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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 Chapelle 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)**

## **FIRST QUARTERLY REPORT FOR THE THREE MONTHS ENDED 31 MARCH 2022**

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 three months ended 31 March 2022 (the “**Reporting Period**”).

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 first 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 ended		Increase/ decrease compared to the corresponding period of last year (%)
	31 March 2022		
Operating revenue	71,917		-54.42%
Net profit attributable to shareholders of the Company	-87,947		Not applicable
Net profit attributable to shareholders of the Company excluding non-recurring items	-74,797		Not applicable
Net cash flows from operating activities	-16,179		-163.83%
Basic earnings per share (RMB/share)	-0.16		Not applicable
Diluted earnings per share (RMB/share)	-0.16		Not applicable
Weighted average return on equity (%)	Not applicable		Not applicable
	As at	As at	Increase/ decrease compared to the end of last year (%)
	31 March 2022	31 December 2021	
Total assets	2,345,366	2,406,863	-2.56%
Equity attributable to the shareholders of the Company	-1,519,243	-1,431,296	Not applicable

## 1.2 Non-recurring item

Unit: RMB'000

Items	For the three months from 1 January 2022 to 31 March 2022
Gain or loss on disposal of non-current assets	-10
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	84
Capital occupancy fee from non-financial enterprises recognized through profit or loss	-90
Gains and losses on debt restructuring	5,780
Other non-operating income and expenses other than the above items	-18,418
Other profit or loss items that fall within the meaning of extraordinary gain or loss	-493
Less: Effect of income tax	—
Impact on minority interests (after tax)	3
Total	<u>-13,150</u>

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
Contract liabilities	-49.40	Mainly due to the changes in advance receipts for licensing business for the Reporting Period
Other current liabilities	-42.10	Mainly due to the decrease in the contract liabilities
Lease liabilities	-30.73	Mainly due to the closure of offline stores for the Reporting Period
Operating revenue	-54.42	Mainly due to the decrease in the number of existing stores of the Company compared to the corresponding period of last year
Operating costs	-69.67	Mainly due to the decrease in cost of goods sold as a result of the decrease in revenue of the Company for the Reporting Period
Taxes and surcharges	-81.43	Mainly due to the decrease in revenue of the Company for the Reporting Period
Selling and distribution expense	-73.92	Mainly due to the decrease in the relevant fixed expenses as a result of the decrease in the number of the stores of the Company for the Reporting Period
Financial expenses	290.13	Mainly due to the increase in the overdue and delayed interest accrued for litigation cases in which judgements had been handed down but pending full execution and litigation cases pending judgement.
Other income	-69.60	Mainly due to the decrease in the debt restructuring gains for the Reporting Period compared with the corresponding period of last year
Investment income (loss stated with “-”)	-95.00	Mainly due to the changes in the net assets of the joint ventures and associates
Profit arising from changes in fair value (loss stated with “-”)	-100.00	Mainly due to changes in the fair value of non-current financial assets for the Reporting Period
Loss on credit impairment (loss stated with “-”)	1,110.10	Mainly due to the increase in expected losses of accounts receivable and other receivables for the Reporting Period.

<b>Items</b>	<b>Increase/ decrease (%)</b>	<b>Main reasons for the changes</b>
Loss on assets impairment (loss stated with “-”)	-68.57	Mainly due to decrease in the accrued losses as a result the changes in the structure of inventories.
Non-operating income	292.37	Mainly due to increase in the gains on the de-registration of branches.
Non-operating expenses	35,620.75	Mainly due to the delayed interest accrued for the litigation cases which have been settled but pending full execution
Income tax expense	100.00	Mainly due to the increase in the provision of income tax
Minority interests	-76.21	Mainly due to the losses of non-wholly-owned subsidies
Net profit attributable to shareholders of the Company	Not applicable	Mainly due to the increase in the overdue and delayed interest accrued for the litigation cases in which judgements had been handed down but pending full execution and litigation cases pending judgement.
Net profit attributable to shareholders of the Company excluding non-recurring items	Not applicable	Mainly due to the loss and gains on the non-recurring items.
Basic earnings per share (RMB/share)	Not applicable	Mainly due to the losses as a result of the increase in the overdue and delayed interest accrued for the litigation cases in which judgements had been handed down but pending full execution and litigation cases pending judgement
Diluted earnings per share (RMB/share)	Not applicable	Mainly due to the increase in the overall losses as a result of non-recurring items
Weighted average return on net asset (%)	Not applicable	As the net asset for the Reporting Period is negative, the weighted average return on net asset will not be calculated
Net cash flows from operating activities	-163.83	Mainly due to decrease in the payment collection as a result of the decrease in revenue, resulting from the decrease in the number of operating outlets for the Reporting Period compared with the corresponding period of last year
Net cash flow from investment activities	Not applicable	Mainly due to the decrease in the capital expenditure for the Reporting Period
Net cash flow from financing activities	Not applicable	Mainly due to no cash flow from financing activities for the Reporting 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		12,044	Total number of preferred shareholders with voting rights resumed at end of the Reporting Period (if any)		Nil	
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))	Other	85,200,000	15.56	0	Nil	
Haitong Securities Asset Management No. 1 FOF Single Asset Management Plan of the Series Supporting Private Enterprises on behalf of the Securities Industry* (證券行業支持民企發展系列之海通證券資管1號FOF單一資產管理計劃)	Domestic non-state owned	80,000,000	14.61	0	Nil	
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	
Chen Lin* (陳林)	Domestic natural person	4,222,122	0.77	0	Unknown	
Yu Huihua* (虞惠華)	Domestic natural person	3,858,500	0.70	0	Unknown	
Yan Liyuan* (顏麗園)	Domestic natural person	3,848,800	0.70	0	Unknown	
Yan Wei* (嚴衛)	Domestic natural person	2,100,000	0.38	0	Unknown	
Yuan Donghong* (袁東紅)	Domestic natural person	1,900,000	0.35	0	Unknown	
Feng Li* (馮莉)	Domestic natural person	1,780,000	0.33	0	Unknown	
Mou Jun* (牟軍)	Domestic natural person	1,772,300	0.32	0	Unknown	

## Shareholdings of top ten unrestricted shareholders

Name of shareholders	Number of unrestricted tradable shares held	Class of shares and number	
		Class	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* (證券行業支持民企發展系列之海通證券資管1號FOF單一資產管理計劃)	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)	4,222,122	RMB ordinary shares	4,222,122
Yu Huihua* (虞惠華)	3,858,500	RMB ordinary shares	3,858,500
Yan Liyuan* (顏麗園)	3,848,800	RMB ordinary shares	3,848,800
Yan Wei* (嚴衛)	2,100,000	RMB ordinary shares	2,100,000
Yuan Donghong* (袁東紅)	1,900,000	RMB ordinary shares	1,900,000
Feng Li* (馮莉)	1,780,000	RMB ordinary shares	1,780,000
Mou Jun* (牟軍)	1,772,300	RMB ordinary shares	1,772,300

Details relating to the related relationship of the above shareholders or the parties acting in concert

- (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.
- (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》).

Explanation on the securities account designated for share repurchase of the top ten shareholders	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.
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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)	Nil
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### 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 The Company's A shares will be delisted

As the audited net assets of the Company as at 31 December 2020 and 31 December 2021 were all negative, and the Company has received a qualified opinion for its financial statements for the year ended 31 December 2021. In accordance with the Rules Governing the Listing of Stocks on Shanghai Stock Exchange\* (《上海證券交易所股票上市規則》), the A shares of the Company have triggered the conditions for delisting. On 14 April 2022, the Company received the "Decision Regarding the Delisting of the Shares of Xinjiang La Chapelle Fashion Co., Ltd." (Shanghai Stock Exchange Regulatory Decision Letter [2022] No.99)\* (《關於新疆拉夏貝爾服飾股份有限公司股票終止上市的決定》(上海證券交易所自律監管決定書[2022]99號)) from the Shanghai Stock Exchange. In accordance with relevant provisions, the Shanghai Stock Exchange decided to delist the A shares of the Company.

In accordance with the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Company's A shares have entered into the delisting tidy-up transactions period on 22 April 2022, and the last trading day for the Company's A shares is expected to be 17 May 2022. The Shanghai Stock Exchange will delist A shares of the Company within 5 trading days after the expiry of the delisting tidy-up transactions period, and the A shares of the Company will be delisted.



### 3.2 Risk of receiving petitions for winding-up and liquidation of the Company

Previously, four creditors have submitted petitions for winding-up and liquidation of the Company to the People's Court of Xinshi District of Urumqi\* (烏魯木齊市新市區人民法院), which has dismissed such petitions on the basis that it does not have the relevant jurisdiction. Zhejiang Zhongda Xinjia Trading Company Limited\* (浙江中大新佳貿易有限公司) has already submitted an appeal (the “**Appeal**”). Currently, the Company has not received any judgment from the court concerning the Appeal and there is great uncertainty in respect of the creditor's petitions for the winding-up of the Company. In addition, the possibility of the other three creditors filing an appeal to the Urumqi Intermediate People's Court of Xinjiang Uygur Autonomous Region\* (新疆維吾爾自治區烏魯木齊市中級人民法院) cannot be ruled out, nor does it rule out the risk that the relevant creditors may reapply to other people's courts for winding-up and liquidation of the Company. Currently, the Company's daily production and business activities remain in normal operation. The Company will continue to actively negotiate with creditors and the court, strive to eliminate the adverse impacts as soon as possible, and use its best endeavours to safeguard the interests of the Company and all the shareholders, especially those of the minority shareholders.

### 3.3 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 RMB1.975 billion, and lawsuits pending judgement had a total claim amount totaling approximately RMB466 million. As a result of the Company's involvement in a relatively large number of litigation cases involving a relatively high amount of monetary claims, 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, as some of the relevant creditors have applied for mandatory order against the assets of the Company, there are risks of judicial disposal of the Company's real property and equity interest in its relevant subsidiaries.

### 3.4 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. 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 in the corresponding period 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. As at the date of this announcement, the Company has submitted litigation documents to the court in respect of this matter, and the court has formally accepted the case. For details, please refer to the update announcement of the Company dated 5 January 2022 in relation to legal proceedings instigated by the Company and appropriation of funds. In the future, the Company will continue to urge the appropriators to actively raise funds and implement a repayment plan to repay the appropriated funds to Company as soon as possible. The Company will comply with its obligation of information disclosure in respect of the development of the above matters in a timely manner in accordance with the relevant laws and regulations.

### **3.5 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 A share proceeds of RMB50 million 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 A shares proceeds of RMB50 million 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. For details, please refer to the overseas regulatory announcement of the Company dated 1 March 2021. The Company is actively exploring ways to resolve the problem of returning the above-mentioned proceeds, and intends 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.

## 4. QUARTERLY FINANCIAL STATEMENTS

### 4.1 Financial Statements

#### Consolidated Balance Sheet

As at 31 March 2022

Prepared by Xinjiang La Chapelle Fashion Co., Ltd.

Unit: RMB'000    Type of audit: unaudited

Items	As at 31 March 2022	As at 31 December 2021
<b>Current assets:</b>		
Cash at bank	159,035	167,456
Notes receivable	79,652	88,718
Advances to suppliers	13,166	11,050
Other receivables	52,830	53,453
Inventories	46,745	60,865
Other current assets	26,068	26,544
<b>Total current assets</b>	<b>377,496</b>	<b>408,086</b>
<b>Non-current assets:</b>		
Long-term receivables	143,308	144,603
Other equity instruments investment	2,580	2,580
Other non-current financial assets	101,148	101,641
Fixed asset	1,489,890	1,516,195
Construction in progress	75,000	75,000
Right-of-use assets	3,229	3,837
Intangible assets	150,638	152,674
Long-term prepaid expense	2,077	2,247
<b>Total non-current assets</b>	<b>1,967,870</b>	<b>1,998,777</b>
<b>TOTAL ASSETS</b>	<b>2,345,366</b>	<b>2,406,863</b>

Items	As at 31 March 2022	As at 31 December 2021
<b>Current liabilities:</b>		
Short-term borrowings	1,149,220	1,149,220
Accounts payable	821,929	826,501
Advance from customers	8,863	10,851
Contract liabilities	10,319	20,395
Employee benefits payable	7,280	9,833
Taxes payable	204,344	203,777
Other payables	925,811	914,134
Including: Interest payables	238,191	206,452
Dividend payables	—	—
Non-current liability due within one year	349,919	349,910
Other current liabilities	1,085	1,874
<b>Total current liabilities</b>	<b>3,478,770</b>	<b>3,486,495</b>
<b>Non-current liabilities:</b>		
Lease liabilities	1,314	1,897
Accrued liabilities	454,455	420,032
Deferred tax liabilities	2,110	2,110
Other non-current liabilities	5,756	5,899
<b>Total non-current liabilities</b>	<b>463,635</b>	<b>429,938</b>
<b>Total liabilities</b>	<b>3,942,405</b>	<b>3,916,433</b>

Items	As at 31 March 2022	As at 31 December 2021
<b>Owners' equity (or shareholders' equity):</b>		
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	-41,026	-41,026
Surplus reserve	246,788	246,788
Undistributed profit	-4,163,473	-4,075,526
Total equity attributable to owners of the parent company (or shareholders' equity)	-1,519,243	-1,431,296
Minority interests	-77,796	-78,274
<b>Total owners' equity (or shareholders' equity)</b>	<b>-1,597,039</b>	<b>-1,509,570</b>
<b>Total liabilities and owners' equity (or shareholders' equity)</b>	<b>2,345,366</b>	<b>2,406,863</b>
<i>Person in charge of the Company:</i> <b>Zhao Jinwen</b>	<i>Principal in charge of accounting:</i> <b>Hu Zhiguo</b>	<i>Head of accounting department:</i> <b>Hu Zhiguo</b>

## Consolidated Income Statements

For the 3 months ended 31 March 2022

Prepared by Xinjiang La Chapelle Fashion Co., Ltd.

Unit: RMB'000    Type of audit: unaudited

Items	The first quarter of 2022	The first quarter of 2021
<b>I. Total operating income</b>	<b>71,917</b>	157,775
Including: Operating revenue	<b>71,917</b>	157,775
<b>II. Total operating costs</b>	<b>128,691</b>	224,197
Including: Operating costs	<b>19,967</b>	65,835
Taxes and surcharges	<b>454</b>	2,445
Selling and distribution expense	<b>27,625</b>	105,919
General and administrative expenses	<b>28,114</b>	36,533
Financial expenses	<b>52,531</b>	13,465
Including: Interest expenses	<b>52,876</b>	19,748
Interest income	<b>403</b>	0
Add: Other income	<b>5,660</b>	18,619
Investment income (loss stated with "-")	<b>-1,092</b>	-560
Including: Investment income from associates and joint ventures	<b>-1,297</b>	—
Profit arising from changes in fair value (loss stated with "-")	<b>-493</b>	—
Loss on credit impairment (loss stated with "-")	<b>-9,463</b>	-782
Loss on assets impairment (loss stated with "-")	<b>-6,805</b>	-21,650
Gains on disposal of assets (loss stated with "-")	<b>-10</b>	2,565
<b>III. Operating profit (loss expressed with "-")</b>	<b>-68,977</b>	-68,230
Add: Non-operating income	<b>514</b>	131
Less: Non-operating expenses	<b>18,932</b>	53
<b>IV. Total profit (total loss expressed with "-")</b>	<b>-87,395</b>	-68,152
Less: Income tax expense	<b>74</b>	—

Items	The first quarter of 2022	The first quarter of 2021
<b>V. Net profit (net loss expressed with “-”)</b>	<b>-87,469</b>	-68,152
(I) Classified on a going concern basis		
1. Net profit from continuing operation (net loss stated with “-”)	<b>-87,469</b>	-68,152
2. Net profit from discontinuing operations (net loss stated with “-”)	—	—
(II) Classified by attribution of the ownership		
1. Net profit attributable to shareholders of parent company (net loss expressed with “-”)	<b>-87,947</b>	-70,161
2. Minority interests (net loss expressed with “-”)	<b>478</b>	2,009
<b>VI. Other comprehensive income, net of tax</b>	<b>—</b>	—
(I) Other comprehensive income after tax attributable to the shareholders of parent company	—	—
1. Other comprehensive income to be not reclassified to profit or loss	—	—
2. Other comprehensive income to be reclassified to profit or loss	—	—
(II) Other comprehensive income attributable to non-controlling interests	—	—
<b>VII.Total comprehensive income</b>	<b>-87,469</b>	-68,152
(I) Total comprehensive income attributable to parent company	<b>-87,947</b>	-70,161
(II) Total comprehensive income attributable to minority shareholders	<b>478</b>	2,009
<b>VIII.Earnings per share:</b>		
(I) Basic earnings per share (RMB/share)	<b>-0.16</b>	-0.13
(II) Diluted earnings per share (RMB/share)	<b>-0.16</b>	-0.13

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:*  
**Zhao Jinwen**

*Principal in charge of  
accounting:*  
**Hu Zhiguo**

*Head of accounting department:*  
**Hu Zhiguo**

**Consolidated Cash Flow Statements**  
*For the 3 months ended 31 March 2022*

Prepared by Xinjiang La Chapelle Fashion Co., Ltd.

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

<b>Items</b>	<b>For the three months ended 31 March 2022</b>	<b>For the three months ended 31 March 2021</b>
<b>I. Cash flow from operating activities:</b>		
Cash received from sales of goods and provision of services	<b>42,802</b>	114,993
Other cash received from activities related to operation	<b>13,619</b>	28,616
Sub-total of cash inflows from operating activities	<b>56,421</b>	143,609
Cash paid for goods purchased and service rendered	<b>11,013</b>	5,693
Cash paid to and on behalf of employees	<b>22,778</b>	49,120
Taxes paid	<b>4,947</b>	1,941
Other cash paid for activities relating to operation	<b>33,862</b>	61,508
Sub-total of cash outflow from operating activities	<b>72,600</b>	118,262
Net cash flows from operating activities	<b>-16,179</b>	25,347
<b>II. Cash flow from investment activities:</b>		
Net cash received from disposal of fixed assets, intangible assets and other long-term assets	–	118
Net cash received from disposal of subsidiaries and other operating entities	–	100
Other cash received relating to investment activities	–	–
Sub-total of cash inflows from investment activities	–	218
Cash paid for purchase of fixed assets, intangible assets and other long-term assets	<b>1,739</b>	1,800
Other cash paid relating to investing activities	–	543
Sub-total of cash outflow from investment activities	<b>1,739</b>	2,343
Net cash flow from investment activities	<b>-1,739</b>	-2,125



Items	For the three months ended 31 March 2022	For the three months ended 31 March 2021
<b>III. Cash flow from financing activities:</b>		
Cash received from borrowings	—	—
Other cash received relating to financing activities	—	—
Sub-total of cash inflow from financing activities	—	—
Cash repayments of borrowing	—	4,800
Cash payments for dividend and profit distribution or interest repayment	—	3,584
Other cash paid relating to financing activities	—	6,859
Sub-total of cash outflow from financing activities	—	15,243
Net cash flow from financing activities	—	-15,243
<b>IV. Effect on cash and cash equivalents due to changes in foreign exchange rates</b>	—	—
<b>V. Net increase in cash and cash equivalents</b>	<b>-17,918</b>	<b>7,979</b>
Add: Balance of cash and cash equivalents at the beginning of the period	<b>61,356</b>	<b>24,319</b>
<b>VI. Balance of cash and cash equivalents at the end of the period</b>	<b>43,438</b>	<b>32,298</b>
<i>Person in charge of the Company:</i> <b>Zhao Jinwen</b>	<i>Principal in charge of accounting:</i> <b>Hu Zhiguo</b>	<i>Head of accounting department:</i> <b>Hu Zhiguo</b>

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. Zhao Jinwen**  
*Chairman*

Shanghai, the People's Republic of China  
28 April 2022

*As of the date of this announcement, the executive directors of the Company are Mr. Zhao Jinwen and Ms. Zhang Ying, the non-executive director of the Company is Mr. Yang Heng, 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*