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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)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



On 21 July 2016 (after the trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best efforts basis, up to 2,869,886,385 Placing Shares to the Placees who and whose ultimate beneficial owners will be Independent Third Parties at a price of HK\$0.0209 per Placing Share.

The Placing Price of HK\$0.0209 per Placing Share represents (i) a discount of approximately 19.62% to the closing price of HK\$0.0260 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 15.73% to the average of the closing prices per Share of HK\$0.0248 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum Placing Shares of up to 2,869,886,385 Shares represent 13.58% of the existing issued share capital of the Company as at the date of this announcement and approximately 11.96% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares.

The Placing Shares are to be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 30 July 2015.

Subject to Completion, the net proceeds of the Placing, after deduction of the placing commission and other related expenses of approximately HK\$1 million, will be approximately HK\$59 million. The Company will apply the net proceeds for the development of its money lending business and as general working capital of the Group.

**The Completion is subject to the satisfaction of the conditions in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

Date: 21 July 2016

Issuer: The Company

Placing Agent: FP Sino-Rich Securities & Futures Limited

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties. The Placing Agent will charge the Company a placing commission of 1% of the gross proceeds from the Placing. The placing commission was negotiated on arm's length basis between the Company and the Placing Agent and determined with reference to, amongst other things, the prevailing commission rate charged by other placing agents and the price performance of the Shares. The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

### **Placees**

The Placing Shares will be placed to not less than six (6) Placees which will be professional institutional or other investors, and who and whose ultimate beneficial owners are Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

### **Number of Placing Shares**

Assuming that there will be no change in the issued share capital of the Company between the date of this announcement and the Completion, the maximum Placing Shares of up to 2,869,886,385 Shares represent 13.58% of the existing issued share capital of the Company as at the date of this announcement and approximately 11.96% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. The aggregate nominal value of the Placing Shares under the Placing will be HK\$5,739,772.77.

## **Placing Price**

The Placing Price of HK\$0.0209 per Placing Share represents (i) a discount of approximately 19.62% to the closing price of HK\$0.0260 per Share as quoted on the Stock Exchange on the Last Trading Day; and (ii) a discount of approximately 15.73% to the average of the closing prices per Share of HK\$0.0248 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement.

The Placing Price was determined and negotiated on an arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares. Having taken into account of the size of the Placing Shares involved, the discount to the closing price as quoted on the Stock Exchange on the Last Trading Day and the discount to the average of the closing prices as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding the date of the Placing Agreement, the Directors (including the independent non-executive Directors) consider that the Placing Price are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **Ranking of Placing Shares**

The Placing Shares shall rank *pari passu* in all respects among themselves and with the existing issued Shares or new Shares (as the case may be) in issue on the date of allotment and issue of the Placing Shares.

## **Condition of the Placing**

The Placing is conditional upon

- (a) the Stock Exchange having granted or agreeing to grant the listing of, and permission to deal in, the Placing Shares; and
- (b) the Placing Agreement not having been terminated in accordance with its terms.

If the above conditions are not fulfilled by the Long Stop Date, the Placing Agreement will be terminated forthwith and cease to have any effect.

## **Completion**

The Placing shall complete on the Completion Date, being the third Business Day after the satisfaction of the conditions set out above (or such later date as may be agreed by the parties thereto).

## **Application for listing**

The Company will apply to the Stock Exchange for the listing of, and permission to deal in, the Placing Shares.

## General Mandate to issue the Placing Shares

The Placing Shares will be issued under the General Mandate granted to the Directors at the annual general meeting of the Company held on 30 July 2015, subject to the limit up to 20% of the aggregate nominal amount of the share capital of the Company in issue on that date, which is equivalent to 4,000,000,000 Shares after share subdivision becoming effective on 23 June 2016. Accordingly, the issue of the Placing Shares is not subject to Shareholders' approval.

As at the date of this announcement, 1,130,113,615 Shares have been allotted and issued under the General Mandate as consideration pursuant to the acquisition agreement dated 28 April 2016. As such, 2,869,886,385 Shares under the General Mandate have not yet been utilised. The maximum of 2,869,886,385 Placing Shares to be allotted and issued pursuant to the Placing Agreement will fully utilise the remaining General Mandate.

## Termination

- (A) The Placing Agent shall be entitled by notice to the Company given prior to 6:00 p.m. on the day immediately preceding the Completion Date to terminate the Placing Agreement if any Specified Event comes to the notice of the Placing Agent.
- (B) If notice is given pursuant to Clause (A) above, the Placing Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of the Placing Agreement save for any rights or obligations which may have accrued under the Placing Agreement prior to such termination.

**The Completion is subject to the satisfaction of the conditions in the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

The changes of the shareholding structure of the Company as a result of the Placing are as follows:

	Immediately before Completion		Immediately after Completion	
	<i>No. of Shares</i>	<i>Approx. %</i>	<i>No. of Shares</i>	<i>Approx. %</i>
Yang's Holdings Capital Limited (note)	6,003,880,000	28.41	6,003,880,000	25.02
Public Shareholders				
The Placees	—	—	2,869,886,385	11.96
Other Shareholders	<u>15,126,233,615</u>	<u>71.59</u>	<u>15,126,233,615</u>	<u>63.02</u>
<b>Total</b>	<b><u>21,130,113,615</u></b>	<b><u>100.00</u></b>	<b><u>24,000,000,000</u></b>	<b><u>100.00</u></b>

*Note:* The entire issued share capital of Yang's Holdings Capital Limited is wholly-owned by YWH Investment Holding Limited, which in turn, is wholly-owned by Cantrust (Far East) Limited, the trustee of the Yang's Family Trust, whereby Mr. Yang Si Hang, an executive Director and chief executive officer of the Company, is one of the beneficiaries of the Yang's Family Trust.

## **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is principally engaged in the manufacturing, sales and retailing of garment products.

The Board considers that the Placing represents an opportunity to raise additional funds for the Company while broadening the Shareholder and capital base of the Company. Subject to Completion, the net proceeds from the Placing, after the deduction of the placing commission and other related expenses, are estimated to be approximately HK\$59 million, representing a net issue price of approximately HK\$0.0206 per Placing Share.

As L&A Solutions Limited, a wholly-owned subsidiary of the Company, obtained the money lending licence on 30 June 2016, the Company will apply the net proceeds for developing the money lending business and as general working capital of the Group.

## **FUND RAISING ACTIVITY OF THE COMPANY IN THE PAST TWELVE MONTHS**

The Company had not conducted any fund raising activities involving issue of its securities in the past twelve months immediately preceding the date of this announcement.

## **DEFINITIONS**

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

“associates”	has the meaning as ascribed thereto under the GEM Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for business throughout their normal business hours
“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”	completion of the placing of the Placing Shares in accordance with the terms and conditions as set out in the Placing Agreement

“Completion Date”	the third Business Day following the day on which the conditions set out in the Placing Agreement are satisfied (or such later date as may be agreed between the Company and the Placing Agent)
“connected persons”	has the meanings as ascribed thereto under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“GEM”	the Growth Enterprise Market of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on the GEM
“General Mandate”	the general mandate granted to the Directors pursuant to the ordinary resolution passed by the Shareholders at the annual general meeting of the Company held on 30 July 2015 to allot, issue and deal with up to 20% of the then issued share capital of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	independent third party(ies) who is/are not connected person(s) of the Company and is/are independent of and not connected with the Company and directors, chief executives, controlling shareholders and substantial Shareholders of the Company or any of its subsidiaries or their respective associates
“Last Trading Day”	21 July 2016, being the last trading day for the Shares prior to this announcement
“Long Stop Date”	4 August 2016, or such later date as the Company and the Placing Agent may agree in writing
“Placees”	any professional institutional or other investors, who and whose ultimate beneficial owners are Independent Third Parties, to be procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing, on a best efforts basis, of up to 2,869,886,385 Shares pursuant to the terms of the Placing Agreement

“Placing Agent”	FP Sino-Rich Securities & Futures Limited, a licensed corporation to carry on business in type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 21 July 2016 and entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.0209 per Placing Share
“Placing Shares”	up to 2,869,886,385 Shares to be placed under the Placing
“Share(s)”	ordinary issued share(s) of HK\$0.002 each in the capital of the Company, after the share consolidation became effective on 23 June 2016
“Shareholder(s)”	holder(s) of the Share(s)
“Specified Event”	an event occurring or matter arising on or after the date thereof and prior to the date of Completion which if it had occurred or arisen before the date thereof would have rendered any of the undertakings, warranties and representations given by the Company in the Placing Agreement untrue or incorrect and such would have an adverse impact/effect on the Placing
“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, 21 July 2016

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Ng Ka Ho and Mr. Yang Si Hang, one non-executive Director, namely, Mr. Wong Chiu Po and three independent non-executive Directors, namely, Mr. Kwong Lun Kei Victor, Mr. Ma Chi Ming and Mr. Chan Ming Sun Jonathan.*

*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>.*