規劃系統

Due to the change in use of proceeds as disclosed
in the announcements of the Company dated
25 June 2015 and 16 July 2015, there is no
further progress in respect of upgrading ERP
system.

由於變更所得款項用途（誠如本公司日期為
二零一五年六月二十五日及二零一五年
七月十六日之公佈所披露），有關升級
企業資源規劃系統概無任何進展。

Reference is also made to the announcements of
the Company dated 25 June 2015 and 16 July 2015
relating to the change in use of proceeds. The plan
to purchase of new production machineries and
upgrade its ERP System as scheduled and disclosed
in the Prospectus was changed (see the information
under the heading of "USE OF PROCEEDS FROM THE
PLACING OF SHARES" of this report).

茲提述本公司日期為二零一五年六月
二十五日及二零一五年七月十六日內
內容有關變更所得款項用途的公佈。本
公司已變更按招股章程所擬定及披露
採購新生產機器及升級其企業資源規
劃系統的計劃（請參閱本報告「配售股
份的所得款項用途」的資料）。

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PRINCIPAL RISKS AND UNCERTAINTIES

Operational Risk

The Group is exposed to the operational risk in relation to each business division of the Group. To manage the operational risk, the management of each business division is responsible for monitoring the operation and assessing the operational risk of their respective business divisions. They are responsible for implementing the Group's risk management policies and procedures and shall report any irregularities in connection with the operation of the projects to the Directors and seek directions. The Group emphasises on ethical value and prevention of fraud and bribery and has established a whistleblower program, including communication with other departments and business divisions and units, to report any irregularities. In this regard, the Directors consider that the Group's operational risk is effectively mitigated.

Financial Risks

The Group is exposed to the credit risk and liquidity risk.

主要風險及不明朗因素

營運風險

本集團面對與本集團各業務分部相關的營運風險。為管理營運風險，各業務分部的管理人員負責監察營運及評估各業務分部的營運風險。管理人員負責實施本集團的風險管理政策及程序，並應向董事匯報有關營運項目之任何違規事件，同時尋求指引。本集團著重道德價值並防止欺詐和賄賂，亦已建立一項舉報計劃，包括與其他部門以及業務分部及單位進行溝通以舉報任何違規事件。就此，董事認為本集團的營運風險已有效降低。

財務風險

本集團面對信貸風險及流動資金風險。

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Credit Risk

The Group's credit risk is primarily attributable to its trade receivables. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors of the Company consider that the Group's credit risk is significantly reduced.

Liquidity Risk

The Directors has built an appropriate liquidity risk management framework to meet the Group's short, medium and long-term funding and liquidity management requirements. In management of the liquidity risk, the Group monitors and maintains levels of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The management monitors the utilisation of bank borrowings and ensures compliance with loan covenants. The Group relies on bank borrowings as a significant source of liquidity. In this regard, the Directors consider that the Group's liquidity risk is effectively managed.

USE OF PROCEEDS FROM THE PLACING OF SHARES

The net proceeds from the listing of the shares of the Company by way of placing on the GEM of the Stock Exchange ("Placing") were approximately HK\$41.5 million, which was based on the final placing price of HK\$0.6 per share after deducting the underwriting commission and actual expenses related to the Placing. Accordingly, the Group adjusted the use of proceeds in the same manner and proportion as shown in the Prospectus.

信貸風險

本集團的信貸風險主要源自貿易應收款項。為盡量降低信貸風險，本集團管理層已委派團隊負責釐定信貸限額、信用審批及其他監控程序，以確保採取跟進行動收回逾期債務。此外，本集團於報告期末檢討每項個別貿易債務的可收回金額，以確保為不可收回金額作出足夠的減值虧損撥備。就此，本公司董事認為本集團的信貸風險已大為降低。

流動資金風險

董事已建立適當的流動資金風險管理框架，以配合本集團的短期、中期及長期的撥資以及流動資金管理要求。在管理流動資金風險時，本集團會監控及維持現金及現金等價物在一個管理層認為足以為本集團營運撥資並減輕現金流量波動所帶來影響的水平。管理層監察銀行借貸的動用情況並確保符合貸款契約。本集團依賴銀行借貸作為重要的流動資金來源。就此，董事認為本集團已有效管理其流動資金風險。

配售股份的所得款項用途

本公司股份以配售方式（「配售」）在聯交所創業板上市的所得款項淨額約為41.5百萬港元，乃按最終配售價每股0.6港元扣除包銷佣金及配售相關實際開支後計算得出。因此，本集團按招股章程所述相同方式及比例調整所得款項用途。

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As disclosed in the Company's announcements dated 24 June 2015 and 16 July 2015, the Board has utilised approximately HK\$15.0 million of the net proceeds from the Placing as deposit to trade facilities account in order to lower the interest expense of the Group.

During the review period, the Group has applied the net proceeds as follows:

誠如本公司日期為二零一五年六月二十四日及二零一五年七月十六日的公佈所披露，董事會將配售所得款項淨額其中約15.0百萬港元存入貿易融資賬戶以減低本集團的利息開支。

於回顧期間，本集團已按以下方式應用所得款項淨額：

		Adjusted use of proceeds in the same manners and proportion as stated in prospectus and announcements dated 24 June 2015 and 16 July 2015 按招股章程以及日期為二零一五年六月二十四日及二零一五年七月十六日的公佈所述相同方式及比例調整所得款項用途 HK\$'000 千港元	Actual utilised amount up to 30 September 2016 截至二零一六年九月三十日已動用實際金額 HK\$'000 千港元
Expansion of the OEM Business	擴展原設備製造業務	15,640	14,203
Expansion of the Retail Business	擴展零售業務	6,694	4,651
Deposit to trade facilities account	貿易融資賬戶存款	15,000	15,000
General working capital	一般營運資金	4,118	4,118
Total	總計	41,452	37,972

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DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY ASSOCIATED CORPORATION

As at 30 September 2016, the interest and short position of the Directors and chief executive of the Company 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 (“SFO”)), (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register maintained by the Company pursuant to Section 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules were as follows:

董事及主要行政人員於本公司或任何相聯法團的股份、相關股份及債權證中的權益及淡倉

於二零一六年九月三十日，董事及本公司主要行政人員於本公司及其相聯法團（定義見證券及期貨條例（「證券及期貨條例」）第XV部）的股份、相關股份及債權證中擁有(i)根據證券及期貨條例第XV部第7及8分部須知會本公司及聯交所的權益及淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及／或淡倉），或(ii)根據證券及期貨條例第352條須記入本公司所存置登記冊的權益及淡倉，或(iii)根據創業板上市規則第5.46條有關上市發行人董事進行交易規定標準而向本公司及聯交所作出另行通知的權益及淡倉如下：

Ordinary Shares of the Company (the “Shares”)

本公司普通股（「股份」）

Name of Director/ chief executive	Capacity/ Nature of Interests	Number of Underlying Shares ⁽¹⁾	Percentage of the Company's issue share capital as at 30 September 2015 於二零一五年 九月三十日 佔本公司 已發行 股本百分比
董事／主要行政人員姓名	身分／權益性質	相關 股份數目 ⁽¹⁾	
Mr. Yang Si Hang ⁽²⁾ 楊詩恒先生 ⁽²⁾	Beneficiary of trust 信託受益人	6,003,880,000	23.45%

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Notes:

- (1) All interests stated are long positions.
- (2) YWH Investment Holding Limited (“YWH”), a company wholly owned by the Yang’s Family Trust, directly holds the entire issued share capital of Yang’s Holdings Capital Limited (“Yang’s Holdings”). The Yang’s Family Trust is a discretionary trust established by Mr. Yang Wan Ho (as the settlor) and the discretionary beneficiaries of which include Mr. Yang Wan Ho, Mr. Yang Si Hang, Ms. Yang Sze Man Salina and Mr. Yang Si Kit Kenny. Mr. Yang Si Hang, an executive Director and chief executive officer of the Company, who retired as a Director on 28 October 2016, is one of the beneficiaries of the Yang’s Family Trust. He is therefore deemed to be interested in the 6,003,880,000 Shares indirectly held by Yang’s Holdings.

Save as disclosed above, as at 30 September 2016, none of the Directors and chief executive of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

附註：

- (1) 所示全部權益均為好倉。
- (2) 由楊氏家族信託全資擁有的公司 YWH Investment Holding Limited (「YWH」) 直接持有 Yang’s Holdings Capital Limited (「Yang’s Holdings」) 全部已發行股本。楊氏家族信託為楊文豪先生(作為委託人)成立的全權信託，該信託的全權受益人包括楊文豪先生、楊詩恒先生、楊詩敏女士及楊詩傑先生。本公司執行董事兼首席執行官楊詩恒先生(彼於二零一六年十月二十八日退任董事)為楊氏家族信託的受益人之一。因此，彼被視為於 Yang’s Holdings 間接持有的 6,003,880,000 股股份中擁有權益。

除上文所披露者外，於二零一六年九月三十日，概無董事及本公司主要行政人員於本公司或其任何相聯法團(定義見證券及期貨條例第 XV 部)任何股份、相關股份或債權證中擁有(i)根據證券及期貨條例第 XV 部第 7 及 8 分部須知會本公司及聯交所的任何權益或淡倉(包括根據證券及期貨條例有關條文被當作或視為擁有的權益及／或淡倉)，或(ii)根據證券及期貨條例第 352 條須記入本公司所存置登記冊的任何權益或淡倉，或(iii)根據創業板上市規則第 5.46 條有關上市發行人董事進行交易規定標準而向本公司及聯交所作出另行通知的任何權益或淡倉。

Management Discussion and Analysis

管理層討論及分析

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2016, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept under 336 of the SFO:

Ordinary Shares of the Company

主要股東及其他人士於本公司股份及相關股份中的權益及淡倉

於二零一六年九月三十日，以下人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉，或擁有根據證券及期貨條例第336條須存置登記冊所記錄的權益或淡倉如下：

本公司普通股

Name of Shareholder	Capacity/Nature of Interests	Number of Underlying Shares ⁽¹⁾	Percentage of the Company's issue share capital as at 30 September 2015 於二零一五年九月三十日佔本公司已發行股本百分比
股東姓名／名稱	身分／權益性質	相關股份數目 ⁽¹⁾	
Mr. Yang Wan Ho ("Mr. Yang") 楊文豪先生(「楊先生」)	Founder and beneficiary of a discretionary trust 全權信託創立人兼受益人	6,003,880,000	23.45%
Cantrust (Far East) Limited ⁽²⁾	Trustee of trust 信託受託人	6,003,880,000	23.45%
YWH ⁽²⁾	Interest in a controlled corporation 於受控法團的權益	6,003,880,000	23.45%
Yang's Holdings ⁽²⁾	Beneficial owner 實益擁有人	6,003,880,000	23.45%
Mr. Yang Si Kit Kenny ⁽²⁾ 楊詩傑先生 ⁽²⁾	Beneficiary of trust 信託受益人	6,003,880,000	23.45%
Ms. Leung Shui Yee ⁽³⁾ 梁瑞怡女士 ⁽³⁾	Interest of spouse 配偶權益	6,003,880,000	23.45%
Ms. Chan Lo Mei ⁽⁴⁾ 陳露美女士 ⁽⁴⁾	Interest of spouse 配偶權益	6,003,880,000	23.45%
Ge Qingfu 葛慶福	Beneficial owner 實益擁有人	2,565,324,000	10.02%
Tsang Elton Ka Wai 曾加威	Beneficial owner 實益擁有人	1,392,936,000	5.44%

Management Discussion and Analysis

管理層討論及分析

Notes:

- (1) All interests stated are long positions.
- (2) Cantrust (Far East) Limited, the trustee of the Yang's Family Trust, holds the entire issued share capital of YWH. YWH, in turn, holds the entire issued share capital of Yang's Holdings. The Yang's Family Trust is a discretionary trust established by Mr. Yang (as the settlor) and the discretionary beneficiaries of which include Mr. Yang, Mr. Yang Si Hang, Ms. Yang Sze Man Salina and Mr. Yang Si Kit Kenny. Accordingly, each of Mr. Yang, Cantrust (Far East) Limited and YWH is deemed to be interested in the 6,003,880,000 Shares held by Yang's Holdings.
- (3) Ms. Leung Shui Yee is the spouse of Mr. Yang Si Hang. By virtue of the SFO, Ms. Leung Shui Yee is deemed to be interested in the same number of Shares in which Mr. Yang Si Hang is deemed to be interested.
- (4) Ms. Chan Lo Mei is the spouse of Mr. Yang Si Kit Kenny. By virtue of the SFO, Ms. Chan Lo Mei is deemed to be interested in the same number of Shares in which Mr. Yang Si Kit Kenny is deemed to be interested.

Save as disclosed above, as at 30 September 2016, the Company has not been notified by any person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

附註：

- (1) 所示全部權益均為好倉。
- (2) 楊氏家族信託的受託人Cantrust (Far East)Limited持有YWH全部已發行股本。YWH則持有Yang's Holdings的全部已發行股本。楊氏家族信託為楊先生(作為委託人)成立的全權信託，該信託的全權受益人包括楊先生、楊詩恒先生、楊詩敏女士及楊詩傑先生。因此，楊先生、Cantrust (Far East) Limited及YWH各自被視為於Yang's Holdings所持有的6,003,880,000股份中擁有權益。
- (3) 梁瑞怡女士為楊詩恒先生的配偶。根據證券及期貨條例，梁瑞怡女士被視為於楊詩恒先生被視為擁有權益的相同數目股份中擁有權益。
- (4) 陳露美女士為楊詩傑先生的配偶。根據證券及期貨條例，陳露美女士被視為於楊詩傑先生被視為擁有權益的相同數目股份中擁有權益。

除上文所披露者外，於二零一六年九月三十日，本公司並無得悉任何人士(董事或本公司主要行政人員除外)於本公司股份及相關股份中擁有或視為擁有根據證券或期貨條例第XV部第2及3分部條文須向本公司披露的權益或淡倉，或根據證券及期貨條例第336條須存置登記冊所記錄的權益或淡倉。

Management Discussion and Analysis

管理層討論及分析

SHARE OPTION SCHEME

Pursuant to the written resolution of the shareholders of the Company passed on 25 September 2014, the Group has conditionally adopted a share option scheme (the "Share Option Scheme") under which certain employees, consultants and advisers of the Group including the executive Directors may be granted options to subscribe for the Company's shares.

Reference is made to the announcement of the Company dated 22 August 2016 in regards to the grant of option. As at 30 June 2016, the Company had 200,000,000 (30 September 2015: Nil) share options outstanding under the Share Option Scheme, which represented approximately 0.01% (30 September 2015: Nil) of its issued share capital on that date. Details of movements in the share options under the Share Option Scheme ("Share Options") during the period were as follows:

Participants	Exercisable period	Exercise price per share of the Company HK\$ 每股本公司股份行使價 港元	Outstanding at 1 April 2016 於二零一六年四月一日 尚未行使	Granted during the period	Exercised during the period	Cancelled during the period	Outstanding at 30 September 2016 於二零一六年九月三十日 尚未行使
Consultants 顧問	22 July 2016 to 21 July 2026 二零一六年七月二十二日至 二零二六年七月二十一日	0.0256	-	1,600,000,000	(1,400,000,000)	-	200,000,000
Employees 僱員	22 July 2016 to 21 July 2026 二零一六年七月二十二日至 二零二六年七月二十一日	0.0256	-	200,000,000	(200,000,000)	-	-
				1,800,000,000	(1,600,000,000)	-	200,000,000

購股權計劃

根據本公司股東於二零一四年九月二十五日通過的書面決議案，本集團已有條件採納一項購股權計劃（「購股權計劃」）。據此，本集團若干僱員、諮詢人員及顧問（包括執行董事）可獲授購股權以認購本公司股份。

茲提述本公司日期為二零一六年八月二十二日的公佈，內容有關授出購股權。於二零一六年六月三十日，本公司於購股權計劃項下有 200,000,000 份（二零一五年九月三十日：無）尚未行使購股權，相當於其於該日已發行股本約 0.01%（二零一五年九月三十日：無）。期內購股權計劃項下購股權（「購股權」）的變動詳情如下：

CORPORATE GOVERNANCE PRACTICES

During the six months ended 30 September 2016, the Company has complied with the required code provisions set out in the Corporate Governance Code and Corporate Governance Report (the "Code") contained in Appendix 15 of the GEM Listing Rules and there has been no deviation in relation thereto.

企業管治常規

截至二零一六年九月三十日止六個月，本公司已遵守創業板上市規則附錄 15 所載企業管治守則及企業管治報告（「守則」）規定的守則條文，並無出現偏離情況。

Management Discussion and Analysis

管理層討論及分析

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Group adopted the required standards of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company.

On 21 April 2016, Yang's Holdings Capital Limited executed a share charge over 840,000,000 (the "Share Charge") in the share capital of the Company in favour of a licensed money lender in Hong Kong as security for a term loan facility granted to Yang's Holdings Capital Limited. On 11 May 2016, the Share Charge has been enforced and transferred to independent third party(ies). As a result of the enforcement, the shareholding interest of Yang's Holdings Capital Limited in the Company was reduced from approximately 51.02% to 30.02% of the entire issue share capital of the Company.

Save for the above and upon the Group's specific enquiry, each Director confirmed that he/she had fully complied with the required standard of dealings and there was no event of non-compliance during the six months ended 30 September 2016 and up to the date of this report.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 September 2016.

COMPETING INTERESTS

The Directors confirm that none of the Controlling Shareholders or Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business.

遵守董事進行證券交易規定標準的情況

本集團已採納創業板上市規則第5.48至第5.67條所載交易規定標準，作為有關董事進行涉及本公司證券的證券交易的行為守則。

於二零一六年四月二十一日，Yang's Holdings Capital Limited以香港一名持牌放債人為受益人簽立涉及本公司股本中840,000,000股股份之股份押記（「股份押記」），作為Yang's Holdings Capital Limited獲授定期貸款融資的抵押。於二零一六年五月十一日，股份押記已實行並轉讓予獨立第三方。由於實行股份押記，Yang's Holdings Capital Limited於本公司的股權由佔本公司已發行股本總額約51.02%減至30.02%。

除上述者及據本集團的特定查詢，各董事確認其於截至二零一六年九月三十日止六個月及直至本報告日期已全面遵守交易規定標準，且概無任何違規情況。

購買、出售或贖回本公司上市證券

截至二零一六年九月三十日止六個月，本公司或其任何附屬公司概無購買、出售或贖回本公司任何上市證券。

競爭權益

董事確認，概無控股股東或董事或彼等各自的緊密聯繫人士（定義見創業板上市規則）於與本集團業務直接或間接構成競爭或可能構成競爭的任何業務（本集團經營的業務除外）中擁有權益。

Management Discussion and Analysis

管理層討論及分析

AUDIT COMMITTEE

The Company has established the Audit Committee with terms in compliance with the Code as set out in Appendix 15 to the GEM Listing Rules. The duties of the Audit Committee are to primary review financial statements of the Company and oversee internal control procedures of the Company.

The Audit Committee consists of 3 independent non-executive Directors, namely Mr. Chan Ming Sun Jonathan, Mr. Ma Chi Ming and Mr. Kwong Lun Kei Victor. Mr. Chan Ming Sun Jonathan is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2016 and is of the opinion that the preparation of such statements complied with the applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

Interest of the compliance adviser

As notified by the compliance adviser of the Company, TC Capital International Limited (formerly known as TC Capital Asia Limited) ("TC Capital"), to the Company pursuant to rule 6A.32 of the GEM Listing Rules, as at 30 September 2016, save for TC Capital as the sponsor and one of the joint bookrunners and one of the joint lead managers in relation to the Listing of shares and the compliance adviser agreement entered into between the Company and TC Capital dated 17 July 2014, neither TC Capital or its directors, employees or close associates (as defined in GEM Listing Rules) had any interest in the Group.

審核委員會

本公司已成立審核委員會，並已採納符合創業板上市規則附錄15所載守則的職權範圍。審核委員會的主要職責為審閱本公司的財務報表及監管本公司的內部監控程序。

審核委員會包括三名獨立非執行董事，即陳銘樂先生、馬志明先生及鄭麟基先生。陳銘樂先生為審核委員會主席。

審核委員會已審閱本集團採納的會計原則及政策以及本集團截至二零一六年九月三十日止六個月的未經審核簡明綜合財務報表，並認為有關報表乃遵照適用的會計準則及創業板上市規則而編製，且已作出足夠披露。

合規顧問的權益

據本公司合規顧問天財資本國際有限公司(前身為天財資本亞洲有限公司) (「天財資本」)按照創業板上市規則第6A.32條向本公司表示，於二零一六年九月三十日，除天財資本就股份上市擔任保薦人、其中一名聯席賬簿管理人及其中一名聯席牽頭經辦人以及本公司與天財資本所訂立日期為二零一四年七月十七日的合規顧問協議外，天財資本或其董事、僱員或緊密聯繫人士(定義見創業板上市規則)概無擁有本集團的任何權益。

Management Discussion and Analysis

管理層討論及分析

CHANGES IN DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors is as follows:

Mr. Chan Ming Sun Jonathan, the independent non-executive Director, has been appointed as an independent non-executive director of Dining Concepts Holdings Limited (Stock code: 8056) with effect from 14 July 2016.

Change of Directors and Company Secretary

1. Mr. Ng Ka Ho was re-designated as the chairman of the Board, appointed as a member of the Remuneration Committee, the compliance officer and an authorised representative of the Company with effect from 22 April 2016.
2. Mr. Yang Si Kit Kenny resigned as the chairman of the Board, an executive Director, a member of the Remuneration Committee, the compliance officer and an authorised representative of the Company with effect from 22 April 2016.
3. Ms. Cheung Marn Kay was resigned as an independent non-executive Director, chairlady of the Remuneration Committee and the Nomination Committee, and a member of the Audit Committee of the Company with effect from 29 April 2016.
4. Mr. Ma Chi Ming was appointed as an independent non-executive Director and a member of the Audit Committee of the Company with effect from 29 April 2016.
5. Mr. Yang Si Hang ceased to be a member of the Nomination Committee of the Company with effect from 29 April 2016.

董事資料變動

根據創業板上市規則第 17.50A(1) 條，董事資料變動如下：

獨立非執行董事陳銘樂先生獲委任為飲食概念控股有限公司(股份代號：8056)的獨立非執行董事，自二零一六年七月十四日起生效。

更換董事及公司秘書

1. 吳家豪先生已調任為董事會主席並獲委任為本公司的薪酬委員會成員、合規主任及授權代表，自二零一六年四月二十二日起生效。
2. 楊詩傑先生已辭任本公司的董事會主席、執行董事、薪酬委員會成員、合規主任及授權代表，自二零一六年四月二十二日起生效。
3. 章曼琪女士已辭任本公司的獨立非執行董事、薪酬委員會及提名委員會主席以及審核委員會成員，自二零一六年四月二十九日起生效。
4. 馬志明先生已獲委任為本公司的獨立非執行董事及審核委員會成員，自二零一六年四月二十九日起生效。
5. 楊詩恒先生不再擔任本公司提名委員會成員，自二零一六年四月二十九日起生效。

Management Discussion and Analysis

管理層討論及分析

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|---|--|
| 6. Mr. Ng Ka Ho was appointed as a member of the Nomination Committee of the Company with effect from 29 April 2016. | 6. 吳家豪先生獲委任為本公司提名委員會成員，自二零一六年四月二十九日起生效。 |
| 7. Mr. Kwong Lun Kei Victor was re-designated to be the chairman of the Remuneration Committee and the Nomination Committee of the Company respectively with effect from 29 April 2016. | 7. 鄭麟基先生調任為本公司的薪酬委員會及提名委員會主席，自二零一六年四月二十九日起生效。 |
| 8. Ms. Chan Ming Sun Jonathan was appointed as a member of the Remuneration Committee and Nomination Committee of the Company respectively with effect from 29 April 2016. | 8. 陳銘樂先生獲委任為本公司的薪酬委員會及提名委員會成員，自二零一六年四月二十九日起生效。 |
| 9. Mr. Wong Lok Man was resigned as the company secretary of the Company with effect from 16 May 2016. | 9. 王樂民先生已辭任本公司的公司秘書，自二零一六年五月十六日起生效。 |
| 10. Mr. Leung Tze Wai was appointed as the company secretary of the Company with effect from 16 May 2016. | 10. 梁子煒先生獲委任為本公司的公司秘書，自二零一六年五月十六日起生效。 |
| 11. Mr. Yang Si Hang retired as a Director of the Company with effect from 28 October 2016. | 11. 楊詩恒先生退任本公司董事，自二零一六年十月二十八日起生效。 |

Management Discussion and Analysis

管理層討論及分析

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This report is published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lna.com.hk). The interim report of the Company for the six months ended 30 September 2016 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and published on the above websites.

By Order of the Board

L & A INTERNATIONAL HOLDINGS LIMITED

Ng Ka Ho

Chairman and Executive Director

Hong Kong, 14 November 2016

As at the date of this report, the executive Director is Mr. Ng Ka Ho; the non-executive Director is Mr. Wong Chiu Po; the independent non-executive Directors are Mr. Chan Ming Sun Jonathan, Mr. Kwong Lun Kei Victor and Mr. Ma Chi Ming

刊發中期業績及中期報告

本報告分別刊載於聯交所網站(www.hkexnews.hk)及本公司網站(www.lna.com.hk)。本公司截至二零一六年九月三十日止六個月的中期報告(當中載有創業板上市規則規定的所有資料)將寄發予本公司股東及刊載於上述網站。

承董事會命

樂亞國際控股有限公司

吳家豪

主席兼執行董事

香港，二零一六年十一月十四日

於本報告日期，執行董事為吳家豪先生；非執行董事為黃昭堡先生；以及獨立非執行董事為陳銘樂先生、鄺麟基先生及馬志明先生。

