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LAI SUN GARMENT

Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 191)



eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)



LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)

(Stock Code: 488)



LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1125)

JOINT ANNOUNCEMENT

LICENSE AGREEMENT IN RELATION TO DUCATI

This joint announcement is made by Lai Sun Garment (International) Limited (“**LSG**”), Lai Sun Development Company Limited (“**LSD**”), eSun Holdings Limited (“**eSun**”) and Lai Fung Holdings Limited (“**Lai Fung**”) to keep the shareholders and potential investors of LSG, LSD, eSun and Lai Fung informed of the latest business development of Lai Fung.

The respective boards of directors (“**Board**”) of LSG, LSD, eSun and Lai Fung are pleased to announce on 27 December 2018, a wholly-owned subsidiary of Lai Fung (as the licensee) and Lai Fung (as the guarantor to that such subsidiary), entered into a License Agreement (“**Agreement**”) with Ducati Motor Holding S.p.A (“**Ducati**”) in relation to the development and operation of a motorcycle themed experience centre (“**Centre**”) in Phase II of the Novotown project in Hengqin, Zhuhai, the People’s Republic of China (“**PRC**”).

LSG is the ultimate holding company of Lai Fung, while both LSD and eSun are intermediate holding companies of Lai Fung. Other than through their shareholding or deemed shareholding investment in Lai Fung, neither LSG, LSD nor eSun has direct and indirect investment or any other participation in the development and operation of the Centre.

THE AGREEMENT

Pursuant to the Agreement, the Centre will be developed by Lai Fung for the Novotown project and Ducati will license certain of its licensed intellectual property rights and provide consultation services to that subsidiary of Lai Fung or its affiliate in return for payments, largely in the form of royalties against various revenue streams of the Centre payable on a periodic basis. The term of the Agreement is for 10 years from the initial commercial launch of the Centre with an option to extend for another 10 years.

The Centre will cover an area of no less than 4,500 square metres and will provide various experiences including interactive motorcycle racing experience, specialty cuisine, and retail concession.

REASONS FOR ENTERING INTO THE AGREEMENT

Lai Fung is exploring business and investment opportunities in the cultural and entertainment-related industry in the PRC. The Board of Lai Fung believes that the motorcycle-themed experiences that will be featured in the Centre will broaden the entertainment horizon in Novotown and Hengqin, and the association with Ducati will raise the profile of Lai Fung and enhance its prospect to further and better business opportunities.

INFORMATION OF NOVOTOWN AND DUCATI

Novotown is a multi-phase project located in the heart of Hengqin, Zhuhai, the PRC within a five-minute driving distance from the Hengqin Port which is adjacent to Macau. Novotown features a mix of cultural and entertainment attractions and is positioned as a cultural and creative incubator that combines state-of-the-art technology with some of the most innovative concepts for Guangdong, Hong Kong, Macau and Taiwan. Cultural experiences of Phase I include Lionsgate Entertainment World™, National Geographic Ultimate Explorer, Sanitas Healthcare and Medical Beauty Center, a multi-purpose performance hall, wedding ceremony venue, Hengqin Hyatt Regency Hotel as well as concept retail and dining, etc. Phase II will be headlined by Real Madrid World, a Ducati theme experience centre, and Innovation Leadership Academy Hengqin with Harrow International (China). Detailed information can be found at its official website: www.novotown.com.cn.

Ducati was founded in 1926 and has been manufacturing sport-inspired motorcycles characterised by high-performance Desmodromic engines, innovative design and cutting-edge technology since 1946. With its factory located in Bologna's Borgo Panigale district. In 2016, Ducati celebrated 90 years since it was founded. The model range covers several market segments with the following families: Diavel, Hypermotard, Monster, Multistrada, SuperSport and Panigale. In 2015, Ducati presented the Ducati Scrambler: a new brand made of bikes, accessories and apparel that provide the last word in creativity and self-expression. These authentic icons representing what the world knows as "Made in Italy", together with an extensive range of associated accessories and technical and lifestyle apparel, are distributed in 90 countries globally. In 2017, Ducati delivered 55,871 bikes to customers, continuing the growth trend of the last eight years. Ducati competes in both the World Superbike Championship and MotoGP World Championship. In World Superbike Championship, Ducati has won 17 Manufacturers' titles and 14 Riders' titles. Ducati has been competing in MotoGP World Championship since 2003, winning both the Manufacturers' and Riders' titles in 2007.

GENERAL

LSG, LSD, eSun and Lai Fung will issue further announcement(s) as and when appropriate, or when required under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

By order of the Board
Lai Sun Garment (International) Limited
Chew Fook Aun
*Executive Director and
Deputy Chairman*

By order of the Board
eSun Holdings Limited
Lui Siu Tsuen, Richard
*Executive Director and
Chief Executive Officer*

By order of the Board
Lai Sun Development Company Limited
Chew Fook Aun
*Executive Director and
Deputy Chairman*

By order of the Board
Lai Fung Holdings Limited
Chew Fook Aun
Chairman

Hong Kong, 27 December 2018

As at the date of this joint announcement,

- (a) *the Board of LSG comprises six executive directors, namely Dr. Lam Kin Ming (Chairman), Dr. Lam Kin Ngok, Peter (Deputy Chairman), Mr. Chew Fook Aun (Deputy Chairman), Madam U Po Chu, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); and three independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu;*
- (b) *the Board of LSD comprises four executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman), Lau Shu Yan, Julius (Chief Executive Officer) and Lam Hau Yin, Lester; two non-executive directors, namely Dr. Lam Kin Ming and Madam U Po Chu; and four independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William, Ip Shu Kwan, Stephen and Leung Wang Ching, Clarence;*
- (c) *the Board of eSun comprises four executive directors, namely Messrs. Lui Siu Tsuen, Richard (Chief Executive Officer), Chew Fook Aun, Lam Hau Yin, Lester and Yip Chai Tuck; two non-executive directors, namely Madam U Po Chu and Mr. Andrew Y. Yan; and four independent non-executive directors, namely Messrs. Low Chee Keong (Chairman), Lo Kwok Kwei, David and Alfred Donald Yap and Dr. Ng Lai Man, Carmen; and*
- (d) *the Board of Lai Fung comprises seven executive directors, namely Mr. Chew Fook Aun (Chairman), Dr. Lam Kin Ming (Deputy Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer), Madam U Po Chu, Mr. Cheng Shin How and Mr. Lee Tze Yan, Ernest; two non-executive directors, namely Mr. Lucas Ignatius Loh Jen Yuh and Mr. Puah Tze Shyang (also alternate to Mr. Lucas Ignatius Loh Jen Yuh); and five independent non-executive directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin and Shek Lai Him, Abraham.*