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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)

**ANNOUNCEMENT OF THIRD QUARTERLY RESULTS
FOR THE NINE MONTHS ENDED 31 DECEMBER 2020**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized 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.

Given that the companies listed on GEM are generally small and mid-sized companies, 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 announcement, 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 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 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.

The board (the “Board”) of Directors 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 2020 (the “Third Quarterly Financial Statements”) together with the unaudited comparative figures for the corresponding period in 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months and nine months ended 31 December 2020

		Three months ended 31 December		Nine months ended 31 December	
		2020	2019	2020	2019
	NOTES	HK\$'000	HK\$'000	HK\$'000	HK\$'000
		(unaudited)	(unaudited)	(unaudited)	(unaudited)
Revenue	3	33,969	14,436	73,466	58,008
Cost of sales		(6,801)	(13,167)	(24,611)	(51,262)
Other income		229	–	535	1
Other gains and losses, net	4	–	(400)	522	1,189
Selling and distribution expenses		(1,731)	(21)	(1,775)	(101)
Administrative expenses		(4,533)	(5,786)	(12,626)	(13,754)
Share of result of an associate		1,048	647	3,804	647
Finance costs	5	(668)	(49)	(1,906)	(51)
Profit (Loss) before taxation		21,513	(4,340)	37,409	(5,323)
Income tax (expense) credit	6	(3,696)	84	(6,483)	–
Profit (Loss) and the total comprehensive income (expense) for the period	7	17,817	(4,256)	30,926	(5,323)
Profit (loss) and total comprehensive income (expense) for the period attributable to:					
Owners of the Company		17,823	(3,660)	31,267	(4,845)
Non-controlling interests		(6)	(596)	(341)	(478)
		17,817	(4,256)	30,926	(5,323)
Earnings (Loss) per share	9				
Basic and diluted (HK cents)		1.37	(0.29)	2.43	(0.38)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 31 December 2020

	Attributable to owners of the Company							Total	Non-controlling interests	Total equity
	Share capital	Share premium	Fair value reserve	Translation reserve	Special reserve	Other reserve	Accumulated losses			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000 (Note (i))	HK\$'000 (Note (ii))	HK\$'000	HK\$'000	HK\$'000	
As at 1 April 2019 (audited)	51,200	618,133	(7,924)	-	28,431	4,327	(595,990)	98,177	149	98,326
Loss for the period	-	-	-	-	-	-	(4,845)	(4,845)	(478)	(5,323)
Exchange differences on the translation of foreign operations	-	-	-	-	-	-	-	-	-	-
Total comprehensive (expense) income for the period	-	-	-	-	-	-	(4,845)	(4,845)	(478)	(5,323)
Disposal of non-wholly-owned subsidiaries	-	-	-	-	-	-	-	-	(332)	(332)
At 31 December 2019 (unaudited)	51,200	618,133	(7,924)	-	28,431	4,327	(600,835)	93,323	(661)	92,671

Attributable to owners of the Company

	Share capital	Share premium	Fair value reserve	Translation reserve	Special reserve	Other reserve	(Accumulated losses)/ profits	Total	Non-controlling interests	Total equity
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
					(Note (i))	(Note (ii))				
As at 1 April 2020 (audited)	51,200	618,133	(21,924)	-	28,431	4,327	(627,590)	52,577	(2,598)	49,979
Profit (loss) and total comprehensive income (expense) for the period	-	-	-	-	-	-	31,267	31,267	(341)	30,926
Capital reorganisation	(51,072)	(618,133)	-	-	-	-	669,205	-	-	-
Placing of shares	26	88,289	-	-	-	-	-	88,315	-	88,315
At 31 December 2020 (unaudited)	154	88,289	(21,924)	-	28,431	4,327	72,882	172,159	(2,939)	169,220

Notes:

- (i) Special reserve represented the difference between the nominal amount of the share capital and share premium issued by a former subsidiary of the Company and the nominal amount of the share capital issued by the Company pursuant to the group reorganisation.
- (ii) Other reserve arose from the waiver of loan from a controlling shareholder of the Company in previous periods.

NOTES TO THE THIRD QUARTERLY FINANCIAL STATEMENTS

For the three months and nine months ended 31 December 2020

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability and its shares are listed on GEM of the Stock Exchange since 10 October 2014.

The addresses of the registered office and the principal place of business of the Company are P.O. Box 309, Umland House, Grand Cayman, KY1-1104 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 and sales of OEM garment products; retailing and wholesaling of garment products under the Group's own brand and high-end fashion brand; provision of loan services; wholesaling of seafood; provision of financial quotient and investment education courses and property investment.

2. BASIS OF PREPARATION

The Third Quarterly Financial Statements 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 Chapter 18 of the GEM Listing Rules.

The Third Quarterly Financial Statements have been prepared on the historical cost basis except for certain equity investments and securities and investment properties that are measured at fair values. The Third Quarterly Financial Statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Group.

The Third Quarterly Financial Statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the annual report for the year ended 31 March 2020.

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for both periods. At the date of authorisation of the Third Quarterly Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued but are not yet effective.

3. SEGMENT REPORTING AND REVENUE

The Group manages its businesses by divisions, which are organised by business lines (products and services). In a manner consistent with the way in which information is reported internally to the Group's executive Directors (the chief operating decision maker) ("CODM") for the purposes of resource allocation and performance assessment, the Group has presented the following reportable segments. No operating segments have been aggregated to form the following reportable segments.

- (i) OEM Business: manufacturing and sales of OEM garment products;
 - (ii) Retail Business: retailing and wholesaling of garment products under the Group's own brand and high-end fashion brand;
 - (iii) Money Lending Business: provision of loan services;
 - (iv) Wholesaling Business: wholesaling of seafood;
 - (v) Financial Quotient and Investment Education Business: provision of financial quotient and investment education courses for the customers; and
 - (vi) Property Investment Business: investing properties in Asia Pacific region.
- (a) **Segment results**

For the purposes of assessing segment performance and allocating resources between segments, the Group's executive Directors monitor the results attributable to each reportable segment on the following basis:

Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

Segment results represents pre-tax profit/loss incurred from each segment without allocation of other income, other gains and losses, certain corporate expenses and finance costs. This is the measure reported to the CODM for the purpose of resource allocation and performance assessment.

The accounting policies of the operating segments are the same as the Group's accounting policies.

Disaggregation of revenue from contracts with customers by the timing of revenue recognition, as well as information regarding the Group's reportable segments as provided to the Group's executive Directors for the purposes of resources allocation and assessment of segment performance for the nine months ended 31 December 2020 and 2019 is set out below:

	Nine months ended 31 December 2020						Total HK\$'000 (Unaudited)
	OEM Business HK\$'000 (Unaudited)	Retail Business HK\$'000 (Unaudited)	Money Lending Business HK\$'000 (Unaudited)	Wholesaling Business HK\$'000 (Unaudited)	Financial Quotient and Investment Education Business HK\$'000 (Unaudited)	Property Investment Business HK\$'000 (Unaudited)	
Reportable segment revenue:							
Disaggregated by timing of revenue recognition							
Goods transferred at a point in time	21,899	301	-	-	48,103	-	70,303
Revenue from other resources	-	-	3,163	-	-	-	3,163
Revenue from external customers	<u>21,899</u>	<u>301</u>	<u>3,163</u>	<u>-</u>	<u>48,103</u>	<u>-</u>	<u>73,466</u>
Reportable segment profit (loss)	906	(94)	2,799	(566)	38,130	(47)	41,128
Bad Debt recovery							6,860
Impairment loss of property, plant and equipment							(249)
Loss on disposal of financial assets at fair value through profit or loss, net							(6,188)
Gain on disposal of subsidiaries							99
Finance costs							(1,906)
Share of result of an associate							3,804
Other income							535
Corporate expenses							(6,674)
Profit before taxation							<u>37,409</u>

Nine months ended 31 December 2019

	OEM Business HK\$'000 (Unaudited)	Retail Business HK\$'000 (Unaudited)	Money Lending Business HK\$'000 (Unaudited)	Wholesaling Business HK\$'000 (Unaudited)	Financial Quotient and Investment Education Business HK\$'000 (Unaudited)	Total HK\$'000 (Unaudited)
Reportable segment revenue:						
Disaggregated by timing of revenue recognition						
Goods transferred at a point in time	26,615	5,250	–	23,188	–	55,053
Services transferred over time	–	–	–	–	958	958
Revenue from other resources	–	–	1,997	–	–	1,997
	<u>26,615</u>	<u>5,250</u>	<u>1,997</u>	<u>23,188</u>	<u>958</u>	<u>58,008</u>
Revenue from external customers	<u>26,615</u>	<u>5,250</u>	<u>1,997</u>	<u>23,188</u>	<u>958</u>	<u>58,008</u>
Reportable segment profit (loss)	876	267	1,372	(1,593)	331	1,253
Fair value change on financial assets at fair value through profit or loss, net						1,300
Loss on disposal of financial assets at fair value through profit or loss, net						(252)
Gain on disposal of subsidiaries						141
Finance costs						(51)
Share of result of an associate						647
Other income						1
Corporate expenses						<u>(8,362)</u>
Loss before taxation						<u>(5,323)</u>

There was no inter-segment revenue for the nine months ended 31 December 2020 and 2019.

(b) Revenue from major products and services

The following is an analysis of the Group's revenue from its major products and services:

	Nine months ended	
	31 December	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Garment products	22,200	31,865
Seafood	–	23,188
Interest income from loan receivables	3,163	1,997
Tuition fee from financial quotient and education courses	48,103	958
	<u>73,466</u>	<u>58,008</u>

(c) Geographical information

The following is an analysis of geographical location of the Group's revenue from external customers. The geographical location of customers is based on the location at which the services were provided or the goods delivered.

	Nine months ended	
	31 December	
	2020	2019
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Hong Kong (place of domicile)	<u>73,466</u>	<u>58,008</u>

4. OTHER GAINS AND LOSSES, NET

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Bad Debt recovery	–	–	6,860	–
Gain on disposal of subsidiaries	–	–	99	141
Fair value change on financial assets through profit or loss	–	(400)	–	1,300
Loss on disposal of financial assets at fair value through profit or loss, net	–	–	(6,188)	(252)
Impairment loss of property, plant and equipment	–	–	(249)	–
	<u>–</u>	<u>(400)</u>	<u>522</u>	<u>1,189</u>

5. FINANCE COSTS

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Interest on:				
Other borrowings	47	49	447	51
Loan from a shareholder	60	–	529	–
Lease liabilities	61	–	183	–
Promissory note	500	–	747	–
	<u>668</u>	<u>49</u>	<u>1,906</u>	<u>51</u>

6. INCOME TAX EXPENSE (CREDIT)

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Hong Kong Profits Tax (<i>Note</i>)				
– current period	<u>3,696</u>	<u>(84)</u>	<u>6,483</u>	<u>–</u>

Note:

On 21 March 2018, the Hong Kong Legislative Council passed The Inland Revenue (Amendment) (No. 7) Bill 2017 (the “Bill”) which introduces the two-tiered profits tax rates regime. The Bill was signed into law on 28 March 2018 and was gazetted on the following day.

Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of qualifying corporations will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

7. PROFIT (LOSS) FOR THE PERIOD

	Three months ended		Nine months ended	
	31 December		31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Profit (loss) for the period has been arrived at after charging:				
Directors' remuneration:				
– Fees	331	323	929	792
– Other emoluments, salaries and other benefits	60	60	180	230
– Retirement benefit scheme contributions	3	3	9	11
	<u>394</u>	<u>386</u>	<u>1,118</u>	<u>1,033</u>
Other staff salaries and allowances	1,106	1,859	3,202	5,137
Retirement benefit scheme contributions, excluding those of Directors	50	45	143	138
	<u>1,550</u>	<u>2,290</u>	<u>4,463</u>	<u>6,308</u>
Cost of inventories recognised as an expense	4,957	12,916	21,064	50,470
Depreciation of an investment property	9	–	13	–
Depreciation of property, plant and equipment	467	92	1,387	276
	<u><u>467</u></u>	<u><u>92</u></u>	<u><u>1,387</u></u>	<u><u>276</u></u>

8. DIVIDEND

The Board has resolved to declare an interim dividend of HK\$0.0066 per share for the nine months ended 31 December 2020 (2019: Nil) totaling approximately HK\$10,137,494.40 based on the 1,535,984,000 issued shares of the Company outstanding as at 31 December 2020. The interim dividend will be paid in three equal instalments of HK\$3,379,164.80 each on 23 April 2021, 25 May 2021 and 25 June 2021 respectively to shareholders whose names appeared on the Register of Members of the Company at the close of business on 14 April 2021, 13 May 2021 and 16 June 2021 respectively.

9. EARNINGS (LOSS) PER SHARE

The calculation of the basic and diluted earnings (loss) per share attributable to owners of the Company is based on the following data:

	Three months ended 31 December		Nine months ended 31 December	
	2020	2019	2020	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Earnings (Loss)				
Earnings (Loss) for the purposes of basic and diluted earnings (loss) per share, being earnings (loss) for the period attributable to the owners of the Company	<u>17,823</u>	<u>(3,660)</u>	<u>31,267</u>	<u>(4,845)</u>
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted loss per share	<u>1,305,317,099</u>	<u>1,280,000,000</u>	<u>1,288,377,658</u>	<u>1,280,000,000</u>

Diluted earnings (loss) per share for the three months and nine months ended 31 December 2020 and 2019 were the same as the basic loss per share as the Company had no diluted potential ordinary shares outstanding during the periods.

10. LITIGATION

- (a) During the year ended 31 March 2019, the Group received a writ of summons in relation to a repudiatory breach of a tenancy agreement between the plaintiff, an independent third party landlord, and Sino Shine Retailing Limited, a former subsidiary of the Group, entered into on 27 October 2016, which the plaintiff is claiming the Group for, inter alia, damages in the sum of approximately HK\$1,735,000 plus interest. As the directors of the Group consider that it is probable that an outflow of economic benefits will be required to settle the obligation, the Group recognised the provision of HK\$1,735,000 which is considered as a reliable estimate that can be made.
- (b) During the year ended 31 March 2019, a petition has been filed to the court by two shareholders of the Company (the "Petitioners"), which together holding over 3% of the Company's issued shares, and the Petitioners filed and served a re-amended petition to the court on 3 December 2019. The Petitioners pray (i) that the Company be wound up pursuant to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32); (ii) that the court make such other orders as are deemed to be just and equitable; and (iii) that provision be made for Petitioners' costs. The case was heard from 6 to 10 July, 2020 and 13 July, and judgment is reserved. The directors of the Company have discussed with the legal counsel of the Group and with reference to their own experience, they believe there is a high chance of striking out the petition and there is no effect on the going concern assumption as the basis of preparation of the Group's consolidated financial statements.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group principally derives its revenue from the following 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 the retail network in Hong Kong under the Group’s own brand and high-end fashion brand (the “Retail Business”); (iii) money lending business segment, which provides financing to customers for interest income (“Money Lending Business”); (iv) wholesaling business segment, which covers the wholesaling and distribution of seafood (“Wholesaling Business”); (v) financial quotient and investment education business segment, which provides financial quotient and investment education courses for the customers in return of tuition fees from them (“Financial Quotient and Investment Education Business”); and (vi) property investment business (“Property Investment Business”).

OEM Business

The garment sector of the consumer market has experienced a downturn in recent years. Nonetheless, the Group had stepped up the efforts in securing new customers and orders, controlling our expenses and looking for ways to improve the business. During the nine months ended 31 December 2020, the Group continued implement the operation model for placing orders with other OEM manufacturers, while maintaining the quality control standard, which attributed to the substantial reduction in the cost of operation.

Retail Business

During the nine months ended 31 December 2020, the Retail Business had generated revenue of approximately HK\$301,000 (2019: HK\$5,250,000), representing a substantial decrease of approximately 94.3%. This was mainly due to the outbreak of the coronavirus in Hong Kong.

Money Lending Business

The Group obtained the money lender licence and commenced Money Lending Business in June 2016. During the nine months ended 31 December 2020, the Money Lending Business had generated interest income of approximately HK\$3.2 million, representing an increase of approximately 58.4% compared to the figure of the last period.

Wholesaling Business

The Wholesaling Business commenced operation during the year ended 31 March 2019. During the nine months ended 31 December 2020, there was no revenue generated from Wholesaling Business, which was mainly due to the outbreak of the coronavirus in Hong Kong.

Financial Quotient and Investment Education Business

During the year ended 31 March 2020, the Group established the Financial Quotient and Investment Education Business. The Group provides financial quotient and investment education courses for the customers, aiming at enhancing their knowledge in the areas of finance and investment. The Group in return earns tuition fee income from the provision of such courses. Certain courses were completed with outstanding results and revenue of approximately HK\$48.1 million was generated during the nine months ended 31 December 2020.

Property Investment Business

The Group also established the Property Investment Business during the year ended 31 March 2020. The Group acquired a property in Japan in June 2019 which is expected to appreciate in value significantly.

PROSPECTS

For the OEM Business, the management of the Group (the “Management”) is committed to strengthening the customer base. The Group will continue to find new orders and customers. Also, with the implementation of this OEM operation model, the Management expects that there will be a better control of costing. For the Retail Business, the Management will closely monitor the consumers’ tastes and preferences and will continue the promotion campaigns. The Management is also closely monitoring the rental levels for the retail outlets and will adjust the business plan for the Retail Business if necessary. Despite the uncertainties, the Management still remains positive towards the Retail Business in the long run. For Money Lending Business, the Group will continue to expand with a prudent and balanced risk management approach.

The Group will (i) expand its share in the financial quotient and investment education market, and (ii) strive to broaden its customer base. The Group is also seeking opportunities of asset appreciation and cash flow return in the property market within Hong Kong and in the Asian-Pacific region. The Group aims to maintain the promising growth in the Financial Quotient and Investment Education Business and will make further payment of dividends if appropriate.

The Group will cooperate with the stakeholders in the market when necessary, so as to diversify and expand its businesses.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from approximately HK\$58.0 million for the nine months ended 31 December 2019 to approximately HK\$73.5 million for the nine months ended 31 December 2020, representing an increase of approximately 26.7%. Revenue from the OEM Business decreased to approximately HK\$21.9 million for the nine months ended 31 December 2020. On the other hand, due to the outbreak of the coronavirus in Hong Kong, the revenue from the Retail Business and the Wholesaling Business decreased to approximately HK\$0.3 million and nil for the nine months ended 31 December 2020 as compared to the nine months ended 31 December 2019 respectively.

For the nine months ended 31 December 2020, the Money Lending Business generated interest income of approximately HK\$3.2 million, and the Financial Quotient and Investment Education Business generated revenue of approximately HK\$48.1 million, representing a substantial increase of over 50 times as compared to the nine months ended 31 December 2019.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the nine months ended 31 December 2019 and 31 December 2020.

	Nine months ended 31 December			
	2020		2019	
	<i>HK\$'000</i>	<i>%</i>	<i>HK\$'000</i>	<i>%</i>
OEM Business	21,899	29.8	26,615	45.9
Retail Business	301	0.4	5,250	9.1
Money Lending Business	3,163	4.3	1,997	3.4
Wholesaling Business	–	0.0	23,188	39.9
Financial Quotient and Investment Education Business	48,103	65.5	958	1.7
	<u>73,466</u>	<u>100.0</u>	<u>58,008</u>	<u>100.0</u>

Cost of sales

The Group's cost of sales decreased by 52.0% to approximately HK\$24.6 million for the nine months ended 31 December 2020 as compared to the nine months ended 31 December 2019. The decrease was mainly due to the substantial drop of Wholesaling Business during the nine months ended 31 December 2020.

Expenses

Selling and administrative expenses for the nine months ended 31 December 2020 was approximately HK\$14.4 million (2019: HK\$13.9 million), representing an increase of approximately HK\$0.5 million.

Profit for the period

The profit for the nine months ended 31 December 2020 was approximately HK\$30.9 million. The loss for the nine months ended 31 December 2019 was approximately HK\$5.3 million.

Significant investments, acquisitions and disposals, and Plans for Material Investment or Capital Assets

On 11 May 2020, Able Glorious Limited ("Able Glorious"), a direct wholly owned subsidiary of the Company entered into the agreement, pursuant to which, Able Glorious agreed to acquire the entire issued share capital of the Bewisekid Holding Limited ("Bewisekid Group"), at the maximum consideration is HK\$33,250,000 (subject to downward adjustment), which shall be settled by way of issue and allotment of 246,296,296 consideration shares (or the adjusted number of the consideration shares in the event that the guaranteed profits is not satisfied) at the issue price of HK\$0.135 per consideration share by the Company to the vendor within 7 Business Days after the determination of the actual profits. Bewisekid Group is principally engaged in provision of seminars on the UK property investment experience sharing in Hong Kong, together with the provision of play-based learning activities to enhance the overall development for children aged from 6 to 14 years old in Hong Kong. Completion of the transaction took place on 10 August 2020. Details of the transaction were set out in the Company's announcements dated 11 May 2020, 30 June 2020, 13 July 2020, 4 August 2020 and 10 August 2020.

On 17 August 2020, Able Glorious entered into the agreement, pursuant to which, Able Glorious agreed to acquire the entire issued share capital of the Zone Galaxy Limited (“Zone Galaxy Group”), at the consideration of HK\$40,000,000, which was satisfied by the issue of the promissory note upon completion of the transaction. Zone Galaxy Group is principally engaged in provision of financial quotient and securities investment experience-sharing seminars and relevant value-added services in Hong Kong, together with the provision of activities introducing memory improvement and speed-reading technique. Completion of the transaction took place on 17 August 2020. Details of the transaction were set out in the Company’s announcements dated 17 August 2020.

On 27 October 2020, Able Glorious entered into sales and purchase agreement with Mr. Yuen Yu Sum, who was appointed by the Company as an executive director on 24 October 2019, pursuant to which, Able Glorious agreed to acquire the remaining 70% of equity interests in Prestige Concord Limited (“Prestige Concord”), a limited liability company incorporated in BVI, at the consideration of HK\$80,000,000. The consideration will be satisfied (i) as to HK\$41,000,000 by the issue of the promissory note by Able Glorious to Mr. Yuen Yu Sum; (ii) as to HK\$29,000,000 by the assumption of the assumed liabilities by Able Glorious; and (iii) as to HK\$10,000,000 by cash, upon completion of the transaction. As at 30 March 2020, Prestige Concord is owned as to 70% by Mr. Yuen Yu Sum and as to 30% by Able Glorious. Upon Completion of the transaction, the Group will be interested in the entire issued share capital of Prestige Concord and Prestige Concord will become an indirect wholly-owned subsidiary of the Company.

Details of the transaction are set out in the Company’s announcement dated 27 October 2020.

Save as disclosed above and as disclosed elsewhere in this announcement, there were no significant investments, material acquisitions or disposals of subsidiaries and affiliated companies during the nine months ended 31 December 2020.

Save as disclosed in this announcement, there was no future plan for material investments or capital assets as at 31 December 2020.

Employees and Remuneration Policies

As at 31 December 2020, the Group had approximately 45 employees. The Group's staff cost for the nine months ended 31 December 2020 amounted to approximately HK\$4.5 million. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of good relationship with its employees. The remuneration payable to its employees includes salaries and allowance.

In Hong Kong, the Group's employees have participated in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

CAPITAL REORGANISATION

The Company had completed the capital reorganisation on 12 October 2020 which include the followings:

- (a) capital reduction ("Capital Reduction") whereby the share capital of the Company reduced by (i) the cancellation of HK\$0.0399 paid-up capital on each issued share such that each issued share shall be treated as one fully paid-up share of HK\$0.0001 each (the "New Share") in the capital of the Company; and (ii) the reduction of the par value of each and every unissued share from HK\$0.04 to HK\$0.0001;
- (b) share premium cancellation whereby upon the Capital Reduction becoming effective, the entire amount standing to the credit of the share premium account of the Company had been cancelled ("Share Premium Cancellation");
- (c) the credit arising from the Capital Reduction and Share Premium Cancellation had been applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction. The balance of credit after offsetting, if any, had been transferred to a distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the board of directors considers appropriate; and
- (d) immediately following the Capital Reduction, the authorised share capital of the Company increased from HK\$1,250,000 divided into 12,500,000,000 New Shares of par value of HK\$0.0001 each to HK\$500,000,000 divided into 5,000,000,000,000 New Shares of par value of HK\$0.0001 each, by the creation of 4,987,500,000,000 additional New Shares of par value of HK\$0.0001 each.

Details of the above transactions were set out in the announcements of the Company dated 14 February 2020, 19 June 2020, 31 August 2020, 11 September 2020 and 7 October 2020 and the circular of the Company dated 28 February 2020.

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

As at 31 December 2020, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (“SFO”)), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares and underlying shares of the Company:

Name of Directors	Capacity	Number of Shares held	Number of Options held	Total	Percentage of the Company's issue share as at
					31 December 2020 (%)
Chan Lap Jin Kevin	Beneficial owner	147,276,000	–	147,276,000	9.59
Yuen Yu Sum	Beneficial owner	–	10,000,000 (Note 1)	10,000,000	0.65
Chung Chin Kwan	Beneficial owner	2,736,000	–	2,736,000	0.18
	Interest of spouse	720,000 (Note 2)	–	720,000	0.05

Note:

- (1) On 14 July 2020, a total of 10,000,000 share options were granted to Mr. Yuen Yu Sum.
- (2) 720,000 shares are owned by Ms. Lam Ka Yee, who is the spouse of Mr. Chung Chin Kwan.

Saved as disclosed above, as at 31 December 2020, none of the Directors and chief executives 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 to Rule 5.67 of the GEM Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed under the section headed "SHARE OPTION SCHEME", as at 31 December 2020, neither the company, holding company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the company or any other body corporate, and none of the directors and chief executive of the company or their spouses or children under the age of 18, had any right to subscribe for the securities of the company, or had exercised any such rights.

SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme") was adopted pursuant to a resolution passed on 25 September 2014 for the primary purpose of providing incentives or rewards to eligible participants, and will expire on 10 October 2024, after which no further options will be granted. Under the Scheme, the Board of Directors of the Company may grant options to:

- a) any employee or proposed employee (whether fulltime or part-time and including any executive director), consultants or advisers of or to the Company, any of the subsidiaries or any entity (the "Invested Entity") in which the Company holds an equity interest;
- b) any non-executive Directors (including independent non-executive directors) of the Company, any of the subsidiaries or any Invested Entity;
- c) any supplier of goods or services to the Company or any of its subsidiaries or any Invested Entity;
- d) any customer of the Group or any Invested Entity;
- e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and
- f) any shareholders or any shareholder of any of its subsidiaries or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

On 14 July 2020, a total of 10,000,000 share options were granted to Mr. Yuen Yu Sum, an executive Director of the Company. Details were set out in the Company's announcement dated 14 July 2020.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 December 2020, other than the Directors or chief executives of the Company whose interests or short positions are disclosed under the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company or Any Associated Corporation" above, the following parties have interest or short position in the shares or underlying shares of the Company which have to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, and who were expected, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company are listed as follows:

Long positions in shares and underlying shares of the Company

Name of shareholder	Capacity/Nature of interests	Number of ordinary shares	Percentage of the Company's issue share capital as at 31 December 2020
Lau Lan Ying (<i>Note</i>)	Interest in controlled corporations	249,994,000	16.28%
Wong Kwan Mo (<i>Note</i>)	Interest in controlled corporations	249,994,000	16.28%
Strong Light Investments Limited ("Strong Light") (<i>Note</i>)	Beneficial owner	227,373,000	14.80%
Ge Qingfu	Beneficial owner	128,266,200	10.02%

Note:

227,373,000 shares are owned by Strong Light, Strong Light is a company incorporated in Hong Kong. The entire issued share capital of Strong Light is owned as to 50% by Ms. Lau Lan Ying and 50% by Mr. Wong Kwan Mo. Ms. Lau Lan Ying is the spouse of Mr. Wong Kwan Mo.

Saved as disclosed above, as at 31 December 2020, the Directors were not aware of any other person (other than the Directors or chief executives as disclosed in the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in the Shares, Underlying Shares or Debentures of the Company or Any Associated Corporation” above) who had, or deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which has to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO and as recorded in the register required to be kept under Section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

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

The Company has 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.

To the best of the Board’s knowledge, information and belief, the Directors have fully complied with the required standard of dealings and there was no event of non-compliance during the nine months ended 31 December 2020 and up to the date of this announcement.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY’S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the nine months ended 31 December 2020.

COMPETING INTERESTS

The Directors confirm that none of the controlling shareholders or 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 during the nine months ended 31 December 2020 or as at 31 December 2020.

INTEREST OF COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Central China International Capital Limited (“CCIC”) as the compliance adviser. CCIC has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. None of CCIC or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company or in the share capital of any member of the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 31 December 2020.

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 2020 and up to the date of this announcement, 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 CG Code, the roles of the chairman (“Chairman”) and the chief executive officer (“CEO”) should be separate and should not be performed by the same individual.

Following the resignation of Mr. Ng Ka Ho on 7 May 2019, the Board is in the process of locating an appropriate person to fill the vacancy of the Chairman and CEO as soon as practicable. Even so, the Board considers that the existing Board members are able to share the power and responsibilities of Chairman and CEO among themselves.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors for the nine months ended 31 December 2020 and up to the date of this announcement is set out below:

- (a) Mr. Chan Lap Jin Kevin was appointed as an executive Director on 3 August 2020;
- (b) Mr. Chan Pak Qiu resigned from his office as an independent non-executive Director, the chairman of each of the Nomination Committee and the Remuneration Committee and a member of the Audit Committee on 30 October 2020;
- (c) Mr. Chung Chin Kwan was appointed as an independent non-executive Director, the chairman of each of the Nomination Committee and the Remuneration Committee and a member of the Audit Committee on 30 October 2020; and
- (d) Ms. Wang Tsz Yue resigned from her office as an executive Director on 30 November 2020.

AUDIT COMMITTEE

The Company has established the audit committee (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 primarily to review the financial statements of the Group and oversee internal control procedures and risk management of the Group.

As at the date of this announcement, the Audit Committee consists of 3 independent non-executive Directors, namely Mr. Chan Kim Fai Eddie, Mr. Ng Chi Ho Dennis and Mr. Chung Chin Kwan. Mr. Chan Kim Fai Eddie is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the Third Quarterly Financial Statements and was 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.

SIGNIFICANT EVENT AFTER THE REPORTING PERIOD

There has been no significant event that affected the Group after 31 December 2020 and up to the date of this announcement.

By order of the Board
L & A INTERNATIONAL HOLDINGS LIMITED
Yuen Yu Sum
Executive Director

Hong Kong, 8 February 2021

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

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>.