

# 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



*casimira*

第三季度業績報告

2017

Third Quarterly Report

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

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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

### **香港聯合交易所有限公司(「聯交所」)創業板(「創業板」)的特色**

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

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

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

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

# Corporate Information

## 公司資料

### REGISTERED OFFICE IN THE CAYMAN ISLANDS

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

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

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

### EXECUTIVE DIRECTOR

Mr. Ng Ka Ho (*Chairman*)

### NON-EXECUTIVE DIRECTOR

Mr. Wong Chiu Po (resigned on 26 April 2017)

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Li Kin Ping (appointed on 20 April 2017)

Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)

Mr. Ma Chi Ming

Mr. Ng Kai Shing (resigned on 26 September 2017)

Ms. Guo Yan Xia (appointed on 26 September 2017)

### COMPANY SECRETARY

Mr. Leung Tze Wai *CPA*

(resigned on 29 September 2017)

Ms. Lai Wai Ha (appointed on 29 September 2017)

### COMPLIANCE OFFICER

Mr. Ng Ka Ho

### 開曼群島註冊辦事處

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

### 香港總部及主要經營地點

香港九龍  
永康街18號  
永康中心  
5樓D室

### 執行董事

吳家豪先生 (*主席*)

### 非執行董事

黃昭堡先生 (於二零一七年  
四月二十六日辭任)

### 獨立非執行董事

李健平先生 (於二零一七年四月  
二十日獲委任)

鄺麟基先生 (於二零一七年四月  
二十日辭任)

馬志明先生

吳啓誠先生 (於二零一七年九月  
二十六日辭任)

郭艷霞女士 (於二零一七年九月  
二十六日獲委任)

### 公司秘書

梁子煒先生 *CPA*

(於二零一七年九月二十九日辭任)

黎惠霞女士 (於二零一七年  
九月二十九日獲委任)

### 合規主任

吳家豪先生

# Corporate Information

## 公司資料

### AUDIT COMMITTEE

Mr. Li Kin Ping (*Chairman*)  
(appointed on 20 April 2017 and re-designated to be the chairman of the Audit Committee on 26 September 2017)  
Mr. Ng Kai Shing (resigned on 26 September 2017)  
Mr. Kwong Lun Kei Victor (resigned on 20 April 2017)  
Mr. Ma Chi Ming  
Ms. Guo Yan Xia (appointed on 26 September 2017)

### REMUNERATION COMMITTEE

Mr. Li Kin Ping (*Chairman*)  
(appointed on 20 April 2017)  
Mr. Ng Ka Ho  
Mr. Ng Kai Shing (resigned on 26 September 2017)  
Mr. Kwong Lun Kei Victor  
(resigned on 20 April 2017)  
Ms. Guo Yan Xia (appointed on 26 September 2017)

### NOMINATION COMMITTEE

Mr. Li Kin Ping (*Chairman*)  
(appointed on 20 April 2017)  
Mr. Ng Ka Ho  
Mr. Ng Kai Shing (resigned on 26 September 2017)  
Mr. Kwong Lun Kei Victor  
(resigned on 20 April 2017)  
Ms. Guo Yan Xia (appointed on 26 September 2017)

### AUTHORISED REPRESENTATIVES

Mr. Ng Ka Ho  
Mr. Leung Tze Wai  
(ceased to act on 29 September 2017)  
Ms. Lai Wai Ha (appointed on 29 September 2017)

### 審核委員會

李健平先生(主席)  
(於二零一七年四月二十日獲委任，並於二零一七年九月二十六日調任為審核委員會主席)  
吳啓誠先生(於二零一七年九月二十六日辭任)  
鄭麟基先生(於二零一七年四月二十日辭任)  
馬志明先生  
郭艷霞女士(於二零一七年九月二十六日獲委任)

### 薪酬委員會

李健平先生(主席)(於二零一七年四月二十日獲委任)  
吳家豪先生  
吳啓誠先生(於二零一七年九月二十六日辭任)  
鄭麟基先生(於二零一七年四月二十日辭任)  
郭艷霞女士(於二零一七年九月二十六日獲委任)

### 提名委員會

李健平先生(主席)(於二零一七年四月二十日獲委任)  
吳家豪先生  
吳啓誠先生(於二零一七年九月二十六日辭任)  
鄭麟基先生(於二零一七年四月二十日辭任)  
郭艷霞女士(於二零一七年九月二十六日獲委任)

### 授權代表

吳家豪先生  
梁子煒先生(於二零一七年九月二十九日退任)  
黎惠霞女士(於二零一七年九月二十九日獲委任)

# Corporate Information

## 公司資料

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

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

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

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21/F, 148 Electric Road  
North Point  
Hong Kong

### PRINCIPAL BANKER

DBS Bank (Hong Kong) Limited

### 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  
PO Box 1093, Boundary Hall  
Cricket Square  
Grand Cayman, KY1-1104  
Cayman Islands

### 香港股份過戶登記分處

寶德隆證券登記有限公司  
香港  
北角  
電氣道148號21樓2103B室

### 主要往來銀行

星展銀行(香港)有限公司

### 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

# Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

## 簡明綜合損益及其他全面收益表

The board (the "Board") of directors of the Company is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and nine months ended 31 December 2017 together with the unaudited comparative figures for the corresponding period in 2016 as follows:

本公司董事會(「董事會」)欣然提呈本公司及其附屬公司(統稱「本集團」)截至二零一七年十二月三十一日止三個月及九個月的未經審核簡明綜合業績，連同二零一六年同期的未經審核比較數字如下：

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

			Three months ended 31 December		Nine months ended 31 December	
			截至十二月三十一日止三個月		截至十二月三十一日止九個月	
			2017	2016	2017	2016
			二零一七年	二零一六年	二零一七年	二零一六年
NOTES			HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註			千港元	千港元	千港元	千港元
			(unaudited)	(unaudited)	(unaudited)	(unaudited)
			(未經審核)	(未經審核)	(未經審核)	(未經審核)
Revenue	收益	3	<b>24,189</b>	5,048	<b>35,091</b>	52,561
Cost of sales	銷售成本	8	<b>(17,551)</b>	(4,007)	<b>(23,952)</b>	(57,514)
Gross profit	毛利		<b>6,638</b>	1,041	<b>11,139</b>	(4,953)
Other income	其他收入	4	<b>482</b>	93	<b>554</b>	227
Fair value change on financial assets through profit or loss	計入損益的金融資產公平值變動		<b>(4,087)</b>	-	<b>(332)</b>	-
Other gains and losses	其他收益及虧損	5	-	-	<b>(268,878)</b>	(47)
Selling and distribution expenses	銷售及分銷開支		<b>(38)</b>	(1,083)	<b>(1,580)</b>	(4,233)
Administrative expenses	行政開支		<b>(2,926)</b>	(20,588)	<b>(14,745)</b>	(86,371)
Gain on disposal of a subsidiary	出售一家附屬公司的收益		-	-	<b>29,536</b>	-
Share of result of an associate	應佔一家聯營公司的業績		-	(19,903)	<b>(10,803)</b>	(27,748)
Finance costs	財務成本	6	<b>(103)</b>	(53)	<b>(694)</b>	(799)
Loss before taxation	除稅前虧損		<b>(34)</b>	(40,493)	<b>(255,803)</b>	(123,924)
Income tax credit (expense)	所得稅抵免(開支)	7	<b>69</b>	23	<b>(395)</b>	313

# 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 2017 截至二零一七年十二月三十一日止三個月及九個月

			Three months ended 31 December		Nine months ended 31 December	
			截至十二月三十一日止三個月		截至十二月三十一日止九個月	
			2017	2016	2017	2016
			二零一七年	二零一六年	二零一七年	二零一六年
NOTES			HK\$'000	HK\$'000	HK\$'000	HK\$'000
附註			千港元	千港元	千港元	千港元
			(unaudited)	(unaudited)	(unaudited)	(unaudited)
			(未經審核)	(未經審核)	(未經審核)	(未經審核)
Profit/(Loss) for the period	期內溢利/(虧損)	8	35	(40,470)	(256,198)	(123,611)
Other comprehensive expense: <i>Item that may be reclassified subsequently to profit or loss:</i>	其他全面開支： 其後可能重新分類 至損益的項目：					
Exchange differences arising on the translation of foreign operations	換算海外業務產生 的匯兌差額		(40)	(1,183)	796	(2,226)
Other comprehensive expense for the period	期內其他全面開支		(40)	(1,183)	796	(2,226)
Total comprehensive expense for the period	期內全面開支總額		(5)	(41,653)	(255,402)	(125,837)
Profit/(Loss) for the period attributable to:	以下人士應佔期內 溢利/(虧損)：					
Owners of the Company	本公司擁有人		274	(39,845)	(255,305)	(122,098)
Non-controlling interests	非控股權益		(239)	(625)	(893)	(1,513)
			35	(40,470)	(256,198)	(123,611)
Total comprehensive expenses for the period attributable to:	以下人士應佔期內 全面開支總額：					
Owners of the Company	本公司擁有人		252	(41,044)	(254,466)	(124,339)
Non-controlling interests	非控股權益		(257)	(609)	(936)	(1,498)
			(5)	(41,653)	(255,402)	(125,837)
Earning/(Loss) per share	每股盈利/(虧損)	10				
Basic (HK cents)	基本(港仙)		0.007	(3.113)	(1.398)	(10.598)
Diluted (HK cents)	攤薄(港仙)		0.007	(3.113)	(1.398)	(10.598)

# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

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

	Share capital	Share premium	Translation reserve	Special reserve	Share options reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity	
	股本	股份溢價	匯兌儲備	特別儲備	購股權儲備	其他儲備	累計虧損	總計	非控股權益	權益總額	
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	
		(Note (i))		(Note (ii))							
		(附註(i))		(附註(ii))							
At 1 April 2016 (audited)	於二零一六年四月一日 (經審核)	40,000	23,823	3,374	28,431	-	4,327	(6,193)	93,762	-	93,762
Exchange differences arising on the translation of foreign operations	換算海外業務所產生的匯兌差額	-	-	(2,241)	-	-	-	(2,241)	15	(2,226)	
Loss for the period	期內虧損	-	-	-	-	-	(122,098)	(122,098)	(1,513)	(123,611)	
Total comprehensive income (expense) for the period	期內全面收益(開支)總額	-	-	(2,241)	-	-	(122,098)	(124,339)	(1,498)	(125,837)	
Acquisition of an associate through issuance of share	透過發行股份收購一家聯營公司	2,260	470,127	-	-	-	-	472,387	-	472,387	
Acquisition of a business	收購一項業務	-	-	13	-	-	-	13	4,051	4,064	
Placing of shares	配售股份	5,740	54,241	-	-	-	-	59,981	-	59,981	
Transaction costs attributable to issuance of shares	發行股份應佔交易成本	-	(600)	-	-	-	-	(600)	-	(600)	
Recognition of equity-settled share-based payments	確認以股本結算以股份為基礎付款	-	-	-	-	37,006	-	37,006	-	37,006	
Exercise of share option	行使購股權	3,200	70,542	-	-	(32,782)	-	40,960	-	40,960	
At 31 December 2016 (unaudited)	於二零一六年十二月三十一日 (未經審核)	51,200	618,133	1,146	28,431	4,224	4,327	(128,291)	579,170	2,553	581,723



# Condensed Consolidated Statement of Changes in Equity

## 簡明綜合權益變動表

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

		Share capital	Share premium	Translation reserve	Special reserve	Share options reserve	Other reserve	Accumulated losses	Total	Non-controlling interests	Total equity
		股本	股份溢價	匯兌儲備	特別儲備	購股權儲備	其他儲備	累計虧損	總計	非控股權益	權益總額
		HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元	千港元
			(Note (i))		(Note (ii))						
			(附註(i))		(附註(ii))						
At 1 April 2017 (audited)	於二零一七年四月一日 (經審核)	51,200	618,133	1,535	28,431	4,224	4,327	(300,491)	407,359	1,350	408,709
Exchange differences arising on the translation of foreign operations	換算海外業務所產生的匯兌差額	-	-	839	-	-	-	-	839	(43)	796
Loss for the period	期內虧損	-	-	-	-	-	-	(255,305)	(255,305)	(893)	(256,198)
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	(1,743)	28,431	4,224	4,327	(555,796)	148,776	414	149,190

Notes:

附註：

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

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七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 on 5 June 2014. The Company's shares have been listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") from 10 October 2014. The addresses of the registered office and the principal place of business of the Company are P.O. Box 309, Ugland House, Grand Cayman, KY-1104 Cayman Islands and 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 and money lending business.

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the three months and nine months ended 31 December 2017 have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure requirements of the GEM Listing Rules.

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

The basis of preparation and accounting policies applied in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in the annual report for the year ended 31 March 2017, except for the new and revised HKFRSs. The condensed consolidated financial statements are unaudited, but have been reviewed by the Audit Committee of the Company.

### 1. 一般資料

本公司於二零一四年六月五日在開曼群島註冊成立為獲豁免有限公司。本公司股份自二零一四年十月十日起於香港聯合交易所有限公司（「聯交所」）創業板上市。本公司的註冊辦事處及主要營業地點的地址分別為P.O. Box 309, Ugland House, Grand Cayman, KY-1104 Cayman Islands及香港九龍永康街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以及放債業務。

### 2. 編製基準

本集團截至二零一七年十二月三十一日止三個月及九個月的未經審核簡明綜合財務報表已根據香港會計師公會頒佈的香港財務報告準則（「香港財務報告準則」）及創業板上市規則的適用披露規定編製。

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

除新訂及經修訂香港財務報告準則外，編製未經審核簡明綜合財務報表所應用的編製基準及會計政策與截至二零一七年三月三十一日止年度的年報所採納者一致。簡明綜合財務報表乃未經審核，但已由本公司審核委員會審閱。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 3. REVENUE

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

### 3. 收益

收益指報告期內所售出貨品的發票價值。

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
OEM Business	原設備製造業務	21,100	1,088	24,164	43,933
Retail Business	零售業務	855	1,095	3,866	4,808
Money Lending Business	放債業務	2,234	2,865	7,061	3,820
		<b>24,189</b>	<b>5,048</b>	<b>35,091</b>	<b>52,561</b>

### 4. OTHER INCOME

### 4. 其他收入

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Claim received from customers for cancelled orders	就客戶取消訂單收取 的索償	-	-	-	108
Rental income	租金收入	330	-	330	-
Bank interest income	銀行利息收入	-	6	1	20
Interest income on note receivable	應收票據的利息收入	152	-	223	-
Others	其他	-	87	-	99
		<b>482</b>	<b>93</b>	<b>554</b>	<b>227</b>

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 5. OTHER GAINS AND LOSSES

### 5. 其他收益及虧損

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Gain on disposal of property plant and equipment	出售物業、廠房及設備的收益	-	-	448	-
Impairment loss at investment in an associate	於一家聯營公司的投資減值虧損	-	-	(273,143)	-
Investment income	投資收入	-	-	3,817	-
Others	其他	-	-	-	(47)
		-	-	(268,878)	(47)

### 6. FINANCE COSTS

### 6. 財務成本

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Interest on:	下列各項的利息：				
Bank borrowings	銀行借貸	-	11	-	696
Other borrowings	其他借貸	96	-	563	-
Amount due to a shareholder	應付一名股東款項	7	-	19	-
Amounts due to directors	應付董事款項	-	42	112	103
		103	53	694	799

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

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

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
Hong Kong Profits Tax (Note (i))	香港利得稅(附註(i))				
— current period	— 本期間	93	196	881	196
PRC Enterprise Income Tax ("EIT")	中國企業所得稅				
(Note (ii)) — current period	(「企業所得稅」)				
	(附註(ii)) — 本期間	-	-	-	-
		93	196	881	-
Deferred tax	遞延稅項	(162)	(219)	(486)	(509)
		(69)	(23)	395	(313)

Notes:

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

附註：

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

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 8. PROFIT/(LOSS) FOR THE PERIOD/ COST OF SALES 8. 期內溢利/(虧損)/銷售成本

Profit/(loss) for the period 期內溢利/(虧損)

	Three months ended 31 December		Nine months ended 31 December	
	截至十二月三十一日止三個月 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)	截至十二月三十一日止九個月 2017 二零一七年 HK\$'000 千港元 (unaudited) (未經審核)	2016 二零一六年 HK\$'000 千港元 (unaudited) (未經審核)
Loss for the period has been arrived at after charging (crediting):				
Directors' remuneration:				
— Fees	246	587	892	2,489
— Other emoluments, salaries and other benefits	—	—	—	—
— Retirement benefit scheme contributions	5	9	14	27
Other staff salaries and allowances	251	596	906	2,516
Retirement benefit scheme contributions, excluding those of Directors	859	11,069	3,752	25,132
Share-based payments	33	178	110	606
	—	—	—	3,214
Total employee benefits expenses	1,143	11,843	4,768	31,468
Cost of inventories recognised as an expense	129	3,789	2,522	55,125
Depreciation of an investment property	—	19	32	52
Depreciation of property, plant and equipment	178	532	805	1,691
Amortisation of prepaid lease payments	—	24	32	72
Amortisation of intangible assets (included in administrative and other expenses)	649	864	1,946	2,016
Net exchange loss	—	1,163	377	1,666
Allowance for inventories	—	—	—	7,441
Rental income from investment property	330	—	330	—

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

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

#### Costs of sales

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

### 9. DIVIDEND

The Board does not recommend the payment of a dividend for the nine months ended 31 December 2017 (2016: Nil).

### 10. EARNING/(LOSS) PER SHARE

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

### 8. 期內溢利／（虧損）／銷售成本（續）

#### 銷售成本

銷售成本包括存貨成本及零售業務的其他直接經營成本，如零售商舖租金。

### 9. 股息

董事會不建議就截至二零一七年十二月三十一日止九個月派付股息（二零一六年：無）。

### 10. 每股盈利／（虧損）

本公司擁有人應佔每股基本虧損乃按以下數據計算：

		Three months ended 31 December		Nine months ended 31 December	
		截至十二月三十一日止三個月		截至十二月三十一日止九個月	
		2017	2016	2017	2016
		二零一七年	二零一六年	二零一七年	二零一六年
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
		千港元	千港元	千港元	千港元
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
		(未經審核)	(未經審核)	(未經審核)	(未經審核)
<b>Profit/(Loss)</b>	<b>溢利／（虧損）</b>				
Profit/(Loss) for the purposes of basic earnings per share loss (for the period attributable to the owners of the Company)	計算每股基本盈利所用的溢利／（虧損）（本公司擁有人應佔期內虧損）	274	(39,845)	(255,303)	(122,098)
<b>Number of shares</b>	<b>股份數目</b>				
Weighted average number of ordinary shares in issue for the purposes of basic earning/(loss) per share	計算每股基本盈利／（虧損）所用的已發行普通股加權平均數	3,659,130,435	1,280,000,000	18,259,781,818	1,152,066,529
Effect of dilutive potential ordinary shares in respect of share options (Note)	與購股權有關的潛在攤薄普通股的影響（附註）	-	-	-	-
Weighted average number of ordinary shares for the purposes of dilutive earning/(loss) per share	計算每股攤薄盈利／（虧損）所用的普通股加權平均數	3,659,130,435	1,280,000,000	18,259,781,818	1,152,066,529

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 10. EARNING/(LOSS) PER SHARE

(Continued)

Note: The computation of diluted loss per share for the three months and nine months ended 31 December 2017 does not assume the exercise of the Company's share options since their exercise would result in an increase in loss per share.

The weighted average number of ordinary shares for the purpose of basic earnings (loss) per share for the three months and nine months ended 31 December 2017 and 2016 have been adjusted for the consolidation of shares.

No diluted loss per share has been presented for the three months and nine months ended 31 December 2016 as the Company has no potential dilutive ordinary shares outstanding during both periods.

### 11. LEGAL PROCEEDING Registration of Shares of the Company (the "Registration")

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

### 10. 每股盈利/(虧損)(續)

附註：計算截至二零一七年十二月三十一日止三個月及九個月的每股攤薄虧損並無假設本公司購股權獲行使，原因為行使將會導致每股虧損增加。

計算截至二零一七年及二零一六年十二月三十一日止三個月及九個月的每股基本盈利(虧損)所用的普通股加權平均數已就股份合併作出調整。

由於本公司於兩個期間並無發行在外的潛在攤薄普通股，故並無呈列截至二零一六年十二月三十一日止三個月及九個月的每股攤薄虧損。

### 11. 法律訴訟 本公司股份登記(「登記」)

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



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

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

(Continued)

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

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

### 11. 法律訴訟(續)

#### 本公司股份登記(「登記」) (續)

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

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

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

#### Registration of Shares of the Company (the “Registration”)

(Continued)

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

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

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

### 11. 法律訴訟(續)

#### 本公司股份登記(「登記」) (續)

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

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

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

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

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

(Continued)

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

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

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

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

### 11. 法律訴訟(續)

#### 本公司股份登記(「登記」) (續)

本公司董事將遵循有關股份登記的法院命令。

#### 本公司的購股權(「購股權」)

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

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

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### 11. LEGAL PROCEEDING (Continued)

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

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

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

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

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### 11. LEGAL PROCEEDING (Continued)

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

In the draft injunction order, the Plaintiffs sought the following reliefs against the Company, the Directors and Mr. Yang (the "Ex Parte Injunction Application") that until determination of the Legal Proceedings or further order of the Court, the Company, the Directors and Mr. Yang (whether acting by themselves, their officers, servants, agents or otherwise howsoever) be restrained from: (i) recognizing or giving effect or to otherwise taking any step to implement the purported exercise of any of Purported Options; (ii) recognizing or giving effect or otherwise taking any step to implement the exercise of any disposition, rights (including voting rights) or power attached to the 1,800,000,000 shares of the Company derived from the exercise of the Purported Options; (iii) taking or procuring the taking, of any steps to alter the issued share capital of the Company save for those which are for proper purposes and in the best interests of the Company; (iv) taking or procuring the taking, of any steps to frustrate or defeat the Plaintiffs' Requisition for the purpose of convening an Extraordinary General Meeting of the Company to be held and alternately an Order requiring the Company to convene the Extraordinary General Meeting set out in the Plaintiffs' Requisition within 21 days from the date of deposit of the requisition in accordance with Article 12.3 of the Articles of Association of the Company.

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

於強制令草擬本內，原告針對本公司、董事及楊先生尋求下列事項(「單方面強制令申請」)，要求於法律程序作出判決或法院進一步頒令前，限制本公司、董事及楊先生(不論自行及由其主管、僱員、代理或其他人士行事)：(i) 確認或落實或以其他方式採取任何步驟以執行任何指稱購股權的意圖行使；(ii) 確認或落實或以其他方式採取任何步驟以執行指稱購股權獲行使所涉及1,800,000,000股本公司股份附帶的任何安排、權利(包括投票權)或權力；(iii) 採取或促使採取任何步驟以改變本公司的已發行股本，惟出於適當目的及符合本公司最佳利益者除外；(iv) 採取或促使採取任何步驟以阻撓或拒絕原告就召開本公司股東特別大會所發出的原告要求；及頒令本公司須於根據本公司組織章程細則第12.3條送達要求當日起計21日內召開原告要求所載的股東特別大會。

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### 11. LEGAL PROCEEDING (Continued)

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

The hearing of the Ex Parte Injunction Application was heard on 31 August 2016. In the said hearing, the Company and the Directors undertook to the Court, *inter alia*, not to give effect to the exercise of any of the outstanding 200,000,000 share options and not to alter the issued share capital of the Company without the leave of the Court. Upon the said undertakings, the Court ordered, *inter alia*, that the Plaintiffs shall issue an inter parte summons by 2 September 2016 identifying the injunctive reliefs sought against the Company and the Directors and that the hearing of the Summons will be fixed with 2 days reserved. No injunction order or disclosure order was made against the Company and Directors.

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

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

單方面強制令申請已於二零一六年八月三十一日舉行聆訊。於上述聆訊中，本公司及董事向法院承諾(其中包括)未經法院許可，彼等不會落實行使該200,000,000份尚未行使購股權，及不會改變本公司之已發行股本。於作出上述承諾後，法院頒令(其中包括)原告須於二零一六年九月二日前發出一份傳召訴訟各方之傳票，確認針對本公司及董事之禁制令，而傳票之聆訊將延遲兩日排期。並無向本公司及董事發出強制令或披露命令。

於二零一六年九月二日，原告發出一份傳召訴訟各方之傳票(「訴訟各方傳票」)，針對(其中包括)本公司、董事及楊先生尋求下列事項，要求於法院進一步頒令前，限制本公司、董事及楊先生(不論自行及由其主管、僱員、代理或其他人士行事)(i) 確認或落實或以其他方式採取任何步驟以執行指稱購股權(涉及行使指稱購股權中任何本公司聲稱已獲承授人接納而並未獲發行股份的200,000,000份購股權及涉及行使指稱購股權中任何本公司聲稱未獲承授人接納及已失效的200,000,000份購股權)；(ii) 為以下目的確認或落實或以其他方式計入於二零一六年八月二十三日根據指



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### 11. LEGAL PROCEEDING (Continued)

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

August 2016 pursuant to the Purported Options for the following purposes: (a) determining the Plaintiffs' shareholding in the Company as at 23 August 2016, the date of the Plaintiffs' Requisition; (b) challenging or otherwise disputing the Plaintiffs' right to convene an extraordinary general meeting of the Company for the purpose of considering the proposed resolutions contained in the Plaintiffs' Requisition in the event that the Board does not within 21 days of the deposit of the Plaintiff's Requisition proceed to convene an extraordinary general meeting; (c) challenging or otherwise disputing the validity of the "pre-conditional voluntary conditional securities exchange and cash offer" contained in the Joint Announcement made by Favourite Number Limited and WLS Holdings Limited on 18 August 2016; (iii) taking or procuring the taking, of any steps to alter the issued share capital of the Company except with the approval of the Court; (iv) taking or procuring the taking, of any steps to frustrate or defeat the Plaintiffs' Requisition and, alternatively, the Company, the Directors and Mr. Yang do convene an Extraordinary General Meeting of the Company to be held for the purpose of considering, inter alia, the proposed resolutions contained in the Plaintiffs' Requisition within the next 3 days of the order to be made by the Court, or alternatively, the Directors and Mr. Yang do within the next 14 days acquire 1,600,000,000 shares in the Company and return them to the Company for cancellation, whereupon the Company shall within the next 7 days cancel those shares and pay the amount received by the Company from the issue of 1,600,000,000 shares in the Company pursuant to the Purported Options to the Directors and Mr. Yang.

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

稱購股權發行予承授人並以其名義登記的1,600,000,000股股份:(a)確定原告於二零一六年八月二十三日(即原告要求的日期)所佔本公司股權;(b)反對或以其他方式否定原告在董事會並未於遞交原告要求後21日內著手召開股東特別大會的情況下就考慮原告要求所載建議決議案而召開本公司股東特別大會的權利;(c)反對或以其他方式 否 定 Favourite Number Limited 與 WLS Holdings Limited 於二零一六年八月十八日發出的聯合公佈所載「附帶先決條件自願有條件證券交換要約及現金要約」的效力;(iii)採取或促使採取任何步驟以改變本公司的已發行股本(獲法院批准除外);(iv)採取或促使採取任何步驟以阻撓或拒絕原告要求,而另一方面,本公司、董事及楊先生須於法院頒令後3日內就考慮(其中包括)原告要求所載建議決議案召開本公司股東特別大會,或於14日內購入1,600,000,000股本公司股份並退還本公司以供註銷,屆時本公司須於其後7日內註銷該等股份,並將本公司就根據指稱購股權發行1,600,000,000股本公司股份所收款項支付予董事及楊先生。

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### 11. LEGAL PROCEEDING (Continued)

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

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

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

The Legal Proceedings of the Share Options was fixed to be tied on 12 July 2017 at 10 a.m. with 8 days reserved (i.e. 12 to 21 July 2017). The Company will make further announcement(s) to keep its shareholder and investors informed of any result as and when appropriate.

### 11. 法律訴訟(續)

#### 本公司的購股權(「購股權」)(續)

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

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

購股權法律程序編定於二零一七年七月十二日上午十時正(預留八日,即二零一七年七月十二日至二十一日)進行審理。本公司將於適當時候刊發進一步公佈以知會股東及投資者結果。



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### 11. LEGAL PROCEEDING (Continued)

#### Kim Sungho's first legal proceeding

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

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

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

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

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

### 11. 法律訴訟(續)

#### Kim Sungho 首項法律程序

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

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

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

#### Lim Hang Young 首項法律程序

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

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### 11. LEGAL PROCEEDING (Continued)

#### Lim Hang Young's first legal proceeding (Continued)

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

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

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

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

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

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

### 11. 法律訴訟(續)

#### Lim Hang Young 首項法律程序(續)

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

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

#### Joung Jong Hyun 首項法律程序

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

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

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

#### Kim Sungho's Second Legal Proceedings

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

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

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

### 11. 法律訴訟(續)

#### Kim Sungho 第二項法律程序

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

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

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

#### Kim Sungho's third legal proceeding

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

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

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

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

### 11. 法律訴訟(續)

#### Kim Sungho 第三項法律程序

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

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

#### Joung Jong Hyun 第二項法律程序

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

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

#### Joung Jong Hyun's Second Legal Proceeding (Continued)

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

#### Lee Moonkyu's first legal proceeding

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

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

### 11. 法律訴訟(續)

#### Joung Jong Hyun 第二項法律程序(續)

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

#### Lee Moonkyu 首項法律程序

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

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

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

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

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

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

### 11. 法律訴訟(續)

#### Lim Hang Young 第二項法律程序

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

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

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

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

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

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

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

### 11. 法律訴訟(續)

#### Lim Hang Young 第三項法律程序

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

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

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

#### Kim Sungho's fourth legal proceeding

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

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

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

### 11. 法律訴訟(續)

#### Kim Sungho 第四項法律程序

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

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

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。



# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

#### Kim Sungho's fifth legal proceeding

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

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

On 15 November 2017, the action was dismissed by the Court on the ground that: (i) it discloses no reasonable cause of action; (ii) it is scandalous, frivolous or vexatious; and (iii) it constitutes an abuse of process of the court.

### 11. 法律訴訟(續)

#### Kim Sungho 第五項法律程序

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

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

於二零一七年十一月十五日，訴訟因以下理由而遭法院駁回：(i)並無披露合理的訴訟因由；(ii)為惡意中傷、瑣屑無聊或無理取鬧；及(iii)構成濫用法院程序。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

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

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

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

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

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

### 11. 法律訴訟(續)

#### Joung Jong Hyun 第三項法律程序

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

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

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

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

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

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

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

The Court on 23 May 2017 ordered that the Petition be dismissed with costs.

### 11. 法律訴訟(續)

#### Chi Dong Eun的清盤呈請書

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

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

法院於二零一七年五月二十三日下令駁回呈請書，並須支付費用。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

#### Lim Hang Young's Winding Up Petition

Reference is made to the Company's announcement dated on 13 June 2017 and 16 June 2017. The Company has on 9 June 2017 received a petition (the "Petition") dated on 6 June 2017 filed by Mr. Lim Hang Young (the "Petitioner") against (i) the Company and (ii) Yang's Holdings Capital Limited (the "2nd Respondent") as respondents (collectively, the "Respondents").

The Petitioner alleged, inter alia, that (i) the 2nd Respondent had lend out its business to the Company and was warehousing the shares for the real owner of the shell; (ii) the 2nd Respondent has engaged in many share pledge borrowing activities; and (iii) the acquisitions of Red 5 Studios, Inc. was a deceit; and (iv) the affairs of the Company have been mismanaged, which in the circumstances render it just and equitable and desirable in the interest of the Company's shareholders and/or general investing public to wind up the Company.

The Petition was taken out in the Court of First Instance, High Court, Hong Kong Special Administrative Region against the Respondents. The call over of the Petition has been fixed to be heard on 6th September 2017 at 9:30 a.m. According to Section 182 of the Companies Ordinance (Cap. 622, Laws of Hong Kong), the effect of the Petition, unless and until it is dismissed or a validation order is sought, is that any disposition of the property of the Company, including things in action, and any transfer of shares, or alteration in the status of the members of the Company, made after the commencement of the winding up, shall unless the court otherwise orders, be void.

### 11. 法律訴訟(續)

#### Lim Hang Young之清盤呈請書

茲提述本公司日期為二零一七年六月十三日及二零一七年六月十六日的公佈。於二零一七年六月九日，本公司接獲Lim Hang Young先生(「呈請人」)於二零一七年六月六日針對答辯人(i)本公司及(ii)Yang's Holdings Capital Limited(「第二答辯人」)(統稱「答辯人」)提出之呈請書(「呈請書」)。

呈請人指稱(其中包括)(i)第二答辯人曾向本公司借出其業務，並為空殼公司實際擁有人代持股份；(ii)第二答辯人曾參與多項股份質押借貸活動；及(iii)收購Red 5 Studios, Inc.為欺詐行為；及(iv)本公司事務管理不善，在此情況下將本公司清盤屬公平、衡平及合宜做法，亦符合本公司股東及／或普羅投資大眾之利益。

呈請書透過入稟香港特別行政區高等法院原訟法庭針對答辯人提出。呈請書之指示聆訊定於二零一七年九月六日上午九時三十分舉行。根據香港法例第622章《公司條例》第182條，除非及直至被駁回或獲頒認可令，否則呈請書將導致清盤開始後就本公司財產(包括據法遺產)作出之任何產權處置以及任何股份轉讓或本公司成員地位之任何變更均屬無效，惟法院另有命令則作別論。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

#### Lim Hang Young's Winding Up Petition (Continued)

The position of the Company towards the Petition is that the facts stated in the Petition are not true and that the Petition will be strenuously opposed, including making an application to dismiss/strike out the Petition.

The Company applied for a validation order and also make an application to dismiss/strikeout in due course. At the Hearing held on 13 July 2017, a Validation Order was granted by the Court in the terms as follows: (i) unless otherwise ordered by the court, any payment or other disposition of property made on or after 6 June 2017 in the ordinary course of the business of the Company shall not be void; (ii) the payments made into or out of the two bank accounts of the Company in respect of expenses occurred in the ordinary course of business shall be sanctioned; (iii) the payment of reasonable legal expenses incurred by the Company in various legal proceedings shall not be void; (iv) any transfer of the Company's shares on or after 6 June 2017 shall not be void.

On 20 November 2017, the Court ordered that the petition made by Mr. Lim to wind up the Company be struck out with costs payable by the Petitioner to the Company on an indemnity basis.

### 11. 法律訴訟(續)

#### Lim Hang Young 之清盤呈請書(續)

針對呈請書，本公司之立場是呈請書所述事實並不真確，並將就呈請書提出強烈反對，包括申請駁回／撤銷呈請書。

本公司將申請認可令，並於適當時候就駁回／撤銷呈請書提出申請。於二零一七年七月十三日進行之聆訊上，法院已頒授認可令，有關條款如下：(i) 除非法院另行頒令，否則不得取消於二零一七年六月六日或之後於本公司日常業務過程中作出之任何付款或其他產權處置；(ii) 於日常業務過程中所產生開支轉入本公司兩個銀行賬戶或自該等賬戶轉出付款將受制裁；(iii) 不得取消本公司就多項法律程序所產生合理法律費用付款；(iv) 不得取消於二零一七年六月六日或之後辦理之任何本公司股份轉讓。

於二零一七年十一月二十日，法院頒令撤銷Lim先生提出將本公司清盤之呈請書，並頒令呈請人須按彌償基準向本公司支付訟費。

# Notes to the Condensed Consolidated Financial Statements

## 簡明綜合財務報表附註

For the three months and nine months ended 31 December 2017 截至二零一七年十二月三十一日止三個月及九個月

### 11. LEGAL PROCEEDING (Continued)

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

Reference is made to the Company's announcement dated on 10 February 2017. The Company has on 9 February 2017 received a writ of summons (the "Joung's Fourth Writ") dated 6 February 2017 filed by Mr. Joung as the plaintiff against (i) YWH International Limited ("YWH"); (ii) Yang's Holdings Limited ("Yang's Holdings"); (iii) Yang Wan Ho; (iv) Yang Si Hang; (v) Chan Lomei ("Ms. Chan"); (vi) the Company; and (vii) Lam & Co. as the defendants under a legal proceeding in the Court ("Mr. Joung's Fourth Legal Proceeding").

Pursuant to the claims generally indorsed on the Joung's Fourth Writ, Mr. Joung sought, inter alia, for (i) a declaration that YWH, Yang's Holdings, Yang Wan Ho, Yang Si Hang and Ms. Chan have engaged in and solicited for illicit "kick-back" arrangements on solicitor fees with the personnel at Lam & Co.; and (ii) an order that the Company and Lam & Co. engage in thorough investigations of related personnel on alleged corruptive behavior.

On 29 November 2017, the action was dismissed by the Court on the ground that the respective plaintiff has failed to file and serve their statement of claim on the Company. The respective plaintiff was ordered to pay costs to the Company.

### 11. 法律訴訟(續)

#### Joung Jong Hyun 第四項法律程序

茲提述本公司日期為二零一七年二月十日的公佈。於二零一七年二月九日，本公司接獲由 Joung 先生作為一項法律程序（「Joung 先生第四項法律程序」）的原告入稟法院針對被告 (i) YWH International Limited（「YWH」）；(ii) Yang's Holdings Limited（「Yang's Holdings」）；(iii) 楊文豪；(iv) 楊詩恒；(v) Chan Lomei（「Chan 女士」）；(vi) 本公司；及 (vii) Lam & Co. 所發出日期為二零一七年二月六日的傳訊令狀（「Joung 先生第四份傳訊令狀」）。

據 Joung 先生第四份傳訊令狀大致上聲稱，Joung 先生尋求（其中包括）(i) 宣判 YWH、Yang's Holdings、楊文豪、楊詩恒及 Chan 女士串謀 Lam & Co. 職員就律師費從事及索求違法的「回佣」安排；及 (ii) 頒令本公司及 Lam & Co. 就涉嫌貪污行為的相關人士進行徹底調查。

於二零一七年十一月二十九日，訴訟因相關原告未能提交及送達對本公司提出之申索陳述書而遭法院駁回。相關原告被勒令向本公司支付訟費。

# Management Discussion and Analysis

## 管理層討論及分析

### BUSINESS REVIEW

The Group principally derives its revenue from manufacturing and selling pure cashmere apparel and other apparel products under its three 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") and (iii) Money Lending Business Segment, which provides financing to customers for interest income.

### OEM Business

Further to our disclosures earlier in the year, the garment sector of the consumer market in the United States has been suffering, which lead to a significant decrease in the order and the revenue to the Group. We had stepped up the efforts in controlling our expenses and looking for ways to improve the business, we discovered that the major reason for the loss of order from the existing clients is that the cost of cashmere products manufactured by Huijia Knitting, being the holding company of a factory in Huizhou, the PRC, which carries out the entire production process of the Group's cashmere products, is much higher than its competing manufacturers and the cost of maintaining Huijia Knitting is very high in PRC, which includes labour and employment related costs, compliance with the environmental laws, maintenance of equipment and other fixed costs, etc. Thus, the Group was unable to lower the price of the cashmere products to maintain its competitiveness. Based on the above findings, we intended to change its operation model by placing orders with other OEM manufacturer, while maintaining the procurement and quality control teams, instead of maintaining Huijia Knitting. It would substantially reduce the costs of operation and improve the profit margins of the OEM business. Therefore, Huijia Knitting was disposed during the period.

### 業務回顧

本集團的收入主要源自於其三個業務部門下製造及銷售純羊絨服裝及其他服裝產品：(i) 原設備製造業務分部，承擔產品設計及開發、原材料採購、製造及產品質量控制管理（「原設備製造業務」）；(ii) 服裝零售業務分部，透過於香港的零售網絡以本集團的專屬商標「Casimira」及「Les Ailes」承擔設計、採購、製造、市場推廣及零售純羊絨服裝以及其他服裝產品及配飾（「零售業務」）及(iii) 放債業務分部，向顧客提供融資以賺取利息收入。

### 原設備製造業務

繼我們於本年度較早時間的披露，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。我們已加強控制開支，並尋求改善業務的途徑。我們發現失去現有客戶訂單的主要原因是惠嘉織造（中國惠州一間工廠的控股公司，為本集團包辦整個羊絨產品生產過程）製造羊絨產品的成本較其製造商競爭對手的成本為高，且於中國保留惠嘉織造的成本極高，其中包括勞工及僱傭相關成本、環境法律合規、維修設備及其他固定成本等。因此，本集團未能降低羊絨產品的價格以維持競爭優勢。基於上述調查結果，我們擬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而非保留惠嘉織造，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並提升溢利率。因此，惠嘉織造已於期內出售。



# 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 rather unpleasant shopping atmosphere 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

Since the Group obtained the money lender licence and commenced money lending business from June 2016, the Group's money lending business is expanding quickly and there is high demand for loan. The Group targets customers who look for substantial loan amounts with collaterals. During the period, the Money Lending Business recorded a rapid growth and it had generated interest income of approximately HK\$7,061,000, representing an increase of approximately 84.8% as compared to the nine months ended 31 December 2016.

During the period under review, the Group had no material changes in its business nature and principal activities.

### PROSPECTS

For the OEM Business, the management is committed to strengthen the customer base. The Group will continue to find new orders and customers. The estimated revenue of OEM Business for the period from 1 January 2018 to 31 March 2018 is expected to improve as compared to the same period of last year. Also, with the implementation of the new operation model, management expects there will be a better control of costing and enhance the profit margin.

### 零售業務

收益減少乃主要由於香港經濟持續低迷、消費意欲積弱以及購物氣氛欠佳所致。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

自本集團已於二零一六年六月取得放債人牌照並開展放債業務以來，本集團的放債業務迅速擴展，且貸款需求強勁。本集團的目標客戶為有意透過提供抵押品取得大額貸款的客戶。期內，放債業務錄得急劇增長，帶來利息收入約7,061,000港元，較截至二零一六年十二月三十一日止九個月增加約84.8%。

於回顧期內，本集團的業務性質及主要活動並無重大變動。

### 前景

在原設備製造業務方面，管理層致力擴大客源。本集團將繼續尋求新訂單及客戶。原設備製造業務於二零一八年一月一日至二零一八年三月三十一日期間的估計收益預期將較去年同期有所改善。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並提升溢利率。



# Management Discussion and Analysis

## 管理層討論及分析

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

For Money Lending Business, the Group will continue to expand it in a prudent and balanced risk management approach and it is expected that the loan demand in Hong Kong will remain robust. Also, the Money Lending Business is expected to have a significant contribution to overall growth of the Group as it expands.

Looking forwards, the Group will continue to strive for the diversifications of the Group's existing business and broaden its income stream, in order to align the business strategies with its corporate mission and goals with the aim to deliver long term benefits to the shareholders.

## FINANCIAL REVIEW

### Revenue

The Group's revenue dropped from approximately HK\$52.6 million for the nine months ended 31 December 2016 to approximately HK\$35.1 million for the nine months ended 31 December 2017, representing a decrease of approximately 33.2%. The revenue of OEM Business decreased by approximately 45.0% to approximately HK\$24 million for the nine months ended 31 December 2017 as compared to the nine months ended 31 December 2016. On the other hand, the revenue from Retail Business decreased by approximately 19.6% to approximately HK\$3.9 million for the nine months ended 31 December 2017 as compared to the nine months ended 31 December 2016.

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

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，預期香港的貸款需求仍然強勁。此外，放債業務預期將在擴充時為本集團的整體增長帶來重大貢獻。

展望未來，本集團將繼續致力令本集團現有業務更多元化以及擴大收入來源，務求令其業務策略配合企業使命及目標，為股東帶來長遠利益。

### 財務回顧

#### 收益

本集團的收益由截至二零一六年十二月三十一日止九個月約52.6百萬港元下跌約33.2%至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。截至二零一七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二零一六年十二月三十一日止九個月減少約45.0%至約24百萬港元。另一方面，截至二零一七年十二月三十一日止九個月，零售業務的收益較截至二零一六年十二月三十一日止九個月減少約19.6%至約3.9百萬港元。

# Management Discussion and Analysis

## 管理層討論及分析

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the nine months ended 31 December 2017 and 2016.

下表載列本集團於截至二零一七年及二零一六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			
		2017		2016	
		二零一七年		二零一六年	
		HK\$'000	%	HK\$'000	%
		千港元	百分比	千港元	百分比
OEM Business	原設備製造業務	24,164	68.9	43,933	83.6
Retail Business	零售業務	3,866	11.0	4,808	9.1
Money Lending Business	放債業務	7,061	20.1	3,820	7.3
		<b>35,091</b>	<b>100.0</b>	52,561	100.0

### Cost of Sales and Gross Profit

The majority of the Group's cost of sales was raw material costs. The Group's cost of sales dropped by 58.4% to approximately HK\$24.0 million for the nine months ended 31 December 2017 as compared to the nine months ended 31 December 2016. The gross profit margin increased from approximately -9.4% for the nine months ended 31 December 2016 to approximately 31.7% for the nine months ended 31 December 2017. The gross profit increased by approximately 324.9% to approximately HK\$11.1 million for the nine months ended 31 December 2017 as compared to the nine months ended 31 December 2016.

### 銷售成本及毛利

本集團的銷售成本大部分為原材料成本。截至二零一七年十二月三十一日止九個月，本集團的銷售成本較截至二零一六年十二月三十一日止九個月下跌58.4%至約24.0百萬港元。毛利率由截至二零一六年十二月三十一日止九個月約-9.4%增加至截至二零一七年十二月三十一日止九個月約31.7%。截至二零一七年十二月三十一日止九個月，毛利較截至二零一六年十二月三十一日止九個月增加約324.9%至約11.1百萬港元。

# Management Discussion and Analysis

## 管理層討論及分析

### Expenses

Selling and administrative expenses for the nine months ended 31 December 2017 was approximately HK\$16.3 million (nine months ended 31 December 2016: approximately HK\$90.6 million), representing a decrease of approximately HK\$74.3 million. The decrease was mainly due to there was approximately HK\$37.0 million share option expenses and approximately HK\$10.1 million professional expenses incurred in relation to legal proceedings and a voluntary conditional offer by Favorite Number Limited, in the same period of last year.

### Loss for the period

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 2016 was approximately HK\$123.6 million.

### SHARE CONSOLIDATION, CHANGE IN BOARD LOT SIZE AND INCREASE IN AUTHORISED SHARE CAPITAL

On 6 September 2017, the Board proposed to (i) consolidate every twenty (20) issued and unissued share of HK\$0.002 each will be consolidated in to one (1) consolidated share of HK\$0.04 each; (ii) to change the board lot size for trading on the Stock Exchange from 8,000 shares to 24,000 consolidated shares conditional upon the share consolidation becoming effective and (iii) increase the authorised share capital of the Company from HK\$100,000,000 divided into 2,500,000,000 consolidated shares to HK\$500,000,000 divided into 12,500,000,000 consolidated shares by the creation of additional 10,000,000,000 consolidated shares, which shall rank pari passu in all aspects with the consolidated shares in issue. The above share consolidation and increase in authorised share capital were approved by the Company's shareholders at the extraordinary general meeting on 6 October 2017 and became effective on 9 October 2017.

### 開支

截至二零一七年十二月三十一日止九個月，銷售及行政開支減少約74.3百萬港元至約16.3百萬港元(截至二零一六年十二月三十一日止九個月：約90.6百萬港元)，有關減少主要是由於約37.0百萬港元的購股權開支以及約10.1百萬港元因法律訴訟及由Favorite Number Limited於去年同期提出自願有條件要約產生的專業費用。

### 期內虧損

截至二零一七年十二月三十一日止九個月錄得虧損約256.2百萬港元，而截至二零一六年十二月三十一日止九個月的虧損約為123.6百萬港元。

### 股份合併、更改每手買賣單位及增加法定股本

於二零一七年九月六日，董事會建議(i)將每二十(20)股每股面值0.002港元的已發行及未發行股份合併為一(1)股每股面值0.04港元的合併股份；(ii)於股份合併生效時將在聯交所買賣所用的每手買賣單位由8,000股股份改為24,000股合併股份；及(iii)將本公司的法定股本由100,000,000港元(分為2,500,000,000股合併股份)增至500,000,000港元(分為12,500,000,000股合併股份)，方法為增設額外10,000,000,000股合併股份，全部均在各方面與已發行的合併股份享有同等地位。上述股份合併及增加法定股本已於二零一七年十月六日舉行的股東特別大會上獲本公司股東批准，並於二零一七年十月九日生效。

## Other Information

### 其他資料

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

As at 31 December 2017, none of the Directors and chief executive of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO (i) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 of the GEM Listing Rules.

#### **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**

於二零一七年十二月三十一日，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（定義見證券及期貨條例第 XV 部）任何股份、相關股份或債權證中擁有 (i) 根據證券及期貨條例第 XV 部第 7 及 8 分部須知會本公司及聯交所的任何權益或淡倉（包括根據證券及期貨條例有關條文被當作或視為擁有的權益及／或淡倉），或 (ii) 根據證券及期貨條例第 352 條須記入本公司所存置登記冊的任何權益或淡倉，或 (iii) 根據創業板上市規則第 5.46 條有關上市發行人董事進行交易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 2017, the following persons (other than the Directors or chief executive of the Company) had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept under 336 of the SFO:

#### Ordinary Shares of the Company

### 主要股東及其他人士於本公司股份及相關股份中的權益及淡倉

於二零一七年十二月三十一日，以下人士（董事或本公司主要行政人員除外）於本公司股份及相關股份中擁有根據證券及期貨條例第XV部第2及3分部條文予以披露的權益或淡倉，或擁有根據證券及期貨條例第336條須記入須予存置的登記冊的權益或淡倉如下：

#### 本公司普通股

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

Notes:

(1) All interests stated are long positions.

附註：

(1) 所示全部權益均為好倉。

## Other Information 其他資料

Save as disclosed above, as at 31 December 2017, the Company had not been notified by any person (other than the Directors or the chief executive of the Company) who had, or was deemed to have, interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

### **CORPORATE GOVERNANCE PRACTICES**

The Group's corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix 15 to the GEM Listing Rules.

During the nine months ended 31 December 2017 and up to the date of this report, save for the deviation from code provision A.2.1 of the Code which explained below, the Company has applied the principles and complied with all the applicable code provisions of the Code contained in Appendix 15 to the GEM Listing Rules.

### **CHAIRMAN AND CHIEF EXECUTIVE OFFICER**

Under the code provision A.2.1 of the Code, the roles of the Chairman and the chief executive officer should be separate and should not be performed by the same individual. Mr. Ng Ka Ho had appointed as the Chairman on 22 April 2016 who provides leadership to the Board. Mr. Yang Si Hang was the chief executive officer of the Company and he resigned on 3 March 2017. The Company has not appointed CEO since then, and the roles and functions of the CEO have been performed by the Chairman. The Board believes that vesting the roles of both Chairman and CEO in the same individual can provide the Company with strong and consistent leadership and allows for effective planning and implementation of business decisions and strategies.

除上文所披露者外，於二零一七年十二月三十一日，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分部條文予以披露的權益或淡倉，或根據證券及期貨條例第336條須記入須予存置的登記冊的權益或淡倉。

### **企業管治常規**

本集團的企業管治常規乃根據創業板上市規則附錄15所載的企業管治守則（「守則」）的原則及守則條文編製。

於截至二零一七年十二月三十一日止九個月及直至本報告日期，除下文所闡釋偏離守則的守則條文第A.2.1條外，本公司已應用創業板上市規則附錄15所載的守則的原則，並已遵從所有適用守則條文。

### **主席及首席執行官**

根據守則的守則條文第A.2.1條，主席及首席執行官的角色應予區分，並不應由同一人兼任。吳家豪先生於二零一六年四月二十二日獲委任為主席，負責帶領董事會。楊詩恒先生為本公司首席執行官，彼於二零一七年三月三日辭任。自此，本公司尚未委任首席執行官，而首席執行官的角色及職能已由主席履行。董事會相信，主席及首席執行官角色由同一人兼任可為本公司提供穩定連貫的領導，使業務決定及策略可有效規劃及執行。

## Other Information

### 其他資料

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

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

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 2017 and up to the date of this report.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the nine months ended 31 December 2017.

#### DIRECTORS' INTEREST IN COMPETING BUSINESS

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

#### AUDIT COMMITTEE

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

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.

#### 遵守董事進行證券交易規定標準的情況

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

經本集團特定查詢，各董事確認其於截至二零一七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。

#### 購買、出售或贖回本公司上市證券

截至二零一七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。

#### 董事於競爭業務的權益

董事確認，概無董事及彼等各自的緊密聯繫人士（定義見創業板上市規則）於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。

#### 審核委員會

本公司已成立審核委員會，並已遵守創業板上市規則附錄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。

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 unaudited condensed consolidated financial statements of the Group for the nine months ended 31 December 2017 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.

### CHANGE OF DIRECTORS AND COMPANY SECRETARY

1. Mr. Li Kin Ping was appointed as an independent non-executive Director, chairman of the Remuneration Committee and the Nomination Committee, and a member of the Audit Committee of the Company with effect from 20 April 2017. He has been re-designated to the chairman of the Audit Committee of the Company with effect from 26 September 2017.
2. Mr. Kwong Lun Kei Victor was resigned as an independent non-executive Director, chairman of the Remuneration Committee and the Nomination Committee, and a member of the Audit Committee of the Company with effect from 20 April 2017.
3. Ms. Guo Yan Xia was appointed as an independent non-executive Director, a member of each of the Audit Committee, Remuneration Committee and Nomination Committee of the Company with effect from 26 September 2017.
4. Mr. Ng Kai Shing was resigned as an independent non-executive Director, chairman of the Audit Committee, and a member of each of the Remuneration Committee and the Nomination Committee of the Company with effect from 26 September 2017.

審核委員會已審閱本集團採納的會計原則及政策以及本集團截至二零一七年十二月三十一日止九個月的未經審核簡明綜合財務報表，並認為有關報表乃遵照適用的會計準則及創業板上市規則編製，且已作出足夠披露。

### 更換董事及公司秘書

1. 李健平先生獲委任為本公司獨立非執行董事、薪酬委員會及提名委員會主席以及審核委員會成員，自二零一七年四月二十日起生效。彼獲調任為本公司審核委員會主席，自二零一七年九月二十六日起生效。
2. 鄺麟基先生已辭任本公司獨立非執行董事、薪酬委員會及提名委員會主席以及審核委員會成員，自二零一七年四月二十日起生效。
3. 郭艷霞女士已獲委任為本公司獨立非執行董事以及審核委員會、薪酬委員會及提名委員會各會成員，自二零一七年九月二十六日起生效。
4. 吳啟誠先生已辭任本公司獨立非執行董事、審核委員會主席以及薪酬委員會及提名委員會各會成員，自二零一七年九月二十六日起生效。



## Other Information

### 其他資料

5. Mr. Leung Tze Wai was resigned as the Chief Financial Officer, Company Secretary and Authorised Representative of the Company with effect from 29 September 2017.
6. Ms. Lai Wai Ha has been appointed as the Company Secretary of the Company with effect from 29 September 2017.
7. Ms. Lai Wai Ha has been appointed as the Authorised Representative of the Company with effect from 29 September 2017.
5. 梁子煒先生已辭任本公司財務總監、公司秘書及授權代表，自二零一七年九月二十九日起生效。
6. 黎惠霞女士已獲委任為本公司之公司秘書，自二零一七年九月二十九日起生效。
7. 黎惠霞女士已獲委任為本公司之授權代表，自二零一七年九月二十九日起生效。

By Order of the Board

**L & A INTERNATIONAL HOLDINGS LIMITED**

**Ng Ka Ho**

*Chairman and Executive Director*

Hong Kong, 14 February 2018

*As at the date of this report, the executive Director is Mr. Ng Ka Ho; the independent non-executive Directors are Mr. Ma Chi Ming, Mr. Li Kin Ping and Ms. Guo Yan Xia.*

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，二零一八年二月十四日

於本報告日期，執行董事為吳家豪先生；以及獨立非執行董事為馬志明先生、李健平先生及郭艷霞女士。

