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## **L & A International Holdings Limited**

**樂亞國際控股有限公司**

*(incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8195)**

### **DISCLOSEABLE TRANSACTION DISPOSAL OF A PROPERTY**

#### **THE DISPOSAL**

On 4 May 2021, the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser pursuant to which the Vendor has agreed to dispose of and the Purchaser has agreed to purchase the Property for a consideration of HK\$20 million in cash.

#### **GEM LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements, but is exempt from shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

However, due to inadvertent oversight, the Disposal has not been notified and announced by the Company in a timely manner in accordance with the GEM Listing Rules which constituted a breach of Chapter 19 of the GEM Listing Rules at the material time.

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# THE PROVISIONAL AGREEMENT

The principal terms of the Provisional Agreement are set out as below:

## Date:

4 May 2021

## Parties

Purchaser: The Purchaser

Vendor: 98 SHH Limited, an indirect wholly-owned subsidiary of the Company

To the best knowledge, information and belief of the Directors after having made all reasonable enquiries, the Purchaser is a merchant who runs medical business for 10 years and an Independent Third Party.

## Subject matter

Pursuant to the Provisional Agreement, the Vendor has agreed to dispose of and the Purchaser has agreed to purchase the Property.

## Consideration

The Consideration of HK\$20,000,000 shall be paid by the Purchaser to the Vendor in cash in the following manner:

- (a) an initial deposit in the sum of HK\$600,000 has been paid upon signing of the Provisional Agreement;
- (b) HK\$1,400,000 being further deposit shall be paid on or before 18 May 2021; and
- (c) the remaining balance of the Consideration of HK\$18,000,000 shall be paid upon Completion, which is scheduled to take place on or before 23 December 2021.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms after taking into account of (i) the prevailing market price of similar properties of similar size, character and location; and (ii) the valuation of the Property of HK\$20 million as at 3 May 2021 (the "**Valuation**") valued by an independent valuer engaged by the Company.

The Consideration is equivalent to the Valuation.

## **Formal Agreement**

The Formal Agreement in relation to the Disposal shall be entered into on or before 18 May 2021.

## **Stamp Duty**

Pursuant to the terms of the Provisional Agreement, the Purchaser agrees to bear all the stamp duty levied in connection with the Disposal.

## **Completion**

Completion of the Disposal shall take place on the day immediately after the date of receipt of the consideration in full on or before 23 December 2021. Upon Completion, the Property will be delivered on vacant possession and the Property will cease to be held by the Group.

## **INFORMATION ON THE PROPERTY**

The Property is located at Siu Hang Hau, Clear Water Bay, Sai Kung, New Territories, Hong Kong, which is a 3-storey residential house with private garden and roof top. The gross floor area of the Property is approximately 2,100 sq.ft.

The Property is subject to a tenancy for the first term of 1 year commencing on 1 September 2020 and expiring on 31 August 2021 and is extended to 23 December 2021 at a monthly rent of HK\$45,000 inclusive of management fee, Government rent and Government rates.

As at 30 April 2021, the carrying value of the Property amounted to approximately HK\$15.2 million.

## **FINANCIAL EFFECTS OF THE DISPOSAL AND PROPOSED USE OF PROCEEDS**

The Directors expect to recognise an unaudited gain of approximately HK\$4.8 million from the Disposal, which is calculated based on the consideration received by the Group for the Disposal less the carrying value of the Property of approximately HK\$15.2 million as at 30 April 2021 before any related expenses.

The calculations are only estimates provided for illustrative purposes. Shareholders should note that the actual amount of gain on the Disposal to be recorded by the Company will be subject to review by the auditors of the Company.

It is expected that the net proceeds from the Disposal of approximately HK\$18.9 million. HK\$11.2 million of the net proceeds will be used for repayment of the relevant mortgage of the Property and the remaining balance of approximately HK\$7.7 million will be used as general working capital of the Group.

## **REASONS FOR AND BENEFITS OF THE DISPOSAL AND USE OF PROCEEDS**

The Company is an investment holding company. The Group is principally engaged in (i) the manufacturing and sales of OEM garment products; (ii) retailing and wholesaling of garment products under the Group's own brand and high-end fashion brand; (iii) provision of loan services; (iv) wholesaling of seafood; (v) provision of financial quotient and investment education courses; and (vi) property investment.

The Property classified as investment property of the Group. The Directors undertake strategic review of the Group's assets from time to time with a view to maximising returns to the Shareholders. Having regard to the prevailing market conditions, the Directors are of the view that the Disposal provides an opportunity for the Group to realise the investment value of its assets. It allows the Group to improve the financial position and enhances the working capital of the Group.

The Directors consider that the terms of the Provisional Agreement are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 5% but all applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements, but is exempt from shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

However, due to inadvertent oversight, the Disposal has not been notified and announced by the Company in a timely manner in accordance with the GEM Listing Rules which constituted a breach of Chapter 19 of the GEM Listing Rules at the material time.

## **REMEDIAL ACTIONS**

While the possible non-compliance with the GEM Listing Rules was inadvertent and unintentional, to prevent similar incident from occurring in the future, the Company has implemented the following remedial measures:

- (i) the Company will provide further guidance material and training, in particular, regarding the proper calculation of percentage ratios relating to notifiable transactions under the GEM Listing Rules for the Directors and relevant staff members of the Group in order to strengthen and reinforce their existing knowledge with respect to notifiable transactions;
- (ii) a letter will be circulated to all the Directors, company secretary, senior management and staffs of the Group to remind them of strict compliance of the internal control procedures, in particular, to inform and consult the company secretary and/or the legal advisor of the Company (if necessary) before entering into transactions which may constitute notifiable and/or connected transactions; and

(iii) the Company will further consult external legal advisers, financial advisers and/or the Stock Exchange in case of any doubt on notifiable transactions.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following respective meanings:

|                                |  |
|--------------------------------|--|
| “Board”                        | the board of Directors   |
| “Company”                      | L & A International Holdings Limited (樂亞國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM (Stock Code: 8195)                                      |
| “Completion”                   | the completion of the Disposal pursuant to the Provisional Agreement   |
| “Consideration”                | the consideration of HK\$20,000,000 payable by the Purchaser to the Vendor for the Disposal pursuant to the terms and conditions of the Provisional Agreement  |
| “Director(s)”                  | the director(s) of the Company   |
| “Disposal”                     | the disposal of the Property by the Vendor to the Purchaser pursuant to the Provisional Agreement  |
| “Formal Agreement”             | the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor in respect of the Disposal, which will be signed on or before 18 May 2021 pursuant to the Provisional Agreement |
| “GEM”                          | the GEM of the Stock Exchange  |
| “GEM Listing Rules”            | the rules governing the listing of securities on GEM   |
| “Group”                        | the Company and its subsidiaries   |
| “Hong Kong”                    | the Hong Kong Special Administrative Region  |
| “Independent Third Party(ies)” | third party(ies) who is/are independent of, and not connected with, the Company and its connected persons (as defined in the GEM Listing Rules)  |
| “Property”                     | a 3-storey residential house with private garden and roof top located at Siu Hang Hau, Clear Water Bay, Sai Kung, New Territories, Hong Kong   |

|                         |  |
|-------------------------|--|
| “Provisional Agreement” | the provisional sale and purchase agreement dated 4 May 2021 entered into between the Vendor and the Purchaser in relation to the Disposal                         |
| “Purchaser”             | an individual who is an Independent Third Party  |
| “Shareholder(s)”        | holders of the Shares  |
| “Share(s)”              | ordinary shares of HK\$0.0001 each in the share capital of the Company   |
| “Stock Exchange”        | The Stock Exchange of Hong Kong Limited  |
| “Vendor”                | 98 SHH Limited, a limited liability company incorporated under the laws of the British Virgin Islands, which is an indirect wholly-owned subsidiary of the Company |
| “HK\$”                  | Hong Kong dollars, the lawful currency of Hong Kong  |
| “%”                     | per cent.  |

By Order of the Board  
**L & A International Holdings Limited**  
**Yuen Yu Sum**  
*Chairman and executive Director*

Hong Kong, 7 May 2021

*As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Yuen Yu Sum (Chairman), Mr. Lau Chun Kavan and Mr. Chan Lap Jin Kevin and three independent non-executive Directors, namely, Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie and Mr. Ng Chi Ho Dennis.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with 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 announcement 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 announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.lna.com.hk>.*