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LAI SUN GARMENT

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

**(Stock Code: 191)**



LAI SUN DEVELOPMENT

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

**(Stock Code: 488)**

**JOINT ANNOUNCEMENT  
DISCLOSEABLE TRANSACTION  
DISPOSAL OF A PROPERTY IN LONDON, UNITED KINGDOM**

The LSG Board and the LSD Board are pleased to announce that the Seller has entered into the Agreement with the Buyer for the Disposal of the Property at a consideration of £55,000,000 (equivalent to approximately HK\$572,000,000) on 18 July 2018.

As one of the applicable percentage ratios as set out in the Listing Rules in respect of the Disposal exceeds 5% but all of the other applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for both LSG and LSD, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

**DISPOSAL**

The LSG Board and the LSD Board are pleased to announce that the Seller has entered into the Agreement with the Buyer for the Disposal of the Property at a consideration of £55,000,000 (equivalent to approximately HK\$572,000,000) on 18 July 2018.

The principal terms of the Agreement are summarised below:

Date: 18 July 2018 (after trading hours)

Parties:

(i) Seller: Speedy Result Limited

(ii) Buyer: Prudential UK Real Estate Nominee 1 Limited and Prudential UK Real Estate Nominee 2 Limited

Property:	36 Queen Street, London, EC4, United Kingdom
Consideration:	£55,000,000 (equivalent to approximately HK\$572,000,000)
Payment:	The Buyer shall pay the consideration on the date of completion
Completion:	Completion shall take place on 18 July 2018 or at a date to be mutually agreed by the parties

The consideration is determined after arm's length negotiations between the Seller and the Buyer having taken into account of the prevailing market price of relevant properties in comparable locations.

### **INFORMATION OF THE BUYER**

The Buyer is Prudential UK Real Estate Nominee 1 Limited and Prudential UK Real Estate Nominee 2 Limited, both companies incorporated in England and Wales, and both acting as nominees for Prudential UK Real Estate General Partner Limited, a company incorporated in England and Wales, which is acting as general partner of the Prudential UK Real Estate Limited Partnership. The principal activity of the Buyer is property investment.

To the best of the LSG Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owner(s) are third parties independent of LSG and its connected persons.

To the best of the LSD Directors' knowledge, information and belief having made all reasonable enquiries, the Buyer and its ultimate beneficial owner(s) are third parties independent of LSD and its connected persons.

### **INFORMATION OF LSG, LSD AND THE SELLER**

LSG is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the LSG Group include property investment, property development, investment in and operation of hotels and restaurants and investment holding. LSG owns approximately 56.10% of the total issued shares of LSD as at the date of this joint announcement.

LSD is a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange. The principal activities of the LSD Group include property investment, property development, investment in and operation of hotels and restaurants and investment holding.

The Seller is a company incorporated in the British Virgin Islands with limited liability and is an indirect wholly-owned subsidiary of LSD. The principal activity of the Seller is property investment.

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

The Property was acquired by the LSD Group in February 2011 with comprehensive refurbishment and renovation works being completed in 2013 and the Property is currently fully leased out. The Disposal represents a good opportunity for the LSD Group to realise its investment in the Property, so as to enable the LSD Group to reallocate more financial resources on future potential investment opportunities and/or for general corporate purpose of the LSD Group.

The unaudited book value as well as the valuation of the Property as at 31 January 2018 was £52,260,000 (equivalent to approximately HK\$543,504,000).

The LSD Group is expected to record an unaudited estimated gain (before deducting relevant expenses and taxation) of approximately £2,740,000 (equivalent to approximately HK\$28,496,000), and such gain is determined with reference to the consideration of £55,000,000 (equivalent to approximately HK\$572,000,000) net of the unaudited book value of the Property as at 31 January 2018 of £52,260,000 (equivalent to approximately HK\$543,504,000).

The proceeds from the Disposal are intended to be used by the LSD Group to fully repay the existing mortgage loan financing the Property and for general corporate purpose.

The LSG Directors are of the view that the Disposal is in the interests of LSG and the LSG Shareholders as a whole and the terms and consideration thereof are fair and reasonable.

The LSD Directors are of the view that the Disposal is in the interests of LSD and the LSD Shareholders as a whole and the terms and consideration thereof are fair and reasonable.

## **LISTING RULES IMPLICATIONS**

As one of the applicable percentage ratios as set out in the Listing Rules in respect of the Disposal exceeds 5% but all of the other applicable percentage ratios are less than 25%, the Disposal constitutes a discloseable transaction for both LSG and LSD, and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

## **DEFINITIONS**

In this joint announcement, the following expressions have the meanings set out below unless the context otherwise requires:

**“Agreement”** the agreement dated 18 July 2018 entered into by the Buyer and the Seller (after trading hours) in respect of the Disposal;

<b>“Board”</b>	the board of directors;
<b>“Buyer”</b>	Prudential UK Real Estate Nominee 1 Limited and Prudential UK Real Estate Nominee 2 Limited, both companies incorporated in England and Wales, and both acting as nominees for Prudential UK Real Estate General Partner Limited, a company incorporated in England and Wales, which is acting as general partner of the Prudential UK Real Estate Limited Partnership;
<b>“connected person(s)”</b>	has the meaning as ascribed thereto in the Listing Rules;
<b>“Disposal”</b>	the disposal of the Property by the Seller to Buyer pursuant to the terms and conditions of the Agreement;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“LSD”</b>	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488);
<b>“LSD Board”</b>	the board of LSD Directors;
<b>“LSD Directors”</b>	the directors of LSD;
<b>“LSD Group”</b>	LSD and its subsidiaries;
<b>“LSD Shareholders”</b>	the shareholders of LSD;
<b>“LSG”</b>	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191), the ultimate holding company of LSD;
<b>“LSG Board”</b>	the board of LSG Directors;

“LSG Directors”	the directors of LSG;
“LSG Group”	LSG and its subsidiaries, including the LSD Group;
“LSG Shareholders”	the shareholders of LSG;
“percentage ratio(s)”	has the meaning given to it under the Listing Rules;
“Property”	36 Queen Street, London EC4, United Kingdom;
“Seller”	Speedy Result Limited, a company incorporated in the British Virgin Islands with limited liability, an indirect wholly-owned subsidiary of LSD;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“£”	Pounds Sterling, the lawful currency of the United Kingdom; and
“%”	per cent.

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

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

Hong Kong, 18 July 2018

*As at the date of this joint announcement,*

- (a) *the LSG Board 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 Hau Yin, Lester (also alternate to Madam U Po Chu) and Mr. Lam Kin Hong, Matthew; and three independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu; and*
- (b) *the LSD Board 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 three independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.*

*For the purposes of this joint announcement, conversions of £ into HK\$ are based on the approximate exchange rate of £1 to HK\$10.4 for the purpose of illustration only. No representation is made that any amount of HK\$ or £ could have been or could be converted at the above rate or at any other rates.*