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 2021

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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.

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 30 June 2021

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 2021 (the "First Quarterly Financial Statements") together with the unaudited comparative figures for the corresponding period in 2020 as follows:

		Three months ended 30 June	
		2021	2020
	NOTES	***HK$'000***	*HK$'000*
		(unaudited)	(unaudited)
Revenue	*3*	**30,529**	9,375
Cost of sales		**(4,563)**	(7,895)
Other income		**878**	1
Other gains, net	*4*	**139**	771
Selling and distribution expenses		**(149)**	(2)
Administrative expenses		**(8,400)**	(2,273)
Finance Cost		**(969)**	(339)
Share of profit less losses of associate		**–**	1,249
Profit before taxation		**17,465**	887
Income tax expenses	*5*	**(2,662)**	–
Profit and total comprehensive income for the period	*6*	**14,803**	887
Profit (loss) and total comprehensive income (expense) for the period attributable to:			
Owners of the Company		**14,807**	1,037
Non-controlling Interests		**(4)**	(150)
		14,803	887
		HK cent	*HK cent*
Earnings per share	*8*		
Basic		**0.96**	0.08
Diluted		**0.88**	0.08

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2021

	Attributable to owners of the Company									
	Share capital	Share premium	Share option reserve	Fair value reserve (non-recycling)	Special reserve	Other reserve	Accumulated profit (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 2020 (audited)	51,200	618,133	–	(21,924)	28,431	4,327	(627,590)	52,577	(2,598)	49,979
Profit (loss) and total comprehensive income (expense) for the period	–	–	–	–	–	–	1,037	1,037	(150)	887
At 30 June 2020 (unaudited)	51,200	618,133	–	(21,924)	28,431	4,327	(626,553)	53,614	(2,748)	50,866
At 1 April 2021 (audited)	154	78,152	5,437	(21,924)	28,431	4,327	82,181	176,738	(2,739)	174,019
Profit (loss) and total comprehensive income (expense) for the period	–	–	–	–	–	–	14,807	14,807	(4)	14,803
Annual dividend	–	(11,059)	–	–	–	–	–	(11,059)	–	(11,059)
At 30 June 2021 (unaudited)	154	67,093	5,437	(21,924)	28,431	4,327	96,988	180,506	(2,743)	177,761

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 2021

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 5/F, World Interests Building, 8 Tsun Yip Lane, Kwun Tong, 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 2021 (the "2021 Annual Report").

The adoption of the new/revised HKFRSs that are relevant to the Group and effective from the current period had no significant effects on the results and financial position of the Group for both periods. At the date of authorisation of the First Quarterly Financial Statements, the Group has not early adopted the new/revised HKFRSs that have been issued but are not yet effective.

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 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.

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 2021 and 2020 is set out below:

	Three months ended 30 June 2021						
	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$'000* (Unaudited)	**Property Investment Business** *HK$'000* (Unaudited)	**Total** *HK$'000* (Unaudited)
Reportable segment revenue:							
Disaggregated by timing of revenue recognition							
At a point in time	–	–	–	–	29,555	–	29,555
Revenue from other resources	–	–	974	–	–	–	974
Revenue from external customers	–	–	974	–	29,555	–	30,529
Reportable segment profit (loss)	(25)	–	339	–	19,941	(5)	20,250
Gain on fair value change on financial assets through profit or loss							139
Other income							878
Corporate administrative expenses							(2,833)
Finance costs							(969)
Profit before taxation							17,465

	Three months ended 30 June 2020						
	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$'000* (Unaudited)	Property Investment Business *HK$'000* (Unaudited)	Total *HK$'000* (Unaudited)
Reportable segment revenue:							
Disaggregated by timing of revenue recognition							
At a point in time	8,022	131	–	–	389	–	8,542
Revenue from other resources	–	–	833	–	–	–	833
Revenue from external customers	8,022	131	833	–	389	–	9,375
Reportable segment profit (loss)	381	(2)	731	(354)	7	(2)	761
Share of profit less losses of associates							1,249
Loss on disposal of financial assets at fair value through profit or loss, net							(6,188)
Gain on disposal of a subsidiary							99
Other income							1
Corporate administrative expenses							(1,556)
Finance costs							(339)
Bad Debt recovery							6,860
Profit before taxation							887

There was no inter-segment revenue for the three months ended 30 June 2021 and 2020.

(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	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Garment products	**–**	8,153
Seafood	**–**	–
Interest income from loan receivables	**974**	833
Tuition fee from financial quotient and education courses	**29,555**	389
	30,529	9,375

(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	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong (place of domicile)	**30,529**	9,375

4. OTHER GAINS, NET

	Three months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Gain on fair value change on financial assets through profit or loss	**139**	–
Loss on disposal of financial assets at fair value through profit or loss, net	**–**	(6,188)
Gain on disposal of subsidiaries	**–**	99
Bad Debt recovery	**–**	6,860
	139	771

5. INCOME TAX EXPENSES

	Three months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Hong Kong Profits Tax *(Note)*		
– current period	**2,662**	–

Notes:

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%.

6. PROFIT FOR THE PERIOD

	Three months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Profit for the period has been arrived at after charging:		
Directors' remuneration:		
– Fees	**309**	270
– Salaries and other benefits	**60**	60
– Retirement benefit scheme contributions	**3**	3
	372	333
Other staff salaries and allowances	**2,438**	900
Retirement benefit scheme contributions, excluding those of Directors	**90**	29
Total employee benefits expenses	**2,900**	1,262
Cost of inventories recognised as an expense	**–**	7,742
Depreciation of investment properties	**2**	2
Depreciation of property, plant and equipment	**862**	35

7. DIVIDEND

The Board has resolved to declare an interim dividend of HK$0.0075 per share for the three months ended 30 June 2021 (2020: Nil) totaling approximately HK$13,367,102.22 based on the 1,782,280,296 issued shares of the Company outstanding as at the date of this announcement.

The interim dividend of HK$0.0075 per Share will be paid in three instalments of HK$0.0024 per Share, HK$0.0025 per Share and HK$0.0026 per Share each on 25 October 2021, 26 November 2021 and 24 December 2021 respectively to shareholders whose names appeared on the register of members of the Company at the close of business on 19 October 2021, 22 November 2021 and 20 December 2021 respectively. For ascertaining the entitlement to the proposed interim dividend, the register of members of the Company will be closed from 15 October 2021 to 19 October 2021, 18 November 2021 to 22 November 2021 and 16 December 2021 to 20 December 2021 respectively, both days inclusive, during which period no transfer of shares will be registered. In order to qualify for the proposed interim dividend, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Union Registrars Limited at Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong for registration not later than 4:00 p.m. on 13 October 2021, 17 November 2021 and 15 December 2021 respectively.

8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to owners of the Company is based on the following data:

	Three months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Earnings		
Profit attributable to ordinary equity holders of the Company, used in the basic earnings per share calculation	**14,807**	1,037
	'000	'000
Shares		
Weighted average of number of ordinary shares in issue during the period used in the basic earnings per share calculation	**1,535,984**	1,280,000
Effect of dilution – weighted average number of ordinary shares		
Share options	**137,992**	–
	1,673,976	1,280,000

9. RELATED PARTY DISCLOSURES

(a) Compensation of Directors and key management personnel

	Three months ended 30 June	
	2021	2020
	HK$'000	*HK$'000*
	(Unaudited)	(Unaudited)
Salaries and other allowances	**369**	330
Retirement benefit scheme and contributions	**3**	3
	372	333

The remuneration of Directors and key management personnel are determined having regard to the performance of the individuals.

(b) Financial arrangement

At 30 June 2021, the outstanding loan balance due to a Shareholder is nil (2020: HK$9,720,000). The interest expenses on loan from Shareholder during the three months ended 30 June 2021 amounted to nil (three months ended 30 June 2020: HK$322,000).

10. 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 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. As at 30 June 2021, the legal case is still in progress and the status remain unchanged.

(b) During the year ended 31 March 2019, a petition was 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 hearing has been adjourned to 6 July 2020 (with 5 days reserved). The Directors 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. As at 31 March 2021, the legal case is still in progress and the status remain unchanged.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the following businesses: (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.

Retail Business

During the three months ended 30 June 2021, the revenue generated from Retail Business reduced to nil. This was mainly due to the outbreak of coronavirus in Hong Kong.

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 2021, the Money Lending Business had generated interest income of approximately HK$1.0 million.

Wholesaling Business

The Wholesaling Business commenced operation during the year ended 31 March 2020. During the three months ended 30 June 2021, the revenue generated from Wholesaling Business reduced to nil. This was mainly due to the outbreak of 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 courses. During the three months ended 30 June 2021, certain courses were completed with inspiring achievements and revenue of approximately HK$29.5 million, representing an increase of over 7,000% as compared to that of approximately HK$389,000 for the corresponding period in 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 and the property was disposed during the year ended 31 March 2021 and gain on the disposal of investment property of approximately HK$87,000 was recognised.

PROSPECTS

For the Financial Quotient and Investment Education Business, the Group will (i) invest resources to expand the market share, 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.

Whilst the Group remains focused on developing its existing businesses, in particular the Investment Education Business, it has been the business strategy of the Group to proactively seek potential investment opportunities in order to enhance value of the Shareholders. The Group intends to commence the business of providing secondary school tutoring courses for Hong Kong Diploma of Secondary Education (i.e. HKDSE) in Hong Kong, and has been pro-actively identifying and recruiting experienced management personnel and tutors to join the Group. Details of this new business venture are set out in the Company's announcement dated 10 August 2021.

FINANCIAL REVIEW

Revenue

The Group's revenue increased from approximately HK$9.4 million for the three months ended 30 June 2020 to approximately HK$30.5 million for the three months ended 30 June 2021, representing an increase of approximately 225.6%. Due to the outbreak of coronavirus in Hong Kong, the revenue from the OEM Business, the Retail Business and the Wholesaling Business decreased to nil for the three months ended 30 June 2021 as compared to the three months ended 30 June 2020.

On the other hand, the Money Lending Business and Financial Quotient and investment Education Business contributed revenue of approximately HK$1.0 million and HK$29.5 million respectively during the three months ended 30 June 2021.

The following table sets forth the breakdowns of the revenue of the Group by segment for each of the three months ended 30 June 2020 and 30 June 2021.

	Three months ended 30 June			
	2021		2020	
	HK$'000	*%*	*HK$'000*	*%*
OEM Business	**–**	**–**	8,022	85.6
Retail Business	**–**	**–**	131	1.4
Money Lending Business	**974**	**3.2**	833	8.9
Wholesaling Business	**–**	**–**	–	–
Financial Quotient and Investment Education Business	**29,555**	**96.8**	389	4.1
	30,529	**100.0**	9,375	100.0

Cost of sales

The Group's cost of sales decreased by 42.2% to approximately HK$4.6 million for the three months ended 30 June 2021 as compared to the three months ended 30 June 2020. The decrease was mainly attributable to the substantial reduction in the cost of sales of the OEM Business during the three months ended 30 June 2021.

Expenses

Selling and administrative expenses for the three months ended 30 June 2021 were approximately HK$8.5 million (three months ended 30 June 2020: approximately HK$2.3 million), representing a increase of approximately HK$6.2 million.

Profit for the period

Profit for the three months ended 30 June 2021 was approximately HK$14.8 million, whereas profit for the three months ended 30 June 2020 was approximately HK$0.9 million.

Such increase in profit was primarily attributable to substantial increase in revenue of the Financial Quotient and Investment Education Business in the three months ended 30 June 2021.

OTHER INFORMATION

CHANGE OF COMPANY NAME

The Company is in the process of change of the English name of the Company from "L & A International Holdings Limited" to "Legendary Group Limited" and the proposed new dual foreign name in Chinese of the Company from "樂亞國際控股有限公司" to "創天傳承集團有限公司" (the "Change of company name").

At the annual general meeting of the Company held on 30 July 2021 (the "AGM"), the proposed resolution to approve the Change of company name was duly passed as a special resolution by way of poll by the shareholders. Subsequent to the passing of the resolution at the AGM, the Change of company name will become effective after all necessary filing procedures in Bermuda and Hong Kong.

The Change of company name has not yet completed at the date of this announcement.

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 2021.

Save as disclosed elsewhere in this announcement, there was no plan for material investments or capital assets as at 30 June 2021.

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

As at 30 June 2021, the interests and short positions of each Director and chief executive in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")), which are required (i) to be notified to the Company and the Stock Exchange pursuant to the provisions of Division 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); (ii) pursuant to section 352 of Part XV of the SFO, to be entered in the register referred to therein; or (iii) pursuant to the Model Code to be notified to the Company and the Stock Exchange, were as follows:

Long positions in Shares and underlying shares of the Company:

Name of Directors	Capacity	Number of Shares held	Number of Options held	Total	Percentage of the Company's issue share as at 30 June 2021 *(%)*
Chan Lap Jin Kevin	Beneficial owner	154,644,000	–	154,644,000	10.07
Yuen Yu Sum	Beneficial owner	–	10,000,000 *(Note 1)*	10,000,000	0.65
Chung Chin Kwan	Beneficial owner	5,256,000	–	5,256,000	0.34
	Interest of spouse	720,000 *(Note 2)*	–	720,000	0.05
Law Wing Chung	Beneficial owner	960,000	–	960,000	0.06

Note:

(1) On 14 July 2020, a total of 10,000,000 share options were granted to Mr. Yuen Yu Sum.

(2) 720,000 shares are owned by Ms. Lam Ka Yee, who is the spouse of Mr. Chung Chin Kwan.

Saved as disclosed above, as at 30 June 2021, 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 under the section headed "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 2021, 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.

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, after which no further options will be granted. Under the Scheme, the Board of Directors of the Company may grant options to:

a) any employee or proposed employee (whether fulltime 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 or any shareholder of 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.

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.

On 26 March 2021, a total of 127,992,000 share options were granted to certain grantees. Details were set out in the Company's announcement dated 26 March 2021 and 7 April 2021.

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 2021, 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 2020
Lau Lan Ying *(Note)*	Interest in controlled corporations	236,314,800	15.39%
Wong Kwan Mo *(Note)*	Interest in controlled corporations	236,314,800	15.39%
Strong Light Investments Limited ("Strong Light") *(Note)*	Beneficial owner	213,693,000	13.91%
Lui Yu Kin	Beneficial owner	98,136,000	6.39%
Flying Mortgage Limited	Beneficial owner	89,250,000	5.81%

Note:

213,693,000 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 Lan Ying is the spouse of Wong Kwan Mo.

Saved as disclosed above, as at 30 June 2021, 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 2021 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 2021.

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 2021 or as at 30 June 2021.

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 30 June 2021, the Audit Committee consists of three independent non-executive Directors, namely Mr. Chan Kim Fai Eddie (Chairman), Mr. Ng Chi Ho Dennis and Mr. Chung Chin Kwan.

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
Yuen Yu Sum
Chairman and executive Director

Hong Kong, 13 August 2021

As at the date of this announcement, the Board comprises three executive Directors, namely, Mr. Yuen Yu Sum (Chairman), Mr. Lau Chun Kavan and Mr. Chan Lap Jin Kevin; one non-executive Director, namely, Mr. Law Wing Chung; and four independent non-executive Directors, namely, Mr. Chung Chin Kwan, Mr. Chan Kim Fai Eddie, Mr. Ng Chi Ho Dennis and Mr. Chung Kwok Pan.