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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 — PROVISION OF LOAN

The Board announces that on 11 August 2017, the Lender entered into the Loan Agreement with the Borrower, pursuant to which the Lender agreed to grant to the Borrower the Loan of HK\$20 million, bearing an interest rate of 16.5% per annum for a period of 24 months from the date of the draw down of the Loan.

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Loan exceeds 5% but all the percentage ratios are less than 25%, the provision of the Loan constitutes a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

THE LOAN AGREEMENT

- Date: 11 August 2017
- Lender: L & A Solutions Limited, an indirect wholly-owned subsidiary of the Company and a licensed money lender in Hong Kong under the Money Lenders Ordinance
- Borrower: the Borrower, an individual, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, is an Independent Third Party

Principal amount of the Loan:	HK\$20 million
Term:	24 months from the date of the draw down of the Loan (the “ Term ”)
Interest:	16.5% per annum, which shall be accrued on a monthly basis
Repayment:	the outstanding principal amount of the Loan shall be repaid on the date falling 24 calendar months from the date of drawdown. The accrued interest of the Loan shall be repaid monthly on the 11th day of every month after the date of drawdown
Security:	a second legal mortgage in respect of the Properties as security for the repayment of the Loan, with a current market value of approximately HK\$153.9 million (the “ Market Value ”)

Save for the Loan Agreement, there is no other business relationship between the Group and the Borrower.

The Loan is funded by internal resource of the Group and the shareholder’s loan from the controlling shareholder of the Company. The shareholder’s loan provided by the controlling shareholder of the Company to the Group is on normal commercial terms or better and is not secured by any assets of the Group. The terms of the Loan Agreement (including the interest rate) were arrived at by the parties after arm’s length negotiation, with reference to the commercial practice and the amount of the Loan.

INFORMATION ON THE GROUP AND THE LENDER

The Company is an investment holding company. The Group is principally engaged in the manufacturing, sales and retailing of garment products and provision of loan and other financial services.

The Lender is a wholly-owned subsidiary of the Company and is licensed to conduct money lending business in Hong Kong through the provision of loans to customers under the Money Lenders Ordinance. The Lender obtained its money lender business licence and commenced its money lending business since June 2016.

REASONS FOR AND BENEFITS OF THE PROVISION OF THE FINANCIAL ASSISTANCE

The terms of the Loan Agreement, including the interest rate of 16.5% per annum, were negotiated on an arm’s length basis between the Lender and the Borrower. The Directors consider that the granting of the Loan is a financial assistance provided by the Company within the meaning of the GEM Listing Rules.

The Directors are of the view that the terms of the Loan Agreement were entered into on normal commercial terms based on the Group’s credit policy and the grant of the Loan is in the ordinary and usual course of the Group’s money lending business.

As at the date of this announcement, the Properties are subject to a first legal charge executed in favour of another third party lender, of which approximately HK\$130 million was still outstanding. Given that the Market Value of the Properties as at the date of this announcement after deducting the outstanding amount under the first legal charge exceeds the Loan amount, the Directors considered that the collateral provided by the Borrower for the Loan is sufficient. Further, the Lender had made background and bankruptcy searches on the Borrower in accordance with the Group's credit policy. The Directors, having taken into account (i) the financial background of the Borrower; (ii) no bankruptcy petition against the Borrower; and (iii) no credit default history in respect of the Borrower was found, consider the credit risk relating to the entering into of the Loan Agreement is relatively low.

Taking into account the cash inflow and revenue to be generated from the expected interest income in connection of the Loan, the Directors consider that the terms of the Loan Agreement are fair and reasonable and the entering into of the Loan Agreement is in the interests of the Company and its shareholders as a whole.

GEM LISTING RULES IMPLICATION

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Loan exceeds 5% but all the percentage ratios are less than 25%, the provision of the Loan constitutes a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules and is subject to notification and announcement requirements pursuant to Chapter 19 of the GEM Listing Rules.

DEFINITIONS

Unless the context requires otherwise, capitalised terms in this announcement shall have the following meanings:

“Board”	the board of Directors
“Borrower”	an individual, an Independent Third Party, who entered into of the Loan Agreement as borrower with the Lender
“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
“Directors”	the directors of the Company
“GEM”	the Growth Enterprise Market 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 of the People's Republic of China

“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Lender”	L & A Solutions Limited, an indirect wholly-owned subsidiary of the Company, being the lender under the Loan Agreement
“Loan”	a loan of HK\$20 million granted by the Lender to the Borrower pursuant to the Loan Agreement
“Loan Agreement”	the loan agreement dated 11 August 2017 entered into between the Lender and the Borrower in respect of the Loan
“Money Lenders Ordinance”	the Money Lenders Ordinance (Chapter 163 of the laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Properties”	three residential units located in West Kowloon, Hong Kong which are legally and beneficially owned by the Borrower
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	per cent.

By order of the Board
L & A International Holdings Limited
Ng Ka Ho
Chairman and executive Director

Hong Kong, 11 August 2017

As at the date of this announcement, the Board comprises one executive Director, namely, Mr. Ng Ka Ho and three independent non-executive Directors, namely, Mr. Ma Chi Ming, Mr. Ng Kai Shing and Mr. Li Kin Ping.

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>.