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La Chapelle

上海拉夏貝爾服飾股份有限公司

Shanghai La Chapelle Fashion Co., Ltd.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 06116)

FIRST QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2018

Pursuant to the regulations of the China Securities Regulatory Commission, Shanghai La Chapelle Fashion Co., Ltd. (the “Company” together with its subsidiaries, collectively referred to as the “Group”) is required to publish a quarterly report for each of the first and third quarters.

All financial information set out in this quarterly report is unaudited and prepared in accordance with the revised Chinese Accounting Standards for Business Enterprises (“CAS”).

The Audit Committee of the Company has reviewed the unaudited results of the Group for the first quarter ended 31 March 2018.

This announcement is made by the Company pursuant to Rule 13.09 and Rule 13.10B of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong).

1. IMPORTANT NOTICE

- 1.1 The board of directors, the supervisory committee, directors, supervisors and senior management of the Company warrant that the information contained in this quarterly report are true, accurate and complete, and there are no false statements, misleading representations or material omissions, and are jointly and severally responsible for the liabilities of the Company.
- 1.2 All directors of the Company have attended the board meeting to approve this first quarterly report.
- 1.3 Xing Jiaying (legal representative of the Company), Yu Qiang (person-in-charge of accounting affairs) and Zhang Haiyun (person-in-charge of the accounting department) warrant the truthfulness, accuracy and completeness of the content of this quarterly report.
- 1.4 The first quarterly report of the Company is unaudited.

2. GENERAL INFORMATION

2.1 Key financials

	As at 31 March 2018	As at 31 December 2017	<i>Unit: RMB'000</i> Increase/ decrease compared to end of last year %
Total assets	7,662,500	7,871,712	(2.66)
Equity attributable to owners' of the Company	4,048,656	3,875,556	4.47
	For the 3 months ended 31 March 2018	For the 3 months ended 31 March 2017	Increase/ decrease compared to the same period of last year %
Net cash inflow/(outflow) from operating activities	(175,011)	183,866	(195.18)
	For the 3 months ended 31 March 2018	For the 3 months ended 31 March 2017	Increase/ decrease compared to the same period of last year %
Revenue	2,548,374	2,319,243	9.88
Net profit attributable to equity owners of the Company	174,131	130,256	33.68
Net profit attributable to equity owners of the Company excluding non-recurring items	132,642	125,592	5.61
Weighted average return on equity (%)	4.39	3.86	increased by 0.53 percentage points
Basic earnings per share (RMB)	0.32	0.26	23.08
Diluted earnings per share (RMB)	0.32	0.26	23.08

Non-recurring item

Applicable Not Applicable

Unit: RMB'000

**For the
3 months ended
31 March 2018**

Items

Gains/(losses) on disposal of non-current assets	(119)
Government grants recorded as other income, except for government grants that are closely related to the Company's businesses or given at a fixed quota or amount in accordance with government policies	62,354 /
Other non-operating income/(expenses) other than above	(5,238)
Effects of minority interests (after-tax)	(1,259)
Effects of income tax	(14,249)
Total	41,489

Note 1: It refers to government subsidies received by the Company and its subsidiaries with respect to enterprise development fund.

2.2 Total number of shareholders, the shareholding of top ten shareholders and top ten tradable shareholders (or unrestricted shareholders) as at the end of the reporting period

Unit: share

Name of shareholders (in full)	Shareholding of top ten shareholders					Nature of shareholders
	Shareholding as at the period end	Percentage (%)	Restricted shareholding	Pledged or locked-up Status	Number	
Total number of shareholders (shareholder)						23,765
Xing Jiaying (邢加興)	141,874,425	25.91	141,874,425	Pledge	75,000,000	Domestic natural person
Shanghai Hexia Investment Co., Ltd. (上海合夏投資有限公司) (“Shanghai Hexia”)	45,204,390	8.25	45,204,390	Nil	0	Domestic non-state owned legal person
Boxin First Phase (Tianjin) Equity Fund Partnership (Limited Partnership) (博信一期(天津)股權投資基金合夥企業(有限合夥))	23,482,305	4.29	23,482,305	Nil	0	Domestic non-state owned legal person
Boxin China Growth Fund I L.P. (“Boxin China”)	19,437,042	3.55	19,437,042	Nil	0	Overseas legal person
Shanghai Ronggao Venture Capital Co., Ltd. (上海融高創業投資有限公司)	18,787,230	3.43	18,787,230	Pledge	15,820,000	Domestic non-state owned legal person
Beijing Broad Street Investment Centre (Limited Partnership) (北京寬街博華投資中心(有限合夥))	18,236,842	3.33	18,236,842	Nil	0	Domestic non-state owned legal person
Yu Tiecheng (俞鐵成)	4,695,075	0.86	4,695,075	Nil	0	Domestic natural person
Asia Alternatives (Shanghai) Q Fund L.P. (鯤行(上海)股權投資合夥企業(有限合夥))	4,045,263	0.74	4,045,263	Nil	0	Domestic non-state owned legal person
Zhang Jiangmin (張江敏)	2,349,270	0.43	2,349,270	Nil	0	Overseas natural person
Agricultural Bank of China Limited – Rongtong Hybrid Fund for New Area and New Economy (中國農業銀行股份有限公司 – 融通新區域 新經濟靈活配置混合型證券投資基金)	1,479,316	0.27	0	Nil	0	Unknown

Shareholdings of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class of shares and number	
		Class	Number
Agricultural Bank of China Limited – Rongtong Hybrid Fund for New Area and New Economy (中國農業銀行股份有限公司－融通新區域新經濟靈活配置混合型證券投資基金)	1,479,316	RMB ordinary shares	1,479,316
Haitong Asset Management – Minsheng – Haitong Haihui Series – Star Stone No. 1 Collective Asset Management Plan (海通資管－民生－海通海匯系列－星石1號集合資產管理計劃)	780,200	RMB ordinary shares	780,200
Zhou Xiaomei (周小美)	760,000	RMB ordinary shares	760,000
Zhao Jianning (趙建寧)	635,500	RMB ordinary shares	635,500
CHINA FOREIGN ECONOMY AND TRADE TRUST CO., LTD – New Share C1 (中國對外經濟貿易信託有限公司－新股C1)	540,500	RMB ordinary shares	540,500
Fu Jianding (傅建定)	392,900	RMB ordinary shares	392,900
Liu Dongyi (劉東義)	212,900	RMB ordinary shares	212,900
Lai Jiarong (賴嘉榮)	193,000	RMB ordinary shares	193,000
Gao Rongqi (高榮琪)	191,900	RMB ordinary shares	191,900
Lv Yuqing (呂玉清)	172,000	RMB ordinary shares	172,000
Details relating to the related relationship of the above shareholders or the parties acting in concert	(1)	<p>Mr. Xing Jiaying is the chairman, chief executive officer, executive director, controlling shareholder and de facto controller of the Company; Shanghai Hexia is the concert party of Mr. Xing Jiaying, Mr. Xing Jiaying (being its controlling shareholder and de facto controller) directly and indirectly through Shanghai Hexia controls a total number of 187,078,815 shares of the Company, representing 34.16% of the share capital of the Company (547,671,642 shares, being 332,881,842 A Shares and 214,789,800 H Shares).</p>	
	(2)	<p>Boxin China Growth Fund I L.P. is a partnership incorporated in the Cayman Islands. The final holders of the general partner of Boxin First Phase (Tianjin) Equity Fund Partnership (Limited Partnership) and Boxin China Growth Fund I L.P. are partially the same. Tianjin Boxin Xinyuan Asset Management Co., Ltd. (“Boxin Xinyuan”), the general partner of Boxin (Tianjin) Equity Investment Fund Partnership (Limited Partner) which is also the general partner of Boxin First Phase (Tianjin) Equity Fund Partnership (Limited Partnership) has been listed on the National Equities Exchange and Quotations (NEEQ) (Boxin Asset, 834395). The final holders of Boxin Xinyuan are Peng Yue, An Xin, Sun Bing and others. The final holders of Boxin Capital Management Limited which is the general partner Boxin China are Peng Yue, Sun Bing and An Xin.</p>	
	(3)	<p>The Company is not aware of any related relationship among the top ten unrestricted shareholders and the top ten shareholders or any parties being regarded as parties acting in concert under the Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies.</p>	

Shareholdings of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class of shares and number Class Number
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Explanatory statement regarding the restored voting rights and shareholdings of holders of preference shares Not Applicable

Note: The top 10 shareholders above refers to those of A Shares of the Company and the corresponding shareholding ratio is based on the total shares issued combining A Shares and H Shares of the Company. For shareholding of H Shares, please refer to relevant disclosures on the website of The Stock Exchange of Hong Kong Limited. The Company has also been listed on The Stock Exchange of Hong Kong Limited (stock code: 06116).

2.3 Total number of and top ten holders of preference shares and their unrestricted shareholdings as at the end of the reporting period

Applicable Not Applicable

3. SIGNIFICANT EVENTS

3.1 Significant changes in major financial statements items and financial indicators and the reasons thereof

Applicable Not Applicable

3.1.1 Analysis on Consolidated Balance Sheet Items

Item (RMB: '000)	31 March 2018	31 December 2017	Increase/ decrease %	Reason for changes
Other current assets	43,736	157,070	(72.16)	Mainly due to the completion of dividend payment for the third quarter 2017 in the reporting period
Other non-current assets	–	13,605	(100.00)	Mainly due to reclassification of prepayment of equity investment
Short-term borrowings	1,528,000	1,006,000	51.89	Mainly due to the Company's increasing demand for working capital
Notes payable	146,591	534,504	(72.57)	Mainly due to the regular payment of notes payable for the reporting period
Tax payable	104,706	253,538	(58.70)	Mainly due to a decrease of value-added tax payable at the end of 2017
Dividends payable	69,814	168,729	(58.62)	Mainly due to the payment of dividend payable for the third quarter 2017

3.1.2 Analysis on Consolidated Income Statement Items

Item (RMB: '000)	For the 3 months ended 31 March 2018	For the 3 months ended 31 March 2017	Increase/ decrease %	Reason for changes
Financial expenses	(9,039)	(4,611)	96.03	Mainly due to an increase in interest expense as a result of an increase in bank loan
Asset impairment losses	(16,141)	(29,368)	(45.04)	Mainly due to a reduction in inventory write-down as a result of the decrease in inventories over one year
Investment income/(loss)	7,050	(1,552)	Not Applicable	Mainly due to an increase in investment income from long-term equity investment
Other Income	62,354	10,391	500.08	Mainly due to an increase in government subsidies received during the reporting period
Net profit attributable to owners of the parent company	174,131	130,256	33.68	Mainly due to increases in sales, gross profit and other income
Minority interests	2,422	9,295	(73.94)	Mainly due to a decrease in net profit in non-wholly owned subsidiaries
Total comprehensive income attributable to owners of the parent company	173,100	130,057	33.10	Mainly due to an increase in net profit attributable to shareholders of the Company
Total comprehensive income attributable to minority shareholders	2,422	9,295	(73.94)	Mainly due to a decrease in minority interests

3.1.3 Analysis on Consolidated Cash Flow Statement Items

Item (RMB: '000)	For the 3 months ended 31 March 2018	For the 3 months ended 31 March 2017	Increase/ decrease %	Reason for changes
Cash received from other operating activities	76,220	30,750	147.87	Mainly attributable to an increase in government subsidies received in the reporting period
Cash paid relating to other operating activities	(325,214)	(142,548)	128.14	Mainly due to an increase in expenses relating to e-commerce
Net cash inflow/(outflow) from operating activities	(175,011)	183,866	(195.18)	Mainly due to an increase in cash paid for goods in the reporting period
Cash paid to acquire subsidiaries and other business units	(45,000)	(600)	7,400.00	Mainly due to an increase in cash paid for contribution to funds
Subtotal inflow from financing activities	740,000	369,149	100.46	Mainly due to an increase in borrowing as a result of the Company's increasing demand for working capital
Subtotal outflow from financing activities	(227,674)	(2,897)	7,758.96	Mainly due to the repayment in borrowings that were due in the reporting period
Net cash flow from financing activities	512,326	366,252	39.88	Mainly due to an increase in borrowing as a result of the Company's increasing demand for working capital

3.2 Analysis of description of significant events and their impact and solution

Applicable Not Applicable

3.2.1 *Payment of third quarterly dividend on H Shares completed*

On 18 December 2017, the shareholders of the Company considered and approved the resolution regarding the distribution of the 2017 third quarterly dividend at the 2017 fourth extraordinary general meeting of the Company, pursuant to which a cash dividend of RMB0.33 per share (tax inclusive), i.e. a total dividend of RMB180,731,641.86 (tax inclusive) based on the Company's total shares in issue of 547,671,642, would be distributed to all shareholders. The cash dividend on H Shares amounted to RMB70,880,634.00 (tax inclusive) based on the 214,789,800 H Shares in issue, which would be paid in HK dollar. The payment date for H Shares had been delayed to 9 April 2018 from 2 February 2018 as overseas remittance review and approval process by relevant government authorities had not yet completed. As of the date of this report, the Company had completed the payment of 2017 third quarterly dividend on H Shares.

3.2.2 *Status on use of fund raised from A-share IPO*

Approved by the Reply on the Approval of the Initial Public Offering of Shanghai La Chapelle Fashion Co., Ltd. (Zheng Jian Xu Ke [2017] No. 1603) (《關於核准上海拉夏貝爾服飾股份有限公司首次公開發行股票的批覆》(證監許可〔2017〕1603號)) by China Securities Regulatory Commission and agreed by the Shanghai Stock Exchange, the Company issued 54,770,000 RMB-denominated ordinary shares (A shares) under the initial public offering at the price of RMB8.41 per share, raising a total amount of RMB460,615,700. After deducting the offering cost, the net amount of the proceeds was RMB405,254,300. As at 19 September 2017, the Company had received the entire proceeds, which were certified and confirmed by PricewaterhouseCoopers Zhong Tian LLP (Special General Partnership) in its verification report [Yanzi (2017) No. 894].

As at 31 March 2018, the balance of the Company's special accounts for raised proceeds amounted to RMB76,735,413.40, which gave rise to a difference of RMB695,950.10 compared to the balance of the unused raised fund of RMB76,039,463.30. The difference was attributable to the interest income from this account.

The tenth meeting of the third session of the Board of the Company considered and approved the resolution with respect to replenishment of working capital with idle raised fund, pursuant to which RMB60,000,000 of idle raised fund would be temporarily used to finance working capital for no more than 12 months from the approval date by the Board. As at the date of this report, the Company had applied RMB60,000,000 of idle raised fund to finance working capital.

3.3 Uncompleted Performance of Overdue Undertakings for the Reporting Period

Applicable Not Applicable

3.4 Warnings on the Forecast of Possible Losses or Substantial Year-on-Year Changes to be Recorded in Cumulative Net Profit from Beginning of the Year to the End of the Next Reporting Period and the Underlying Reasons.

Applicable Not Applicable

4. APPENDIX

4.1 Financial Statements

Consolidated Balance Sheet

As at 31 March 2018

Prepared by Shanghai La Chapelle Fashion Co., Ltd.

Items	<i>Unit: RMB'000 Type of audit: unaudited</i>	
	As at 31 March 2018	As at 31 December 2017
Current assets		
Cash at bank and on hand	911,054	930,580
Settlement reserve		
Due from the banks and other financial institution		
Financial assets at fair-value through profit and loss for the current period		
Derivative financial assets		
Notes receivable		
Accounts receivable	920,290	1,053,436
Advance payment	262,825	243,098
Premiums receivable		
Reinsurance accounts receivable		
Deposits receivable from reinsurance contracts		
Interests receivable	2,165	2,281
Dividend receivable		
Other accounts receivable	386,878	323,536
Purchases of resold financial assets		
Inventories	2,277,232	2,344,639
Assets classified as held for sale		
Non-current assets matured within one year		
Other current assets	43,736	157,070
Total current assets	4,804,180	5,054,640
Non-current assets		
Loans and advances		
Available-for-sale financial assets	80,141	67,544
Held-to-maturity investments		
Long-term receivables		
Long-term equity investment	488,450	428,465
Investment properties		
Fixed assets	430,289	455,482
Construction in progress	728,504	577,675

Unit: RMB'000 Type of audit: unaudited

Items	As at 31 March 2018	As at 31 December 2017
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	199,186	202,517
Development expenses		
Goodwill	105,722	113,555
Long-term prepaid expenses	623,887	711,780
Deferred tax assets	202,141	246,449
Other non-current assets	–	13,605
Total non-current assets	2,858,320	2,817,072
Total assets	7,662,500	7,871,712
Current liabilities		
Short-term borrowings	1,528,000	1,006,000
Borrowings from central bank		
Deposit taking and deposit in interbank market		
Placements from banks and other financial institutions		
Financial liabilities at fair value through profit or loss for the current period		
Derivative financial liabilities		
Notes payable	146,591	534,504
Accounts payable	825,244	988,084
Advances from customers	533	363
Disposal of repurchased financial assets		
Handling charges and commissions payable		
Payroll payable	200,052	220,842
Tax payable	104,706	253,538
Interest payable	3,911	3,036
Dividend payable	69,814	168,729
Other accounts payable	440,471	530,356
Reinsurance accounts payable		
Deposits for insurance contracts		
Customer deposits for trading in securities		
Customer deposits for underwriting securities		
Liabilities classified as held for sale		
Non-current liabilities due within one year	27,596	29,993
Other current liabilities		
Total current liabilities	3,346,918	3,735,445

Unit: RMB'000 Type of audit: unaudited

Items	As at 31 March 2018	As at 31 December 2017
Non-current liabilities		
Long-term borrowings		
Bonds payable		
Including: preference shares		
perpetual bonds		
Long-term payable		
Long-term employee benefits payable		
Special payable		
Accrued liabilities		
Deferred income		
Deferred tax liabilities	24,490	20,590
Other non-current liabilities	46,342	46,449
Total non-current liabilities	70,832	67,039
Total liabilities	3,417,750	3,802,484
Owners' equity		
Share capital	547,672	547,672
Other equity instruments		
Including: preference shares		
perpetual bonds		
Capital surplus	1,894,097	1,894,097
Less: treasury stock		
Other comprehensive income	-1,754	-723
Special reserve		
Surplus reserve	228,666	219,154
General risk provision		
Undistributed profit	1,379,975	1,215,356
Equity attributable to owners of the parent company	4,048,656	3,875,556
Minority interest	196,094	193,672
Total owners' equity	4,244,750	4,069,228
Total liabilities and owners' equity	7,662,500	7,871,712

Legal representative:

Xing Jiaxing

Person in charge of
accounting function:

Yu Qiang

Person in charge of
accounting department:

Zhang Haiyun

Parent Company Balance Sheet

As at 31 March 2018

Prepared by Shanghai La Chapelle Fashion Co., Ltd.

Unit: RMB'000 Type of audit: unaudited

Items	As at	As at
	31 March 2018	31 December 2017
Current assets		
Cash at bank and on hand	586,891	561,359
Financial assets at fair-value through profit and loss for the current period		
Derivative financial assets		
Notes receivable		
Accounts receivable	507,093	1,675,090
Advance payment	90,597	56,342
Interests receivable	70	79
Dividend receivable		
Other accounts receivable	2,637,204	1,483,384
Inventories	1,990,210	2,037,181
Assets classified as held for sale		
Non-current assets due within one year		
Other current assets	8,130	115,814
Total current assets	5,820,195	5,929,249
Non-current assets		
Available-for-sale financial assets	18,200	18,200
Held-to-maturity investments		
Long-term receivables		
Long-term equity investments	863,083	863,083
Investment properties		
Fixed assets	10,281	11,102
Construction in progress	6,932	5,444
Construction materials		
Disposals of fixed assets		
Biological assets for production		
Fuel assets		
Intangible assets	9,399	10,610
Development expenses		
Goodwill		
Long-term prepaid expenses	42,807	61,522
Deferred tax assets	48,890	52,177

Unit: RMB'000 Type of audit: unaudited

Items	As at 31 March 2018	As at 31 December 2017
Other non-current assets		
Total non-current assets	999,592	1,022,138
Total assets	6,819,787	6,951,387
Current liabilities		
Short-term borrowings	1,528,000	1,006,000
Financial of liabilities at fair value through profit or loss for the current period		
Derivative financial liabilities		
Notes payable	84,653	343,726
Accounts payable	1,318,703	1,721,782
Advances from customers		
Payroll payable	37,105	52,920
Tax payable	67,051	57,150
Interests payable	3,737	3,036
Dividend payable	69,814	168,729
Other accounts payable	497,445	479,238
Liabilities classified as held for sale		
Non-current liabilities due within one year	1,728	2,192
Other current liabilities		
Total current liabilities	3,608,236	3,834,773
Non-current liabilities		
Long-term borrowings		
Bonds payable		
Including: preference shares		
perpetual bonds		
Long-term payable		
Long-term employee benefits payable		
Special payable		
Accrued liabilities		
Deferred income		
Deferred income tax liabilities		
Other non-current liabilities	183	366
Total non-current liabilities	183	366
Total liabilities	3,608,419	3,835,139
Owners' equity		
Share capital	547,672	547,672
Other equity instruments		
Including: preference shares		
perpetual bonds		

Unit: RMB'000 Type of audit: unaudited

Items	As at	As at
	31 March	31 December
	2018	2017
Capital surplus	1,894,097	1,894,097
Less: treasury stock		
Other comprehensive income		
Special reserve		
Surplus reserve	228,665	219,154
Undistributed profit	540,934	455,325
Total owners' equity	3,211,368	3,116,248
Total liabilities and owners' equity	6,819,787	6,951,387

Legal representative:

Xing Jiaxing

*Person in charge of
accounting function:*

Yu Qiang

*Person in charge of
accounting department:*

Zhang Haiyun

Consolidated Income Statement

For the 3 months ended 31 March 2018

Prepared by Shanghai La Chapelle Fashion Co., Ltd.

Unit: RMB'000 Type of audit : unaudited

Items	For the 3	For the 3
	months ended	months ended
	31 March	31 March
	2018	2017
I. Total operating income	2,548,374	2,319,243
Including: Operating revenue	2,548,374	2,319,243
Interest income		
Premiums earned		
Handling charges and commission income		
II. Total operating costs	-2,376,194	-2,136,608
Including: Cost of sales	-1,010,086	-878,562
Interest expenses		
Handling charges and commission payment		
Surrender payment		
Net expenditure for compensation payment		
Net deposits from insurance contracts withdrawn		
Policy dividend expenses		
Reinsurance costs		
Taxes and surcharges	-19,129	-26,921
Selling and distribution expenses	-1,208,168	-1,107,875
General and administrative expenses	-113,631	-89,271
Financial expenses	-9,039	-4,611
Asset impairment losses	-16,141	-29,368
Add: Profit arising from changes in fair value (loss stated with “-”)		
Investment income (loss stated with “-”)	7,050	-1,552
Including: Investment income from associates and joint ventures		
Gains on disposal of assets (loss stated with “-”)	-119	-172
Exchange income (loss stated with “-”)		
Other income	62,354	10,391

Unit: RMB'000 *Type of audit : unaudited*

Items	For the 3 months ended 31 March 2018	For the 3 months ended 31 March 2017
III. Operating profit (loss expressed with “-”)	241,465	191,302
Add: Non-operating income	758	858
Less: Non-operating expenses	-5,996	-4,927
IV. Total profit (total loss expressed with “-”)	236,227	187,233
Less: Income tax expenses	-59,674	-47,682
V. Net profit (net loss expressed with “-”)	176,553	139,551
(I) Classified by continuity of operations		
1. Net profit from continuing operations (loss expressed with “-”)	176,553	139,551
2. Net profit from discontinued operations (loss expressed with “-”)		
(II) Classified by ownership of equity		
Minority interest	2,422	9,295
Attributable to equity owners of the parent company	174,131	130,256
VI. Other comprehensive income, net of tax	-1,031	-199
Attributable to owners’ of the parent company	-1,031	-199
(I) Other comprehensive income not to be reclassified into profit or loss in subsequent periods		
1. Changes in net liabilities or net assets arising from the re- measurement of defined benefit plans		
2. Share of other comprehensive income of investees that cannot be reclassified to profit and loss under equity method		
(II) Other comprehensive income that will be reclassified to profit and loss in subsequent periods	-1,031	-199
1. Share of other comprehensive income of investees that will be reclassified to profit and loss under equity method		
2. Gains and losses from changes in fair value of available- for-sale financial assets	-	-194
3. Gains and losses from held-to-maturity investment reclassified as available for-sale financial assets		
4. Effective portion of hedging gains and losses from cash flows		
5. Exchange differences on foreign currency financial statements translation	-1,031	-5
6. Others		

Unit: RMB'000 Type of audit : unaudited

Items	For the 3	For the 3
	months ended	months ended
	31 March	31 March
	2018	2017
Net other comprehensive income attributable to minority shareholders after tax		
VII. Total comprehensive income	175,522	139,352
Attributable to owners' of the Company	173,100	130,057
Attributable to minority shareholders	2,422	9,295
VIII. Earnings per share		
Basic earnings per share (RMB)	0.32	0.26
Diluted earnings per share (RMB)	0.32	0.26

For the business combination under common control effected in the current period, the net profit recognized by the merged party before the combination was RMB0, and the net profit recognized by the merged party in the previous period was RMB0.

<i>Legal representative:</i>	<i>Person in charge of</i>	<i>Person in charge of</i>
Xing Jiaxing	<i>accounting function:</i>	<i>accounting department:</i>
	Yu Qiang	Zhang Haiyun

Parent company Income Statement

For the 3 months ended 31 March 2018

Prepared by Shanghai La Chapelle Fashion Co., Ltd.

Unit: RMB'000 Type of audit: unaudited

Items	For the 3	For the 3
	months ended	months ended
	31 March	31 March
	2018	2017
I. Revenue	1,345,014	945,347
Less: Cost of sales	-928,824	-573,322
Taxes and surcharges	-2,079	-5,127
Selling and distribution expenses	-238,621	-235,725
General and administrative expenses	-57,927	-46,358
Financial expenses	-10,214	-4,337
Asset impairment losses	-13,795	-58,697
Add: Profit arising from changes in fair value (loss stated with “-”)		
Investment income (loss stated with “-”)		
Including: investment income from associates and joint ventures		
Gains on asset disposal (loss stated with “-”)	-2	-45
Other income	38,124	732
II. Operating profit	131,676	22,468
Add: Non-operating income	808	190
Less: Non-operating expenses	-5,657	-229
III. Total profit (loss stated with “-”)	126,827	22,429
Less: Income tax expenses	-31,707	-5,966
IV. Net profit (loss stated with “-”)	95,120	16,463
(I) Continuous operating net profit (loss stated with “-”)	95,120	16,463
(II) Termination of net profit (loss stated with “-”)		
V. Other comprehensive income, net of tax		
(I) Other comprehensive income that cannot be reclassified to profit and loss in subsequent periods		
1. Changes in net liabilities or net assets arising from the re-measurement of defined benefit plans		
2. Share of other comprehensive income of investees that cannot be reclassified to profit and loss under equity method		

Unit: RMB'000 Type of audit: unaudited

Items	For the 3	For the 3
	months ended	months ended
	31 March	31 March
	2018	2017

(II) Other comprehensive income that will be reclassified to profit and loss in subsequent periods

1. Share of other comprehensive income of investees that will be reclassified to profit and loss under equity method
2. Gains and losses from changes in fair value of available-for-sale financial assets
3. Gains and losses from held-to-maturity investment reclassified as available-for-sale financial assets
4. Effective portion of hedging gains and losses from cash flows
5. Exchange differences on foreign currency financial statements translation
6. Others

VI. Total comprehensive income

VII. Earnings per share:

- (1) Basic earnings per share (RMB/share)
- (2) Diluted earnings per share (RMB/share)

Legal representative:

Xing Jiaying

*Person in charge of
accounting function:*

Yu Qiang

*Person in charge of
accounting department:*

Zhang Haiyun

Consolidated Statement of Cash Flow

For the 3 months ended 31 March 2018

Prepared by Shanghai La Chapelle Fashion Co., Ltd.

Unit: RMB'000 Type of audit: unaudited

Items	For the 3	For the 3
	months ended	months ended
	31 March	31 March
	2018	2017
I. Cash flow from operating activities		
Cash received from sale of goods or rendering of services	3,252,825	2,972,415
Net increase in deposits from customers and placements from banks and other financial institutions		
Net increase in borrowings from central bank net increase in placements from other financial institutions		
Cash received from premiums of original insurance contracts		
Net cash received from reinsurance business		
Net increase in deposits from policyholders and investments		
Net increase in the disposal of financial assets at fair value through profit or loss for the current period		
Cash received from interests, handling charges and commissions		
Net increase in placements		
Net increase in funds for repurchases of businesses		
Cash received from refunds of taxes		
Cash received relating to other operating activities	76,220	30,750
Subtotal of cash inflows	3,329,045	3,003,165
Cash paid for goods and services	-2,114,128	-1,669,607
Net increase in loans and advances to customers		
Net increase in placements with central bank and other financial institutions cash paid for claims on original insurance contracts		
Cash payment for interests, handling charges and commissions		
Cash payment for policyholder dividend		
Cash paid to and on behalf of employee	-702,814	-643,531
Cash paid for payments of taxes and surcharges	-361,900	-363,613
Cash paid relating to other operating activities	-325,214	-142,548
Subtotal of cash outflows	-3,504,056	-2,819,299
Net cash flow from operating activities	-175,011	183,866
II. Cash flow from investing activities		
Cash received from disposal of investments		
Cash received from investments income		
Net cash received from disposal of fixed assets, intangible assets and other long-term equity investments	410	868

Unit: RMB'000 Type of audit: unaudited

Items	For the 3	For the 3
	months ended	months ended
	31 March	31 March
	2018	2017
Net cash received from disposal of subsidiaries and other business units	702	—
Cash received relating to investing activities		
Subtotal of cash inflows	1,112	868
Cash paid to purchase fixed assets, intangible assets and other long-term equity investments	-298,117	-264,404
Cash paid for investments		
Net increase in pledged loans		
Net cash paid to acquire subsidiaries and other business units	-45,000	-600
Cash paid relating to other investing activities	-23,456	-113,280
Subtotal of cash outflows	-366,573	-378,284
Net cash flow from investing activities	-365,461	-377,416
III. Cash flow from financing activities		
Cash received from capital contribution	—	1,149
Including: cash received from capital contribution by minority shareholders of subsidiaries		
Cash received from borrowings	740,000	368,000
Cash received from issuance of bonds		
Cash received relating to other financing activities		
Subtotal of cash inflows	740,000	369,149
Cash paid for payment of borrowings	-218,000	—
Cash paid for distribution of dividends, and profits or payment of interests	-9,674	-2,897
Including: dividends and profit paid to minority shareholders by subsidiaries		
Cash paid relating to other financing activities		
Subtotal of cash outflows	-227,674	-2,897
Net cash flow from financing activities	512,326	366,252
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
	—	-9
V. Net increase in cash and cash equivalents	-28,146	172,693
Add: cash and cash equivalents at beginning of period	815,580	581,389
VI. Cash and cash equivalents at end of period	787,434	754,082

Legal representative:
Xing Jiaxing

Person in charge of
accounting function:
Yu Qiang

Person in charge of
accounting department:
Zhang Haiyun

Parent company Statement of Cash Flow

For the 3 months ended 31 March 2018

Prepared by Shanghai La Chapelle Fashion Co., Ltd.

Unit: RMB'000 Type of audit: unaudited

Items	For the 3	For the 3
	months ended	months ended
	31 March	31 March
	2018	2017
I. Cash flow from operating activities:		
Cash received from sales of goods or rendering of services	1,629,167	1,399,060
Cash received from refunds of taxes		
Cash received relating to other operating activities	50,473	13,895
Subtotal of cash inflows	1,679,640	1,412,955
Cash paid for goods and services	-1,348,731	-1,060,348
Cash paid to and on behalf of employees	-148,590	-155,587
Cash paid for payment of taxes and surcharges	-59,083	-62,406
Cash paid relating to other operating activities	-91,129	-65,254
Subtotal of cash outflows	-1,647,533	-1,343,595
Net cash flow from operating activities	32,107	69,360
II. Cash flow from investing activities:		
Cash received from return of investment		
Cash received from investment income		
Net cash received on disposal of fixed assets, intangible assets and other long-term equity investments	570	345
Net cash received from disposal of subsidiaries and other business units		
Cash received relating to other investing activities	133,863	93,589
Subtotal of cash inflows	134,433	93,934
Cash paid to purchase fixed assets, intangible assets and other long-term equity investments	-61,680	-11,362
Cash paid for investments		
Cash paid to acquire subsidiaries and other business units		
Cash paid relating to other investing activities	-587,549	-324,656
Subtotal of cash outflows	-649,229	-336,018
Net cash flow from investing activities	-514,796	-242,084
III. Cash flow from financing activities:		
Cash received from capital contribution		
Cash received from borrowings	740,000	368,000
Cash received relating to other financing activities		
Subtotal of cash inflows	740,000	368,000

Unit: RMB'000 Type of audit: unaudited

Items	For the 3	For the 3
	months ended	months ended
	31 March	31 March
	2018	2017
Cash repayments of borrowings	-218,000	–
Cash paid for distribution of dividends, profits or payment of interests	-13,779	-2,897
Cash paid relating to other financing activities		
Subtotal of cash outflows	-231,779	-2,897
Net cash flow from financing activities	508,221	365,103
IV. Effect of foreign exchange rate changes on cash and cash equivalents		
V. Net increase in cash and cash equivalents	25,532	192,379
Add: cash and cash equivalents at the beginning of the period	561,359	388,337
VI. Cash and cash equivalents at end of the period	586,891	580,716

Legal representative:

Xing Jiaxing

Person in charge of
accounting function:

Yu Qiang

Person in charge of
accounting department:

Zhang Haiyun

4.2 Audit Report

Applicable Not applicable

By Order of the Board
Shanghai La Chapelle Fashion Co., Ltd.
Mr. Xing Jiaxing
Chairman

Shanghai, the PRC, 26 April 2018

As of the date of this announcement, the executive directors of the Company are Mr. Xing Jiaxing and Mr. Yu Qiang; the non-executive directors of the Company are Mr. Lu Weiming and Mr. Luo Bin; the independent non-executive directors of the Company are Dr. Chen Jieping, Mr. Zhang Zeping and Mr. Chan, Wing Yuen Hubert.