

# 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

Third Quarterly Report  
第三季度業績報告

2018

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

**Given that the companies listed on GEM are generally small and mid-sized companies, 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 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」）GEM的特色**

**GEM**乃為較其他於聯交所上市的公司帶有較高投資風險的中小型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。

由於**GEM**上市公司一般為中小型公司，於**GEM**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**GEM**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聯交所對本報告之內容概不負責，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而產生或因倚賴該等內容而引致之任何損失承擔任何責任。

本報告遵照聯交所GEM證券上市規則（「GEM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, KY1-1104  
Cayman Islands

### HEADQUARTER AND PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit No. D, 5th Floor  
Wing Hong Centre  
No. 18 Wing Hong Street  
Kowloon, Hong Kong

### EXECUTIVE DIRECTORS

Mr. Ng Ka Ho (*Chairman*)  
Mr. Lau Chun Kavan  
(*appointed on 16 May 2018*)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Ma Chi Ming  
Mr. Li Kin Ping  
Ms. Guo Yan Xia

### AUDIT COMMITTEE

Mr. Li Kin Ping (*Chairman*)  
Mr. Ma Chi Ming  
Ms. Guo Yan Xia

### REMUNERATION COMMITTEE

Mr. Li Kin Ping (*Chairman*)  
Mr. Ng Ka Ho  
Ms. Guo Yan Xia

### NOMINATION COMMITTEE

Mr. Li Kin Ping (*Chairman*)  
Mr. Ng Ka Ho  
Ms. Guo Yan Xia

### AUTHORISED REPRESENTATIVES

Mr. Ng Ka Ho  
Mr. Wong Tin King Richard (Company Secretary)  
(*appointed on 7 December 2018*)  
Ms. Lai Wai Ha (Company Secretary)  
of Akron Advisory Limited,  
external service provider  
(*resigned on 7 December 2018*)

### 開曼群島註冊辦事處

Maples Corporate Services Limited  
P.O. Box 309, Ugland House  
Grand Cayman, KY1-1104  
Cayman Islands

### 香港總部及主要經營地點

香港九龍  
永康街18號  
永康中心  
5樓D室

### 執行董事

吳家豪先生 (*主席*)  
劉俊先生  
(*於二零一八年五月十六日獲委任*)

### 獨立非執行董事

馬志明先生  
李健平先生  
郭艷霞女士

### 審核委員會

李健平先生 (*主席*)  
馬志明先生  
郭艷霞女士

### 薪酬委員會

李健平先生 (*主席*)  
吳家豪先生  
郭艷霞女士

### 提名委員會

李健平先生 (*主席*)  
吳家豪先生  
郭艷霞女士

### 授權代表

吳家豪先生  
黃天競先生 (*公司秘書*)  
(*於二零一八年十二月七日獲委任*)  
外聘服務供應商  
亞貝隆顧問有限公司的  
黎惠霞女士 (*公司秘書*)  
(*於二零一八年十二月七日辭任*)

## Corporate Information

### 公司資料

#### PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

#### BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Union Registrar Limited  
Suites 3301-04, 33/F  
Two Chinachem Exchange Square  
338 King's Road  
North Point, Hong Kong

#### PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

#### COMPANY SECRETARY

Mr. Wong Tin King Richard  
(appointed on 7 December 2018)  
Ms. Lai Wai Ha  
of Akron Advisory Limited,  
external service provider  
(resigned on 7 December 2018)

#### AUDITORS

Elite Partners CPA Limited  
Certified Public Accountants

#### COMPANY'S WEBSITE

[www.lna.com.hk](http://www.lna.com.hk)

#### STOCK CODE

8195

#### 開曼群島主要股份過戶登記處

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

#### 香港股份過戶登記分處

聯合證券登記有限公司  
香港北角  
英皇道338號  
華懋交易廣場2期  
33樓3301至04室

#### 主要往來銀行

星展銀行(香港)有限公司

#### 公司秘書

黃天競先生(於二零一八年  
十二月七日獲委任)  
外聘服務供應商  
亞貝隆顧問有限公司的  
黎惠霞女士  
(於二零一八年十二月七日辭任)

#### 核數師

開元信德會計師事務所有限公司  
執業會計師

#### 公司網站

[www.lna.com.hk](http://www.lna.com.hk)

#### 股份代號

8195

The board (the "Board") of Directors 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 2018 (the "Third Quarterly Financial Statements") together with the unaudited comparative figures for the corresponding period in 2017 as follows:

董事會（「董事會」）欣然提呈本公司及其附屬公司（統稱「本集團」）截至二零一八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（「第三季度財務報表」），連同二零一七年同期的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 three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

		Three months ended 31 December 截至十二月三十一日止三個月 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)		Nine months ended 31 December 截至十二月三十一日止九個月 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	
		NOTES 附註	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	
Revenue	收益	5	16,191	24,189	53,115
Cost of sales	銷售成本		(13,167)	(17,551)	(45,608)
Gross profit	毛利		3,024	6,638	7,507
Other income	其他收入		28	482	567
Fair value change on financial assets at fair value through profit or loss, net	按公平值計入損益的金融資產公平值變動，淨額		1,502	(4,087)	2,818
Other losses, net	其他虧損，淨額	6	-	-	(4,276)
Selling and distribution expenses	銷售及分銷開支		(2,263)	(38)	(3,983)
Administrative expenses	行政開支		(5,525)	(2,926)	(19,085)
Gain on disposal of subsidiaries	出售附屬公司的收益		-	-	8,247
Share of result of an associate	應佔一家聯營公司的業績		-	-	-
Finance costs	財務成本	7	-	(103)	-
Loss before taxation	除稅前虧損		(3,234)	(34)	(8,205)
Income tax credit (expense)	所得稅抵免（開支）	8	1	69	381

# 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 three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

		Three months ended 31 December 截至十二月三十一日止三個月 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)		Nine months ended 31 December 截至十二月三十一日止九個月 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	
		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	
		NOTES 附註			
(Loss) profit for the period	期內(虧損)溢利	9	(3,233)	35	(7,824) (256,198)
Other comprehensive (expense) income for the period:	期內其他全面(開支)收益:				
Items that may be reclassified subsequently to profit or loss:	其後可能重新分類至損益的項目:				
Exchange differences on translation of foreign operations	換算海外業務產生的匯兌差額		-	(40)	(209) 796
Release of translation reserve upon disposal of subsidiaries	出售附屬公司時解除匯兌儲備		-	-	1,149 -
Total comprehensive expense for the period	期內全面開支總額		(3,233)	(5)	(6,884) (255,402)
(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		(3,492)	274	(7,247) (255,305)
Non-controlling interests	非控股權益		259	(239)	(577) (893)
			(3,233)	35	(7,824) (256,198)
Total comprehensive (expenses) 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		(3,492)	252	(7,610) (254,466)
Non-controlling interests	非控股權益		259	(257)	726 (936)
			(3,233)	(5)	(6,884) (255,402)
(Loss) earnings per share	每股(虧損)盈利	11			
Basic and diluted (HK cents)	基本及攤薄(港仙)		(0.27)	0.02	(0.57) (19.95)

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the nine months ended 31 December 2017 截至二零一七年十二月三十一日止九個月

Attributable to owners of the Company

本公司擁有人應佔

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Share options reserve 購股權儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (Note (i)) (附註(i))	Other reserve 其他儲備 HK\$'000 千港元 (Note (ii)) (附註(ii))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Non-controlling interests 非控股權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
At 1 April 2017 (audited)	於二零一七年四月一日 (經審核)	51,200	618,133	4,224	1,535	28,431	4,327	(300,491)	407,359	1,350	408,709
Loss for the period	期內虧損	-	-	-	-	-	-	(255,305)	(255,305)	(893)	(256,198)
Exchange differences on the translation of foreign operations	換算海外業務所產生的匯兌差額	-	-	-	839	-	-	-	839	(43)	796
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	-	839	-	-	(255,305)	(254,466)	(936)	(255,402)
Disposal of a subsidiary	出售附屬公司	-	-	-	(4,117)	-	-	-	(4,117)	-	(4,117)
At 31 December 2017 (unaudited)	於二零一七年十二月三十一日 (未經審核)	51,200	618,133	4,224	(1,743)	28,431	4,327	(555,796)	148,776	414	149,190

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

For the nine months ended 31 December 2018 截至二零一八年十二月三十一日止九個月

Attributable to owners of the Company

本公司擁有人應佔

		Share capital 股本 HK\$'000 千港元	Share premium 股份溢價 HK\$'000 千港元	Investment revaluation reserve 投資重估儲備 HK\$'000 千港元	Translation reserve 匯兌儲備 HK\$'000 千港元	Special reserve 特別儲備 HK\$'000 千港元 (Note (ii)) (附註(ii))	Other reserve 其他儲備 HK\$'000 千港元 (Note (ii)) (附註(ii))	Accumulated losses 累計虧損 HK\$'000 千港元	Total 總計 HK\$'000 千港元	Non-controlling interests 非控股權益 HK\$'000 千港元	Total equity 權益總額 HK\$'000 千港元
At 31 March 2018 (audited)	於二零一八年三月三十一日(經審核)	51,200	618,133	-	1,169	28,431	4,327	(565,438)	137,822	(630)	137,192
Transition adjustments on the initial application of HKFRS 9 (Note 4)	首次應用香港財務報告準則第9號的過渡性調整(附註4)	-	-	5,688	-	-	-	-	5,688	-	5,688
Adjusted as at 1 April 2018	於二零一八年四月一日經調整	51,200	618,133	5,688	1,169	28,431	4,327	(565,438)	143,510	(630)	142,880
Loss for the period	期內虧損	-	-	-	-	-	-	(7,247)	(7,247)	(577)	(7,824)
Exchange differences on the translation of foreign operations	換算海外業務產生的匯兌差額	-	-	-	(303)	-	-	-	(303)	94	(209)
Release of translation reserve upon disposal of subsidiaries	出售附屬公司時解除匯兌儲備	-	-	-	(60)	-	-	-	(60)	1,209	1,149
Total comprehensive (expense) income for the period	期內全面(開支)收入總額	-	-	-	(363)	-	-	(7,247)	(7,610)	726	(6,884)
At 31 December 2018 (unaudited)	於二零一八年十二月三十一日(未經審核)	51,200	618,133	5,688	806	28,431	4,327	(572,685)	135,900	96	135,996

Notes:

附註：

- |  |  |
|--|--|
| <p>(i) Special reserve represented the difference between the nominal amount of the share capital and share premium issued by L &amp; A Interholdings Inc. and the nominal amount of the share capital issued by the Company pursuant to the group reorganisation.</p> | <p>(i) 特別儲備指L &amp; 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。</p> |
| <p>(ii) Other reserve arose from the waiver of loan from a shareholder of the Company in previous years.</p>   | <p>(ii) 其他儲備產生自本公司一名股東於過往年度免除貸款還款。</p>   |



# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company's shares have been listed on the GEM of the Stock Exchange since 10 October 2014. The addresses of the registered office and the principal place of business of the Company are P.O. Box 309, Ugland House, Grand Cayman, KY1-1104, Cayman Islands and Unit No. D, 5th Floor, Wing Hong Centre, No. 18 Wing Hong Street, 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, money lending business and wholesaling business.

### 2. BASIS OF PREPARATION

The Third Quarterly Financial Statements 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 Chapter 18 the GEM Listing Rules.

### 1. 一般資料

本公司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聯交所GEM上市。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, KY1-1104, Cayman Islands及香港九龍永康街18號永康中心五樓D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、放債業務及批發業務。

### 2. 編製基準

第三季度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GEM上市規則第十八章的適用披露規定編製。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the Third Quarterly Financial Statements are consistent with those adopted in the annual report for the year ended 31 March 2018 (the "2018 Annual Report"), except for the adoption of the new and revised HKFRSs which are effective for the financial year beginning on or after 1 April 2018. The effect of adoption of the new and revised HKFRSs on how the results and financial position for the current or prior accounting periods have been prepared or presented are set out in Note 4. The Third Quarterly Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the 2018 Annual Report.

The Third Quarterly Financial Statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company.

The Third Quarterly Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values.

### 4. APPLICATION OF NEW AND REVISED HKFRSs

Except as described below, the accounting policies applied by the Group are consistent with those of the 2018 Annual Report.

A number of new or amended standards became applicable for the current reporting period and the Group had to change its accounting policies as a result of adopting HKFRS 9 "Financial Instruments".

### 3. 主要會計政策

除採納於二零一八年四月一日或之後開始的財政年度生效的新訂及經修訂香港財務報告準則外，編製第三季度財務報表所採用的會計政策及計算方法與編製截至二零一八年三月三十一日止年度的年報（「二零一八年年報」）所採納者一致。採納新訂及經修訂香港財務報告準則，對本會計期間或過往會計期間之業績及財務狀況的編製或呈列方式之影響於附註4呈列。第三季度財務報表並不包含年度財務報表須載列的所有資料及披露，並應與二零一八年年報一併閱讀。

第三季度財務報表乃以港元（「港元」）呈列，港元亦為本公司的功能貨幣。

除若干金融工具按公平值計量外，第三季度財務報表已根據歷史成本基準編製。

### 4. 應用新訂及經修訂香港財務報告準則

除下文所述外，本集團所應用的會計政策與二零一八年年報之會計政策一致。

若干新訂或經修訂準則適用於本報告期，而本集團因採納香港財務報告準則第9號「金融工具」而須變動其會計政策。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 4. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

The impact of the adoption of the new standards and the new accounting policies are disclosed below.

The Group used modified retrospective approach while adopting HKFRS 9 without restating comparative information. The reclassifications and the adjustments are therefore not reflected in the consolidated statement of financial position as at 31 March 2018, but are recognised in the opening consolidated statement of financial position as at 1 April 2018.

The following table shows the adjustments recognised for each individual line item. Line items that were not affected by the changes have not been included. The adjustments are explained as follows:

### 4. 應用新訂及經修訂香港財務報告準則 (續)

採納新訂準則及新會計政策的影響披露如下。

於採納香港財務報告準則第9號時，本集團採用經修訂追溯法，故毋須重列比較資料。因此，重新分類及調整未於二零一八年三月三十一日的綜合財務狀況表中反映，但於二零一八年四月一日的期初綜合財務狀況表中確認。

下表呈列各個別項目所確認的調整情況。不受變動影響的項目並不包括在內。下述解釋調整事項：

	At 31 March 2018 as originally presented 於 二零一八年 三月三十一日 原先呈列 HK\$'000 千港元	HKFRS 9 香港財務 報告準則 第9號 HK\$'000 千港元	At 1 April 2018 Restated 於 二零一八年 四月一日 經重列 HK\$'000 千港元
<b>Consolidated statement of financial position (extract)</b>	<b>綜合財務狀況表 (摘要)</b>		
<b>Non-current assets</b>	<b>非流動資產</b>		
Financial asset at fair value through other comprehensive income ("FVOCI")	按公平值計入其他全面收益的 金融資產 (「按公平值計入 其他全面收益的金融資產」)	-	27,612
Available for sale investment	可供出售投資	21,924	(21,924)
<b>Equity</b>	<b>權益</b>		
Investment revaluation reserve	投資重估儲備	-	5,688

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 4. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

There is no other material impact on the comparative consolidated statement of profit or loss and comprehensive income by adopting HKFRS 9.

#### (a) HKFRS 9 Financial Instruments

HKFRS 9 replaces the provisions of Hong Kong Accounting Standard 39 that relates to the recognition, classification and measurement of financial assets and financial liabilities.

The adoption of HKFRS 9 from 1 April 2018 resulted in changes in accounting policies and adjustments to the amounts recognised in the financial statements. In accordance with the transitional provisions in HKFRS 9 (7.2.15) and (7.2.26), comparative figures have not been restated as the Group does not have any hedge instrument. As a result, the adjustments are not reflected in the consolidated statement of financial position as at 31 March 2018, but are recognised in the opening consolidated statement of financial position as at 1 April 2018.

#### (i) Classification and measurement

On 1 April 2018 (the date of initial application of HKFRS 9), the Group's management has assessed which business models apply to the financial assets held by the Group and has classified its financial instruments into the appropriate HKFRS 9 categories.

### 4. 應用新訂及經修訂香港財務報告準則 (續)

採納香港財務報告準則第9號對綜合損益及全面收益表的比較數字並無其他重大影響。

#### (a) 香港財務報告準則第9號金融工具

香港財務報告準則第9號取代香港會計準則第39號有關確認、分類及計量金融資產及金融負債的條文。

自二零一八年四月一日起採納香港財務報告準則第9號導致會計政策變動及財務報表確認金額調整。根據香港財務報告準則第9號(7.2.15)及(7.2.26)的過渡性條文，由於本集團並無任何對沖工具，故比較數字尚未重列。因此，調整沒有於二零一八年三月三十一日的綜合財務狀況表中反映，但於二零一八年四月一日的綜合財務狀況表期初金額中確認。

#### (i) 分類及計量

於二零一八年四月一日（首次應用香港財務報告準則第9號日期），本集團管理層已評估哪種業務模式適用於本集團所持的金融資產，並已將其金融工具分類為於香港財務報告準則第9號適當類別。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 4. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

#### (a) HKFRS 9 Financial Instruments (Continued)

##### (i) *Classification and measurement (Continued)*

The Group elected to present in other comprehensive income ("OCI") the changes in the fair value of all its equity investments previously classified as available for sale investment, because this investment is held as long-term strategic investment that is not expected to be sold in the short to medium term. As a result, asset with a carrying value of approximately HK\$21,924,000 was reclassified from available for sale investment to FVOCI and the accumulative fair value gains of approximately HK\$5,688,000 was recognised in the investment revaluation reserve on 1 April 2018. There will be no longer any reclassification of accumulated amounts from reserves to profit or loss on disposal of this investment. There's no impact to other comprehensive expense for the nine months ended 31 December 2018 as there was no disposal of FVOCI in current period.

### 4. 應用新訂及經修訂香港財務報告準則 (續)

#### (a) 香港財務報告準則第9號金融工具 (續)

##### (i) 分類及計量 (續)

本集團選擇在其他全面收益(「其他全面收益」)中呈列原先歸類為可供出售投資的所有股本投資的公平值變動，原因是此項投資屬持作長期策略投資，並不預期在短期到中期內出售。因此，賬面值約21,924,000港元的資產已從可供出售投資重新分類至按公平值計入其他全面收益的金融資產，而累計公平值收益約5,688,000港元於二零一八年四月一日於投資重估儲備確認。於出售此項投資時，累計金額將不再自儲備重新分類至損益賬。由於本期間並無出售按公平值計入其他全面收益的金融資產，故並無對截至二零一八年十二月三十一日止九個月其他全面開支產生影響。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 4. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

#### (a) HKFRS 9 Financial Instruments (Continued)

##### (i) *Classification and measurement (Continued)*

There is no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities upon initial adoption.

##### (ii) *Impairment of financial assets*

The Group has the following types of financial assets that are subject to HKFRS 9's new expected credit loss model:

- loan receivables; and
- trade and other receivables.

The Group was required to revise its impairment methodology under HKFRS 9 for each of these classes of assets.

While cash and cash equivalents are also subject to the impairment requirements of HKFRS 9, but no impairment loss was identified.

### 4. 應用新訂及經修訂香港財務報告準則 (續)

#### (a) 香港財務報告準則第9號金融工具 (續)

##### (i) 分類及計量 (續)

由於新規定僅影響指定為按公平值計入損益賬的金融負債的會計處理，且本集團於首次採納時並無任何該等負債，故本集團的金融負債會計處理並不受影響。

##### (ii) 金融資產減值

本集團有以下金融資產類別須遵守香港財務報告準則第9號的新預期信貸虧損模式：

- 應收貸款；及
- 貿易及其他應收款項。

本集團須就上述各項資產類別根據香港財務報告準則第9號修訂其減值方法。

儘管現金及現金等價物亦須遵守香港財務報告準則第9號的減值規定，但並無識別減值虧損。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 4. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

#### (a) HKFRS 9 Financial Instruments (Continued)

##### (ii) *Impairment of financial assets (Continued)*

##### *Loan receivables*

The Group applies the HKFRS 9 to assess the lifetime expected credit losses for loan receivables when the credit risk has increased significantly. For that purpose, loan receivables have been grouped based on shared credit risk characteristics and the days past due. On that basis, no additional loss allowance was determined for loan receivables as at 1 April 2018 and 31 December 2018.

Loan receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a long period.

### 4. 應用新訂及經修訂香港財務報告準則 (續)

#### (a) 香港財務報告準則第9號金融工具 (續)

##### (ii) 金融資產減值 (續)

##### *應收貸款*

當信貸風險顯著增加時，本集團採用香港財務報告準則第9號評估應收貸款的全期預期信貸虧損。應收貸款就此已按照攤估信貸風險特點及逾期天數分類。在此基礎上，於二零一八年四月一日及二零一八年十二月三十一日概無就應收貸款釐定額外虧損撥備。

應收貸款在沒有合理預期收回時予以撇銷。沒有合理預期收回的指標包括 (其中包括) 債務人未能對本集團作出還款計劃，以及長期未能支付合約款項。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 4. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

#### (a) HKFRS 9 Financial Instruments (Continued)

##### (ii) *Impairment of financial assets (Continued)*

##### *Trade and other receivables*

The Group applies the HKFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade and other receivables from initial recognition.

To measure the expected credit losses, trade and other receivables have been grouped based on shared credit risk characteristics and the days past due. The adoption of the simplified expected loss approach under HKFRS 9 has not resulted in any additional impairment loss for trade and other receivables as at 1 April 2018 and 31 December 2018.

Trade and other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to make contractual payments.

### 4. 應用新訂及經修訂香港財務報告準則 (續)

#### (a) 香港財務報告準則第9號金融工具 (續)

##### (ii) 金融資產減值 (續)

##### *貿易及其他應收款項*

本集團採用香港財務報告準則第9號簡化方法計量預期信貸虧損，並於首次確認時就所有貿易及其他應收款項使用全期預期虧損撥備。

為計量預期信貸虧損，貿易及其他應收款項已按照攤佔信貸風險特點及逾期天數分類。根據香港財務報告準則第9號採納簡化預期虧損法並未導致於二零一八年四月一日及二零一八年十二月三十一日的貿易及其他應收款項產生任何額外減值虧損。

貿易及其他應收款項在沒有合理預期收回時予以撇銷。沒有合理預期收回的指標包括（其中包括）債務人未能支付合約款項。



# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 4. APPLICATION OF NEW AND REVISED HKFRSs (CONTINUED)

#### (b) HKFRS 15 Revenue from Contracts with Customers

HKFRS 15 establishes a new five-step model to account for revenue arising from contracts with customers. Under HKFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in HKFRS 15 provide a more structured approach for measuring and recognising revenue. The standard also introduces extensive qualitative and quantitative disclosure requirements, including disaggregation of total revenue, information about performance obligations, changes in contract asset and liability account balances between periods and key judgements and estimates. The majority of the Group's revenue are sales of garment and other products to the customers and interest income generated from loan receivables. The Directors reviewed and assessed the new recognition requirements of the revenue, the application of HKFRS 15 had no material impact on the Third Quarterly Financial Statements.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has commenced assessment on the impact of these new HKFRSs but is not yet in a position to conclude whether these new HKFRSs will have a material impact on its results of operation and financial position.

### 4. 應用新訂及經修訂香港財務報告準則 (續)

#### (b) 香港財務報告準則第15號客戶合約收益

香港財務報告準則第15號建立一個新的五步模式，將來自客戶合約的收益列賬。根據香港財務報告準則第15號，收益所確認的金額乃反映實體預期向客戶轉讓貨物或服務所換取的代價。香港財務報告準則第15號的原則為就計量及確認收益提供更為結構化的方法。該準則亦引入廣泛的定性及定量披露規定，包括分拆收益總額、關於履行責任的資料、不同期間之合約資產及負債賬目結餘的變動以及主要判斷及估計的資料。本集團大部分收益源自向客戶銷售服裝及其他產品以及應收貸款產生的利息收入。董事審閱及評估新的收益確認規定，應用香港財務報告準則第15號對第三季度財務報表並無重大影響。

本集團並未應用已頒佈但尚未生效的新訂香港財務報告準則。本集團已就此等新訂香港財務報告準則的影響展開評估工作，惟現階段未能總結此等新訂香港財務報告準則會否對其經營業績及財務狀況構成重大影響。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 5. REVENUE

Revenue comprises the following business activities of the Group:

### 5. 收益

收益包括本集團以下各項業務活動：

		Three months ended 31 December 截至十二月三十一日止三個月		Nine months ended 31 December 截至十二月三十一日止九個月	
		2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
OEM business	原設備製造業務	8,012	21,100	34,561	24,164
Retail business	零售業務	190	855	983	3,866
Money lending business	放債業務	507	2,234	1,650	7,061
Wholesaling business	批發業務	7,482	-	15,921	-
		16,191	24,189	53,115	35,091

### 6. OTHER LOSSES, NET

### 6. 其他虧損，淨額

		Three months ended 31 December 截至十二月三十一日止三個月		Nine months ended 31 December 截至十二月三十一日止九個月	
		2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
(Loss) gain on disposal of financial assets at fair value through profit or loss, net	出售按公平值計入損益的金融資產(虧損)收益淨額	-	-	(4,276)	3,817
Gain on disposal of property plant and equipment	出售物業、廠房及設備的收益	-	-	-	448
Impairment loss at investment in an associate	於一家聯營公司的投資減值虧損	-	-	-	(273,143)
		-	-	(4,276)	(268,878)

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 7. FINANCE COSTS

### 7. 財務成本

	Three months ended 31 December 截至十二月三十一日止三個月		Nine months ended 31 December 截至十二月三十一日止九個月	
	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Interest on:				
Other borrowings	-	96	-	563
Amounts due to Directors	-	-	-	112
Amount due to a shareholder	-	7	-	19
	-	103	-	694

### 8. INCOME TAX (CREDIT) EXPENSE

### 8. 所得稅（抵免）開支

	Three months ended 31 December 截至十二月三十一日止三個月		Nine months ended 31 December 截至十二月三十一日止九個月	
	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
Hong Kong Profits Tax (Note (i))				
— current period	-	93	56	881
People's Republic of China ("PRC")				
Enterprise Income Tax ("EIT") (Note (ii))				
— current period	-	-	-	-
Deferred tax	(1)	93 (162)	(437)	881 (486)
	(1)	(69)	(381)	395

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 8. INCOME TAX (CREDIT) EXPENSE (CONTINUED)

### 8. 所得稅(抵免)開支(續)

Notes:

附註:

#### (i) Hong Kong

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the "Bill") which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazette on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

For the nine months ended 31 December 2018, Hong Kong profits tax is calculated in accordance with the two-tiered profits tax rates regime. For the nine months ended 31 December 2017, Hong Kong profits tax was calculated at a flat rate of 16.5% of the estimated assessable profits.

#### (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.

#### (i) 香港

於二零一八年三月二十一日，香港立法會通過《二零一七年稅務(修訂)(第7號)條例草案》(「該條例草案」)，引入利得稅兩級制。該條例草案於二零一八年三月二十八日經簽署生效，並於翌日在憲報刊登。

根據利得稅兩級制，合資格法團將按8.25%之稅率就溢利首2百萬港元繳納稅項，並將按16.5%之稅率就超過2百萬港元的溢利繳納稅項。不符合利得稅兩級制資格的法團的溢利將繼續按16.5%的統一稅率繳納稅項。

截至二零一八年十二月三十一日止九個月，香港利得稅乃根據利得稅兩級制計算。截至二零一七年十二月三十一日止九個月，香港利得稅乃根據估計應課稅溢利按統一稅率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則及法規釐定。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 9. (LOSS) PROFIT FOR THE PERIOD

### 9. 期內(虧損)溢利

		Three months ended 31 December 截至十二月三十一日止三個月 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)		Nine months ended 31 December 截至十二月三十一日止九個月 2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	
		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)		2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	
(Loss) profit for the period has been arrived at after charging:	期內(虧損)溢利 於扣除以下各項 後計算得出:				
Directors' remuneration:	董事薪酬:				
- Fees	-袍金	321	246	933	892
- Retirement benefit scheme contributions	-退休福利 計劃供款	7	5	21	14
		328	251	954	906
Other staff salaries and allowances	其他員工工資及 津貼	1,948	859	4,567	3,752
Retirement benefit scheme contributions, excluding those of Directors	退休福利計劃供款 (董事除外)	72	33	140	110
Total employee benefits expenses	僱員福利開支總額	2,348	1,143	5,661	4,768
Cost of inventories recognised as an expense	已確認為開支的 存貨成本	13,153	15,999	45,425	18,392
Depreciation of an investment property	一項投資物業折舊	-	-	278	32
Depreciation of property, plant and equipment	物業、廠房及設備 折舊	144	178	267	805
Amortisation of intangible assets	無形資產攤銷	11	649	1,760	1,946

### 10. DIVIDEND

The Board does not recommend the payment of an interim dividend for the nine months ended 31 December 2018 (2017: Nil).

### 10. 股息

董事會不建議就截至二零一八年十二月三十一日止九個月派付中期股息(二零一七年:無)。

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## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 11. (LOSS) EARNINGS PER SHARE

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

### 11. 每股(虧損)盈利

本公司擁有人應佔每股基本及攤薄(虧損)盈利乃按以下數據計算:

	For the three months ended 31 December 截至十二月三十一日止三個月		For the nine months ended 31 December 截至十二月三十一日止九個月	
	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2018 二零一八年 HK\$'000 千港元 (unaudited) (未經審核)	2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)
(Loss) earnings (虧損) 盈利				
(Loss) earnings for the purposes of basic and diluted (loss) earnings per share, being (loss) profit for the period attributable to the owners of the Company (虧損) 盈利所用 (虧損) 盈利 (即本公司擁有人應佔期內 (虧損) 溢利)	(3,492)	274	(7,247)	(255,305)
Number of shares 股份數目				
Weighted average number of ordinary shares for the purposes of basic and diluted (loss) earnings per share 計算每股基本及攤薄 (虧損) 盈利所用的普通股加權平均數	1,280,000,000	1,280,000,000	1,280,000,000	1,280,000,000

The weighted average number of ordinary shares for the three months and nine months ended 31 December 2017 for the purpose of basic and diluted earnings (loss) per share has been adjusted for the share consolidation on 9 October 2017.

Diluted loss per share for the three months and nine months ended 31 December 2018 and 2017 were the same as the basic loss per share as the Company had no diluted potential ordinary shares outstanding during the periods.

計算每股基本及攤薄盈利(虧損)所用的截至二零一七年十二月三十一日止三個月及九個月普通股加權平均數已就二零一七年十月九日進行的股份合併作出調整。

由於本公司於截至二零一八年及二零一七年十二月三十一日止三個月及九個月均無發行在外的具攤薄潛力普通股，故此於該等期間的每股攤薄虧損與每股基本虧損相同。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 12. 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 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.

The Court gave a written decision on 26 October 2016 and ruled upon the Company's undertaking not to register the transfer of the relevant shares (i.e. 1,545,000,000 ordinary shares of the Company before the share consolidation on 6 October 2017) (the "Relevant Shares") in it until further order of the Court, including but not limited to: (i) the application by the Plaintiffs of the Registration for the order that the Company shall register the transfer of the Relevant Shares and the injunction sought in the Summons of the Registration be dismissed; and (ii) the Company shall not register the Relevant Shares until further order of the Court.

The Directors will follow the court order in relation to the Registration of the Relevant Shares. As a result, no contingent liability is expected up to the issue of the Third Quarterly Financial Statements.

### 12. 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（「登記法律程序」）及登記原告就登記法律程序發出日期為二零一六年七月二十八日的傳票（「登記傳票」）。

法院於二零一六年十月二十六日作出書面判決，裁定在本公司承諾不會登記有關股份（即於二零一七年十月六日股份合併前的1,545,000,000股本公司普通股）（「有關股份」）的轉讓直至法院作進一步命令為止，包括但不限於：(i)登記原告申請頒令本公司須登記有關股份的轉讓及在登記傳票中尋求的禁制令被撤銷；及(ii)本公司不得登記有關股份，直至法院作進一步命令。

董事將遵從關於登記有關股份的法院命令。因此，預期直至刊發第三季度財務報表為止不會有或然負債。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 12. LEGAL PROCEEDING (CONTINUED)

#### 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 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, an originating summons 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, 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.

The trial hearing has taken place on the 12-14, 17-19 and 21 July 2017. After the hearing, the court made no order against the Company. As a result, no contingent liability is expected up to the issue of the Third Quarterly Financial Statements.

### 12. 法律訴訟 (續)

#### 本公司購股權 (「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、全體董事及楊詩恒先生(「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，當中包括購股權原告於二零一六年八月二十六日發出的原訴傳票，根據案件編號二零一六年HCMP 2222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。

庭審聆訊已於二零一七年七月十二日至十四日、十七日至十九日及二十一日進行。於聆訊後，法院並無針對本公司頒令。因此，預期直至刊發第三季度財務報表為止不會有或然負債。



# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 12. LEGAL PROCEEDING (CONTINUED)

#### Kim Sungho's legal proceeding

Reference is made to the Company's announcements dated on 6 December 2016 and 18 April 2018. The Company has on 5 December 2016 received writ of summons filed on 2 December 2016 by Mr. Kim as the plaintiff against (i) Yang's Holdings, and (ii) the Company as the defendants under another legal proceeding in the Court.

On 11 April 2018, the action was dismissed by the Court. The plaintiff was ordered to pay costs to the Company.

#### Joung Jong Hyun's legal proceeding

Reference is made to the Company's announcements dated on 6 December 2016 and 18 April 2018, the Company has on 5 December 2016 received a writ of summons 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.

On 11 April 2018, the action was dismissed by the Court. The plaintiff was ordered to pay costs to the Company.

#### Lee Moonkyu's legal proceeding

Reference is made to the Company's announcements dated on 12 December 2016 and 18 April 2018. The Company has on 8 December 2016 received a writ of summons 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.

On 11 April 2018, the action was dismissed by the Court. The plaintiff was ordered to pay costs to the Company.

### 12. 法律訴訟 (續)

#### Kim Sungho法律程序

茲提述本公司日期為二零一六年十二月六日及二零一八年四月十八日的公佈。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的原告於二零一六年十二月二日入稟法院對案中被告(i) Yang's Holdings及(ii)本公司發出的傳訊令狀。

於二零一八年四月十一日，該案件遭法院駁回。原告被勒令向本公司支付訟費。

#### Joung Jong Hyun法律程序

茲提述本公司日期為二零一六年十二月六日及二零一八年四月十八日的公佈。於二零一六年十二月五日，本公司接獲由Joung先生作為一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。

於二零一八年四月十一日，該案件遭法院駁回。原告被勒令向本公司支付訟費。

#### Lee Moonkyu法律程序

茲提述本公司日期為二零一六年十二月十二日及二零一八年四月十八日的公佈。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。

於二零一八年四月十一日，該案件遭法院駁回。原告被勒令向本公司支付訟費。

# Notes to the Third Quarterly Financial Statements

## 第三季度財務報表附註

For the three months and nine months ended 31 December 2018 截至二零一八年十二月三十一日止三個月及九個月

### 12. LEGAL PROCEEDING (CONTINUED)

#### Lim Hang Young's legal proceeding

Reference is made to the Company's announcements dated on 13 December 2016 and 18 April 2018. The Company has on 12 December 2016 received a writ of summons dated 6 December 2016 filed by Mr. Lim as the plaintiff against the Directors, the Company, Mr. Yang Wan Ho and Mr. Ge Qingfu (a substantial shareholder of the Company) as the defendants under a legal proceeding in the Court.

On 11 April 2018, the action was dismissed by the Court. The plaintiff was ordered to pay costs to the Company.

#### Inspection of Documents

By originating summons dated 16 January 2018 under action number HCMP 64/2018, (i) Ninotre Investment Limited; and (ii) Xiao Qingmin as the plaintiffs apply for the Company to provide documents relating to Company's acquisition of 47.63% shares in Red 5 Studios. At the hearing on 14 November 2018, the court ordered the Company to provide documents to the Plaintiffs for inspection. The court also ordered the Company to pay the costs of this proceeding to the plaintiffs which is agreed in the sum of HK\$330,000. The Company has complied with these orders.

### 12. 法律訴訟 (續)

#### Lim Hang Young法律程序

茲提述本公司日期為二零一六年十二月十三日及二零一八年四月十八日的公佈。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的原告入稟法院對董事、本公司、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令狀。

於二零一八年四月十一日，該案件遭法院駁回。原告被勒令向本公司支付訟費。

#### 檢閱文件

根據案件編號HCMP 64/2018發出日期為二零一八年一月十六日的原訟傳票，(i) Ninotre Investment Limited；及(ii) Xiao Qingmin作為原告，申請本公司提供有關本公司收購Red 5 Studios 47.63%股份的文件。於二零一八年十一月十四日之聆訊上，法院頒令本公司向原告提供文件以供檢查。法院亦頒令本公司向原告支付該訴訟之訟費，其已協定款項為330,000港元。本公司已遵守該等頒令。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

The Group principally derives its revenue from four 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”); (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”); (iii) money lending business segment, which provides financing to customers for interest income (“Money Lending business”); and (iv) wholesaling business segment, which covers mainly the baby products and seafood (“Wholesaling business”).

### OEM Business

The garment sector of the consumer market in the United States has been suffering, which led to a significant decrease in the order and the revenue to the Group in last year. We had stepped up the efforts in securing new customers and orders, controlling our expenses and looking for ways to improve the business during the nine months ended 31 December 2018. We changed its operation model by placing orders with other OEM manufacturers, while maintaining the procurement and quality control teams. It would substantially reduce the costs of operation.

### 業務回顧

本集團的收入主要源自於其四個業務部門：(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」）；(ii)服裝零售業務分部，透過於香港的完善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」）；(iii)放債業務分部，向顧客提供融資以賺取利息收入（「放債業務」）；及(iv)批發業務分部，主要包括嬰兒產品及海鮮（「批發業務」）。

### 原設備製造業務

於去年，美國成衣業的消費市場持續疲弱，導致本集團的訂單及收益顯著減少。截至二零一八年十二月三十一日止九個月，我們已加強致力於獲取新客戶及訂單、控制開支，並尋求改善業務的途徑。我們透過向其他原設備製造商下達訂單，同時保留採購及質量監控團隊，藉以改變經營模式。此舉將大幅降低原設備製造業務的營運成本。

# Management Discussion and Analysis

## 管理層討論及分析

### Retail Business

The decline in revenue is mainly attributable to the prolongation of the sluggish economy, low level of consumer sentiment and the decreasing demand for pure cashmere apparel due to the warm weather in Hong Kong. In addition, the economic slowdown in PRC eroded consumer confidence which worsened by the depreciation of Renminbi; the shifting of pattern to online shopping further negatively impacted the Retail business.

Under such an unfavourable ambience, the Group has adopted a prudent approach in restructuring its sales network aiming at minimising the operating costs amid catering for the consumers' preference of shopping online.

### Money Lending Business

The Group obtained the money lender licence and commenced Money Lending business from June 2016. During the nine months ended 31 December 2018, the Money Lending business had generated interest income of approximately HK\$1.7 million, representing a decrease of approximately 76.6% as compared to the nine months ended 31 December 2017.

### Wholesaling Business

The Group has commenced its Wholesaling business during the nine months ended 31 December 2018 and generated revenue of approximately HK\$15.9 million. The products included baby products and seafood.

### PROSPECTS

For the OEM business, the management of the Group (the "Management") is committed to strengthen the customer base. The Group will continue to find new orders and customers. Also, with the implementation of the new operation model, the Management expects there will be a better control of costing.

### 零售業務

收益減少乃主要由於香港經濟持續低迷、消費意欲積弱以及氣候溫暖導致對純羊絨服裝之需求減少所致。此外，中國經濟放緩削弱消費者信心，且消費者信心亦因人民幣貶值而惡化；消費習慣轉移至網上購物進一步對零售業務構成負面影響。

在有關不利氛圍之下，本集團已就重組銷售網絡採取審慎態度，銳意在應付消費者偏好網上購物習慣，同時盡量降低經營成本。

### 放債業務

本集團於二零一六年六月取得放債人牌照並開展放債業務。截至二零一八年十二月三十一日止九個月，放債業務帶來利息收入約1.7百萬港元，較截至二零一七年十二月三十一日止九個月減少約76.6%。

### 批發業務

本集團於截至二零一八年十二月三十一日止九個月展開其批發業務，產生收益約15.9百萬港元。有關產品包括嬰兒產品及海鮮。

### 前景

在原設備製造業務方面，本集團管理層（「管理層」）致力擴大客源。本集團將繼續尋求新訂單及客戶。此外，透過實施新營運模式，管理層預期將能更有效地監控成本。

# Management Discussion and Analysis

## 管理層討論及分析

For the Retail business, the Management will closely monitor the consumers' behaviour and will continue the promotion campaigns. The Management is also monitoring the movement of the rental of retail outlets and will adjust the expansion plan for Retail business if necessary.

For Money Lending business, the Group will continue to expand it in a prudent and balanced risk management approach.

Looking forwards, the Group will continue to strive for the diversifications of the Group's existing business, e.g, the Wholesaling business, and broaden its income stream, in order to deliver long term benefits to the shareholders.

## FINANCIAL REVIEW

### Revenue

The Group's revenue increased from approximately HK\$35.1 million for the nine months ended 31 December 2017 to approximately HK\$53.1 million for the nine months ended 31 December 2018, representing an increase of approximately 51.3%. During the nine months ended 31 December 2018, the Group stepped up the effort in securing new OEM customers and orders. The revenue of OEM business increased by approximately 43.0% to approximately HK\$34.6 million for the nine months ended 31 December 2018 as compared to the nine months ended 31 December 2017. On the other hand, the revenue from Retail business decreased by approximately 74.6% to approximately HK\$1.0 million for the nine months ended 31 December 2018 as compared to the nine months ended 31 December 2017. The new wholesaling business contributed revenue of approximately HK\$15.9 million during the nine months ended 31 December 2018.

在零售業務方面，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。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。

在放債業務方面，本集團將繼續以審慎態度及平衡風險管理的方式開拓業務。

展望未來，本集團將繼續致力令本集團現有業務更多元化（例如批發業務）以及擴大收入來源，務求為股東帶來長遠利益。

## 財務回顧

### 收益

本集團的收益由截至二零一七年十二月三十一日止九個月約35.1百萬港元增加約51.3%至截至二零一八年十二月三十一日止九個月約53.1百萬港元。截至二零一八年十二月三十一日止九個月，本集團加強致力於獲取新的原設備製造客戶及訂單。截至二零一八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二零一七年十二月三十一日止九個月增加約43.0%至約34.6百萬港元。另一方面，截至二零一八年十二月三十一日止九個月，零售業務的收益較截至二零一七年十二月三十一日止九個月減少約74.6%至約1.0百萬港元。截至二零一八年十二月三十一日止九個月，新批發業務貢獻收益約15.9百萬港元。

# Management Discussion and Analysis

## 管理層討論及分析

The following table sets forth the breakdown of the revenue of the Group by segment for each of the nine months ended 31 December 2018 and 2017.

下表載列本集團於截至二零一八年及二零一七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			
		2018		2017	
		二零一八年		二零一七年	
		HK\$'000	%	HK\$'000	%
		千港元	百份比	千港元	百份比
OEM business	原設備製造業務	34,561	65.1	24,164	68.9
Retail business	零售業務	983	1.9	3,866	11.0
Money Lending business	放債業務	1,650	3.1	7,061	20.1
Wholesaling business	批發業務	15,921	29.9	—	—
		53,115	100.0	35,091	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 increased by 90.4% to approximately HK\$45.6 million for the nine months ended 31 December 2018 as compared to the nine months ended 31 December 2017. The gross profit margin decreased from approximately 31.7% for the nine months ended 31 December 2017 to approximately 14.1% for the nine months ended 31 December 2018. The gross profit decreased by approximately 32.6% to approximately HK\$7.5 million for the nine months ended 31 December 2018 as compared to the nine months ended 31 December 2017. Attributable to the lower gross profit margin for the new Wholesaling business, excluding the Money Lending business, the overall gross profit margin for the Group's remaining businesses decreased slightly from 14.6% for the nine months ended 31 December 2017 to 11.4% for the current period.

### 銷售成本及毛利

本集團的銷售成本大部分為原材料成本。截至二零一八年十二月三十一日止九個月，本集團的銷售成本較截至二零一七年十二月三十一日止九個月增加90.4%至約45.6百萬港元。毛利率由截至二零一七年十二月三十一日止九個月約31.7%減少至截至二零一八年十二月三十一日止九個月約14.1%。截至二零一八年十二月三十一日止九個月，毛利較截至二零一七年十二月三十一日止九個月減少約32.6%至約7.5百萬港元。由於新批發業務的毛利率較低，除放債業務外，本集團餘下業務的整體毛利率由截至二零一七年十二月三十一日止九個月的14.6%輕微減少至本期間的11.4%。

# Management Discussion and Analysis

## 管理層討論及分析

### Expenses

Selling and administrative expenses for the nine months ended 31 December 2018 was approximately HK\$23.1 million (nine months ended 31 December 2017: approximately HK\$16.3 million), representing an increase of approximately HK\$6.8 million.

### Loss for the period

The loss for the nine months ended 31 December 2018 was approximately HK\$7.8 million. The loss for the nine months ended 31 December 2017 was approximately HK\$256.2 million. The loss for the nine months ended 31 December 2018 was substantially decreased as the impairment loss of an investment in an associate of approximately HK\$273.1 million was one-off and recognised only during the nine months ended 31 December 2017.

### 開支

截至二零一八年十二月三十一日止九個月，銷售及行政開支增加約6.8百萬港元至約23.1百萬港元（截至二零一七年十二月三十一日止九個月：約16.3百萬港元）。

### 期內虧損

截至二零一八年十二月三十一日止九個月錄得虧損約7.8百萬港元。截至二零一七年十二月三十一日止九個月的虧損約為256.2百萬港元。截至二零一八年十二月三十一日止九個月的虧損大幅減少的原因為於一家聯營公司的投資減值虧損約273.1百萬港元屬一次性及僅於截至二零一七年十二月三十一日止九個月確認。



## Other Information

### 其他資料

#### **SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS**

During the nine months ended 31 December 2018, the Group disposed of one property holding subsidiary (which constituted a notifiable transaction) and several insignificant subsidiaries and a gain of approximately HK\$8.2 million was generated. Save as these disposals and as disclosed elsewhere in this report, the Company's announcement dated 23 March 2018 and the Company's circular dated 11 July 2018, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the nine months ended 31 December 2018.

Save as disclosed elsewhere in this report, there was no plan for material investments or capital assets as at 31 December 2018.

#### **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 2018, none of the Directors and chief executives 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 Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) ("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 to Rule 5.67 of the GEM Listing Rules.

#### **所持重要投資、重大收購或出售附屬公司及聯屬公司，及重大投資或資本資產計劃**

截至二零一八年十二月三十一日止九個月內，本集團出售一家持有物業的附屬公司（構成一項須予公佈的交易）及數家不重大的附屬公司，並產生收益約8.2百萬港元。除該等出售及本報告其他部分、本公司日期為二零一八年三月二十三日的公佈及本公司日期為二零一八年七月十一日的通函所披露者外，截至二零一八年十二月三十一日止九個月內，並無持有任何重要投資，亦無重大收購或出售附屬公司及聯屬公司。

除本報告其他部分所披露者外，於二零一八年十二月三十一日，概無有關重大投資或資本資產的計劃。

#### **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**

於二零一八年十二月三十一日，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（定義見香港法例第571章證券及期貨條例（「證券及期貨條例」）第XV部）的任何股份、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GEM上市規則第5.46條至第5.67條有關上市發行人董事進行交易的規定標準須另行知會本公司及聯交所的任何權益或淡倉。



## 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 2018, the following persons (other than the Directors or chief executives 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:

#### Long positions in 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

於二零一八年十二月三十一日，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分部條文須向本公司披露的權益或淡倉，或擁有須記入根據證券及期貨條例第336條須予存置的登記冊的權益或淡倉：

#### 於本公司普通股之好倉

Name of shareholder	Capacity/Nature of interests	Number of ordinary shares	Percentage of the Company's issue share capital as at 31 December 2018 佔於二零一八年十二月三十一日的本公司已發行股本百分比
股東姓名／名稱	身分／權益性質	普通股數目	
Lau Lan Ying (Note) 劉蘭英（附註）	Interest in a controlled corporation 於受控法團的權益	322,314,800	25.18%
Wong Kwan Mo (Note) 黃君武（附註）	Interest in a controlled corporation 於受控法團的權益	322,314,800	25.18%
Strong Light Investments Limited (Note) 昌亮投資有限公司（附註）	Beneficial owner 實益擁有人	299,694,000	23.41%
Flying Mortgage Limited 飛亞物業按揭有限公司	Beneficial owner 實益擁有人	133,040,000	10.39%
Ge Qingfu 葛慶福	Beneficial owner 實益擁有人	128,266,200	10.02%

## Other Information

### 其他資料

Note:

299,694,000 shares are owned by Strong Light Investments Limited. Strong Light Investments Limited is a company incorporated in Hong Kong. The entire issued share capital of Strong Light Investments Limited is owned as to 50% by Lau Lan Ying and 50% by Wong Kwan Mo. Lau Lan Ying is the spouse of Wong Kwan Mo.

Save as disclosed above, as at 31 December 2018, 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.

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

The Group adopted the required standards of dealings set out in Rule 5.48 to Rule 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 was no event of non-compliance during the nine months ended 31 December 2018 and up to the date of this report.

附註：

299,694,000股股份由昌亮投資有限公司擁有。昌亮投資有限公司為一家於香港註冊成立的公司。昌亮投資有限公司的全部已發股本由劉蘭英及黃君武各自擁有50%。劉蘭英為黃君武的配偶。

除上文所披露者外，於二零一八年十二月三十一日，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）於本公司股份或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分部條文須向本公司披露的權益或淡倉，或須記入本公司根據證券及期貨條例第336條須予存置的登記冊的權益或淡倉。

### 遵守董事進行證券交易規定標準的情況

本集團已採納GEM上市規則第5.48條至第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行為守則。

經本集團特定查詢，各董事確認其於截至二零一八年十二月三十一日止九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。

## Other Information

### 其他資料

#### **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 nine months ended 31 December 2018.

#### **UPDATE ON THE USE OF PROCEEDS FROM THE PLACING OF SHARES COMPLETED ON 11 AUGUST 2016**

References are made to the 2018 Annual Report, the announcements of the Company dated 21 July 2016, 4 August 2016, 11 August 2016 and 29 January 2018 respectively in relation to, among others, the placing of shares under general mandate together with the intended and actual use of proceeds. During the nine months ended 31 December 2018, the remaining proceeds of approximately HK\$4 million was used as general working capital of the Group and the proceeds were fully utilised as its intended use at the end of the reporting period.

#### **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 during the nine months ended 31 December 2018 or as at 31 December 2018.

#### **購買、出售或贖回本公司上市證券**

截至二零一八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。

#### **於二零一六年八月十一日完成的股份配售所得款項用途的最新情況**

茲提述二零一八年年報、日期分別為二零一六年七月二十一日、二零一六年八月四日、二零一六年八月十一日及二零一八年一月二十九日的公佈，內容有關（其中包括）根據一般授權配售股份連同所得款項的擬定及實際用途。截至二零一八年十二月三十一日止九個月，餘下所得款項約4百萬港元已用作本集團一般營運資金，而所得款項於報告期末已全數用作其擬定用途。

#### **競爭權益**

董事確認，於截至二零一八年十二月三十一日止九個月內或於二零一八年十二月三十一日，概無控股股東或董事及彼等各自的緊密聯繫人（定義見GEM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。

## Other Information

### 其他資料

#### INTERESTS OF COMPLIANCE ADVISER

Pursuant to the directions of the GEM Listing Committee of the Stock Exchange, the Company has appointed Grand Moore Capital Limited as the independent compliance adviser (the “Compliance Adviser”) on an on-going basis for consultation on compliance with the GEM Listing Rules for a period of two years with effect from 7 January 2019. As at 31 December 2018, as notified by the Compliance Adviser, except for the compliance adviser’s agreement entered into between the Company and the Compliance Adviser, neither the Compliance Adviser nor any of its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in the Group which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

#### AUDIT COMMITTEE

The Company has established the audit committee (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 and risk management of the Group.

The Audit Committee consists of 3 independent non-executive Directors, namely Mr. Li Kin Ping, Mr. Ma Chi Ming and Ms. Guo Yan Xia. Mr. Li Kin Ping is the chairman of the Audit Committee.

#### 合規顧問的權益

根據聯交所GEM上市委員會的指示，本公司已持續委任中毅資本有限公司為獨立合規顧問（「合規顧問」），以就遵守GEM上市規則事宜進行諮詢，為期兩年，自二零一九年一月七日起生效。於二零一八年十二月三十一日，按合規顧問所告知，除本公司與合規顧問訂立之合規顧問協議外，合規顧問或其任何董事、僱員或緊密聯繫人（定義見GEM上市規則）並無於本集團擁有須根據GEM上市規則第6A.32條知會本公司之任何權益。

#### 審核委員會

本公司已成立審核委員會（「審核委員會」），並已遵守GEM上市規則附錄15所載守則制定職權範圍。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及本集團的風險管理。

審核委員會包括三名獨立非執行董事，即李健平先生、馬志明先生及郭艷霞女士。李健平先生為審核委員會主席。

## Other Information

### 其他資料

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the Third Quarterly Financial Statements 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.

By order of the Board

**L & A INTERNATIONAL HOLDINGS LIMITED**

**Ng Ka Ho**

*Chairman and Executive Director*

Hong Kong, 14 February 2019

*As at the date of this report, the Board comprises two executive Directors, namely, Mr. Ng Ka Ho and Mr. Lau Chun Kavan and three independent non-executive Directors, namely, Mr. Ma Chi Ming, Mr. Li Kin Ping and Ms. Guo Yan Xia.*

審核委員會已審閱本集團採納的會計原則及政策以及第三季度財務報表，並認為有關報表乃遵照適用的會計準則及GEM上市規則編製，且已作出足夠披露。

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，二零一九年二月十四日

於本報告日期，董事會包括兩名執行董事吳家豪先生及劉俊先生；以及三名獨立非執行董事馬志明先生、李健平先生及郭艷霞女士。

**L & A INTERNATIONAL  
HOLDINGS LIMITED**  
樂亞國際控股有限公司

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