

# 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

第三季度業績報告  
Third Quarterly 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因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」)之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*)

### 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

### COMPANY SECRETARY

Mr. Leung Tze Wai *CPA*

### COMPLIANCE OFFICER

Mr. Ng Ka Ho

### AUDIT COMMITTEE

Mr. Chan Ming Sun Jonathan (*Chairman*)  
Mr. Kwong Lun Kei Victor  
Mr. Ma Chi Ming

### REMUNERATION COMMITTEE

Mr. Kwong Lun Kei Victor (*Chairman*)  
Mr. Ng Ka Ho  
Mr. Chan Ming Sun Jonathan

### 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*)

### 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

### 公司秘書

梁子煒先生 *CPA*

### 合規主任

吳家豪先生

### 審核委員會

陳銘樂先生 (*主席*)  
鄭麟基先生  
馬志明先生

### 薪酬委員會

鄭麟基先生 (*主席*)  
吳家豪先生  
陳銘樂先生

# Corporate Information

## 公司資料

### **NOMINATION COMMITTEE**

Mr. Kwong Lun Kei Victor (*Chairman*)  
Mr. Chan Ming Sun Jonathan  
Mr. Ng Ka Ho

### **AUTHORISED REPRESENTATIVES**

Mr. Ng Ka Ho  
Mr. Leung Tze Wai

### **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

### **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](http://www.lna.com.hk)

### **STOCK CODE**

8195

### **提名委員會**

鄺麟基先生(主席)  
陳銘樂先生  
吳家豪先生

### **授權代表**

吳家豪先生  
梁子煒先生

### **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

### **香港股份過戶登記分處**

寶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](http://www.lna.com.hk)

### **股份代號**

8195

# 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

The board (the "Board") of directors 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 three months and nine months ended 31 December 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」)截至二零一六年十二月三十一日止三個月及九個月的未經審核簡明綜合業績，連同二零一五年同期的未經審核比較數字如下：

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

			Three months ended 31 December		Nine months ended 31 December	
			截至十二月三十一日止三個月		截至十二月三十一日止九個月	
			2016	2015	2016	2015
			二零一六年	二零一五年	二零一六年	二零一五年
NOTES			HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註			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)
Revenue	收益	3	5,048	39,669	52,561	158,909
Cost of sales	銷售成本	8	(4,007)	(31,122)	(57,514)	(124,234)
Gross profit	毛利		1,041	8,547	(4,953)	34,675
Other income	其他收入	4	93	821	227	6,168
Fair value change in structured bank deposit	結構性銀行存款的公平值變動		-	84	-	(23)
Other gains and losses	其他收益及虧損	5	-	1,402	(47)	949
Selling and distribution expenses	銷售及分銷開支		(1,083)	(3,009)	(4,233)	(8,839)
Administrative expenses	行政開支		(20,588)	(10,330)	(86,371)	(32,079)
Share of result of an associate	應佔一家聯營公司的業績		(19,903)	-	(27,748)	-
Finance costs	財務成本	6	(53)	(562)	(799)	(1,795)
Loss before taxation	除稅前虧損		(40,493)	(3,047)	(123,924)	(944)
Income tax credit (expense)	所得稅抵免(開支)	7	23	(375)	313	(3,138)
Loss for the period	期內虧損	8	(40,470)	(3,422)	(123,611)	(4,082)

# 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 nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月	截至十二月三十一日止三個月	截至十二月三十一日止九個月	截至十二月三十一日止九個月
		2016	2015	2016	2015
		二零一六年	二零一五年	二零一六年	二零一五年
NOTES		HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註		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)
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 arising on the translation of foreign operations	換算海外業務產生 的匯兌差額	(1,183)	(491)	(2,226)	(2,542)
Other comprehensive expense for the period	期內其他全面開支	(1,183)	-	(2,226)	-
Total comprehensive expense for the period	期內全面開支總額	(41,653)	(3,913)	(125,837)	(6,624)
Loss for the period attributable to:	以下人士應佔期內 虧損：				
Owners of the Company	本公司擁有人	(39,845)	(3,422)	(122,098)	(4,082)
Non-controlling interests	非控股權益	(625)	-	(1,513)	-
Total comprehensive expenses for the period attributable to:	以下人士應佔期內 全面開支總額：	(40,470)	(3,422)	(123,611)	(4,082)
Owners of the Company	本公司擁有人	(41,044)	(3,913)	(124,339)	(6,624)
Non-controlling interests	非控股權益	(609)	-	(1,498)	-
		(41,653)	(3,913)	(125,837)	(6,624)
Loss per share	每股虧損				
Basic (HK cents)	基本(港仙)	(0.156)	(0.017)	(0.530)	(0.020)
Diluted (HK cents)	攤薄(港仙)	(0.156)	N/A	(0.530)	N/A
			不適用		不適用

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

		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 HK\$'000 千港元	股份溢價 HK\$'000 千港元 (附註(i))	匯兌儲備 HK\$'000 千港元	特別儲備 HK\$'000 千港元 (附註(ii))	購股權儲備 HK\$'000 千港元	其他儲備 HK\$'000 千港元	保留溢利/ (累計虧損) HK\$'000 千港元	總計 HK\$'000 千港元	非控股權益 HK\$'000 千港元	權益總額 HK\$'000 千港元
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 31 December 2015 (unaudited)	於二零一五年十二月三十一日 (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	-	-	(2,241)	-	-	-	-	(2,241)	15	(2,226)
Loss for the period	期內虧損	-	-	-	-	-	-	(122,098)	(122,098)	(1,513)	(123,611)
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	(2,241)	-	-	-	(122,098)	(124,339)	(1,498)	(125,837)
Acquisition of an associate through issuance of share	透過發行股份收購一家聯營公司	2,260	470,127	-	-	-	-	-	472,387	-	472,387
Acquisition of a business	收購一項業務	-	-	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 31 December 2016 (unaudited)	於二零一六年十二月三十一日 (未經審核)	51,200	618,133	1,146	28,431	4,224	4,327	(128,291)	579,170	2,553	581,723

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

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 controlling shareholder of the Company in previous years.  | (ii) | 其他儲備產生自本公司一名控股股東於過往年度免除貸款還款。  |



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 5 June 2014. 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 2014. 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

本公司於二零一四年六月五日 在開曼群島註冊成立為獲豁免有限公司。本公司股份自二零一四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 nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months and nine months ended 31 December 2016 have been prepared in accordance with the Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

The basis of preparation and accounting policies applied in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual report for the year ended 31 March 2016, except for the new and revised HKFRSs. The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

### 2. 編製基準

本集團截至二零一六年十二月三十一日止三個月及九個月的未經審核簡明綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則（「香港財務報告準則」）及創業板上市規則的適用披露規定編製。

除若干財務工具按於各報告期末的公平值計量外，未經審核簡明綜合財務報表已按歷史成本基準編製。歷史成本通常基於就換取貨品及服務所支付代價的公平值計算。

除新訂及經修訂香港財務報告準則外，編製未經審核簡明綜合財務報表所應用的編製基準及會計政策與截至二零一六年三月三十一日止年度的年報所採納者一致。簡明綜合財務報表乃未經審核，但已由本公司審核委員會審閱。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 3. REVENUE

Revenue represents the invoiced values of goods sold during the reporting period.

### 3. 收益

收益指報告期內所售出貨品的發票價值。

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		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)
OEM Business	原設備製造業務	1,088	32,745	43,933	144,015
Retail Business	零售業務	1,095	6,924	4,808	14,894
Money Lending Business	放債業務	2,865	-	3,820	-
		<b>5,048</b>	<b>39,669</b>	<b>52,561</b>	<b>158,909</b>

### 4. OTHER INCOME

### 4. 其他收入

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		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)
Claim received from customers for cancelled orders	就客戶取消訂單收取 的索償	-	560	108	5,646
Rental income	租金收入	-	-	-	83
Bank interest income	銀行利息收入	6	1	20	2
Others	其他	87	260	99	437
		<b>93</b>	<b>821</b>	<b>227</b>	<b>6,168</b>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 5. OTHER GAINS AND LOSSES

### 5. 其他收益及虧損

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		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)
Gain on disposal of property plant and equipment	出售物業、廠房及設備的收益	-	1,404	-	1,221
Others	其他	-	(2)	(47)	(272)
		-	1,402	(47)	949

### 6. FINANCE COSTS

### 6. 財務成本

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		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)
Interest on:	下列各項的利息：				
Bank borrowings wholly repayable within five years	須於五年內悉數償還的銀行借貸	11	558	696	1,787
Obligations under finance leases	融資租賃債務	-	4	-	8
Amounts due to directors	應付董事款項	42	-	103	-
		53	562	799	1,795

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 7. INCOME TAX (CREDIT) EXPENSE 7. 所得稅(抵免)開支

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		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)
Hong Kong Profits Tax (Note (i))	香港利得稅(附註(i))				
— current period	— 本期間	196	588	196	3,225
PRC Enterprise Income Tax ("EIT")	中國企業所得稅				
(Note (ii)) — current period	(「企業所得稅」)				
	(附註(ii)) — 本期間	-	(186)	-	-
		196	402	-	3,225
Deferred tax	遞延稅項	(219)	(27)	(509)	(87)
		(23)	375	(313)	3,138

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。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 8. LOSS FOR THE PERIOD/COST OF SALES 8. 期內虧損／銷售成本

Loss for the period

期內虧損

	Three months ended 31 December		Nine months ended 31 December	
	截至十二月三十一日止三個月 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)	截至十二月三十一日止九個月 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)
Loss for the period has been arrived at after charging (crediting):				
Directors' remuneration:				
— Fees	587	1,420	2,489	4,946
— Other emoluments, salaries and other benefits	—	261	—	747
— Retirement benefit scheme contributions	9	14	27	37
	596	1,695	2,516	5,730
Other staff salaries and allowances	11,069	10,507	25,132	32,481
Retirement benefit scheme contributions, excluding those of Directors	178	252	606	763
Share-based payments	—	—	3,214	—
	11,843	12,454	31,468	38,974
Total employee benefits expenses				
Cost of inventories recognised as an expense	3,789	28,857	55,125	116,630
Depreciation of an investment property	19	20	52	60
Depreciation of property, plant and equipment	532	1,238	1,691	3,969
Amortisation of prepaid lease payments	24	27	72	82
Amortisation of intangible assets (included in administrative and other expenses)	864	—	2,016	—
Net exchange loss	1,163	393	1,666	469
Allowance for inventories	—	—	7,441	—
Rental income from investment property	—	—	—	(83)

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 8. LOSS 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.

### 9. DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2016 (2015: Nil).

### 10. LOSS PER SHARE

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

### 8. 期內虧損／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。

### 9. 股息

董事會不建議就截至二零一六年十二月三十一日止九個月派付股息(二零一五年：無)。

### 10. 每股虧損

本公司擁有人應佔每股基本虧損乃按以下數據計算：

	Three months ended 31 December		Nine months ended 31 December	
	截至十二月三十一日止三個月 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)	截至十二月三十一日止九個月 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)
<b>Loss</b>				
Loss for the purposes of basic earnings per share loss for the period attributable to the owners of the Company)	(39,845)	(3,422)	(122,098)	(4,082)
<b>Number of shares</b>				
Weighted average number of ordinary shares in issue for the purposes of basic loss per share	25,600,000,000	20,000,000,000	23,041,330,574	20,000,000,000
Effect of dilutive potential ordinary shares in respect of share options (Note)	-	-	-	-
Weighted average number of ordinary shares for the purposes of dilutive loss per share	25,600,000,000	20,000,000,000	23,041,330,574	20,000,000,000

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 10. LOSS PER SHARE (Continued)

Note: The computation of diluted loss per share for the three months and nine months ended 31 December 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 nine months ended 31 December 2016 and 2015 have been adjusted for the subdivision of shares.

No diluted loss per share has been presented for the three months and nine months ended 31 December 2015 as the Company has no potential dilutive ordinary shares outstanding during both periods.

### 11. LEGAL PROCEEDING 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 (collectivity, 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.

### 10. 每股虧損(續)

附註：計算截至二零一六年十二月三十一日止三個月及九個月的每股攤薄虧損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十二月三十一日止三個月及九個月的每股基本盈利(虧損)所用的普通股加權平均數已就股份拆細作出調整。

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十二月三十一日止三個月及九個月的每股攤薄虧損。

### 11. 法律訴訟 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」)。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

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

(Continued)

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.

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").

### 11. 法律訴訟(續)

#### 本公司股份登記(「登記」) (續)

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。

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」)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

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

(Continued)

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.

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.

### 11. 法律訴訟(續)

#### 本公司股份登記(「登記」) (續)

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。

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。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

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

(Continued)

The directors of the Company will follow the Court order in relation to the Registration of the Shares.

#### 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") and Mr. Yang Si Hang ("Mr. Yang") 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, Mr. Yang, 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.

### 11. 法律訴訟 (續)

#### 本公司股份登記(「登記」) (續)

本公司董事將遵循有關股份登記的法院命令。

#### 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」)及楊詩恒先生(「楊先生」)(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、楊先生、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。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

#### 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, the Directors and Mr. Yang (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.

### 11. 法律訴訟(續)

#### 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、董事及楊先生(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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For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

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

In the draft injunction order, the Plaintiffs sought the following reliefs against the Company, the Directors and Mr. Yang (the "Ex Parte Injunction Application") that until determination of the Legal Proceedings or further order of the Court, the Company, the Directors and Mr. Yang (whether acting by themselves, their officers, servants, agents or otherwise howsoever) be restrained from: (i) recognizing or giving effect or to otherwise taking any step to implement the purported exercise of any of Purported Options; (ii) recognizing 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; (iii) taking or procuring the taking, of any steps to alter the issued share capital of the Company save for those which are for proper purposes and in the best interests of the Company; (iv) taking or procuring the taking, of any steps to frustrate or defeat the Plaintiffs' Requisition for the purpose of convening an Extraordinary General Meeting of the Company to be held and alternately 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.

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

於強制令草擬本內，原告針對本公司、董事及楊先生尋求下列事項(「單方面強制令申請」)，要求於法律程序作出判決或法院進一步頒令前，限制本公司、董事及楊先生(不論自行及由其主管、僱員、代理或其他人士行事)：(i) 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；(ii) 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；(iii) 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；(iv) 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的原告要求；及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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## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

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

The hearing of the Ex Parte Injunction Application was heard on 31 August 2016. In the said hearing, the Company and the Directors 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. Upon the said undertakings, the Court ordered, inter alia, that the Plaintiffs shall issue an inter parte summons by 2 September 2016 identifying the injunctive reliefs sought against the Company and the Directors and that the hearing of the Summons will be fixed with 2 days reserved. No injunction order or disclosure order was made against the Company and Directors.

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

單方面強制令申請已於二零一六年八月三十一日舉行聆訊。於上述聆訊中，本公司及董事法院承諾(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，及不會改變本公司之已發行股本。於作出上述承諾後，法院頒令(其中包括)原告須於二零一六年九月二日前發出一份傳召訴訟各方之傳票，確認針對本公司及董事之禁制令，而傳票之聆訊將延遲兩日排期。並無向本公司及董事發出強制令或披露命令。

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## 簡明綜合財務報表附註

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### 11. LEGAL PROCEEDING (Continued)

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

On 2 September 2016, the Plaintiffs filed an Inter Parte Summons ("the Inter Parte Summons") seeking the following reliefs against, inter alia, the Company, the Directors and Mr. Yang that until further order of the Court, the Company, the Directors and Mr. Yang (whether acting by themselves, their officers, servants, agents or otherwise howsoever) be restrained from: (i) recognizing or giving effect or to otherwise taking any step to implement the Purported Options in relation to the exercise of any of the 200,000,000 share options out of the Purported Options, which was described by the Company as having been accepted by the grantee(s) and for which no share has been issued and the excise of any of the 200,000,000 share options out of the Purported Options which the Company described as not having been accepted by the grantee(s) and have lapsed; (ii) recognizing or giving effect or otherwise taking into account the 1,600,000,000 shares in the Company ("the Impugned Shares") issued to and registered in the names of the grantees on 23 August 2016 pursuant to the Purported Options for the following purposes: (a) determining the Plaintiffs' shareholding in the Company as at 23 August 2016, the date of the Plaintiffs' Requisition; (b) challenging or otherwise disputing the Plaintiffs' right to convene an extraordinary general meeting of the Company for the purpose of considering

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

於二零一六年九月二日，原告發出一份傳召訴訟各方之傳票(「訴訟各方傳票」)，針對(其中包括)本公司、董事及楊先生尋求下列事項，要求於法院進一步頒令前，限制本公司、董事及楊先生(不論自行及由其主管、僱員、代理或其他人士行事)(i)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(涉及行使指稱購股權中任何本公司聲稱已獲承授人接納而並未獲發行股份的200,000,000份購股權及涉及行使指稱購股權中任何本公司聲稱未獲承授人接納及已失效的200,000,000份購股權)；(ii)為以下目的確認或落實或以其他方式計入於二零一六年八月二十三日根據指稱購股權發行予承授人並以其名義登記的1,600,000,000股股份：(a)確定原告於二零一六年八月二十三日(即原告要求的日期)所佔本公司股權；(b)反對或以其他方式否定原告在董事會並未於遞交原告要求後21日內

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## 簡明綜合財務報表附註

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### 11. LEGAL PROCEEDING (Continued)

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

the proposed resolutions contained in the Plaintiffs' Requisition in the event that the Board does not within 21 days of the deposit of the Plaintiff's Requisition proceed to convene an extraordinary general meeting; (c) challenging or otherwise disputing the validity of the "pre-conditional voluntary conditional securities exchange and cash offer" contained in the Joint Announcement made by Favourite Number Limited and WLS Holdings Limited on 18 August 2016; (iii) taking or procuring the taking, of any steps to alter the issued share capital of the Company except with the approval of the Court; (iv) taking or procuring the taking, of any steps to frustrate or defeat the Plaintiffs' Requisition and, alternatively, the Company, the Directors and Mr. Yang do convene an Extraordinary General Meeting of the Company to be held for the purpose of considering, inter alia, the proposed resolutions contained in the Plaintiffs' Requisition within the next 3 days of the order to be made by the Court, or alternatively, the Directors and Mr. Yang do within the next 14 days acquire 1,600,000,000 shares in the Company and return them to the Company for cancellation, whereupon the Company shall within the next 7 days cancel those shares and pay the amount received by the Company from the issue of 1,600,000,000 shares in the Company pursuant to the Purported Options to the Directors and Mr. Yang.

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

著手召開股東特別大會的情況下就考慮原告要求所載建議決議案而召開本公司股東特別大會的權利；(c)反對或以其他方式否定 Favourite Number Limited 與 WLS Holdings Limited 於二零一六年八月十八日發出的聯合公佈所載「附帶先決條件自願有條件證券交換要約及現金要約」的效力；(iii)採取或促使採取任何步驟以改變本公司的已發行股本(獲法院批准除外)；(iv)採取或促使採取任何步驟以阻撓或拒絕原告要求，而另一方面，本公司、董事及楊先生須於法院頒令後3日內就考慮(其中包括)原告要求所載建議決議案召開本公司股東特別大會，或於14日內購入1,600,000,000股本公司股份並退還本公司以供註銷，屆時本公司須於其後7日內註銷該等股份，並將本公司就根據指稱購股權發行1,600,000,000股本公司股份所收款項支付予董事及楊先生。



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## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

#### Share Options of the Company (the “Share Options”) (Continued)

The Inter Parte Summons was heard on 1 and 2 November 2016. Upon the Company and the Directors’ undertaking to (i) restrain from recognizing, giving effect or otherwise taking any step to implement the Purported Options in relation to the exercise of any of the 200,000,000 share options out of Purported Options, which was described by the Company as having been accepted by the grantee(s) and for which no share has been issued and the exercise of any of the 200,000,000 share options out of the Purported Options, which the Company described as not having been accepted by the grantee(s) and have lapsed; and (ii) restrain from taking or procuring the taking, of any steps to alter the issued share capital of the Company unless and until the Company has given the Plaintiffs 5 working days prior written notice of their intention to do so, the Court has, inter alia, ordered on 2 November 2016 that there be a speedy trial of this proceedings on dates to be fixed.

No other injunction order was made against the Company, the directors of the Company and Mr. Yang. The Company is seeking legal advice in respect of the Legal Proceedings of the Share Options.

#### Kim Sungho’s first legal proceeding

Reference is made to the Company’s announcement dated on 28 November 2016. The Company has on 26 November 2016 received a writ of summons (“Mr. Kim’s First Writ”) filed by Mr. Kim Sungho (“Mr. Kim”) as the plaintiff against the Company and the Directors as the defendants under a legal proceeding in the Court (“Mr. Kim’s First Legal Proceeding”).

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

訴訟各方傳票已於二零一六年十一月一日及二日舉行聆訊。於本公司及董事承諾(i)接受限制不確認、落實或以其他方式採取任何步驟以執行指稱購股權(涉及行使指稱購股權中任何本公司聲稱已獲承授人接納而並未獲發行股份的200,000,000份購股權及涉及行使指稱購股權中任何本公司聲稱未獲承授人接納及已失效的200,000,000份購股權);及(ii)接受限制不採取或促使採取任何步驟以改變本公司的已發行股本(除非及直至本公司已事先給予原告5個工作天書面通知表示有此意向)後,法院於二零一六年十一月二日頒令(其中包括)盡快擇日審理此宗訴訟程序。

並無向本公司、本公司董事及楊先生發出其他強制令。本公司正就購股權法律程序徵詢法律意見。

#### Kim Sungho 首項法律程序

茲提述本公司日期為二零一六年十一月二十八日的公佈。於二零一六年十一月二十六日,本公司接獲由Kim Sungho先生(「Kim先生」)作為一項法律程序(「Kim先生首項法律程序」)的原告入稟法院對本公司及董事作為被告發出的傳訊令狀(「Kim先生首份傳訊令狀」)。

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## 簡明綜合財務報表附註

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### 11. LEGAL PROCEEDING (Continued)

#### Kim Sungho's first legal proceeding (Continued)

Pursuant to claims generally indorsed on Mr. Kim's First Writ, Mr. Kim claimed, *inter alia*, for a declaration that the Directors and the Company have committed offences under section 351 of Part XV of Securities and Futures Ordinance ("SFO") which requires directors, chief executives and substantial shareholders to disclose their interest in the shares and debentures of the Company.

#### Lim Hang Young's first legal proceeding

Reference is made to the Company's announcement dated on 28 November 2016. The Company has on 26 November 2016 received a writ of summons ("Mr. Lim's First Writ") filed by Mr. Lim Hang Young ("Mr. Lim") as the plaintiff against the Directors and the Company as the defendants under a legal proceeding in the Court ("Mr. Lim's First Legal Proceeding").

Pursuant to claims generally indorsed on Mr. Lim's First writ, Mr. Lim claimed, among other things, for (i) a declaration that the Directors and the Company have committed offences under section 351 of Part XV of SFO and for violation of disclosure of interests rules; and (ii) an order for the Company to exert its power under section 329 of SFO to investigate the holders of interests in its shares and debentures.

### 11. 法律訴訟(續)

#### Kim Sungho 首項法律程序(續)

據Kim先生首份傳訊令狀大致上聲稱，Kim先生提出(其中包括)宣判董事及本公司已觸犯證券及期貨條例(「證券及期貨條例」)第XV部第351條項下規定董事、高級行政人員及主要股東披露彼等於本公司股份及債權證的權益的罪行。

#### Lim Hang Young 首項法律程序

茲提述本公司日期為二零一六年十一月二十八日的公佈。於二零一六年十一月二十六日，本公司接獲由Lim Hang Young先生(「Lim先生」)作為一項法律程序(「Lim先生首項法律程序」)的原告入稟法院對董事及本公司作為被告發出的傳訊令狀(「Lim先生首份傳訊令狀」)。

據Lim先生首份傳訊令狀大致上聲稱，Lim先生提出(其中包括)(i)宣判董事及本公司已觸犯證券及期貨條例第XV部第351條項下罪行及違反披露權益規定；及(ii)頒令本公司行使證券及期貨條例第329條項下權力以調查持有人於其股份及債權證的權益。

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### 11. LEGAL PROCEEDING (Continued)

#### Joung Jong Hyun's first legal proceeding

Reference is made to the Company's announcement dated on 28 November 2016. The Company has on 26 November 2016 received a writ of summons ("Mr. Joung's First Writ") filed by Joung Jong Hyun ("Mr. Joung") as the plaintiff against the Directors and the Company as the defendants under a legal proceeding in the Court ("Mr. Joung's First Legal Proceeding").

Based on the claims generally indorsed on Mr. Joung's First Writ, Mr. Joung requested, among other things, for a declaration that the Directors and the Company have committed offences under section 25(1) of the Organized and Serious Crime Ordinance.

#### Kim Sungho's Second Legal Proceedings

Reference is made to the Company's announcement dated on 6 December 2016. The Company has on 5 December 2016 received a writ of summons ("Mr. Kim's Second Writ") filed on 1 December 2016 by Mr. Kim as the plaintiff against the Directors, the Company and Deloitte Touche Tohmatsu, an auditor of the Company ("Deloitte") as the defendants under a legal proceeding in the Court ("Mr. Kim's Second Legal Proceeding").

### 11. 法律訴訟(續)

#### Joung Jong Hyun 首項法律程序

茲提述本公司日期為二零一六年十一月二十八日的公佈。於二零一六年十一月二十六日，本公司接獲由Joung Jong Hyun (「Joung先生」)作為一項法律程序(「Joung先生首項法律程序」)的原告入稟法院對董事及本公司作為被告發出的傳訊令狀(「Joung先生首份傳訊令狀」)。

據Joung先生首份傳訊令狀大致上聲稱，Joung先生要求(其中包括)宣判董事及本公司已觸犯有組織及嚴重罪行條例第25(1)條項下罪行。

#### Kim Sungho 第二項法律程序

茲提述本公司日期為二零一六年十二月六日的公佈。於二零一六年十二月五日，本公司接獲由Kim先生作為一項法律程序(「Kim先生第二項法律程序」)的原告於二零一六年十二月一日入稟法院對董事、本公司及本公司核數師德勤•關黃陳方會計師行(「德勤」)作為被告發出的傳訊令狀(「Kim先生第二份傳訊令狀」)。

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## 簡明綜合財務報表附註

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### 11. LEGAL PROCEEDING (Continued)

#### Kim Sungho's Second Legal Proceedings (Continued)

Pursuant to claims generally indorsed on Mr. Kim's Second Writ, Mr. Kim claimed against the Directors for (i) a declaration that the Directors conspired and directed various accounting irregularities practices by the Company and its subsidiaries; (ii) an order to pay compensation to the Company for damages. Mr. Kim further claimed against Deloitte for (i) a declaration that Mr. Kwong conducted the negligent accounting review for the Company; and (ii) an order to pay compensation to the Company for damages. The Company is enjoined in Mr. Kim's Second Legal Proceeding to execute any orders by the Court.

#### Kim Sungho's third legal proceeding

Reference is made to the Company's announcement dated on 6 December 2016. The Company has on 5 December 2016 received another writ of summons ("Mr. Kim's Third Writ") filed on 2 December 2016 by Mr. Kim as the plaintiff against (i) Yang's Holdings Capital Limited, a substantial shareholder of the Company ("Yang's Holdings"); and (ii) the Company as the defendants under another legal proceeding in the Court ("Mr. Kim's Third Legal Proceeding").

Pursuant to claims generally indorsed on Mr. Kim's Third Writ, Mr. Kim claimed for (i) a declaration that Yang's Holdings beneficially holds and/or controls more than 30% of the outstanding shares in the Company and is subject to the mandatory general offer obligation; and (ii) an order that Yang's Holdings launches obligatory mandatarly general offer.

### 11. 法律訴訟(續)

#### Kim Sungho第二項法律程序(續)

據Kim先生第二份傳訊令狀大致上聲稱，Kim先生針對董事提出(i)宣判董事串謀及引導本公司及其附屬公司作出若干會計違規行為；(ii)頒令賠償本公司的損失。Kim先生進一步針對德勤提出(i)宣判鄭先生為本公司所進行會計審閱出現疏忽；及(ii)頒令賠償本公司的損失。於Kim先生第二項法律程序中，本公司遭勒令執行法院任何命令。

#### Kim Sungho第三項法律程序

茲提述本公司日期為二零一六年十二月六日的公佈。於二零一六年十二月五日，本公司接獲由Kim先生作為另一項法律程序(「Kim先生第三項法律程序」)的原告於二零一六年十二月二日入稟法院對案中被告(i)本公司主要股東Yang's Holdings Capital Limited(「Yang's Holdings」)；及(ii)本公司發出的另一份傳訊令狀(「Kim先生第三份傳訊令狀」)。

據Kim先生第三份傳訊令狀大致上聲稱，Kim先生提出(i)宣判Yang's Holdings實益持有及/或控制本公司發行在外股份逾30%，須承擔提出強制性全面收購建議的責任；及(ii)頒令Yang's Holdings展開強制性全面收購建議。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

#### Joung Jong Hyun's Second Legal Proceeding

Reference is made to the Company's announcement dated on 6 December 2016, the Company has on 5 December 2016 further received a writ of summons ("Mr. Joung's Second Writ") filed on 3 December 2016 by Mr. Joung as the plaintiff against the Directors, the Company; and Yang's Holdings as the defendants under a legal proceeding in the Court ("Mr. Joung's Second Legal Proceeding").

Based on claims generally indorsed on Mr. Joung's Second Writ, Mr. Joung claimed, among other things, for (i) a declaration that the Directors, the Company and Yang's Holdings have conspired for stock price manipulation, using the multi-layer marketing methods, and caused enormous loss to independent shareholders of the Company; and (ii) an order that the Directors, the Company and Yang's Holdings to pay HK\$500,000,000 to the independent shareholders of the Company.

#### Lee Moonkyu's first legal proceeding

Reference is made to the Company's announcement dated on 12 December 2016. The Company has on 8 December 2016 received a writ of summons ("Mr. Lee's Writ") dated 5 December 2016 filed by Mr. Lee Moonkyu as the plaintiff against the Directors, the Company and Mr. Yang Sit Hang as the defendants under a legal proceeding in the Court ("Mr. Lee's First Legal Proceeding").

### 11. 法律訴訟(續)

#### Joung Jong Hyun 第二項法律程序

茲提述本公司日期為二零一六年十二月六日的公佈。於二零一六年十二月五日，本公司進一步接獲由Joung先生作為一項法律程序(「Joung先生第二項法律程序」)的原告於二零一六年十二月三日入稟法院對董事、本公司及Yang's Holdings作為被告發出的傳訊令狀(「Joung先生第二份傳訊令狀」)。

據Joung先生第二份傳訊令狀大致上聲稱，Joung先生提出(其中包括)(i)宣判董事、本公司及Yang's Holdings串謀使用多層營銷方法操縱股價，以及令本公司獨立股東蒙受巨大損失；及(ii)頒令董事、本公司及Yang's Holdings向本公司獨立股東支付500,000,000港元。

#### Lee Moonkyu 首項法律程序

茲提述本公司日期為二零一六年十二月十二日的公佈。於二零一六年十二月八日，本公司接獲由Lee Moonkyu先生作為一項法律程序(「Lee先生首項法律程序」)的原告入稟法院對董事、本公司及Yang Sit Hang先生作為被告所發出日期為二零一六年十二月五日的傳訊令狀(「Lee先生傳訊令狀」)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

#### Lee Moonkyu's first legal proceeding (Continued)

Pursuant to claims generally indorsed on Mr. Lee's Writ, Mr. Lee claimed, inter alia, for (i) a declaration that the Directors, the Company and Mr. Yang Sit Hang have committed offences under Section 25(1) of the Organized and Serious Crime Ordinance; and (ii) a declaration that the Directors, the Company and Mr. Yang Sit Hang have conspired for stock price manipulation, using the multi-layer marketing methods, and caused enormous loss to independent shareholders of the Company.

#### Lim Hang Young's second legal proceeding

Reference is made to the Company's announcement dated on 13 December 2016. The Company has on 12 December 2016 received a writ of summons (the "Lim's Second Writ") dated 6 December 2016 filed by Mr. Lim as the plaintiff against the Directors, the Company, Mr. Yang Wan Ho (a substantial shareholder of the Company) and Mr. Ge Qingfu (a substantial shareholder of the Company) as the defendants under a legal proceeding in the Court ("Mr. Lim's Second Legal Proceeding").

Pursuant to claims generally indorsed on the Lim's Second Writ, Mr. Lim claimed, inter alia, for (i) a declaration that the Directors, the Company, Mr. Yang Wan Ho and Mr. Ge Qingfu have committed offences under Part XV of Securities and Future Ordinance (Section 351) and for false disclosure of interest; and (ii) a declaration that the Directors, the Company, Mr. Yang Wan Ho and Mr. Ge Qingfu have engaged in the multi-layer marketing scheme to improperly boost the stock price of the Company to 85 times the current level (in the past 52 weeks), to market capitalization of over \$20 billion, only drop back to the current level.

### 11. 法律訴訟(續)

#### Lee Moonkyu 首項法律程序(續)

據Lee先生傳訊令狀大致上聲稱，Lee先生提出(其中包括)(i) 宣判董事、本公司及Yang Sit Hang先生已觸犯有組織及嚴重罪行條例第25(1)條項下罪行；及(ii)宣判董事、本公司及Yang Sit Hang先生串謀使用多層營銷方法操縱股價，以及令本公司獨立股東蒙受巨大損失。

#### Lim Hang Young 第二項法律程序

茲提述本公司日期為二零一六年十二月十三日的公佈。於二零一六年十二月十二日，本公司接獲由Lim先生作為一項法律程序(「Lim先生第二項法律程序」)的原告入稟法院對董事、本公司、本公司主要股東楊文豪先生及本公司主要股東葛慶福先生作為被告所發出日期為二零一六年十二月六日的傳訊令狀(「Lim先生第二份傳訊令狀」)。

據Lim先生第二份傳訊令狀大致上聲稱，Lim先生提出(其中包括)(i)宣判董事、本公司、楊文豪先生及葛慶福先生已觸犯證券及期貨條例第XV部第351條項下罪行及違反披露權益規定；及(ii)宣判董事、本公司、楊文豪先生及葛慶福先生參與多層營銷計劃，以不當手法將本公司股價推高至過去52週現水平的85倍，市值超過200億元，惜股價其後回落至現水平。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

#### Lim Hang Young's third legal proceeding

Reference is made to the Company's announcement dated on 23 December 2016. The Company has on 23 December 2016 received a writ of summons (the "Lim's Third Writ") dated 16 December 2016 filed by Mr. Lim as the plaintiff against (i) the Stock Exchange of Hong Kong Limited (the "Stock Exchange"); (ii) Yu Ming Investment Management Limited ("Yu Ming"); and (iii) the Company as the defendants under a legal proceeding in the Court ("Mr. Lim's Third Legal Proceeding").

Pursuant to the claims generally indorsed on the Lim's Third Writ, Mr. Lim sought, *inter alia*, for (i) a declaration against Stock Exchange that the Stock Exchange has acted in bad faith in the vetting of the share subscription during the general offer period; (ii) an order against the Stock Exchange to rescind all listing approvals; (iii) a declaration against Yu Ming that Yu Ming purposefully ill advised the Company to break various Listing Rules, including assisting the Company in its multi-layer marketing scheme; and (iv) an order against the Company to apply for self-delisting.

### 11. 法律訴訟(續)

#### Lim Hang Young 第三項法律程序

茲提述本公司日期為二零一六年十二月二十三日的公佈。於二零一六年十二月二十三日，本公司接獲由Lim先生作為一項法律程序(「Lim先生第三項法律程序」)的原告入稟法院對案中被告(i)香港聯合交易所有限公司(「聯交所」)；(ii)禹銘投資管理有限公司(「禹銘」)；及(iii)本公司所發出日期為二零一六年十二月十六日的傳訊令狀(「Lim先生第三份傳訊令狀」)。

據Lim先生第三份傳訊令狀大致上聲稱，Lim先生尋求(其中包括)(i)宣判聯交所於全面要約期間在審批股份認購事項上辦事不力；(ii)頒令聯交所撤銷所有上市批准；(iii)宣判禹銘蓄意誤導本公司違反多項上市規則，包括協助本公司的多層營銷計劃；及(iv)頒令本公司申請自行除牌。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

#### Kim Sungho's fourth legal proceeding

Reference is made to the Company's announcement dated on 28 December 2016. The Company has on 28 December 2016 received a writ of summons (the "Kim's Fourth Writ") dated 20 December 2016 filed by Mr. Kim as the plaintiff against (i) Gram Capital Limited, an independent financial adviser to the independent board committee of the Company ("Gram Capital"); (ii) Mr. Wong Chiu Po, a non-executive director of the Company; (iii) Mr. Mai Chi Ming; (iv) Mr. Chan Ming Sun Jonathan, an independent non-executive director of the Company; and (v) the Company as the defendants (collectively, the "Defendants") under a legal proceeding in the Court ("Mr. Kim's Fourth Legal Proceeding").

Pursuant to the claims generally indorsed on the Kim's Fourth Writ, Mr. Kim sought inter alia, for (i) a declaration against the Defendants that the Defendants have conspired to assist the owners of the Company to commit offences under Section 25(1) of the Organized and Serious Crime Ordinance, i.e. they knew, or had reasonable grounds to believe, that on multifarious and respective occasions, and through complex "layering" vehicles mostly related to the Company, were dealing with the proceeds of an indictable offence; and (ii) an order against Gram Capital that Gram Capital to immediately resign as independent financial adviser to the Company.

### 11. 法律訴訟(續)

#### Kim Sungho 第四項法律程序

茲提述本公司日期為二零一六年十二月二十八日的公佈。於二零一六年十二月二十八日，本公司接獲由Kim先生作為一項法律程序(「Kim先生第四項法律程序」)的原告入稟法院對案中被告(i)本公司獨立董事委員會之獨立財務顧問嘉林資本有限公司(「嘉林資本」)；(ii)本公司非執行董事黃昭堡先生；(iii)馬志明先生；(iv)本公司獨立非執行董事陳銘樂先生；及(v)本公司(統稱「該等被告」)所發出日期為二零一六年十二月二十日的傳訊令狀(「Kim先生第四份傳訊令狀」)。

據Kim先生第四份傳訊令狀大致上聲稱，Kim先生尋求(其中包括)(i)宣判該等被告合謀協助本公司擁有人觸犯有組織及嚴重罪行條例第25(1)條項下罪行，即彼等知道或有合理理由相信，在各種重複的情況，以及透過多數與本公司相關的複雜「分層」工具，處理可公訴罪行的得益；(ii)頒令嘉林資本立即辭任本公司獨立財務顧問。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

#### Kim Sungho's fifth legal proceeding

Reference is made to the Company's announcement dated on 6 January 2017. The Company has on 6 January 2017 received a writ of summons (the "Kim's Fifth Writ") dated 3 January 2017 filed by Mr. Kim as the plaintiff against (i) Strong Light Investments Limited, a substantial shareholder of the Company ("Strong Light"); (ii) FP Sino-Rich Securities & Futures Limited ("FP"); (iii) Yu Ming; and (iv) the Company as the defendants under a legal proceeding in the Court ("Mr. Kim's Fifth Legal Proceeding").

Pursuant to the claim generally indorsed on the Kim's Fifth Writ, the Plaintiff sought, *inter alia*, for (i) a declaration against Strong Light that Strong Light and its parties acting in concert has accumulated over 30% of the outstanding shares in the Company, thus triggering the mandatory general offer; and (ii) a declaration against FP and Yu Ming that FP purposefully ill advised the Company to break various Listing Rules, including assisting the Company in its multi-layer marketing scheme.

#### Joung Jon Hyun's Third Legal Proceeding

Reference is made to the Company's announcement dated on 3 February 2017. The Company has on 3 February 2017 received a writ of summons (the "Joung's Third Writ") dated 1 February 2017 filed by Mr. Joung as the plaintiff against the Directors, the Company and Hastings & Co. ("Hastings") as the defendants under a legal proceeding in the Court ("Mr. Joung's Third Legal Proceeding").

### 11. 法律訴訟(續)

#### Kim Sungho 第五項法律程序

茲提述本公司日期為二零一七年一月六日的公佈。於二零一七年一月六日，本公司接獲由Kim先生作為一項法律程序(「Kim先生第五項法律程序」)的原告入稟法院對案中被告(i)本公司主要股東昌亮投資有限公司(「昌亮」)；(ii)富泰中順證券期貨有限公司(「富泰」)；(iii)禹銘；及(iv)本公司所發出日期為二零一七年一月三日的傳訊令狀(「Kim先生第五份傳訊令狀」)。

據Kim先生第五份傳訊令狀大致上聲稱，原告尋求(其中包括)(i)針對昌亮的宣判，內容有關昌亮及其一致行動人士因累計擁有本公司發行在外股份逾30%而觸發強制性全面收購建議；及(ii)針對富泰及禹銘的宣判，內容有關富泰蓄意誤導本公司違反多項上市規則，包括協助本公司的多層營銷計劃。

#### Joung Jong Hyun 第三項法律程序

茲提述本公司日期為二零一七年二月三日的公佈。於二零一七年二月三日，本公司接獲由Joung先生作為一項法律程序(「Joung先生第三項法律程序」)的原告入稟法院對董事、本公司及希仕廷律師行(「希仕廷」)作為被告所發出日期為二零一七年二月一日的傳訊令狀(「Joung先生第三份傳訊令狀」)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

#### Joung Jon Hyun's Third Legal Proceeding (Continued)

Pursuant to the claims generally indorsed on Mr. Joung's Third Writ, Mr. Joung sought, inter alia, for (i) a declaration that the Defendants have engaged in and solicited for illicit "kick-back" arrangement on solicitor fees; and (ii) and order that the Company and Hastings engage in thorough investigations of related personnel on alleged corruptive behaviour.

The Company will contest Mr. Kim's First Legal Proceeding, Mr. Lim's First Legal Proceeding, Mr. Joung's First Legal Proceeding, Mr. Kim's Second Legal Proceeding, Mr. Kim's Third Legal Proceeding, Mr. Joung's Second Legal Proceeding, Mr. Lee's First Legal Proceeding, Mr. Lim's Second Legal Proceeding, Mr. Lim's Third Legal Proceeding, Mr. Kim's Fourth Legal Proceeding, Mr. Kim's Fifth Legal Proceeding, and Mr. Joung's Third Legal Proceeding, and is seeking legal advice in respect of the said legal proceedings.

#### Chi Dong Eun's Winding Up Petition

Reference is made to the Company's announcement dated on 6 January 2017. The Company has also on 6 January 2017 received a petition (the "Petition") dated 3 January 2017 filed by Chi Dong Eun (the "Petitioner") against (i) the Company, (ii) the Directors and (iii) Mr. Yang as the respondents (collectively, the "Respondents").

### 11. 法律訴訟(續)

#### Joung Jong Hyun 第三項法律程序(續)

據Joung先生第三份傳訊令狀大致上聲稱，Joung先生尋求(其中包括)(i)宣判該等被告就律師費從事及索求違法的「回佣」安排；及(ii)頒令本公司及希仕廷就涉嫌貪污行為的相關人士進行徹底調查。

本公司將對Kim先生首項法律程序、Lim先生首項法律程序、Joung先生首項法律程序、Kim先生第二項法律程序、Kim先生第三項法律程序、Joung先生第二項法律程序、Lee先生首項法律程序、Lim先生第二項法律程序、Lim先生第三項法律程序、Kim先生第四項法律程序、Kim先生第五項法律程序及Joung先生第三項法律程序提出抗辯，現正就上述法律程序諮詢法律意見。

#### Chi Dong Eun的清盤呈請書

茲提述本公司日期為二零一七年一月六日的公佈。於二零一七年一月六日，本公司接獲Chi Dong Eun(「呈請人」)針對(i)本公司；(ii)董事；及(iii)楊先生作為答辯人(統稱「該等答辯人」)所發出日期為二零一七年一月三日的呈請書(「呈請書」)。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the nine months ended 31 December 2016 截至二零一六年十二月三十一日止九個月

### 11. LEGAL PROCEEDING (Continued)

#### Chi Dong Eun's Winding Up Petition

(Continued)

The Petitioner alleged, inter alia, that (i) the Respondents have deliberately evaded the mandatory general offer obligation of the Codes on Takeovers and Mergers and Share Buy-Back; (ii) Mr. Yang has engaged in massive illegal share pledge borrowing activities, without making proper and required disclosures; (iii) from the initial public offering of the Company, the accounting results of the Company have been falsified, unfairly prejudicial to independent shareholders to be misled; (iv) the Company has physically prevented several independent shareholders from participating in the voting in some extraordinary general meetings of the Company; and (v) the Directors and Mr. Yang have committed offences under section 25(1) of the Organized and Serious Crime Ordinance, which in the circumstances renders it just, equitable and desirable to wind up the Company. The hearing of Petition was scheduled to be heard on 5 April 2017.

The Company have filed two summonses (the "Summonses") on 10 February 2017 and 13 February 2017 respectively to apply for the Validation Order and for an order to strike out the Petition. The hearing of the Summonses have been fixed to be heard on 28 February 2017.

### 11. 法律訴訟(續)

#### Chi Dong Eun的清盤呈請書(續)

呈請人聲稱(其中包括)(i)該等答辯人故意逃避《公司收購、合併及股份回購守則》項下的強制性全面收購建議的責任；(ii)楊先生在未作出適當及必要披露的情況下大肆進行非法股份質押借貸活動；(iii)自本公司首次公開發售起，本公司的會計業績已經被篡改，不當地損害獨立股東的權益並對其產生誤導；(iv)本公司已阻礙多名獨立股東參與本公司若干股東特別大會的表決；及(v)董事及楊先生已觸犯有組織及嚴重罪行條例第25(1)條項下罪行，在此情況下將本公司清盤屬公平、衡平及合宜做法。呈請書排期於二零一七年四月五日聆訊。

本公司已分別於二零一七年二月十日及二零一七年二月十三日就申請認可令及頒令刪除呈請書提交兩份傳票(「該等傳票」)。該等傳票的聆訊已訂於二零一七年二月二十八日進行。

# 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 a decline compared with the same period last year. Shopping trends in the United States of America ("US") have begun to shift from major branded apparels to large affordable fashion retailers, and spending patterns have begun to shift towards a higher willingness to spend on electronics products instead. As a result, major apparel brands in the US are experiencing this pressure, resulting in a wave of cost cutting, store closures and clearance sales of their products this year. This trend is particularly evident for mid-market brands which find it difficult to charge excessive premium for their products or lower their costs sufficiently to compete with the larger fashion retailers. Unfortunately, our products rely on the performance of these mid-market retailers in the US and their poor performance has negatively impacted us in this quarter and is expected to continue throughout 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, we are also looking for innovative ways to weather this downturn and at the same time look for opportunities in any niche segments on which we could utilise our know-how in cashmere garment manufacturing.

### 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」）的購物趨勢已開始由各大品牌服裝轉移至價格實惠的大型時裝零售商，而消費模式亦開始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，導致於本年度紛紛削減成本、關閉店舖及清貨促銷產品。此趨勢在「中檔」市場品牌尤其顯著，原因為該等品牌難以就其產品收取過高溢價或大幅降低其成本以與更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季度對我們構成負面影響，並預期將持續至整個年度。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（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。

# Management Discussion and Analysis

## 管理層討論及分析

For the Retail Business, the revenue decline is mainly attributable to the weak consumer market prolonged by the sluggish economy, low level of consumer sentiment and the rather unpleasant shopping atmosphere in Hong Kong. These factors have caused the number of mainland Chinese tourists in Hong Kong to decline. Additionally, the warmest November month ever recorded in Hong Kong last year, aggravated the already weakened demand for its cashmere garments.

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, 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 challenge. 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 times. Besides the reduced sales orders from the major customers, the Group is also facing ever-increasing production costs in mainland China. Based on sales orders placed by the OEM customers up to the date of this report, the estimated revenue of OEM Business for the year ended 31 March 2017 is expected to decline significantly compared to last year. However, the management of the Company will continue to look for new customers to widen the customer base and reallocate the production resources according to the orders received so as to save costs. Although the business environment is tough, the management of the Company will try to maintain a stable volume of business for the OEM Business segment and concurrently ensure that the Company is not exposed to unnecessary customer credit risks.

零售業務方面，收益下跌主要由於香港經濟低迷、消費者消費意欲降低及瀟灑較不愉快的購物氣氛導致消費市場長時間疲弱，繼而令訪港內地旅客數目下降。此外，去年香港錄得歷來最溫暖的十一月，導致羊絨成衣需求進一步下降。

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抵押的客戶。

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困難。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不為爭取商機貿然冒險屬審慎做法。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。基於截至本報告日期原設備製造客戶下達的銷售訂單，預期原設備製造業務於截至二零一七年三月三十一日止年度的估計收益將較去年大幅下跌。然而，本公司管理層將繼續物色新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。儘管營商環境嚴峻，本公司管理層將致力令原設備製造業務分部的業務量維持穩定，同時確保本公司毋須承擔不必要的客戶信貸風險。

# Management Discussion and Analysis

## 管理層討論及分析

For the Retail Business, the management of the Company will closely monitor the consumers' behaviour and will continue holding the promotion campaigns. The management of the Company is also monitoring the movements 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 as the Company can still maintain a healthy profit margin by selling its garments directly from the factory to its customers.

Furthermore, the management of the Company is also looking for new investment opportunities, especially in retail markets 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 source of income, the Group is now engaged in the 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 segment 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.

### MATERIAL ACQUISITIONS, DISPOSALS AND SIGNIFICANT INVESTMENT

- i. On 22 April 2016, the Group entered into a sales and purchase agreement with an independent third party, pursuant to which the Group conditionally agreed to purchase 55.56% of equity interests of Aji On Worldwide Holdings Limited, which operates a high-end fashion brand captivating audiences of high-end fashion retail industry in the PRC for a cash consideration of HK\$13,000,000. The transaction was completed in May 2016.

零售業務方面，本公司管理層將密切監察消費行為，並繼續籌辦推廣活動。本公司管理層亦將監控零售店舖的租金走勢，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，原因為本公司可直接從工廠取得成衣售予客戶，故仍能維持穩健利潤率。

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抵押的客戶。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分部及可申報分部呈列。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。

### 重大收購事項及出售事項以及重大投資

- i. 於二零一六年四月二十二日，本集團與一名獨立第三方訂立買賣協議，據此，本集團有條件同意以現金代價13,000,000港元購入Aji On Worldwide Holdings Limited（該公司在中國經營一個備受國內高檔時裝零售業界推崇的時裝品牌）的55.56%股權。交易於二零一六年五月完成。

# Management Discussion and Analysis

## 管理層討論及分析

- ii. On 28 April 2016, the Group entered into a sales and purchase agreement with New Star International Development Limited, SOPD, Inc Insight Limited, Zhu Jun, Lai Kwok Ho, Li Jia, Chi Weina and Ji Wei (“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 in June 2016.
- ii. 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、Inc Insight 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，本公司有條件同意購入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。交易於二零一六年六月完成。

## VOLUNTARY CONDITIONAL SHARE OFFER

### Voluntary Conditional Share Exchange Offers (the “Offers”)

On 7 October 2016, QPL International Holdings Limited (“QPL” or the “Offeror”) proposed to the Board that it would make the Offers to (i) acquire all of the issued shares in the share capital of the Company (other than those already owned by the Offeror and parties acting in concert with it) (the “Share Offer”); and (ii) cancel all of the outstanding Options (the “Option Offer”, together with the Share Offer, the “Offers”).

On 3 February 2017, being the extended closing date of the Offers, QPL had (i) received valid acceptances in respect of a total of 3,917,665,079 Shares (taking into account the acceptance in respect of the Shares on the first closing date of the Offerors) (the “Acceptance Shares”) under the Share Offer, which represented approximately 15.303% of the total issued share capital and voting rights of the Company as at the date of the announcement of the Offeror dated 3 February 2017 in relation to the extended closing date and further extension of the Offer Period (the “Further Extension Announcement”); and (ii) not received any acceptance in respect of the Option Offer.

## 自願有條件股份交換要約

### 自願有條件股份交換要約（「要約」）

於二零一六年十月七日，QPL International Holdings Limited（「QPL」或「要約人」）向董事會建議，表示其可能作出要約，以(i)收購本公司股本中全部已發行股份（要約人及其一致行動人士已擁有者除外）（「股份要約」）；及(ii)註銷全部尚未行使購股權（「購股權要約」，連同股份要約統稱為「該等要約」）。

於二零一七年二月三日（即該等要約延長後的截止日期），QPL(i)已接獲有關股份要約項下合共3,917,665,079股股份（已計及於要約人的首個截止日期有關股份的接納）（「接納股份」）的有效接納，相當於要約人日期為二零一七年二月三日有關延長截止日期及進一步延長要約期的公佈（「進一步延長公佈」），本公司的全部已發行股本及表決權約15.303%；及(ii)並無接獲有關購股權要約的任何接納。

# Management Discussion and Analysis

## 管理層討論及分析

Taking into account the Acceptance Shares (subject to the Offers become or are declared unconditional) and the 13,800,000 Shares already owned by QPL and parties acting in concert with it, QPL and parties acting in concert with it are interested in an aggregate of 3,931,465,079 Shares, representing approximately 15.357% of the total issued share capital and voting rights of the Company as at the date of the Further Extension Announcement. The closing time and date of the Offers made by QPL will be further extended by QPL from 4:00 p.m. on 3 February 2017 to 4:00 p.m. on 14 February 2017.

Details of the Offers have been disclosed in (i) the announcement of the Offeror dated 14 October 2016 in relation to, inter alia, the Offers; (ii) the announcement of the Offeror dated 4 November 2016 in relation to, among other things, the delay in despatch of the offer document in respect of the Offers; (iii) the offer document issued by the Offeror dated 16 December 2016 in relation to, inter alia, the Offers; (iv) the announcement of the Offeror dated 16 December 2016 in relation to the despatch of the Offer Document; (v) the response document dated 30 December 2016 in respect of the Offers issued by the Company; (vi) the announcement of the Offeror dated 11 January 2017; (vii) the announcement of the Offeror dated 13 January 2017 in relation to the extended closing date and extension of the Offer Period; and (viii) the Further Extension Announcement.

經計及接納股份(須待該等要約成為或宣佈為無條件後方可作實)以及QPL及其一致行動人士已擁有的13,800,000股股份，QPL及其一致行動人士於合共3,931,465,079股股份中擁有權益，相當於進一步延長公佈日期本公司全部已發行股本及表決權約15.357%。QPL將其作出該等要約的截止時間及日期由二零一七年二月三日下午四時正進一步延長至二零一七年二月十四日下午四時正。

該等要約的詳情已於(i)要約人日期為二零一六年十月十四日有關(其中包括)該等要約的公佈；(ii)要約人日期為二零一六年十一月四日有關(其中包括)延期寄發有關該等要約的要約文件的公佈；(iii)要約人所刊發日期為二零一六年十二月十六日有關(其中包括)該等要約的要約文件；(iv)要約人日期為二零一六年十二月十六日有關寄發要約文件的公佈；(v)本公司就該等要約所刊發日期為二零一六年十二月三十日的回應文件；(vi)要約人日期為二零一七年一月十一日的公佈；(vii)要約人日期為二零一七年一月十三日有關延長截止日期及延長要約期的公佈；及(viii)進一步延長公佈內披露。



# Management Discussion and Analysis

## 管理層討論及分析

### FINANCIAL REVIEW

#### Revenue

The Group's revenue dropped from approximately HK\$158.9 million for the nine months ended 31 December 2015 to approximately HK\$52.6 million for the nine months ended 31 December 2016, representing a decrease of approximately 66.9%. The revenue of OEM Business decreased by approximately 69.5% to approximately HK\$44 million for the nine months ended 31 December 2016 as compared to the nine months ended 31 December 2015. On the other hand, the revenue from Retail Business decreased by approximately 67.7% to approximately HK\$4.8 million for the nine months ended 31 December 2016 as compared to the nine months ended 31 December 2015.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the nine months ended 31 December 2016 and 2015.

#### 財務回顧

#### 收益

本集團的收益由截至二零一五年十二月三十一日止九個月約158.9百萬港元下跌約66.9%至截至二零一六年十二月三十一日止九個月約52.6百萬港元。截至二零一六年十二月三十一日止九個月，原設備製造業務的收益較截至二零一五年十二月三十一日止九個月減少約69.5%至約44百萬港元。另一方面，截至二零一六年十二月三十一日止九個月，零售業務的收益較截至二零一五年十二月三十一日止九個月減少約67.7%至約4.8百萬港元。

下表載列本集團於截至二零一六年及二零一五年十二月三十一日止九個月各個期間按分部劃分的收益分析。

		Nine months ended 31 December 截至十二月三十一日止九個月			
		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	43,933	83.6	144,015	90.6
Retail Business	零售業務	4,808	9.1	14,894	9.4
Money Lending Business	放債業務	3,820	7.3	-	-
		52,561	100.0	158,909	100.0

# Management Discussion and Analysis

## 管理層討論及分析

### 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 53.7% to approximately HK\$57.5 million for the nine months ended 31 December 2016 as compared to the nine months ended 31 December 2015. The gross profit margin decreased from approximately 21.8% for the nine months ended 31 December 2015 to approximately -9.42% for the nine months ended 31 December 2016. The gross profit dropped by approximately -114.3% to approximately HK\$-5.0 million for the nine months ended 31 December 2016 as compared to the nine months ended 31 December 2015. Such decrease in gross profit was mainly attributable to, among other things, rising in labour cost, reduce in selling price and quantity and the continuing tough retail environment in the United States of America, which resulted in significant drop of sales order and increase in overhead cost.

The Company also make provision for inventories of approximately HK\$7,441,000 for the nine months ended 31 December 2016, which was mainly due to certain type of raw materials becoming obsolete over the years as per the internal aging policy of the Company.

### Expenses

Selling and administrative expenses for the nine months ended 31 December 2016 was approximately HK\$90.6 million (nine months ended 31 December 2015: approximately HK\$40.9 million), representing an increase of approximately HK\$49.7 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 Favourite Number Limited, which was subsequently withdrawn.

### Loss for the period

The loss for the nine months ended 31 December 2016 was approximately HK\$123.6 million. The loss for the nine months ended 31 December 2015 was approximately HK\$4.1 million.

### 銷售成本及毛利

本集團的銷售成本大部分為原材料成本。截至二零一六年十二月三十一日止九個月，本集團的銷售成本較截至二零一五年十二月三十一日止九個月下跌53.7%至約57.5百萬港元。毛利率由截至二零一五年十二月三十一日止九個月約21.8%下跌至截至二零一六年十二月三十一日止九個月約-9.42%。截至二零一六年十二月三十一日止九個月，毛利較截至二零一五年十二月三十一日止九個月下跌約-114.3%至約-5.0百萬港元。毛利減少主要由於(其中包括)勞工成本上升、售價及銷量下跌，以及美國零售環境持續嚴峻，導致銷售訂單大幅減少及間接成本增加。

截至二零一六年十二月三十一日止九個月，本公司亦就存貨作出撥備約7,441,000港元，主要由於根據本公司的內部賬齡政策，若干類別原材料變得過時陳舊。

### 開支

截至二零一六年十二月三十一日止九個月，銷售及行政開支增加約49.7百萬港元至約90.6百萬港元(截至二零一五年十二月三十一日止九個月：約40.9百萬港元)，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Favourite 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

截至二零一六年十二月三十一日止九個月錄得虧損約123.6百萬港元，而截至二零一五年十二月三十一日止九個月的虧損約為4.1百萬港元。

# Management Discussion and Analysis

## 管理層討論及分析

### SHARE SUBDIVISION

On 6 June 2016, the Board proposed to subdivide every one (1) issued and unissued ordinary share of HK\$0.01 each in the share capital of the Company into five (5) subdivided shares of HK\$0.002 each, such that the authorized 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 above share subdivision was approved by the Company's shareholders for the share subdivision at the extraordinary general meeting on 22 June 2016 and became effective on 23 June 2016.

### 股份分拆

於二零一六年六月六日，董事會建議將本公司股本中每股面值0.01港元的已發行及未發行普通股每一(1)股分拆為五(5)股每股面值0.002港元的分拆股份，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0.002港元的股份。上述股份分拆於二零一六年六月二十二日獲本公司股東於股東特別大會上批准，並於二零一六年六月二十三日生效。

## Other Information 其他資料

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

As at 31 December 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

於二零一六年十二月三十一日，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 <sup>(1)</sup>	Percentage of the Company's issue share capital as at 31 December 2016 於二零一六年 十二月三十一日 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 <sup>(1)</sup>	
Mr. Yang Si Hang <sup>(2)</sup> 楊詩恒先生 <sup>(2)</sup>	Beneficiary of trust 信託受益人	10,000,000	0.04%

## Other Information 其他資料

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, chief executive officer of the Company, who retired as a Director on 28 October 2016, is one of the beneficiaries of Yang’s Family Trust. He is therefore deemed to be interested in the 10,000,000 Shares indirectly held by Yang’s Holdings.

Save as disclosed above, as at 31 December 2016, none of the Directors or 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。本公司首席執行官楊詩恒先生(已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 10,000,000 股 股 份 中 擁 有 權 益。

除上文所披露者外，於二零一六年十二月三十一日，概無董事或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。

## Other Information 其他資料

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

As at 31 December 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:

### 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

於二零一六年十二月三十一日，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分部條文予以披露的權益或淡倉，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：

#### Ordinary Shares of the Company

#### 本公司普通股

Name of Shareholder 股東姓名／名稱	Capacity/Nature of Interests 身分／權益性質	Number of Underlying Shares <sup>(1)</sup> 相關股份數目 <sup>(1)</sup>	Percentage of the Company's issue share capital as at 31 December 2016 於二零一六年十二月三十一日佔本公司已發行股本百分比
Lau Lan Ying 劉蘭英	Interest in a controlled corporation 於受控法團的權益	6,446,296,000	25.18%
Wong Kwan Mo 黃君武	Interest in a controlled corporation 於受控法團的權益	6,446,296,000	25.18%
Strong Light Investments Limited	Beneficial owner 實益擁有人	5,993,880,000	23.41%
Ge Qingfu 葛慶福	Beneficial owner 實益擁有人	2,565,324,000	10.02%

Notes:

(1) All interests stated are long positions.

附註：

(1) 所示全部權益均為好倉。

## Other Information

### 其他資料

Save as disclosed above, as at 31 December 2016, the Company had 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.

### CORPORATE GOVERNANCE PRACTICES

During the nine months ended 31 December 2016, the Company had complied with the required code provisions set out in the Corporate Governance Code (the "Code") and Corporate Governance Report as contained in Appendix 15 of the GEM Listing Rules and there had been no deviation in relation thereto.

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

The Group has 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. Upon the Group's specific enquiry, each Director confirmed that he/she had fully complied with the required standard of dealings and there had been no event of non-compliance during the nine months ended 31 December 2016 and up to the date of this report.

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

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the nine months ended 31 December 2016.

除上文所披露者外，於二零一六年十二月三十一日，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及期貨條例第XV部第2及3分部條文予以披露的權益或淡倉，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。

### 企業管治常規

截至二零一六年十二月三十一日止九個月，本公司已遵守創業板上市規則附錄15所載企業管治守則（「守則」）及企業管治報告規定的守則條文，並無出現偏離情況。

### 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，作為有關董事進行證券交易的行為守則。經本集團作出特定查詢後，各董事確認其已全面遵守交易規定標準，並於截至二零一六年十二月三十一日止九個月及直至本報告日期概無任何違規情況。

### 購買、出售或贖回本公司上市證券

截至二零一六年十二月三十一日止九個月，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。

## Other Information 其他資料

### PLEDGE OF SHARES BY CONTROLLING SHAREHOLDER

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. 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.

### 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.

### 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.

### 控股股東抵押股份

於二零一六年四月二十一日，Yang's Holdings Capital Limited向香港一名持牌放債人簽立涉及本公司股本中840,000,000股股份（「抵押股份」）的股份押記，作為Yang's Holdings Capital Limited所獲授定期貸款融資的抵押。於二零一六年五月十一日，抵押股份押遭強制沒收並轉讓予獨立第三方。由於強制沒收，Yang's Holdings Capital Limited於本公司之股權由佔本公司已發行股本總額約51.02%減至約30.02%。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。

### 競爭權益

董事確認，概無控股股東或董事及彼等各自的緊密聯繫人士（定義見創業板上市規則）於對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。

### 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督本公司的內部監控程序。



## Other Information

### 其他資料

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 nine months ended 31 December 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 31 December 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.

By Order of the Board

**L & A INTERNATIONAL HOLDINGS LIMITED**  
**Ng Ka Ho**

*Chairman and Executive Director*

Hong Kong, 14 February 2017

*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.*

審核委員會包括三名獨立非執行董事，即陳銘樂先生、馬志明先生及鄺麟基先生。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十二月三十一日止九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規規則而編製，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」)按照創業板上規規則第6A.32條向本公司表示，於二零一六年十二月三十一日，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(定義見創業板上規規則)概無擁有本集團的任何權益。

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，二零一七年二月十四日

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。

