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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)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2020

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.

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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.

FINANCIAL HIGHLIGHTS

– Revenue for the six months ended 30 September 2020 decreased by approximately 9.4% to approximately HK$39,497,000 (2019: approximately HK$43,572,000).

– Profit for the six months ended 30 September 2020 amounted to approximately HK$13,109,000 (2019: loss for the six months ended 30 September 2019 of approximately HK$1,067,000).

– Total equity attributable to owners of the Company as at 30 September 2020 was approximately HK$66,021,000 (31 March 2020: approximately HK$52,577,000).

– Basic and diluted earning per share attributable to the owners of the Company for the six months ended 30 September 2020 was approximately HK1.05 cents (2019: basic and diluted loss per share attributable to the owners of the Company for the six months ended 30 September 2019 of approximately HK0.09 cent).

– The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2020.

The board of Directors (the "Board") is pleased to present the unaudited condensed consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the three months and six months ended 30 September 2020 (the "Interim Financial Statements") together with the unaudited comparative figures for the corresponding period in 2019 as follows:

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		For the three months ended 30 September		For the six months ended 30 September	
		2020	2019	**2020**	2019
	NOTES	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Revenue	*5*	**30,122**	11,793	**39,497**	43,572
Cost of sales		**(9,915)**	(10,212)	**(17,810)**	(38,095)
Other income		**305**	–	**306**	1
Other gains and losses, net		**(249)**	(1,626)	**522**	1,589
Selling and distribution expenses		**(42)**	(10)	**(44)**	(80)
Administrative and other expenses		**(5,820)**	(3,428)	**(8,093)**	(7,968)
Share of profits less losses of associates		**1,507**	–	**2,756**	–
Finance costs		**(899)**	(2)	**(1,238)**	(2)
Profit (Loss) before taxation		**15,009**	(3,485)	**15,896**	(983)
Income tax (expense) credit	*6*	**(2,787)**	144	**(2,787)**	(84)
Profit (Loss) and total comprehensive income (expense) for the period		**12,222**	(3,341)	**13,109**	(1,067)
Profit (loss) and total comprehensive income (expense) for the period attributable to:					
Owners of the Company		**12,407**	(3,137)	**13,444**	(1,185)
Non-controlling interests		**(185)**	(204)	**(335)**	118
		12,222	(3,341)	**13,109**	(1,067)
Earnings (Loss) per share	*7*				
Basic and diluted *(HK cent)*		**0.97**	(0.25)	**1.05**	(0.09)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	NOTES	At 30 September 2020 HK$'000 (unaudited)	At 31 March 2020 HK$'000 (audited)
Non-current assets			
Property, plant and equipment	*8*	**7,525**	8,208
Investment property	*8*	**834**	838
Goodwill	*9*	**56,237**	–
Interests in associates		**19,346**	16,590
Rental deposits	*11*	**121**	144
Loan receivables	*10*	**508**	19,460
		84,571	45,240
Current assets			
Financial assets at fair value through profit or loss		**–**	7,850
Inventories		**729**	940
Trade and other receivables	*11*	**14,106**	8,629
Amount due from associates		**6,018**	–
Loan receivables	*10*	**55,661**	24,373
Cash and cash equivalents		**42,252**	2,130
Tax recoverable		**9**	174
		118,775	44,296

	NOTES	At 30 September 2020 HK$'000 (unaudited)	At 31 March 2020 HK$'000 (audited)
Current liabilities			
Trade and other payables	*12*	**45,217**	12,938
Contract liabilities		**3,075**	3,075
Other borrowings		**–**	1,800
Lease liabilities		**890**	1,047
Tax payable		**7,390**	1,087
Provision for litigation		**1,735**	1,735
Deferred revenue		**31,190**	–
		89,497	21,682
Net current assets		**29,278**	22,614
Total assets less current liabilities		**113,849**	67,854
Non-current liability			
Lease liabilities		**2,374**	3,033
Deferred tax liabilities		**122**	122
Other borrowings		**–**	5,000
Loans from a shareholder		**8,265**	9,720
Promissory note		**40,000**	–
		50,761	17,875
Net assets		**63,088**	49,979
CAPITAL AND RESERVES			
Share capital	*13*	**51,200**	51,200
Reserves		**14,821**	1,377
Equity attributable to owners of the Company		**66,021**	52,577
Non-controlling interests		**(2,933)**	(2,598)
Total equity		**63,088**	49,979

NOTES TO THE INTERIM FINANCIAL STATEMENTS

For the six months ended 30 September 2020

1. GENERAL INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company with limited liability. The Company's shares have been listed on the 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 Interim Financial Statements have been prepared in accordance with the Hong Kong Accounting Standard ("HKAS") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants and the applicable disclosure provisions of Chapter 18 of the GEM Listing Rules.

This Interim Financial Statements contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon 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 2020 (the "2020 Annual Report").

The adoption of the new/revised Hong Kong Financial Reporting Standards ("HKFRSs") that are relevant to the Group and effective for the financial year begin on or after 1 April 2020 had no significant effects on the results and financial position of the Group for the current or prior accounting periods have been prepared or presented. At the date of authorisation of the Interim Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued but are not yet effective.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and methods of computation used in the preparation of the Interim Financial Statements are consistent with those adopted in the 2020 Annual Report.

The Interim Financial Statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company.

The Interim Financial Statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values.

4. ESTIMATES

The preparation of Interim Financial Statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing the Interim Financial Statements, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the 2020 Annual Report.

5. REVENUE AND SEGMENT INFORMATION

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 pretax 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.

Segments assets include all tangible, intangible assets and current assets with the exception of investments in financial assets and other corporate assets. Segment liabilities include provisions, lease liabilities and trade and other payables attributable to the activities of the individual segments and borrowings managed directly by the segments.

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 six months ended 30 September 2020 and 2019 is set out below:

	Six months ended 30 September 2020						
	OEM Business	**Retail Business**	**Money Lending Business**	**Wholesaling Business**	**Financial Quotient and Investment Education Business**	**Property Investments Business**	**Total**
	HK$'000	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***	***HK$'000***
	(Unaudited)	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**	**(Unaudited)**
Reportable segment revenue:							
Disaggregated by timing of revenue recognition							
Goods transferred at a point in time	16,733	240	–	–	20,786	–	37,759
Revenue from other resources	–	–	1,738	–	–	–	1,738
Revenue from external customers	16,733	240	1,738	–	20,786	–	39,497
Reportable segment profit	753	(37)	1,537	(581)	16,444	(8)	18,108
Share of profits less losses of associates							2,756
Bad Debt recovery							6,860
Impairment loss of property, plant and equipment							(249)
Loss on disposal of financial assets at fair value through profit or loss, net							(6,188)
Gain on disposal of subsidiaries							99
Other income							306
Finance cost							(1,238)
Corporate expenses							(4,558)
Profit before taxation							15,896

	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$'000* (Unaudited)	Property Investments Business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
As at 30 September 2020							
Assets							
Reportable segment assets (including interest in associates)	35,908	729	59,280	275	46,617	843	143,452
Unallocated head office and corporate assets							59,894
Consolidated total assets							203,346
Liabilities							
Reportable segment liabilities	4,264	1,735	4,306	2,921	48,642	–	61,868
Unallocated head office and corporate liabilities							78,390
Consolidated total liabilities							140,258

	Six months ended 30 September 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$'000* (Unaudited)	Property Investments Business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Reportable segment revenue:							
Disaggregated by timing of revenue recognition							
Goods transferred at a point in time	15,005	4,665	–	21,598	829	–	42,097
Revenue from other resources	–	–	1,475	–	–	–	1,475
Revenue from external customers	15,005	4,665	1,475	21,598	829	–	43,572
Reportable segment profit	448	104	1,005	478	474	–	2,509
Fair value change on financial assets at fair value through profit or loss, net							1,700
Loss on disposal of financial assets at fair value through profit or loss, net							(252)
Gain on disposal of subsidiaries							141
Other income							1
Finance cost							(2)
Corporate expenses							(5,080)
Loss before taxation							(983)

	OEM Business *HK$'000* (audited)	Retail Business *HK$'000* (audited)	Money Lending Business *HK$'000* (audited)	Wholesaling Business *HK$'000* (audited)	Financial Quotient and Investment Education Business *HK$'000* (audited)	Property Investments Business *HK$'000* (audited)	Total *HK$'000* (audited)
As at 31 March 2020							
Assets							
Reportable segment assets (including interest in associates)	9,501	940	44,144	1,166	24,240	852	80,843
Financial assets at fair value through profit or loss							7,850
Unallocated head office and corporate assets							843
Consolidated total assets							89,536
Liabilities							
Reportable segment liabilities	4,517	1,735	10,329	7,694	8,278	–	32,553
Unallocated head office and corporate liabilities							7,004
Consolidated total liabilities							39,557

There was no inter-segment revenue for the six months ended 30 September 2020 and 2019.

(b) Revenue from major products and services

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

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Garment products	**16,973**	19,670
Seafood	**–**	21,598
Interest income from loan receivables	**1,738**	1,475
Tuition fee from financial quotient and education courses	**20,786**	829
	39,497	43,572

(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.

	Six months ended 30 September	
	2020	2019
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong (place of domicile)	**39,497**	43,572

6. INCOME TAX EXPENSE (CREDIT)

	For the three months ended 30 September		For the six months ended 30 September	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Hong Kong Profits Tax *(Note (i))*				
– current period	**2,787**	(144)	**2,787**	84
People's Republic of China ("PRC") Enterprise Income Tax ("EIT") *(Note (ii))*				
– current period	**–**	–	**–**	–
	2,787	(144)	**2,787**	84
Deferred tax	**–**	–	**–**	–
	2,787	(144)	**2,787**	84

Notes:

(i) Hong Kong

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 gazette on the following day.

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

(ii) PRC

PRC EIT is calculated based on the statutory rate of 25% of the assessable profit for those subsidiaries established in the PRC, as determined in accordance with the relevant income tax rules and regulations in the PRC.

For the six months ended 30 September 2020 and 2019, no provision of EIT had been made as the Group has no subsidiary operated or established in the PRC.

7. 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:

	For the three months ended 30 September		For the six months ended 30 September	
	2020	2019	**2020**	2019
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*
	(unaudited)	(unaudited)	**(unaudited)**	(unaudited)
Earnings (Loss)				
Earnings (Loss) for the purposes of basic and diluted earnings (loss) per share, being profit (loss) for the period attributable to the owners of the Company	**12,407**	(3,137)	**13,444**	(1,185)
Number of shares				
Weighted average number of ordinary shares for the purposes of basic and diluted earnings (loss) per share	**1,280,000,000**	1,280,000,000	**1,280,000,000**	1,280,000,000

Diluted earnings (loss) per share for the three months and six months ended 30 September 2020 were the same as the basic earnings (loss) per share as the Company had no diluted potential ordinary shares outstanding during both periods.

8. PROPERTY, PLANT AND EQUIPMENT/INVESTMENT PROPERTY

During the six months ended 30 September 2020, additions of property, plant and equipment amounted to approximately HK$444,000 (additions for the year ended 31 March 2020: approximately HK$8,919,000).

During the six months ended 30 September 2020, no any addition of investment property (additions for the year ended 31 March 2020: approximately HK$844,000).

9. GOODWILL

	At 30 September 2020 *HK$'000*
At cost and carrying amount:	
At 1 April 2020	**–**
Acquisition of subsidiaries *(note)*	**56,237**
At 30 September 2020	**56,237**

Note:

(a) On 11 May 2020, Able Glorious Limited ("Able Glorious"), a direct wholly owned subsidiary of the Company, entered into the agreement, pursuant to which, Able Glorious agreed to acquire the entire issued share capital of the Bewisekid Holding Limited ("Bewisekid Group"), at the maximum consideration of HK$33,250,000 (subject to downward adjustment), which shall be settled by way of issue and allotment of 246,296,296 consideration shares (or the adjusted number of the consideration shares in the event that the guaranteed profits is not satisfied) at the issue price of HK$0.135 per consideration share by the Company to the Vendor within 7 Business Days after the determination of the actual profits. Bewisekid Group is principally engaged in provision of seminars on the UK property investment experience sharing in Hong Kong, together with the provision of play-based learning activities to enhance the overall development for children aged from 6 to 14 years old in Hong Kong. Completion of the transaction took place on 10 August 2020 and goodwill of approximately HK$27,059,000 was recognised. Details of the transaction were set out in the Company's announcements dated 11 May 2020, 30 June 2020, 13 July 2020, 4 August 2020 and 10 August 2020.

(b) On 17 August 2020, Able Glorious entered into the agreement, pursuant to which, Able Glorious agreed to acquire the entire issued share capital of the Zone Galaxy Limited ("Zone Galaxy Group"), at the consideration of HK$40,000,000, which was satisfied by the issue of the promissory note upon completion of the transaction. Zone Galaxy Group is principally engaged in provision of financial quotient and securities investment experience-sharing seminars and relevant value-added services in Hong Kong, together with the provision of activities introducing memory improvement and speed-reading technique. Completion of the transaction took place on 17 August 2020 and goodwill of approximately HK$29,178,000 was recognised. Details of the transaction were set out in the Company's announcements dated 17 August 2020.

10. LOAN RECEIVABLES

	At 30 September 2020 HK$'000 (Unaudited)	At 31 March 2020 HK$'000 (audited)
Fixed-rate loan receivables analysed for reporting purpose as:		
Non-current asset	**508**	19,460
Current asset	**55,661**	24,573
	56,169	44,033

The ranges of effective interest rates on the Group's loan receivables are as follows:

	At 30 September 2020 HK$'000 (Unaudited)	At 31 March 2020 HK$'000 (audited)
Effective interest rate:		
Fixed-rate loan receivables	**3% to 18% p.a.**	3% to 36% p.a.

The Group holds collaterals for certain loan receivables. In the event of default or failure to repay any outstanding amounts by the debtors, the Group will proceed with sales of collaterals. Interest rates are offered based on the assessment of a number of factors including the borrowers' credit worthiness and repayment abilities, collaterals as well as the general economic trends.

11. TRADE AND OTHER RECEIVABLES

	At 30 September 2020 *HK$'000* **(unaudited)**	At 31 March 2020 *HK$'000* (audited)
Trade receivables, net of loss allowance	**4,357**	4,733
Other receivables	**5,802**	268
Financial assets measured at amortised cost	**10,159**	5,001
Prepayments	**541**	223
Deposits	**3,537**	3,549
	14,227	8,773
Representing:		
Current	**14,106**	8,629
Non-current	**121**	144
	14,227	8,773

Prepayments and deposits expected to be recovered or recognised as expense after more than one year is HK$121,000.

All of the other trade and other receivables are expected to be recovered or recognised as expense within one year.

The Group allows credit period ranging from 30 days to 60 days to customers from OEM Business. For Retail Business, its revenue mainly comprises of credit sales. Trade receivables under credit sales are due within 1 month. The Group allows credit period ranging from 30 days to 60 days to customers from Wholesaling Business.

As of the end of the reporting period, an ageing analysis of the trade receivables net of loss allowances presented based on the invoice date is as follows:

	At 30 September 2020 *HK$'000* **(unaudited)**	At 31 March 2020 *HK$'000* (audited)
Within 30 days	**4,296**	4,537
31 to 60 days	**61**	–
61 to 90 days	**–**	106
Over 90 days	**–**	90
	4,357	4,733

12. TRADE AND OTHER PAYABLES

	At 30 September 2020 *HK$'000* **(unaudited)**	At 31 March 2020 *HK$'000* (audited)
Trade payables	**919**	60
Accrued staff salaries	**126**	423
Amounts due to associates *(note (c))*	**–**	3,882
Other accruals and payables	**10,322**	8,573
Consideration payable	**33,250**	–
Financial liabilities measured at amortised cost	**45,217**	12,938

(a) An ageing analysis of the trade payables as at the end of the reporting period based on the invoice date is as follows:

	At 30 September 2020 *HK$'000* **(unaudited)**	At 31 March 2020 *HK$'000* (audited)
Within 60 days	**859**	–
61 to 90 days	**–**	–
Over 90 days	**60**	60
	919	60

(b) All of the trade and other payables are expected to be settled or recognised as income within one year or are repayble on demand.

(c) The balances are unsecured, interest fee, repayable on demand and will be settled in cash.

13. SHARE CAPITAL

	Notes	Number of shares	Amount HK$'000
Authorised:			
– At 31 March 2020 and 30 September 2020, ordinary shares of HK$0.04 each		12,500,000,000	500,000
Issued and fully paid:			
– At 31 March 2020 and 30 September 2020, ordinary shares of HK$0.04 each		1,280,000,000	51,200

14. SHARE OPTION SCHEME

The Company's share option scheme (the "Scheme"), was adopted pursuant to a resolution passed on 25 September 2014 for the primary purpose of providing incentives or rewards to eligible participants, and will expire on 10 October 2024. Under the Scheme, the Board may grant options to:

(a) any employee or proposed employee (whether full-time or part-time and including any executive Director), consultants or advisers of or to the Company, any of the subsidiaries or any entity (the "Invested Entity") in which the Company holds an equity interest;

(b) any non-executive directors (including independent non-executive directors) of the Company, any of the subsidiaries or any Invested Entity;

(c) any supplier of goods or services to the Company or any of its subsidiaries or any Invested Entity;

(d) any customer of the Group or any Invested Entity;

(e) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and

(f) any shareholders of the Company, any of its subsidiaries or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity.

The total number of shares in respect of which options may be granted under the Scheme is not permitted to exceed 10% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders. The number of shares issued and to be issued in respect of which options granted and may be granted to any individual in any one year is not permitted to exceed 1% of the shares of the Company in issue at any point in time, without prior approval from the Company's shareholders.

Options granted must be taken up within 28 days of the date of grant, upon payment of HK$1 as consideration. Options may be exercised at any time from the date of grant of the share options. The exercise price is determined by the Directors, and will not be less than the highest of (i) the average closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheet for the five business days immediately preceding the date of grant of the option (which must be a business day); (ii) the closing price of the ordinary shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a business day); and (iii) nominal value of the Company's share.

On 14 July 2020, a total of 10,000,000 share options were granted to Mr. Yuen Yu Sum, an executive Director of the Company. Details were set out in the Company's announcement dated 14 July 2020.

15. 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, a former subsidiary of the Group, entered into on 27 October 2016, which the plaintiff is claiming the Group for, inter alia, damages in the sum of approximately HK$1,735,000 plus interest. As the directors of the Group consider that it is probable that an outflow of economic benefits will be required to settle the obligation, the Group recognised the provision of HK$1,735,000 which is considered as a reliable estimate that can be made.

(b) During the year ended 31 March 2019, a petition has been filed to the court by two shareholders of the Company (the "Petitioners"), which together holding over 3% of the Company's issued shares, and the Petitioners filed and served a re-amended petition to the court on 3 December 2019. 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 case was heard from 6 to 10 July, 2020 and 13 July, and judgment is reserved. The directors of the Company have discussed with the legal counsel of the Group and with reference to their own experience, they believe there is a high chance of striking out the petition and there is no effect on the going concern assumption as the basis of preparation of the Group's consolidated financial statements.

16. EVENTS AFTER THE REPORTING PERIOD

On 27 October 2020, Able Glorious entered into sales and purchase agreement with Mr. Yuen Yu Sum, pursuant to which, Able Glorious agreed to acquire the remaining 70% of equity interests in Prestige Concord, at the consideration of HK$80,000,000. The consideration will be satisfied (i) as to HK$41,000,000 by the issue of the promissory note by Able Glorious to Mr. Yuen Yu Sum; (ii) as to HK$29,000,000 by the assumption of the assumed liabilities by Able Glorious; and (iii) as to HK$10,000,000 by cash, upon completion of the transaction. As at 30 March 2020, Prestige Concord is owned as to 70% by Mr. Yuen Yu Sum and as to 30% by Able Glorious. Upon Completion of the transaction, the Group will be interested in the entire issued share capital of Prestige Concord and Prestige Concord will become an indirect wholly-owned subsidiary of the Company.

Details of the transaction are set out in the Company's announcement dated 27 October 2020.

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 six months ended 30 September 2020, 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 six months ended 30 September 2020, the Retail Business had generated revenue of approximately HK$240,000 (2019: HK$4,665,000), representing a substantial decrease of approximately 94.9%. This was mainly due to the outbreak of the coronavirus in Hong Kong.

Money Lending Business

The Group obtained the money lender licence and commenced Money Lending Business in June 2016. During the six months ended 30 September 2020, the Money Lending Business had generated interest income of approximately HK$1.7 million, representing an increase of approximately 17.8% compared to the figure of the last period.

Wholesaling Business

The Wholesaling Business commenced operation during the year ended 31 March 2019. During the six months ended 30 September 2020, the revenue generated from Wholesaling Business was reduced to nil. This was mainly due to the outbreak of the coronavirus in Hong Kong.

Financial Quotient and Investment Education Business

During the year ended 31 March 2020, 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 such courses. Certain courses were completed with outstanding results and revenue of approximately HK$20.8 million was generated during the six months ended 30 September 2020.

Property Investment Business

The Group also established the Property Investment Business during the year ended 31 March 2020. The Group acquired a property in Japan in June 2019 which is expected to appreciate in value significantly.

PROSPECTS

For the OEM Business, the management of the Group (the "Management") is committed to strengthening 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' tastes and preferences and will continue the promotion campaigns. The Management is also closely monitoring the rental levels 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 with a prudent and balanced risk management approach.

The Group will (i) expand its share in the financial quotient and investment education market, and (ii) strive to broaden its customer base. The Group is also seeking opportunities of asset appreciation and cash flow return in the property market within Hong Kong and in the Asian-Pacific region. The Group aims to maintain the promising growth in the Financial Quotient and Investment Education Business and consider payment of dividend in the future.

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 decreased from approximately HK$43.6 million for the six months ended 30 September 2019 to approximately HK$39.5 million for the six months ended 30 September 2020, representing an decrease of approximately 9.4%. Revenue from the OEM Business slightly increased to approximately HK$16.7 million for the six months ended 30 September 2020. On the other hand, due to the outbreak of the coronavirus in Hong Kong, the revenue from the Retail Business and the Wholesaling Business decreased to approximately HK$0.2 million and nil for the six months ended 30 September 2020 as compared to the six months ended 30 September 2019 respectively.

For the Money Lending Business, it had generated interest income of approximately HK$1.7 million for the six months ended 30 September 2020.

For Financial Quotient and Investment Education Business, it has generated revenue of approximately HK$20.8 million for the six months ended 30 September 2020, representing a substantial increase of approximately 2407% as compared to the six months ended 30 September 2019.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the six months ended 30 September 2019 and 30 September 2020.

	Six months ended 30 September			
	2020		2019	
	HK$'000	*%*	*HK$'000*	*%*
OEM Business	**16,733**	**42.4**	15,005	34.4
Retail Business	**240**	**0.6**	4,665	10.7
Money Lending Business	**1,738**	**4.4**	1,475	3.4
Wholesaling Business	**–**	**0.0**	21,598	49.6
Financial Quotient and Investment Education Business	**20,786**	**52.6**	829	1.9
	39,497	**100.0**	43,572	100.0

Cost of sales

The Group's cost of sales decreased by 53.2% to approximately HK$17.8 million for the six months ended 30 September 2020 as compared to the six months ended 30 September 2019. The decrease was mainly due to the substantial drop of Wholesaling Business during the six months ended 30 September 2020.

Expenses

Selling and administrative expenses for the six months ended 30 September 2020 was approximately HK$8.1 million (2019: HK$8.0 million).

Profit for the period

The profit for the six months ended 30 September 2020 was approximately HK$13.1 million. The loss for the six months ended 30 September 2019 was approximately HK$1.1 million. Such increase in profit was primarily attributable to the growth in the Group's Financial Quotient and Investment Education business.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

As at 30 September 2020, the share capital and equity attributable to owners of the Company amounted to approximately HK$51,200,000 and HK$66,021,000 respectively (31 March 2020: approximately HK$51,200,000 and HK$52,577,000 respectively).

As at 30 September 2020, the Group had approximately HK$48.2 million in bank balances and cash (31 March 2020: approximately HK$2.1 million). The Group's total borrowings were approximately HK$48.3 million (31 March 2020: HK$16.5 million). The gearing ratio was approximately 76.5% at 30 September 2020 (31 March 2020: 33.1%).

Note:

Gearing ratio is calculated as the total debt (borrowings) divided by total equity.

Capital Expenditure and Commitments

Details of capital expenditure are set out in Note 8 in this announcement. Save as disclosed in the Interim Financial Statements, the Group did not have any significant capital commitments as at 30 September 2020.

Financial Assets at Fair Value Through Profit or Loss

Name of investments	% to the total assets of the Group as at 1 April 2020	% of interest of the respective investments as at 1 April 2020	Fair value as at 1 April 2020 HK$'000 (Audited)	Movement during the six months ended 30 September 2020 Addition/(disposal), net HK$'000 (Unaudited)	Change on fair value, net HK$'000 (Unaudited)	Fair value as at 30 September 2020 HK$'000 (Unaudited)	% to the total assets of the Group as at 30 September 2020	% of interest of the respective investments as at 30 September 2020	Loss on disposal/redemption for the period ended 30 September 2020 (Unaudited)
Equity securities listed in Hong Kong									
Cool Link (Holdings) Limited (8491)	8.77%	0.83%	7,850	(7,850)	–	–	–	–	(6,188)

Significant investments, acquisitions and disposals, and Plans for Material Investment or Capital Assets

On 11 May 2020, Able Glorious entered into the agreement, pursuant to which, Able Glorious agreed to acquire the entire issued share capital of Bewisekid Group, at the maximum consideration of HK$33,250,000 (subject to downward adjustment), which shall be settled by way of issue and allotment of 246,296,296 consideration shares (or the adjusted number of the consideration shares in the event that the guaranteed profits is not satisfied) at the issue price of HK$0.135 per consideration share by the Company to the vendor within 7 Business Days after the determination of the actual profits. Bewisekid Group is principally engaged in provision of seminars on the UK property investment experience sharing in Hong Kong, together with the provision of play-based learning activities to enhance the overall development for children aged from 6 to 14 years old in Hong Kong. Completion of the transaction took place on 10 August 2020. Details of the transaction were set out in the Company's announcements dated 11 May 2020, 30 June 2020, 13 July 2020, 4 August 2020 and 10 August 2020.

On 17 August 2020, Able Glorious entered into the agreement, pursuant to which, Able Glorious agreed to acquire the entire issued share capital of Zone Galaxy Group, at the consideration of HK$40,000,000, which was satisfied by the issue of the promissory note upon completion of the transaction. Zone Galaxy Group is principally engaged in provision of financial quotient and securities investment experience-sharing seminars and relevant value-added services in Hong Kong, together with the provision of activities introducing memory improvement and speed-reading technique. Completion of the transaction took place on 17 August 2020. Details of the transaction were set out in the Company's announcements dated 17 August 2020.

Save as disclosed in this announcement, there was no future plan for material investments or capital assets as at 30 September 2020.

Contingent Liabilities

Save as disclosed in the Interim Financial Statements, the Group had no material contingent liabilities as at 30 September 2020.

Foreign Exchange Risk

The Group's business operations are denominated mainly in HK$. The Group's assets and liabilities are mainly denominated in HK$. Currently, the Group has not entered into agreements or purchased instruments to hedge the Group's exchange rate risks.

Interim Dividend

The Board does not recommend the payment of an interim dividend for the six months ended 30 September 2020 (2019: Nil).

Employees and Remuneration Policies

As at 30 September 2020, the Group had approximately 45 employees. The Group's staff cost for the six months ended 30 September 2020 amounted to approximately HK$2.8 million. The Group's remuneration policies are in line with the prevailing market practice and are determined on the basis of performance, qualification and experience of individual employee. The Group recognises the importance of good relationship with its employees. The remuneration payable to its employees includes salaries and allowance.

In Hong Kong, the Group's employees have participated in the mandatory provident fund prescribed by the Mandatory Provident Fund Schemes Ordinance (Chapter 485 of the Laws of Hong Kong).

CAPITAL REORGANISATION

The Company had completed the capital reorganisation ("Capital Reorganisation") on 12 October 2020 which include the followings:

a) capital reduction ("Capital Reduction") whereby the share capital of the Company reduced by (i) the cancellation of HK$0.0399 paid-up capital on each issued share such that each issued share shall be treated as one fully paid-up share of HK$0.0001 each (the "New Share") in the capital of the Company; and (ii) the reduction of the par value of each and every unissued share from HK$0.04 to HK$0.0001;

b) share premium cancellation whereby upon the Capital Reduction becoming effective, the entire amount standing to the credit of the share premium account of the Company had been cancelled ("Share Premium Cancellation");

c) the credit arising from the Capital Reduction and Share Premium Cancellation had been applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction. The balance of credit after offsetting, if any, had been transferred to a distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the board of directors considers appropriate; and

d) immediately following the Capital Reduction, the authorised share capital of the Company increased from HK$1,250,000 divided into 12,500,000,000 New Shares of par value of HK$0.0001 each to HK$500,000,000 divided into 5,000,000,000,000 New Shares of par value of HK$0.0001 each, by the creation of 4,987,500,000,000 additional New Shares of par value of HK$0.0001 each.

Details of the above transactions were set out in the announcements of the Company dated 14 February 2020, 19 June 2020, 31 August 2020, 11 September 2020 and 7 October 2020 and the circular of the Company dated 28 February 2020.

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

As at 30 September 2020, none of the Directors and chief executives of the Company had any interests or short position in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) (i) as 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 are taken or deemed to have under such provisions of the SFO), or (ii) as required to be recorded in the register required to be kept by the Company pursuant to Sections 352 of the SFO, or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by directors of listed issuers as referred to in Rule 5.46 to Rule 5.67 of the GEM Listing Rules.

DIRECTORS' AND CHIEF EXECUTIVE'S RIGHTS TO ACQUIRE SHARES OR DEBT SECURITIES

Save as disclosed in "SHARE OPTION SCHEME" under note 14 in this announcement, as at 30 September 2020, neither the company, holding company nor any of its subsidiaries was a party to any arrangements to enable the directors and chief executive of the company to acquire benefits by means of the acquisition of shares in, or debt securities, including debentures, of the company or any other body corporate, and none of the directors and chief executive of the company or their spouses or children under the age of 18, had any right to subscribe for the securities of the company, or had exercised any such rights.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 September 2020, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or as required to be recorded in the register required to be kept under 336 of the SFO:

Long position in shares and underlying shares of the Company

Name of shareholder	Capacity/ nature of interests	Number of shares	Percentage of the Company's issued share capital as at 30 September 2019
Lau Lan Ying *(Note)*	Interest in a controlled corporation	322,314,800	25.18%
Wong Kwan Mo *(Note)*	Interest in a controlled corporation	322,314,800	25.18%
Strong Light Investments Limited *(Note)*	Beneficial owner	299,694,000	23.41%
Ge Qingfu	Beneficial owner	128,226,200	10.02%
Flying mortgage Limited	Beneficial owner	70,512,000	5.51%

Note:

299,694,000 shares are owned by Strong Light Investments Limited, Strong Light Investments Limited is a company incorporated in Hong Kong. The entire issued share capital of Strong Light Investments Limited is owned as to 50% by Lau Lan Ying and 50% by Wong Kwan Mo. Lau Lan Ying is the spouse of Wong Kwan Mo.

Save as disclosed above, as at 30 September 2020, the Company has not been notified by any person (other than the Directors or the chief executives as disclosed in the paragraph headed "Directors' and chief executives' interests and short positions in shares, underlying shares or debentures of the Company or any associated corporations" above) who had, or was deemed to have, interests or short positions in the shares, underlying shares or debentures of the Company which would fall to be disclosed to the Company under provisions of Divisions 2 and 3 of Part XV of the SFO or were required to be recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

Details of the share option scheme are set out in Note 14 in this announcement.

CORPORATE GOVERNANCE PRACTICES

The Group's corporate governance practices are based on the principles and the code provisions in the Corporate Governance Code (the "Code") as set out in Appendix 15 to the GEM Listing Rules.

During the six months ended 30 September 2020 and up to the date of this announcement, save for the deviation from code provision A.2.1 of the Code which explained below, the Company has applied the principles and complied with all the applicable code provisions of the Code contained in Appendix 15 to the GEM Listing Rules.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision A.2.1 of the CG Code, the roles of the chairman ("Chairman") and the chief executive officer ("CEO") should be separate and should not be performed by the same individual.

Following the resignation of Mr. Ng Ka Ho on 7 May 2019, the Board is in the process of locating an appropriate person to fill the vacancy of the Chairman and CEO as soon as practicable. Even so, the Board considers that the existing Board members are able to share the power and responsibilities of Chairman and CEO among themselves.

COMPLIANCE WITH THE REQUIRED STANDARD OF DEALINGS IN SECURITIES TRANSACTIONS BY DIRECTORS

The Group 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.

Upon the Group's specific enquiry, each Director confirmed that he/she had fully complied with the required standard of dealings and there was no event of non-compliance during the six months ended 30 September 2020 and up to the date of this announcement.

PURCHASE, SALES OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities for the six months ended 30 September 2020.

DIRECTORS' INTEREST IN COMPETING BUSINESS

The Directors confirm that none of the Directors and their respective close associates (as defined in the GEM Listing Rules) had an interest in any business which competed or was likely to compete, either directly or indirectly with the Group's business during the six months ended 30 September 2020.

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 17.50A(1) of the GEM Listing Rules, the change in information of the Directors for the six months ended 30 September 2020 and up to the date of this interim report is set out below:

(i) Mr. Chan Lap Jin Kevin was appointed as an executive Director on 3 August 2020;

(ii) Mr. Chan Pak Qiu resigned from his office as an independent non-executive Director, the chairman of each of the Nomination Committee and the Remuneration Committee and a member of the Audit Committee on 30 October 2020; and

(iii) Mr. Chung Chin Kwan was appointed as an independent non-executive Director, the chairman of each of the Nomination Committee and the Remuneration Committee and a member of the Audit Committee on 30 October 2020.

INTEREST OF THE COMPLIANCE ADVISER

In accordance with Rule 6A.19 of the GEM Listing Rules, the Company has appointed Central China International Capital Limited ("CCIC") as the compliance adviser. CCIC has declared its independence pursuant to Rule 6A.07 of the GEM Listing Rules. None of CCIC or its directors, employees or close associates (as defined under the GEM Listing Rules) had any interests in relation to the Company or in the share capital of any member of the Group which is required to be notified to the Group pursuant to Rule 6A.32 of the GEM Listing Rules as at 30 September 2020.

AUDIT COMMITTEE

The Company has established the audit committee (the "Audit Committee") with terms in compliance with the 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 Group and oversee internal control procedures and risk management of the Group.

As at the date of this announcement, the Audit Committee consists of 3 independent non-executive Directors, namely Mr. Chan Kim Fai Eddie, Mr. Ng Chi Ho Dennis and Mr. Chung Chin Kwan. Mr. Chan Kim Fai Eddie is the chairman of the Audit Committee.

The Audit Committee has reviewed the accounting principles and policies adopted by the Group and the Interim 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.

PUBLICATION OF INTERIM RESULTS AND INTERIM REPORT

This announcement is published on the websites of the GEM and the Company (www.lna.com.hk). The interim report of the Company for the six months ended 30 September 2020 containing all the information required by the GEM Listing Rules will be dispatched to the Company's shareholders and published on the above websites.

By order of the Board
L & A INTERNATIONAL HOLDINGS LIMITED
Wang Tsz Yue
Executive Director

Hong Kong, 13 November 2020

As at the date of this announcement, the Board comprises four executive Directors, namely, Mr. Lau Chun Kavan, Ms. Wang Tsz Yue, Mr. Yuen Yu Sum and Mr. Chan Lap Jin Kevin and three independent non-executive Directors, namely, Mr. Chan Kim Fai Eddie, Mr. Ng Chi Ho Dennis and Mr. Chung Chin Kwan.

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.