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La Chapelle

新疆拉夏貝爾服飾股份有限公司

Xinjiang La Chapelle Fashion Co., Ltd.

(formerly known as “Shanghai La Chappelle Fashion Co., Ltd.

(上海拉夏貝爾服飾股份有限公司)”

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

(Stock code: 06116)

THIRD QUARTERLY REPORT FOR THE NINE MONTHS ENDED 30 SEPTEMBER 2021

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

All financial information set out in this quarterly report is unaudited and prepared in accordance with the Chinese Accounting Standards for Business Enterprises.

The Audit Committee of the Company has reviewed the unaudited results of the Group for the nine months ended 30 September 2021.

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

The contents of this quarterly report are consistent with the announcement published on the Shanghai Stock Exchange. The quarterly report is originally prepared in Chinese. In case of any inconsistency between the Chinese version and the English version, the Chinese version shall prevail.

IMPORTANT NOTICE:

The board of directors (the “**Board**”), the supervisory committee, directors, supervisors and senior management of the Company warrant that the information contained in this quarterly report is true, accurate and complete, and there are no false statements, misleading representations or material omissions, and are jointly and severally responsible for the liabilities of the Company.

The person in charge of the Company, the person-in-charge of accounting affairs, and the person responsible for the accounting institute (accounting chief), warrant the truthfulness, accuracy and completeness of the information of the financial statements set out in the quarterly report.

The third quarterly report of the Company is unaudited.

1. KEY FINANCIALS

1.1 Major financial statements items and financial indicators

Unit: RMB'000

Items	For the three months from 1 July 2021 to 30 September 2021	Increase/decrease compared to the corresponding period of last year (%)	For the nine months ended 30 September 2021	Increase/decrease compared to the corresponding period of last year (%)
Operating revenue	86,703	-71.74	364,590	-78.16
Net profit attributable to shareholders of the Company	-51,678	Not applicable	-288,625	Not applicable
Net profit attributable to shareholders of the Company excluding non-recurring items	-97,153	Not applicable	-374,648	Not applicable
Net cash flows from operating activities	Not applicable	Not applicable	41,176	-80.34
Basic earnings per share (RMB/share)	-0.09	Not applicable	-0.53	Not applicable
Diluted earnings per share (RMB/share)	-0.09	Not applicable	-0.53	Not applicable
Weighted average return on equity (%)	Not applicable	Not applicable	Not applicable	Not applicable

	As at 30 September 2021	As at 31 December 2020	Increase/decrease compared to the end of last year (%)
Total assets	2,889,225	3,485,780	-17.11
Equity attributable to the shareholders of the Company	-896,481	-607,856	-47.48

Notes: The “reporting period” refers to the three months from 1 July 2021 to 30 September 2021. The same applies to the below. 2. As the weighted average returns on equity of the Company for the reporting period and from the beginning of the year to the end of the reporting period are negative, weighted average return on equity will not be calculated.

1.2 Non-recurring item

Unit: RMB'000

Items	For the three months from 1 July 2021 to 30 September 2021	For the nine months ended 30 September 2021
Gains or losses from disposal of non-current assets (including the write-off of provisions for impairment of assets)	2,639	16,818
Government subsidies included in profit or loss for the current period, excluding those closely related to the normal business operations of the Company and of fixed amount or fixed quantity granted on an on-going basis in accordance with certain standards based on the state policies	1,060	2,627
Gains and losses on debt restructuring	53,286	125,032
Other non-operating income and expenses other than the above items	-11,789	-11,797
Impairment loss of Inventory	-457	-6,396
Litigation interest and expense	-10,534	-33,235
Investment income from disposal of long-term investment with equity method	2,000	-818
Less: Impact of income tax expense	9,052	23,062
Impact on the minority interests, net of tax	-18,322	-16,854
Total	45,475	86,023

Explanation for determination of the non-recurring profit or loss items set out in the Explanatory Announcement No. 1 on Information Disclosure by Companies that Issue Securities to the Public – Extraordinary Profit or Loss* (《公開發行證券的公司信息披露解釋性公告第1號—非經常性損益》) as recurring profit or loss items

Applicable Not Applicable

1.3 Changes in major financial statements item and financial indicators and reason thereof

Applicable Not Applicable

Unit: RMB'000

Items	Increase/decrease (%)	Main reasons for the changes
Operating revenue-for the reporting period	-71.74	Mainly due the further closure of offline stores and the transformation to licensing business model.
Net profit attributable to shareholders of the Company-for the reporting period	Not applicable	Mainly due to the decrease in loss as a result of the contraction strategy of the Company and the expenditure and cost control.
Basic earnings per share (RMB/share)-for the reporting period	Not applicable	Mainly due to the decrease in loss as a result of the contraction strategy of the Company and the expenditure and cost control.
Diluted earnings per share (RMB/share)-for the reporting period	Not applicable	Mainly due to the decrease in loss as a result of the contraction strategy of the Company and the expenditure and cost control.
Weighted average return on equity (%)-for the reporting period	Not applicable	As the weighted average return on equity for the reporting period is negative, the weighted average return on equity will not be calculated.
Accounts receivable-as at the end of the reporting period	-34.31	Mainly due to the decrease in revenue for the reporting period.
Other receivables-as at the end of the reporting period	-37.05	Mainly due to the withdrawal of the deposit from shopping malls for the reporting period.

Items	Increase/decrease (%)	Main reasons for the changes
Inventories-as at the end of the reporting period	-53.92	Mainly due to the increased clearance of inventories and the decrease in the purchase of new goods for the reporting period.
Right-of-use assets-as at the end of the reporting period	-92.86	Mainly due to the closure of offline stores for the reporting period.
Long-term prepaid expense-as at the end of the reporting period	-85.26	Mainly due to the closure of loss-making and inefficient stores and the one-time confirmation of amortization expenses for the reporting period.
Advance from customers-as at the end of the reporting period	247.76	Mainly due to the expansion of external leasing business for the reporting period.
Contract liabilities-as at the end of the reporting period	45.59	Mainly due to the expansion of the licensing business for the reporting period.
Employee benefits payable-as at the end of the reporting period	-52.08	Mainly due to the decrease in the number of staff in 2021 and the further control of labour cost and expenses.
Lease liabilities-as at the end of the reporting period	-96.71	Mainly due to the closure of offline stores for the reporting period.
Deferred tax liabilities-as at the end of the reporting period	-87.92	Mainly due to the closure of offline stores for the reporting period.
Other non-current liabilities-as at the end of the reporting period	-31.06	Mainly due to the closure of offline stores for the reporting period.
Equity attributable to the shareholders of the Company-as at the end of the reporting period	-47.48	Mainly due to continuous loss of the Company.
Operating revenue-from beginning of the year to the end of the reporting period	-78.16	Mainly due the further closure of offline stores and the transformation to licensing business model.

Items	Increase/decrease (%)	Main reasons for the changes
Operating costs-from beginning of the year to the end of the reporting period	-82.60	Mainly due the decrease in cost of goods sold as a result of the decrease in revenue of the Company for the reporting period.
Selling and distribution expense-from beginning of the year to the end of the reporting period	-81.69	Mainly due to decrease in the relevant fixed cost and expenses as a result of the decrease in the number of retail outlets of the Company for the reporting period.
General and administrative-from beginning of the year to the end of the reporting period	-46.41	Mainly due the further control of expenditure, the number of managerial staff and labour cost for the reporting period.
Other income-from beginning of the year to the end of the reporting period	973.36	Mainly due to the gains on debt restructuring generated by repaying debts in form of goods for the period.
Investment income-from beginning of the year to the end of the reporting period	299.60	Mainly due to the gains on debt restructuring generated by debt reduction.
Gains on disposal of assets-from beginning of the year to the end of the reporting period	-34.07	Mainly due to the decrease in the gains on the disposal of right-of-use assets as a result of the decrease in the number of closed stores.
Non-operating expenses-from beginning of the year to the end of the reporting period	146.33	Mainly due to the increase in tax forfeit penalty.
Income tax expense-from beginning of the year to the end of the reporting period	93.16	Mainly due to on provision of deferred tax for the period.
Net profit attributable to shareholders of the Company-from beginning of the year to the end of the reporting period	Not applicable	Mainly due to the decrease in loss as a result of the contraction strategy of the Company and the expenditure and cost control.

Items	Increase/decrease (%)	Main reasons for the changes
Net profit attributable to shareholders of the Company excluding non-recurring items-from beginning of the year to the end of the reporting period	Not applicable	Mainly due to the decrease in loss as a result of the contraction strategy of the Company and the expenditure and cost control.
Basic earnings per share (RMB/share)-from beginning of the year to the end of the reporting period	Not applicable	Mainly due to the decrease in loss as a result of the contraction strategy of the Company and the expenditure and cost control.
Diluted earnings per share (RMB/share)-from beginning of the year to the end of the reporting period	Not applicable	Mainly due to the decrease in loss as a result of the contraction strategy of the Company and the expenditure and cost control.
Weighted average return on equity (%)-from beginning of the year to the end of the reporting period	Not applicable	As the weighted average return on equity for the reporting period is negative, the weighted average return on equity will not be calculated.
Net cash flows from operating activities-from beginning of the year to the end of the reporting period	-80.34	Mainly due to the decrease in the settlement as a result of the decrease in revenue of the Company.
Net cash flow from investment activities-from beginning of the year to the end of the reporting period	112.88	Mainly due to the decrease in capitalized expenses, no new investment projects, and the recovery of the transfer of the equity interest of Anshe for the period.
Net cash flow from financing activities-from beginning of the year to the end of the reporting period	Not applicable	Mainly due to the decrease in the amount of repayment of borrowings from banks and the decrease in the payment of rent as a result of the closure of stores for the period.

2. SHAREHOLDERS' INFORMATION

2.1 Total number of ordinary shareholders and preferred shareholders with voting rights resumed and shareholding of the top ten shareholders

Unit: share

Total number of ordinary shareholders at end of the reporting period	12,013	Total number of preferred shareholders with voting rights resumed at end of the reporting period (if any)	Nil
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Shareholding of top ten shareholders

Name of shareholders	Nature of shareholders	Shareholding as at the period end	Percentage (%)	Restricted shareholding	Pledge, mark or locked-up	
					Status	Number
Shanghai Qijin Enterprise Management Partnership LLP* (上海其錦企業管理合夥企業(有限合夥))	Domestic non-state owned	85,200,000	15.56	0	Nil	0
Haitong Securities Asset Management No. 1 FOF Single Asset Management Plan of the Series Supporting Private Enterprises on behalf of the Securities Industry* (證券行業支持民企系列)	Domestic non-state owned	80,000,000	14.61	0	Nil	0
Shanghai Wensheng Asset Management Co., Ltd.* (上海文盛資產管理股份有限公司)	Domestic non-state owned	21,600,000	3.94	0	Nil	0
Chen Lin* (陳林)	Domestic natural person	7,119,661	1.30	0	Unknown	0
Chengdu Stanford Communication Technology Co., Ltd.* (成都斯坦福通信技術有限公司)	Domestic non-state owned	3,330,000	0.61	0	Unknown	0
Yu Huihua* (虞惠華)	Domestic natural person	2,320,000	0.42	0	Unknown	0
Bai Dengfang* (白登芳)	Domestic natural person	2,136,200	0.39	0	Unknown	0
Wang Chengbing* (王成兵)	Domestic natural person	2,078,000	0.38	0	Unknown	0
Feng Li* (馮莉)	Domestic natural person	1,785,500	0.33	0	Unknown	0
Chang Qing*(常青)	Domestic natural person	1,601,000	0.29	0	Unknown	0

Shareholdings of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class	Class of shares and number	Number
Shanghai Qijin Enterprise Management Partnership LLP* (上海其錦企業管理合夥企業(有限合夥))	85,200,000		RMB ordinary shares	85,200,000
Haitong Securities Asset Management No. 1 FOF Single Asset Management Plan of the Series Supporting Private Enterprises on behalf of the Securities Industry* (證券行業支持民企系列)	80,000,000		RMB ordinary shares	80,000,000
Shanghai Wensheng Asset Management Co., Ltd.* (上海文盛資產管理股份有限公司)	21,600,000		RMB ordinary shares	21,600,000
Chen Lin* (陳林)	7,119,661		RMB ordinary shares	7,119,661
Chengdu Stanford Communication Technology Co., Ltd.* (成都斯坦福通信技術有限公司)	3,330,000		RMB ordinary shares	3,330,000
Yu Huihua* (虞惠華)	2,320,000		RMB ordinary shares	2,320,000
Bai Dengfang* (白登芳)	2,136,200		RMB ordinary shares	2,136,200
Wang Chengbing* (王成兵)	2,078,000		RMB ordinary shares	2,078,000
Feng Li* (馮莉)	1,785,500		RMB ordinary shares	1,785,500
Chang Qing* (常青)	1,601,000		RMB ordinary shares	1,601,000

<p>Details relating to the related relationship of the above shareholders or the parties acting in concert</p>	<p>(1) Shanghai Wensheng Asset Management Co., Ltd.* (上海文盛資產管理股份有限公司) (“Shanghai Wensheng”) indirectly holds 100% of Shanghai Qijin Enterprise Management Partnership LLP* (上海其錦企業管理合夥企業(有限合夥)) (“Shanghai Qijin”); Shanghai Wensheng is the concert party of Shanghai Qijin. As at the end of the reporting period, Shanghai Qijin and Shanghai Wensheng held a total of 106,800,000 A shares of the Company (“A Shares”), representing 19.5% of the total issued share capital of the Company, thereby becoming the largest shareholders of the Company.</p> <p>(2) The Company is not aware of any related relationship among the top ten unrestricted shareholders and the top ten shareholders or any parties being regarded as parties acting in concert under the Measures for the Administration of Disclosure of Shareholder Equity Changes of Listed Companies* (《上市公司股東持股變動信息披露管理辦法》).</p>
<p>Explanation on the securities account designated for share repurchase of the top ten shareholders</p>	<p>Securities account designated for share repurchase of Shanghai La Chapelle Fashion Co., Ltd.* (上海拉夏貝爾服飾股份有限公司回購專用證券賬戶) is the securities account designated for A share repurchase. The Company has repurchased total A-shares of 3,573,200 through centralized bidding transactions, accounting for 0.65% of the Company’s total issued share capital and 1.07% of the Company’s A shares.</p>
<p>Explanations on top ten shareholders and top ten shareholders not subject to restrictions on sale participating in margin financing and securities lending and refinancing businesses (if any)</p>	<p>Nil</p>

3. OTHER REMINDERS

Other significant information which investors need to be aware of about business condition during the reporting period

√ Applicable □ Not Applicable

3.1 Litigations

As of the end of the reporting period, the lawsuits in which the Company is involved in and for which judgements had been handed down but pending full execution had a total claim amount running up to approximately RMB2.086 billion, and lawsuits pending judgement had a total claim amount totaling approximately RMB530 million. As a result of the Company's involvement in many litigation cases with high claim amounts, some of the Company's bank accounts and equity interest in its subsidiaries have been frozen, and certain real properties of the Company have been seized, which could affect the cash flow and the business operation of the Company to some extent. Meanwhile, as a large number of lawsuits for which judgement had been handed down were pending execution, the Company may be required to pay damages, interests as well as litigation expenses, which could result in an increase in the financial and administrative expenses of the Company. In addition, if the relevant creditors apply for mandatory order against the assets of the Company, there may be risks of judicial disposal of the Company's real estate property and equity interest in its relevant subsidiaries.

3.2 Appropriation of funds of the Company

The Company discovered through internal investigation that, Shanghai Hexia Investment Co., Ltd.* (上海合夏投資有限公司) (“**Shanghai Hexia**”), a person acting in concert with Mr. Xing Jiaying, the former controlling shareholder of the Company and the former de facto controller of the Company, appropriated funds of RMB9.5 million of the Company. For details, please refer to the announcement of the Company dated 15 September 2021 in relation to appropriation of funds of the Company by a former controlling shareholder and its person acting in concert. As at the date of this announcement, the Company has sent letters of request to Mr. Xing Jiaying, Shanghai Hexia and Shanghai Xiang'an Information Technology Co., Ltd.* (上海湘安信息技術有限公司) to urge them to repay the funds of RMB9.5 million and a fund occupation fee not lower than the interest rates for bank loans of similar duration as soon as possible. In the meantime, the Company has formulated the “Policy for Preventing Appropriation of Funds by Controlling Shareholder and Connected Parties”* (《防範控股股東及關聯方資金佔用制度》) to standardize and strengthen the fund management system of the Company, and effectively prevent the controlling shareholder, de facto controller and connected parties from appropriating the funds of the Company. In the future, the Company will continue to urge the appropriators to actively raise funds and implement a repayment plan to repay the Company as soon as possible for the funds which they have appropriated.

3.3 Use of A share proceeds for the temporary replenishment of liquidity and failure to return on time

As considered and approved by the 39th meeting of the 3rd session of the Board and the 22nd meeting of the 3rd session of the supervisory committee of the Company held on 2 March 2020, the Company used the idle proceeds of RMB50 million from A shares for the temporary replenishment of its liquidity for a period of not more than 6 months from the date of consideration and approval by the Board. As considered and approved by the 6th meeting of the fourth session of the Board and the 5th meeting of the fourth session of the supervisory committee of the Company held on 1 September 2020, it was agreed that the Company would extend the period of use of the idle proceeds of RMB50 million from A shares for the temporary replenishment of liquidity from 6 months to 12 months. For details, please refer to the overseas regulatory announcements of the Company dated 2 March 2020 and 1 September 2020 respectively.

Due to the tight liquidity, the Company has not been able to return the above-mentioned RMB50 million used for the temporary replenishment of liquidity to the Company's designated bank account for proceeds. The Company is actively exploring ways to resolve the problem to return the above-mentioned proceeds, and intends to make efforts to raise funds by disposing of the existing inefficient and idle assets, seeking to introduce investors and external financing, implementing various internal reform and adjustment measures, and actively promoting the proper settlement of litigation and arbitration cases, so as to return the proceeds used for the temporary replenishment of liquidity as soon as possible. For details, please refer to the overseas regulatory announcement of the Company dated 1 March 2021.

3.4 The possible risk of compulsory delisting in respect of the A Shares of the Company

The audited net assets attributable to the shareholders of the Company as at 31 December 2020 was negative, triggering Rule 13.3.2(2) of Rules Governing the Listing of Stocks on Shanghai Stock Exchange (《上海證券交易所股票上市規則》) (revised in December 2020) (the "SSE Listing Rules"). As a result, a delisting risk has been imposed on the A Shares of the Company. For details, please refer to the announcement of the Company dated 29 April 2021 in relation to the continued imposition of a delisting risk warning and imposition of other risk warnings in respect of the A Shares listed on the Shanghai Stock Exchange. If the audited net assets attributable to the shareholders of the Company as at 31 December 2021 is still negative, triggering the circumstance contemplated by Rule 13.3.12(1) of the SSE Listing Rules, the A Shares of the Company will be delisted. The Board will seriously study the countermeasures to proactively promote measures such as the disposal on assets, debt reorganization, obtaining external investing and financing resources, and optimizing the internal control management, in order to strive for a removal of the risk warning.

4. QUARTERLY FINANCIAL STATEMENTS

Consolidated Balance Sheet

As at 30 September 2021

Prepared by Xinjiang La Chapelle Fashion Co., Ltd.

Unit: RMB'000 Type of audit: unaudited

Items	As at 30 September 2021	As at 31 December 2020
Current assets:		
Cash at bank	175,330	206,477
Notes receivable	363	–
Accounts Receivable	177,776	270,637
Advances to suppliers	29,723	35,582
Other receivables	79,089	125,636
Inventories	202,140	438,716
Non-current assets due within one year	–	25,844
Other current assets	89,850	88,952
	<hr/>	<hr/>
Total current assets	754,271	1,191,844
	<hr/> <hr/>	<hr/> <hr/>
Non-current assets:		
Long-term receivables	4,447	4,447
Long-term equity investments	173,107	180,825
Other equity instruments investment	4,741	4,741
Other non-current financial assets	94,050	94,050
Fixed asset	1,544,394	1,624,902
Construction in progress	71,163	69,054
Right-of-use assets	3,415	47,846
Intangible assets	158,019	166,856
Goodwill	78,231	78,231
Long-term prepaid expense	3,387	22,984
	<hr/>	<hr/>
Total non-current assets	2,134,954	2,293,936
	<hr/>	<hr/>
TOTAL ASSETS	2,889,225	3,485,780
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Items	As at 30 September 2021	As at 31 December 2020
Current liabilities:		
Short-term borrowings	1,160,720	1,167,400
Accounts payable	890,467	1,134,586
Advance from customers	4,966	1,428
Contract liabilities	10,672	7,330
Employee benefits payable	31,452	65,636
Taxes payable	207,535	163,914
Other payables	812,632	854,555
Including: Interest payables	178,124	58,830
Dividend payables	-	-
Non-current liability due within one year	350,540	368,670
Total current liabilities	3,468,984	3,763,519
Non-current liabilities:		
Lease liabilities	1,193	36,263
Accrued liabilities	383,427	350,585
Deferred tax liabilities	1,681	13,911
Other non-current liabilities	5,619	8,150
Total non-current liabilities	391,920	408,909
Total liabilities	3,860,904	4,172,428
Owners' equity (or shareholders' equity):		
Paid-in capital (or share capital)	547,672	547,672
Capital reserves	1,910,806	1,910,806
Less: Treasury share	20,010	20,010
Other comprehensive income	-38,866	-38,866
Surplus reserve	246,788	246,788
Undistributed profit	-3,542,871	-3,254,246
Total equity attributable to owners of the parent company (or shareholders' equity)	-896,481	-607,856
Minority interests	-75,198	-78,792
Total owners' equity (or shareholders' equity)	-971,679	-686,648
Total liabilities and owners' equity (or shareholders' equity)	2,889,225	3,485,780

*Person in charge of the
Company:*
Zhang Xin

*Principal in charge of
accounting:*
Hu Zhiguo

Head of accounting department:
Hu Zhiguo

Consolidated Income Statements

For the 9 months ended 30 September 2021

Prepared by Xinjiang La Chapelle Fashion Co., Ltd.

Unit: RMB'000 Type of audit: unaudited

Items	The first three quarters of 2021 (January to September)	The first three quarters of 2020 (January to September)
I. Total operating income	364,590	1,669,055
Including: Operating revenue	364,590	1,669,055
II. Total operating costs	647,397	2,429,126
Including: Operating costs	146,055	839,426
Taxes and surcharges	13,652	19,194
Selling and distribution expense	226,827	1,238,501
General and administrative expenses	111,547	208,157
Financial expenses	149,316	123,848
Including: Interest expenses	158,090	76,320
Interest income	8,674	5,756
Add: Other income	86,169	8,028
Investment income (loss stated with “-”)	36,073	-18,073
Including: Investment income from associates and joint ventures	-4,600	-761
Profit arising from changes in fair value (loss stated with “-”)	-	-4,044
Loss on credit impairment (loss stated with “-”)	-46,862	-112,004
Loss on assets impairment (loss stated with “-”)	-89,855	-139,381
Gains on disposal of assets (loss stated with “-”)	16,818	25,507
III. Operating profit (loss expressed with “-”)	-280,464	-1,000,038
Add: Non-operating income	2,714	1,462
Less: Non-operating expenses	20,906	8,487
IV. Total profit (total loss expressed with “-”)	-298,656	-1,007,063
Less: Income tax expense	-13,625	-199,081
V. Net profit (net loss expressed with “-”)	-285,031	-807,982
(I) Classified on a going concern basis		
1. Net profit from continuing operation (net loss stated with “-”)	-285,031	-753,130
2. Net profit from discontinuing operations (net loss stated with “-”)	-	-54,852

Items	The first three quarters of 2021 (January to September)	The first three quarters of 2020 (January to September)
(II) Classified by attribution of the ownership		
1. Net profit attributed to shareholders of parent company (net loss expressed with “-”)	-288,625	-799,874
2. Minority interests (net loss expressed with “-”)	3,594	-8,108
VI. Other comprehensive income, net of tax	-	7,998
(I) Net amount of other comprehensive income after tax attributable to the shareholders of parent company	-	7,998
1. Other comprehensive income to be not reclassified to profit or loss	-	26,088
(1) Changes in fair value of other equity instruments	-	26,088
2. Other comprehensive income to be reclassified to profit or loss	-	-18,090
(1) Conversion difference of foreign currency statement	-	-18,090
VII.Total comprehensive income	-285,031	-799,984
(I) Total comprehensive income attributable to parent company	-288,625	-791,876
(II) Total comprehensive income attributable to minority shareholders	3,594	-8,108
VIII.Earnings per share:		
(I) Basic earnings per share (RMB/share)	-0.53	-1.52
(II) Diluted earnings per share (RMB/share)	-0.53	-1.52

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

*Person in charge of the
Company:*
Zhang Xin

*Principal in charge of
accounting:*
Hu Zhiguo

Head of accounting department:
Hu Zhiguo

Consolidated Cash Flow Statements

For the 9 months ended 30 September 2021

Prepared by Xinjiang La Chapelle Fashion Co., Ltd.

Unit: RMB'000 Type of audit: unaudited

Items	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
I. Cash flow from operating activities:		
Cash received from sales of goods and provision of services	389,582	1,817,201
Other cash received from activities related to operation	61,392	63,223
Sub-total of cash inflows from operating activities	450,974	1,880,424
Cash paid for goods purchased and service rendered	135,727	896,104
Cash paid to and on behalf of employees	128,952	418,503
Taxes paid	21,967	98,699
Other cash paid for activities relating to operation	123,152	257,728
Sub-total of cash outflow from operating activities	409,798	1,671,034
Net cash flows from operating activities	41,176	209,390
II. Cash flow from investment activities:		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	2,314	14,835
Net cash received from disposal of subsidiaries and other operating entities	17,124	3,120
Other cash received relating to investment activities	–	–
Sub-total of cash inflows from investment activities	19,438	17,955
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	7,722	66,193
Cash paid for investment	–	–
Net cash paid for acquisition of subsidiaries and other operating units	–	8,449
Other cash paid relating to investment activities	–	34,281
Sub-total of cash outflow from investment activities	7,722	108,923
Net cash flow from investment activities	11,716	-90,968

Items	For the nine months ended 30 September 2021	For the nine months ended 30 September 2020
III. Cash flow from financing activities:		
Cash received from borrowings	–	270,000
Other cash received relating to financing activities	–	–
Sub-total of cash inflow from financing activities	–	270,000
Cash repayments of borrowing	6,680	250,838
Cash payments for dividend and profit distribution or interest repayment	3,557	65,504
Other cash paid relating to financing activities	14,034	200,537
Sub-total of cash outflow from financing activities	24,271	516,879
Net cash flow from financing activities	-24,271	-246,879
IV. Effect on cash and cash equivalents due to changes in foreign exchange rates		
	–	-283
V. Net increase in cash and cash equivalents		
	28,621	-128,740
Add: Balance of cash and cash equivalents at the beginning of the period	24,319	175,549
VI. Balance of cash and cash equivalents at the end of the period		
	52,940	46,809
<i>Person in charge of the Company:</i> Zhang Xin	<i>Principal in charge of accounting:</i> Hu Zhiguo	<i>Head of accounting department:</i> Hu Zhiguo

Adjustments to financial statements at the beginning of the year upon initial adoption of the New Lease Standard from 2021

Applicable Not Applicable

By order of the Board
Xinjiang La Chapelle Fashion Co., Ltd.
Mr. Zhang Xin
Chairman

Shanghai, the People's Republic of China
28 October 2021

As of the date of this announcement, the executive directors of the Company are Mr. Zhang Xin and Ms. Zhang Ying; the non-executive directors of the Company are Mr. Yang Heng and Mr. Zhao Jinwen; the independent non-executive directors of the Company are Mr. Xing Jiangze, Ms. Chow Yue Hwa Jade and Mr. Zhu Xiaozhe.

* *For identification purposes only*