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 FIRST QUARTERLY RESULTS FOR THE THREE MONTHS ENDED 30 JUNE 2019

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 and no assurance is given that there will be a liquid market in the securities traded on GEM.

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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2019

The board (the "Board") of Directors is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively, the "Group") for the three months ended 30 June 2019 (the "First Quarterly Financial Statements") together with the unaudited comparative figures for the corresponding period in 2018 as follows:

		Three months ended 30 June	
		2019	2018
	Notes	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**31,779**	14,707
Cost of sales		**(27,883)**	(12,516)
Other income		**1**	331
Other gains (losses), net	*4*	**3,215**	(3,336)
Selling and distribution expenses		**(70)**	(417)
Administrative expenses		**(4,540)**	(5,321)
Profit (loss) before taxation		**2,502**	(6,552)
Income tax (expenses) credit	*5*	**(228)**	218
Profit (loss) for the period	*6*	**2,274**	(6,334)
Other comprehensive expenses for the period			
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on the translation of foreign operations		**–**	(320)
Total comprehensive income (expenses) for the period		**2,274**	(6,654)

	Note	Three months ended 30 June	
		2019	2018
	Note	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Profit (loss) for the period attributable to:			
Owners of the Company		**1,952**	(5,951)
Non-controlling Interests		**322**	(383)
		2,274	(6,334)
Total comprehensive income (expenses) for the period attributable to:			
Owners of the Company		**1,952**	(6,218)
Non-controlling Interests		**322**	(436)
		2,274	(6,654)
Earnings (loss) per share			
Basic and diluted *(HK cents)*	*8*	**0.15**	(0.46)

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2019

	Attributable to owners of the Company									
	Share capital	**Share premium**	**Translation reserve**	**Fair value reserve (non-recycling)**	**Special reserve**	**Other reserve**	**Accumulated loss**	**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*
At 1 April 2018 (audited)	51,200	618,133	1,169	–	28,431	4,327	(565,438)	137,822	(630)	137,192
Impact on initial application of HKFRS9	–	–	–	(2,443)	–	–	(21,125)	(23,568)	–	(23,568)
Adjusted balance at 1 April 2018	51,200	618,133	1,169	(2,443)	28,431	4,327	(586,563)	114,254	(630)	113,624
Loss for the period	–	–	–	–	–	–	(5,951)	(5,951)	(383)	(6,334)
Exchange differences arising on the translation of foreign operations	–	–	(267)	–	–	–	–	(267)	(53)	(320)
Total comprehensive expenses for the period	–	–	(267)	–	–	–	(5,951)	(6,218)	(436)	(6,654)
At 30 June 2018 (unaudited)	51,200	618,133	902	(2,443)	28,431	4,327	(592,514)	108,036	(1,066)	106,970
At 1 April 2019 (audited)	51,200	618,133	–	(7,924)	28,431	4,327	(595,990)	98,177	149	98,326
Profit and total comprehensive income for the period	–	–	–	–	–	–	1,952	1,952	322	2,274
Disposal of subsidiaries	–	–	–	–	–	–	–	–	(332)	(332)
At 30 June 2019 (unaudited)	51,200	618,133	–	(7,924)	28,431	4,327	(594,038)	100,129	139	100,268

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 FIRST QUARTERLY FINANCIAL STATEMENTS

For the three months ended 30 June 2019

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, Ugland 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 First 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 First 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 First Quarterly Financial Statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Group.

The First 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 2019 (the "2019 Annual Report").

The accounting policies and methods of computation used in the preparation of the First Quarterly Financial Statements are consistent with those adopted in the 2019 Annual Report, except for the adoption of the new and revised HKFRSs, which are effective for the financial year beginning on or after 1 April 2019. Except as described below, the adoption of the new and revised HKFRSs had no material effect on how the results and financial position for the current or prior accounting periods have been prepared and presented. Accordingly, no prior period adjustment has been required.

HKFRS 16 Leases

The Group previously classified leases into finance leases and operating leases and accounted for the lease arrangements differently, depending on the classification of the lease.

HKFRS 16 has no significant impact on the way that lessors account for their rights and obligations under a lease. However, after HKFRS 16 is adopted, lessees no longer distinguish between finance leases and operating leases. Instead, subject to practical expedients, lessees account for all leases in a similar way to previous finance lease accounting, that is, at the commencement date of the lease the lessee recognises and measures a lease liability at the present value of the minimum future lease payments and recognises a corresponding "right-of-use" asset. After initial recognition of this asset and liability, the lessee recognises interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a systematic basis over the lease term. As a practical expedient, the lessee can elect not to apply this accounting model to short-term leases (i.e. where the lease term is 12 months or less) and to leases of low-value assets, in which case the rental expenses continue to be recognised on a systematic basis over the lease term.

The Group enters into some leases as the lessee. HKFRS 16 primarily affects the Group's accounting as a lessee of leases for properties, plant and equipment which are originally classified as operating leases. The application of the new accounting model leads to an increase in both assets and liabilities and to impact on the timing of the expense recognition in the statement of profit or loss over the period of the lease.

HKFRS 16 is effective for annual periods beginning on or after 1 April 2019. As allowed by HKFRS 16, the Group has elected the practical expedient to grandfather the previous assessment of which existing arrangements are, or contain, leases. The Group therefore applies the new definition of a lease in HKFRS 16 only to contracts that are entered into on or after the date of initial application. In addition, the Group has also elected the practical expedient for not applying the new accounting model to short-term leases and leases of low-value assets.

As at 1 April 2019, the Group has non-cancellable operating lease commitments of HK$674,000, the lease terms of which are within 12 months or/and the leases of which are low-value assets. In such cases, the leases are accounted for as short term leases and the lease payments associated with the leases are recognised as expenses from short term leases.

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 three months ended 30 June 2019 and 2018 is set out below:

	Three months ended 30 June 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	**8,391**	**4,555**	**–**	**17,557**	**–**	**30,503**
Services transferred over time	**–**	**–**	**–**	**–**	**482**	**482**
Revenue from other resources	**–**	**–**	**794**	**–**	**–**	**794**
Revenue from external customers	**8,391**	**4,555**	**794**	**17,557**	**482**	**31,779**
Reportable segment profit	**241**	**71**	**684**	**1,301**	**263**	**2,560**
Fair value change on financial assets at fair value through profit or loss, net						**3,309**
Loss on disposal of financial assets at fair value through profit or loss, net						**(97)**
Gain on disposal of subsidiaries						**3**
Other income						**1**
Corporate expenses						**(3,274)**
Profit before taxation						**2,502**

	Three months ended 30 June 2018			
	OEM Business	Retail Business	Money Lending Business	Total
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Reportable segment revenue:				
Disaggregated by timing of revenue recognition				
Goods transferred at a point in time	13,370	316	–	13,686
Revenue from other resources	–	–	1,021	1,021
Revenue from external customers	13,370	316	1,021	14,707
Reportable segment profit (loss)	362	(892)	992	462
Fair value change on financial assets at fair value through profit or loss, net				(963)
Loss on disposal of financial assets at fair value through profit or loss, net				(2,373)
Other income				331
Corporate expenses				(4,009)
Loss before taxation				(6,552)

There was no inter-segment revenue for the three months ended 30 June 2019 and 2018.

(b) Revenue from major products and services

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

	Three months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Garment products	**12,946**	13,686
Seafood	**17,557**	–
Interest income from loan receivables	**794**	1,021
Tuition fee from financial quotient and education courses	**482**	–
	31,779	14,707

(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.

	Three months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong (place of domicile)	**31,779**	13,093
USA	**–**	726
Others	**–**	888
	31,779	14,707

4. OTHER GAINS (LOSSES), NET

	Three months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Gain (loss) on fair value change of financial assets at fair value through profit or loss, net	**3,309**	(963)
Loss on disposal of financial assets at fair value through profit or loss, net	**(97)**	(2,373)
Gain on disposal of subsidiaries	**3**	–
	3,215	(3,336)

5. INCOME TAX EXPENSES (CREDIT)

	Three months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Hong Kong Profits Tax *(Note (i))*		
– current period	**228**	–
Enterprise Income Tax ("EIT") *(Note (ii))*		
– current period	**–**	–
	228	–
Deferred tax	**–**	(218)
	228	(218)

Notes:

(i) Hong Kong

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit.

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 the assessable profits of the qualifying group entity will be taxed at 8.25% and the assessable profits above HK$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5%.

(ii) PRC

All subsidiaries in the People's Republic of China (the "PRC") were subject to the PRC EIT at the standard rate of 25% of the estimated assessable profit.

For the three months ended 30 June 2019, no provision for EIT had been made as the Group has no subsidiary in the PRC.

For the three months ended 30 June 2018, no provision for EIT had been made as there was no estimated assessable profit for the PRC subsidiaries.

6. PROFIT (LOSS) FOR THE PERIOD

	Three months ended 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit (loss) for the period has been arrived at after charging:		
Directors' remuneration:		
– Fees	**214**	135
– Salaries and other benefits	**110**	156
– Retirement benefit scheme contributions	**5**	5
	329	296
Other staff salaries and allowances	**1,644**	813
Retirement benefit scheme contributions, excluding those of Directors	**48**	24
Total employee benefits expenses	**2,021**	1,133
Cost of inventories recognised as an expense	**27,551**	12,483
Depreciation of investment properties	**–**	258
Depreciation of property, plant and equipment	**92**	20
Net exchange loss	**1**	2

7. DIVIDEND

No dividend was paid or proposed for the three months ended 30 June 2019 (three months ended 30 June 2018: Nil) nor has any dividend been proposed since the end of the reporting period.

8. 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 30 June	
	2019	2018
	HK$'000	*HK$'000*
	(unaudited)	(unaudited)
Profit (Loss)		
Profit (Loss) for the period attributable to the owners of the Company	**1,952**	(5,951)
	'000	*'000*
Number of shares		
Weighted average number of ordinary shares in issue for the purposes of basic and diluted earnings (loss) per share	**1,280,000**	1,280,000

Diluted earnings (loss) per share for both periods was the same as the basic earnings (loss) per share as the Company had no dilutive potential ordinary shares outstanding during both periods.

9. 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 ("Sino Shine"), a subsidiary of the Group, entered into on 27 October 2016, which the plaintiff is claiming Sino Shine for, inter alia, damages in the sum of approximately HK$1,735,000 plus interest. As the Directors consider that it is probable that an outflow of economic benefits will be required to settle the obligation, a provision of approximately HK$1,735,000 was recognised during the year ended 31 March 2019.

(b) During the year ended 31 March 2019, a petition (the "Petition") had been filed to the court by two shareholders of the Company, who are holding over 3% of the Company's issued shares. 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 hearing of the Petition was heard on 22 July 2019. Upon hearing from petitioners, the Company and two of its shareholders, Flying Mortgage Limited ("Flying Mortgage") and Strong Light Investments Limited ("Strong Light"), the court ordered that the petitioners do have leave to set down the Petition for trial, with three days reserved.

The Company made application for validation by way of summons filed on 18 July 2019 ("Summons for Validation Order"). The hearing for the Summons for Validation Order was heard on 26 July 2019. Details of the Petition and Summons for Validation Order were set out in the Company's announcements dated 11 March 2019, 12 March 2019, 8 May 2019, 20 May 2019, 22 July 2019 and 29 July 2019.

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 three months ended 30 June 2019, the Group continued the operation model by 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 three months ended 30 June 2019, the Retail Business had generated revenue of approximately HK$4,555,000 (2018: HK$316,000), representing a substantial increase of approximately 1,341%. This was mainly due to the one-off and bulky sales of its aged and slow-moving inventories by the Retail Business.

Money Lending Business

The Group obtained the money lender licence and commenced Money Lending Business since June 2016. During the three months ended 30 June 2019, the Money Lending Business had generated interest income of approximately HK$0.8 million, representing a decrease of approximately 22.2% compared to the last period. The decrease was mainly attributable to a decrease in the lending rate ranging from 12% to 18% per annum for three months ended 30 June 2018 to ranging from 5% to 12% per annum for the three months ended 30 June 2019.

Wholesaling Business

The Wholesaling Business commenced operation during the year ended 31 March 2019 and generated revenue of approximately HK$17.6 million for the three months ended 30 June 2019. The products are mainly seafood.

Financial Quotient and Investment Education Business

During the three months ended 30 June 2019, 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 courses. Certain courses were completed with inspiring achievements and revenue of approximately HK$0.5 million was generated during the three months ended 30 June 2019.

Property Investment Business

The Group also established the Property Investment Business during the three months ended 30 June 2019. The Group acquired a property in Japan in June 2019. The appreciation potential of the property acquired is expected to be promising.

PROSPECTS

For the OEM Business, the management of the Group (the "Management") is committed to strengthen 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' behaviour and will continue the promotion campaigns. The Management is also closely monitoring the movement of rental 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 in a prudent and balanced risk management approach.

The Group will (i) invest resources to expand the share in the financial quotient and investment education market, and (ii) strive to broaden its customer base. The Group is also seeking for opportunities of asset appreciation and cash flow return in the property market within Hong Kong and in the Asian-Pacific region.

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$14.7 million for the three months ended 30 June 2018 to approximately HK$31.8 million for the three months ended 30 June 2019, representing an increase of approximately 116.1%. Revenue from the OEM Business decreased to approximately HK$8.4 million for the three months ended 30 June 2019. On the other hand, revenue from the Retail Business increased to approximately HK$4.6 million for the three months ended 30 June 2019 as compared to the three months ended 30 June 2018.

For the Money Lending Business, it has generated interest income of approximately HK$0.8 million for the three months ended 30 June 2019.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the three months ended 30 June 2018 and 30 June 2019.

	Three months ended 30 June			
	2019		2018	
	HK$'000	***%***	*HK$'000*	*%*
OEM Business	**8,391**	**26.4**	13,370	90.9
Retail Business	**4,555**	**14.3**	316	2.1
Money Lending Business	**794**	**2.5**	1,021	7.0
Wholesaling Business	**17,557**	**55.2**	–	–
Financial Quotient and Investment Education Business	**482**	**1.6**	–	–
	31,779	**100.0**	14,707	100.0

Cost of sales

The Group's cost of sales increased by 122.8% to approximately HK$27.9 million for the three months ended 30 June 2019 as compared to the three months ended 30 June 2018. The increase was mainly attributable to the new Wholesaling Business during the three months ended 30 June 2019.

Expenses

Selling and administrative expenses for the three months ended 30 June 2019 were approximately HK$4.6 million (three months ended 30 June 2018: approximately HK$5.7 million), representing a decrease of approximately HK$1.1 million.

Profit for the period

Profit for the three months ended 30 June 2019 was approximately HK$2.3 million, whereas loss for the three months ended 30 June 2018 was approximately HK$6.3 million.

Such increase in profit was primarily attributable to i) the gain on fair value change of financial assets at fair value through profit or loss ("FVTPL") of approximately HK$3.3 million for the three months ended 30 June 2019 as opposed to loss of approximately HK$1.0 million for the three months ended 30 June 2018; ii) the substantial decrease in the loss on disposal of financial assets at FVTPL from approximately HK$2.4 million for the three months ended 30 June 2018 to less than HK$100,000 for the three months ended 30 June 2019; and iii) the increase in revenue for the Group in the three months ended 30 June 2019.

OTHER INFORMATION

SIGNIFICANT INVESTMENTS HELD, MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES, AND PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed elsewhere in this announcement, there were no significant investments held, material acquisitions or disposals of subsidiaries and affiliated companies during the three months ended 30 June 2019.

Save as disclosed elsewhere in this announcement, there was no plan for material investments or capital assets as at 30 June 2019.

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

As at 30 June 2019, none of the Directors and chief executives of the Company had, or deemed to have, any interests or short position in any shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") (Chapter 571 of the Laws of Hong Kong)) which (a) were 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 were taken or deemed to have under such provisions of the SFO), or (b) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or (c) were required, pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

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 30 June 2019, 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 and Its Associated Corporations" 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 30 June 2019
Lau Lan Ying *(Note)*	Interest in controlled corporations	322,314,800	25.18%
Wong Kwan Mo *(Note)*	Interest in controlled corporations	322,314,800	25.18%
Strong Light *(Note)*	Beneficial owner	299,694,000	23.41%
Flying Mortgage	Beneficial owner	133,040,000	10.39%
Ge Qingfu	Beneficial owner	128,266,200	10.02%

Note:

299,694,000 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 Lau Lan Ying and 50% by Wong Kwan Mo. Lau Lau Ying is the spouse of Wong Kwan Mo.

Saved as disclosed above, as at 30 June 2019, 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 and Its Associated Corporations" 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 three months ended 30 June 2019 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 three months ended 30 June 2019.

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 three months ended 30 June 2019 or as at 30 June 2019.

INTEREST OF COMPLIANCE ADVISER

Pursuant to the directions of the GEM Listing Committee of the Stock Exchange, the Company appointed Grand Moore Capital Limited ("Grand Moore") as the independent compliance adviser (the "Compliance Adviser") on an on-going basis for consultation on compliance with the GEM Listing Rules for a period of two years with effect from 7 January 2019.

On 31 May 2019, the Company and Grand Moore mutually agreed to terminate the compliance adviser's agreement dated 7 January 2019 due to commercial reasons. On 25 June 2019, the Company appointed Central China International Capital Limited as the new Compliance Adviser.

As at 30 June 2019, as notified by the new Compliance Adviser, except for the compliance adviser's agreement entered into between the Company and the new Compliance Adviser, neither the new Compliance Adviser nor any of its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in the Group which is required to be notified to the Company pursuant to Rules 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company has established an audit committee ("Audit Committee") with terms in compliance with the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The duties of the Audit Committee are to primary review financial statements of the Company and oversee internal control procedures of the Company.

As at 31 March 2019, the Audit Committee consists of three independent non-executive Directors, namely Mr. Li Kin Ping (Chairman), Ms. Guo Yan Xia and Mr. Ma Chi Ming. On 7 May 2019, Mr. Ma Chi Ming resigned as independent non-executive Director and a member of the Audit Committee.

On 6 June 2019, Ms. Guo Yan Xia was removed and Mr. Chan Kim Fai Eddie and Mr. Ng Chi Ho Dennis were appointed as independent non-executive Directors and members of the Audit Committee.

The Audit Committee has reviewed the First Quarterly Financial Statements and is 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.

By Order of the Board
L & A INTERNATIONAL HOLDINGS LIMITED
Lau Chun Kavan
Executive Director

Hong Kong, 14 August 2019

As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Lau Chun Kavan and Ms. Wang Tsz Yue and three independent non-executive Directors, namely, Mr. Li Kin Ping, Mr. Chan Kim Fai Eddie and Mr. Ng Chi Ho Dennis.