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)

MAJOR TRANSACTION
DISPOSAL OF AN INDIRECT WHOLLY-OWNED SUBSIDIARY

On 23 March 2018 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser pursuant to which the Vendor has conditionally agreed to sell the Sale Shares to the Purchaser for a consideration of HK$36,500,000 in cash.

GEM LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 25% but all applicable percentage ratios are below 100%, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective close associate have any material interest in the Disposal. As such, no Shareholders would be required to abstain from voting at the EGM in respect of the resolution approving the Disposal.

A circular containing, among other things, further details on the Disposal and other information as required under the GEM Listing Rules together with a notice of the EGM and a form of proxy will be despatched to the Shareholders on or before 30 April 2018.

Completion is subject to the satisfaction of the Conditions set out in the Provisional Agreement and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

On 23 March 2018 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Purchaser pursuant to which the Vendor has conditionally agreed to sell the Sale Shares to the Purchaser for a consideration of HK$36,500,000 in cash.

THE PROVISIONAL AGREEMENT

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

Date:

23 March 2018 (after trading hours)

Parties

Purchaser:	The Purchaser
Vendor:	Able Rich Management 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 an Independent Third Party.

Assets to be disposed of

Pursuant to the Provisional Agreement, the Vendor conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Shares, representing the entire issued share capital in the Target Company.

Consideration

The Consideration of HK$36,500,000 shall be paid by the Purchaser to the Vendor in cash in the following manner:

(a) an initial deposit in the sum of HK$1,000,000 has been paid to the Vendor upon signing of the Provisional Agreement;

(b) a further deposit in the sum of HK$2,650,000 shall be paid to the Vendor upon signing of the Formal Agreement; and

(c) the remaining balance of the Consideration of HK$32,850,000 shall be paid to the Vendor upon Completion.

The deposits in (a) and (b) of the above shall be paid to the Vendor's solicitors as stakeholder who shall not release the same to the Vendor until the Completion Date.

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms with reference to (i) the financial position of the Target Company; (ii) the prevailing market price of similar properties of similar size, character and location and (iii) preliminary valuation of approximately HK$31,500,000 valued by an independent valuer engaged by the Company.

Formal Agreement

The Formal Agreement in relation to the Disposal shall be entered into on or before 5 April 2018. In the event that no Formal Agreement has been entered into, the Provision Agreement shall be treated as the Formal Agreement.

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.

Conditions Precedent

The Disposal shall be subject to and conditional upon the fulfillment and satisfaction, at or prior to the Completion Date, of (i) the passing of the necessary resolution(s) by the Shareholders at the EGM to approve the Formal Agreement and the transactions contemplated in or incidental to the Formal Agreement in accordance with the requirements of the GEM Listing Rules; and (ii) compliance in accordance with the GEM Listing Rules.

If the Conditions cannot be fulfilled on or prior to the Completion Date, then the Formal Agreement shall be terminated whereupon the Vendor shall refund the deposits in full to the Purchaser and thereafter all rights, obligations and liabilities of the parties shall cease and determine and none of the parties shall have any claim against the other.

If the Purchaser fails to fulfill its obligation under the Provisional Agreement, the deposit shall be forfeited to the Vendor, and the Vendor shall be entitled to sell the Sale Shares to any party it thinks fit, upon which the Vendor shall not take any further action to claim for damages, or to enforce specific performance from the Purchaser.

If the Vendor fails to fulfill its obligation under the Provisional Agreement, the Vendor is required to compensate the Purchaser with a sum equivalent to the deposit as damages, and refund the deposit in full without interest, upon which the Purchaser shall not take any further action to claim for damages, or to enforce specific performance from the Vendor.

In the case that the Vendor or the Purchaser fails to complete the sale or purchase of the Sale Shares, the defaulting party shall bear the total commission payable to the agent in respect of the Disposal.

Completion

Subject to the fulfillment of all the above Conditions, Completion will take place on the Completion Date. Upon Completion, the Target Company will cease to be a subsidiary of the Company and the financial results of the Target Company will no longer be consolidated with the results of the Group.

INFORMATION OF THE TARGET COMPANY

The Target Company is a company incorporated in Hong Kong on 9 October 2015 and is wholly-owned by the Vendor. The principal business of the Target Company is investment holding and its only asset is the Property.

The Target Company is the sole legal and beneficial owner of the Property. The Property is a commercial unit situated in Glamour Garden in Shatin, New Territories, Hong Kong. The Property is leased out to an Independent Third Party for a term of two years commencing from 15 May 2017 and ending on 14 May 2019 (both days inclusive) for a monthly rent of HK$110,000. Pursuant to the tenancy agreement of the Property, the tenant has the option to renew the tenancy agreement for one year at a proposed monthly rent of HK$121,000 after the expiry of the existing tenancy agreement.

Set out below is a summary of the key financial data of the Target Company based on the audited financial statement of the Target Company for the period from 9 October 2015 (date of incorporation) to 31 March 2017 and the unaudited management accounts of the Target Company for the nine months ended 31 December 2017 respectively:

	For the period from 9 October 2015 (date of incorporation) to 31 March 2017	**For the nine months ended 31 December 2017**
	(audited)	(unaudited)
	(HK'000)	*(HK'000)*
Net (loss)/profit before taxation	(430)	983
Net (loss)/profit after taxation	(430)	983

Based on the latest management accounts of the Target Company, the unaudited net assets of the Target Company as at 31 December 2017 was approximately HK$22,239,000.

FINANCIAL EFFECTS OF THE DISPOSAL

The Directors expect to recognise an unaudited gain of approximately HK$13,696,000 from the Disposal after taking into account of (i) the Consideration; (ii) the unaudited net assets of the Target Company of approximately HK$22,239,000 as at 31 December 2017; and (iii) the transaction expenses payable by the Group in connection with the Disposal.

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.

REASONS FOR AND BENEFITS OF THE DISPOSALS

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. The Vendor is a wholly-owned subsidiary of the Company and its principal activity is investment holdings.

The Group has been holding the Property for investment purposes. The Property was acquired by the Company in July 2017 for a consideration of HK$30,300,000. The Consideration represents a capital appreciation of approximately 20.5% in the value of the Property. Taking into consideration of the proceeds from the Disposal and the gain from the Disposal, the Directors consider that the Disposal represents a good opportunity for the Company to realise its investment in the Property and that the proceeds from the Disposal will improve the financial position of the Group by providing additional funds for general 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 one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeds 25% but all applicable percentage ratios are below 100%, the Disposal constitutes a major transaction for the Company and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective close associate have any material interest in the Disposal. As such, no Shareholders would be required to abstain from voting at the EGM in respect of the resolution approving the Disposal.

A circular containing, among other things, further details on the Disposal and other information as required under the GEM Listing Rules together with a notice of the EGM will be despatched to the Shareholders on or before 30 April 2018 so as to allow sufficient time for the preparation of the relevant information for inclusion in the circular.

Completion is subject to the satisfaction of the Conditions set out in the Provisional Agreement and therefore may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

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
"Completion"	the completion of the Disposal pursuant to the Provisional Agreement
"Completion Date"	16 August 2018

"Condition(s)"	the condition(s) precedent of the Provisional Agreement
"Consideration"	the consideration of HK$36,500,000 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 Sale Shares by the Vendor to the Purchaser pursuant to the Provisional Agreement
"EGM"	the extraordinary general meeting to be convened and held for the Shareholders to consider and, if thought fit, approve the Disposal, the Formal Agreement and the transactions contemplated thereunder
"Formal Agreement"	the formal sale and purchase agreement to be entered into between the Purchaser and the Vendor in respect of the Disposal, which is scheduled to be signed between the parties on or before 5 April 2018
"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 commercial unit situated in Glamour Garden in Shatin, New Territories, Hong Kong
"Provisional Agreement"	the provisional sale and purchase agreement dated 23 March 2018 entered into between the Vendor and the Purchaser in relation to the Disposal
"Purchaser"	an individual who is an Independent Third Party
"Sale Shares"	the entire issued share capital of the Target Company
"Shareholder(s)"	holders of the Shares
"Share(s)"	ordinary shares of HK$0.04 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

"Target Company"	Well Sun Development Limited, a company incorporated in Hong Kong with limited liability
"Vendor"	Able Rich Management Limited, incorporated in British Virgin Islands with limited liability, 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
Ng Ka Ho
Chairman and Executive Director

Hong Kong, 23 March 2018

As at the date of this announcement, the executive Director is Mr. Ng Ka Ho; the independent non-executive Directors are Mr. Ma Chi Ming, Mr. Li Kin Ping and Ms. Guo Yan Xia.

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.