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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)**

**DISCLOSEABLE TRANSACTION**  
**DISPOSAL OF LISTED SECURITIES**

**THE DISPOSAL**

On 25 September 2017, the Group disposed of 27,500,000 China Child Shares at a price of HK\$0.4706 per China Child Share on the open market for a gross sale proceeds of approximately HK\$12,941,500 (excluding transaction costs).

**GEM LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeded 5% but all applicable percentage ratios were below 25%, the Disposal constituted a discloseable transaction for the Company and was therefore subject to the notification and announcement, but was exempted from shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

However, due to inadvertent oversight, the Disposal has not been notified and announced by the Company in a timely manner in accordance with the GEM Listing Rules which constituted a breach of Rule 19.34 of the GEM Listing Rules at the material time.

## **THE DISPOSAL**

On 25 September 2017, the Group disposed of 27,500,000 China Child Shares at a price of HK\$0.4706 per China Child Share on the open market for a gross sale proceeds of approximately HK\$12,941,500 (excluding transaction costs).

As the Disposal was made on the market, the Company was not aware of the identity(ies) of the purchaser(s) of such 27,500,000 China Child Shares. To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, the purchaser(s) of such 27,500,000 China Child Shares and its/their respective ultimate beneficial owner(s) were Independent Third Parties as at the date of the Disposal.

### **Assets disposed of**

The Group disposed of 27,500,000 China Child Shares, which represented approximately 2.4% of the total number of 1,158,436,000 issued China Child Shares as at the date of the Disposal according to publicly available information. After the Disposal, the Group ceased to hold any China Child Shares as at the date of the Disposal.

### **Consideration**

The gross sale proceeds of the Disposal were approximately HK\$12,941,500 (excluding transaction costs), which has been received in cash on settlement. The consideration for the Disposal represented the market price of the China Child Shares at the time of the Disposal.

## **INFORMATION OF CHINA CHILD**

China Child is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 1259). The principal activity of China Child is investment holding. The China Child Group are principally engaged in manufacture and sale of personal care products, money lending, operation of online platform, trading of commodities, securities investment, properties holding and investment holding.

Set out below is a summary of certain audited consolidated financial information of the China Child Group for the two years ended 31 December 2016 as extracted from the annual report of China Child for the year ended 31 December 2016:

	<b>For the year ended</b>	
	<b>31 December</b>	
	<b>2016</b>	<b>2015</b>
	<i>(RMB'000)</i>	<i>(RMB'000)</i>
	(audited)	(audited)
Revenue	999,544	913,716
Loss before taxation	(106,003)	(49,260)
Loss after taxation	(109,476)	(49,816)

Based on the interim report of China Child for the six months ended 30 June 2017, the unaudited net asset value of the China Child Group as at 30 June 2017 was approximately RMB1,421,196,000.

## **REASONS FOR AND BENEFITS AND FINANCIAL EFFECTS OF THE DISPOSAL**

The Company is an investment holding company. The Group is principally engaged in the manufacturing, sales and retailing of garment products and provision of loan.

The Group acquired 27,500,000 China Child Shares in July 2017 at an aggregate acquisition cost of approximately HK\$9.12 million for investment purpose. The Directors expected to recognise an immediate gain of approximately HK\$3.82 million from the Disposal, which was calculated on the basis of the difference between the acquisition cost and the disposal price (excluding transaction costs) of 27,500,000 China Child Shares. The Group has used the proceeds from the Disposal for general working capital.

The Directors consider that the Disposal would enhance the liquidity of the Company and the Disposal was made at market price. As such, the Directors are of the view that the terms of the Disposal are on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

## **GEM LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Disposal exceeded 5% but all applicable percentage ratios were below 25%, the Disposal constituted a discloseable transaction for the Company and was therefore subject to the notification and announcement, but was exempted from shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

However, due to inadvertent oversight, the Disposal has not been notified and announced by the Company in a timely manner in accordance with the GEM Listing Rules which constituted a breach of Rule 19.34 of the GEM Listing Rules at the material time.

## **REMEDIAL ACTIONS**

In order to ensure that the Company will fully comply with the requirements under Chapter 19 of the GEM Listing Rules and prevent the re-occurrence of similar incident, the Company will take the following remedial measures:

- (i) the Company will provide further guidance material and training, in particular, regarding how to define a transaction and proper calculation methodology of the percentage ratios relating to notifiable transactions under the GEM Listing Rules for the Directors, senior management and the finance staffs of the Group in order to strengthen and reinforce their existing knowledge with respect to notifiable transactions;
- (ii) ongoing trainings will be developed and provided by external advisers to the Directors, senior management and relevant employees of the Group to familiarise them with the legal and regulatory requirements applicable to the business operations of the Group and to enhance their awareness and knowledge on, and also to allow them to keep abreast of the latest development of the GEM Listing Rules;
- (iii) the Company will set up a reporting guideline such that the staff should evaluate the proposed transactions and report to the head of finance team of the Group if the proposed transactions may constitute notifiable transactions and in case they are in doubt prior to the entering into of those transactions. The head of finance team of the Group shall further assess the proposed transactions and ensure its reporting obligations as well as submit to the Board for approval; and
- (iv) the Company will consider to retain a qualified financial adviser to consult and assist in carrying out compliance matters of the Group relating to the GEM Listing Rules. As such, the Company will work closely with the financial adviser in order that necessary steps can be promptly taken in respect of any potential notifiable transactions within the definition of the GEM Listing Rules.

## DEFINITIONS

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

“Board”	the board of Directors
“China Child”	China Child Care Corporation Limited, a company incorporated in the Cayman Islands with limited liability whose shares are listed on the Main Board of the Stock Exchange (Stock code: 1259)
“China Child Group”	China Child and its subsidiaries
“China Child Share(s)”	ordinary share(s) of HK\$0.01 each in the issued share capital of China Child
“Company”	L & A International Holdings Limited (樂亞國際控股有限公司), a company incorporated in the Cayman Islands with limited liability, whose Shares are listed on GEM
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of 27,500,000 China Child Shares by the Group for a gross sale proceeds of approximately HK\$12,941,500 (excluding transaction costs) on 25 September 2017
“GEM”	the GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third party(ies) who is/are independent of, and not connected with, the Company and its connected persons (as defined in the GEM Listing Rules)
“RMB”	Renminbi, the lawful currency of the People’s Republic of China
“Shareholder(s)”	holders of the Shares
“Share(s)”	ordinary shares of HK\$0.04 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

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

Hong Kong, 15 August 2018

*As at the date of this announcement, the Board comprises two executive Directors, namely, Mr. Ng Ka Ho and Mr. Lau Chun Kavan and three independent non-executive Directors, namely, Mr. Li Kin Ping, Mr. Ma Chi Ming and Ms. Guo Yan Xia.*

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement will remain on the “Latest Company Announcements” page of the GEM website at <http://www.hkgem.com> for at least 7 days from the date of its posting and on the website of the Company at <http://www.lna.com.hk>.*