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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)

SUPPLEMENTAL ANNOUNCEMENT ON THE INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2016

Reference is made to an announcement (the "**Announcement**") and 2016 interim report (the "**Interim Report**") issued by L & A International Holdings Limited (the "**Company**") both dated 14 November 2016 in respect of, inter alia, interim results of the Company for the six months ended 30 September 2016. Capitalised terms used herein shall have the same meanings as those defined in the Announcement and the Interim Report unless otherwise stated.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

As disclosed in the condensed consolidated statement of profit or loss and other comprehensive income for the six months ended 30 September 2016 (the "**Statement**"), the Group recorded a gross loss of approximately HK$5,994,000 (the "**Gross Loss**") for the six months ended 30 September 2016.

The Gross Loss was due to the decrease in gross profit of the Company of approximately HK$1,447,000 and the making of provision for inventories of approximately HK$7,441,000 for the six months ended 30 September 2016. Such decrease in gross profit was mainly attributable to, among other things, rising in labour cost, reduce in selling price and quantity and the continuing tough retail environment in the United States of America, which resulted in significant drop of sales order and increase in overhead cost.

The reason for the Company to make provision for inventories was mainly due to certain type of raw materials becoming obsolete over the years as per the internal aging policy of the Company and the drop in the Company's sales.

ACQUISITION OF A BUSINESS

As disclosed in note 21 to the Statement, the Group acquired 55.56% of the issued share capital of Aji On for a cash consideration of HK$13,000,000 on 17 May 2016, subject to the revenue guarantee of and adjustments on consideration.

Aji On is a company incorporated under the laws of the British Virgin Islands with limited liability. To the best of the knowledge, information and belief of the directors of the Company, having made all reasonable enquiries, Aji On and its ultimate beneficial owners, as at the date of the acquisition of Aji On (the "**Acquisition**"), were independent third parties.

Aji On is operating and owns a high end fashion brand namely "Laboron", in the People's Republic of China (the "**PRC**"). Laboron is identified as an up and coming fashion apparel brand and it distinguishes itself with post-modern era designs and targets to captivate audiences of the high-end fashion retail and wholesale industry. Quite a few celebrities in both Hong Kong and the PRC wear Laboron's products. Laboron is currently focusing on designing female clothes, and exploring the opportunity on designing kid's clothes.

The Group is planning to diversify its products and widen its customer base. The Acquisition should provide synergies to the Group.

The Board confirms that the above information does not affect other information contained in the Announcement and the Interim Report and the content of the Announcement and the Interim Report remains correct and unchanged.

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

Hong Kong, 25 November 2016

As at the date of this announcement, the Board comprises one executive Director, namely, Mr. Ng Ka Ho, 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.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in 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.