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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
ACQUISITION OF 15% INTEREST IN A TARGET COMPANY AND
PROPOSED FINANCIAL ASSISTANCE TO THE TARGET GROUP**

THE ACQUISITION

On 3 March 2023 (after trading hours), the Purchaser (a direct wholly-owned subsidiary of LSD) exercised the Call Option to acquire the Option Shares from the Vendor (an independent third party), which represents 15% of the issued share capital of the Target Company.

The Total Consideration for the acquisition of the Option Shares comprises (i) the Option Price of HK\$115.5 million which had been paid by the Purchaser to the Vendor upon execution of the Call Option Deed and (ii) the Exercise Price (to be determined in accordance with the provisions of the Call Option Deed) which will be paid by the Purchaser to the Vendor upon Completion. Completion will take place five business days after the satisfaction of the last of the Completion Conditions. Subject to the satisfaction of the Completion Conditions, Completion shall take place on or before the Longstop Date.

Based on the information provided by the Vendor to the Purchaser as of the date of this joint announcement, the expected amount of the Exercise Price will be approximately HK\$46.2 million and, as such, the Total Consideration shall be approximately HK\$161.7 million.

As of the date of this joint announcement, the Project Company (a member of the Target Group) is the registered owner of the Target Land. As such, the LSD Group shall effectively acquire 15% interest in the Target Land indirectly upon Completion.

PROPOSED FINANCIAL ASSISTANCE TO THE TARGET GROUP

As one of the Completion Conditions, an Amended Facility Agreement (to which the LSD Group is not a party) in relation to the Facilities made available by the Lenders to the Project Company (a wholly-owned subsidiary of the Target Company) shall have been duly executed by the parties thereto. As of the date of this joint announcement, the principal terms and conditions of the Amended Facility Agreement have been finalised amongst the parties thereto.

Pursuant to the terms of the Amended Facility Agreement, LSD (as guarantor) shall execute the Corporate Guarantee in favour of UOB (one of the Lenders, an independent third party, as security agent) as security for the Facilities upon execution of the Amended Facility Agreement. As of the date of this joint announcement, the principal terms and conditions of the Corporate Guarantee have been finalised between LSD and UOB. According to the terms of the Corporate Guarantee, LSD's liability thereunder is subject to the Guarantee Cap.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios in relation to the Total Consideration for the Acquisition and the Guarantee Cap (calculated based on the total amount of the available Facilities) in relation to the Proposed Financial Assistance (on an aggregated basis) exceeds 5% but all of the applicable percentage ratios are less than 25%, the Acquisition and the Proposed Financial Assistance (on an aggregated basis) constitutes a discloseable transaction for both LSG and LSD, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. For the avoidance of doubt, the entering into of the Call Option Deed by the Purchaser did not constitute a notifiable transaction of LSG or LSD under Chapter 14 of the Listing Rules.

THE ACQUISITION

On 3 March 2023 (after trading hours), the Purchaser (a direct wholly-owned subsidiary of LSD) exercised the Call Option to acquire the Option Shares from the Vendor (an independent third party), which represents 15% of the issued share capital of the Target Company.

The Total Consideration for the acquisition of the Option Shares comprises (i) the Option Price of HK\$115.5 million which had been paid by the Purchaser to the Vendor upon execution of the Call Option Deed and (ii) the Exercise Price (to be determined in accordance with the provisions of the Call Option Deed) which will be paid by the Purchaser to the Vendor upon Completion. Completion will take place five business days after the satisfaction of the last of the Completion Conditions. Subject to the satisfaction of the Completion Conditions, Completion shall take place on or before the Longstop Date.

Principal Terms of the Call Option Deed

The principal terms of the Call Option Deed entered into amongst the Vendor, the Purchaser, the Target Company, Rainbow Garden (a wholly-owned subsidiary of the Target Company), the Vendor Guarantors and the other shareholder of the Target company are as follows:-

- Call Option:** In consideration of the payment of the Option Price by the Purchaser, the Vendor irrevocably granted the Purchaser a call option pursuant to which the Purchaser shall have the right at any time during the Exercise Period to require the Vendor to sell to the Purchaser the Option Shares free from all encumbrances and with all rights, interests and benefits attaching thereto on the date of Completion.
- Option Price:** HK\$115,500,000, which had been paid by the Purchaser to the Vendor upon execution of the Call Option Deed.
- Exercise Period:** The period commencing from the date on which the last of the Exercise Conditions is satisfied or waived by the Purchaser and expiring on the Longstop Date.
- The Purchaser had the right (but not the obligation) to exercise the Call Option at its sole discretion during the Exercise Period.
- Exercise Conditions:** The Exercise Conditions include, inter alia, completion of the Underlying Acquisition of the Project Company having taken place in accordance with the terms of the relevant transaction documents.
- As of the date of this joint announcement, all Exercise Conditions (including but not limited to the completion of the Underlying Acquisition of the Project Company) have been satisfied.
- Exercise Price:** The Exercise Price shall be an amount equivalent to 150/550 (approximately 27.27%) of the principal amount of the Vendor's Shareholder Loan as shown in the Completion Accounts less the Option Price.

Payment terms: The Exercise Price shall be payable by the Purchaser to the Vendor in the following manner:-

- The Completion Payment (to be calculated based on the Pro Forma Completion Accounts) shall be paid by the Purchaser to the Vendor upon Completion.
- In the event that the final amount of the Exercise Price (to be calculated based on the Completion Accounts) is more than the amount of the Completion Payment, the Purchaser shall pay to the Vendor a sum representing the difference within 10 business days after the date on which the Exercise Price is deemed to be final and binding in accordance with the provisions of the Call Option Deed.
- In the event that the Exercise Price is less than the amount of the Completion Payment, the Vendor shall refund to the Purchaser a sum representing the difference within 10 business days after the date on which the Exercise Price is deemed to be final and binding in accordance with the provisions of the Call Option Deed.

Shareholder Loan: Subject to the payment of the Option Price and the Exercise Price by the Purchaser to the Vendor, the Vendor, the Purchaser, the Target Company and Rainbow Garden acknowledged and agreed, inter alia, that (i) an amount equivalent to 150/550 of the Vendor's Shareholder Loan as of the date of Completion shall be deemed to have been duly repaid by the Target Company to the Vendor upon Completion, and (ii) the same amount shall be deemed to have been advanced by the Purchaser to the Target Company by way of shareholder loan upon Completion.

Completion Conditions: Completion shall take place five business days after the satisfaction of the last of the Completion Conditions, including (i) the Amended Facility Agreement having been duly executed by the parties thereto; (ii) the form of a new joint venture agreement in respect of the Target Company, which shall replace the existing joint venture agreement, having been agreed amongst the parties thereto; and (iii) certain fundamental warranties provided by the Vendor remaining true, accurate and not misleading in all respects and all other warranties provided by the Vendor remaining true, accurate and not misleading in all material respects.

Subject to the satisfaction of the Completion Conditions, Completion shall take place on or before the Longstop Date.

Consent: The other shareholder of the Target Company (an independent third party) signed the Call Option Deed to confirm its agreement to the grant of the Call Option by the Vendor to the Purchaser.

Guarantee: The Vendor Guarantors jointly and severally guaranteed to the Purchaser the performance of the Vendor's obligations under the Call Option Deed.

Termination: Notwithstanding the exercise of the Call Option, the Call Option Deed may be terminated, inter alia, (i) by the Purchaser if any of the Completion Conditions has not be satisfied on or before the Longstop Date, (ii) by the Purchaser if the Vendor fails to comply with its Completion obligations, or (iii) by the Vendor if the Purchaser fails to comply with its Completion obligations (including but not limited to the payment of the Exercise Price), and:-

- should the Purchaser elect to terminate the Call Option Deed in the event described in (i) above, the Vendor shall refund the Option Price to the Purchaser in full and none of the parties shall have any further claim against the other;
- should the Purchaser elect to terminate the Call Option Deed in the event described in (ii) above, the Vendor shall refund the Option Price to the Purchaser in full without prejudice to the then accrued rights of the Purchaser, including the right to damages for the breach of the Vendor; and
- should the Vendor elect to terminate the Call Option Deed in the event described in (iii) above, the Option Price shall be retained by the Vendor absolutely and shall not be refundable to the Purchaser without prejudice to the then accrued rights of the Vendor, but the amount of the Option Price retained by the Vendor shall be taken into account in any claim for damages by the Vendor.

Exercise Notice

The Exercise Notice for the Call Option was issued by the Purchaser to the Vendor on 3 March 2023 (after trading hours). The Exercise Notice constituted a binding obligation on the Purchaser to acquire the Option Shares from the Vendor in accordance with the terms of the Call Option Deed.

The Target Group

The Target Group comprises the Target Company and its two wholly-owned subsidiaries, Rainbow Garden and the Project Company. The Target Company is a company incorporated on 19 October 2021 in the British Virgin Islands with limited liability. As of the date of this joint announcement, the Vendor holds 55% of the shareholding interests in the Target Company and the remaining shareholding interests in the Target Company is held by an independent third party. The principal asset of the Target Group is the Target Land.

The principal business activity of each of the Target Company and Rainbow Garden is investment holding, and the principal business activities of the Project Company include the holding of the Target Land, as well as the development and construction of a golf course and other ancillary facilities thereon.

As of the date of this joint announcement, the Project Company (a member of the Target Group) is the registered owner of the Target Land. As such, the LSD Group shall effectively acquire 15% interest in the Target Land indirectly upon Completion. According to the terms of the relevant land grant, the Target Land shall be used for the purpose of developing an 18-hole golf course together with ancillary facilities, including but not limited to golf shops, catering facilities, golf academy, golf driving ranges and ancillary overnight accommodations. As of the date of this joint announcement, development plan to be carried out on the Target Land by the Project Company has yet to be finalised.

Based on the information provided by the Vendor, the unaudited consolidated financial information of the Target Company for the period commencing from the date of its incorporation up to 28 February 2023 is summarised below:-

	For the period from 1 April 2022 to 28 February 2023 (unaudited) HK\$ million	For the period from 19 October 2021 (date of incorporation) to 31 March 2022 (unaudited) HK\$ million
Revenue	–	–
Loss before taxation	1.3	0.1
Loss after taxation	1.3	0.1

Based on the unaudited consolidated financial information of Target Company made up to 28 February 2023 as provided by the Vendor, the unaudited net liabilities of the Target Company as at 28 February 2023 was approximately HK\$1.4 million.

Total Consideration

Based on the terms of the Call Option Deed, the Total Consideration for the Option Shares (being the aggregate amount of the Option Price and the Exercise Price) will be equivalent to 150/550 (approximately 27.27%) of the principal amount of the Vendor's Shareholder Loan as of the date of Completion.

Based on the information provided by the Vendor to the Purchaser as of the date of this joint announcement, the expected amount of the Exercise Price will be approximately HK\$46.2 million and, as such, the Total Consideration shall be approximately HK\$161.7 million.

The Option Price was and the Exercise Price will be funded by the internal resources of the LSD Group.

PROPOSED FINANCIAL ASSISTANCE TO THE TARGET GROUP

As one of the Completion Conditions, an Amended Facility Agreement (to which the LSD Group is not a party) in relation to the Facilities made available by the Lenders to the Project Company (a wholly-owned subsidiary of the Target Company) shall have been duly executed by the parties thereto. As of the date of this joint announcement, the principal terms and conditions of the Amended Facility Agreement have been finalised amongst the parties thereto.

Pursuant to the terms of the Amended Facility Agreement, LSD (as guarantor) shall execute the Corporate Guarantee in favour of UOB (one of the Lenders, an independent third party, as security agent) as security for the Facilities upon execution of the Amended Facility Agreement. As of the date of this joint announcement, the principal terms and conditions of the Corporate Guarantee have been finalised between LSD and UOB. According to the terms of the Corporate Guarantee, LSD's liability thereunder is subject to the Guarantee Cap.

Principal Terms of the Corporate Guarantee

The principal terms of the Corporate Guarantee to be entered into between LSD (as guarantor) and UOB (as security agent) on or before Completion are as follows:-

- Parties:** LSD (as guarantor) and UOB (as security agent for the benefit of itself and the other Secured Parties).
- Guarantee:** LSD shall guarantee the due and punctual payment of the Secured Liabilities and the due and punctual performance and observance by the Project Company of all its other obligations contained in the Amended Facility Agreement and any other Finance Document.
- Secured Liabilities:** Pursuant to the Amended Facility Agreement, the secured liabilities include all sums due by the Project Company under the Facilities and all other sums due under any Finance Document.
- Facilities:** The Facilities made available by the Lenders to the Project Company pursuant to the Amended Facility Agreement comprises term loan facilities in the total amount of HK\$668,000,000.
- Availability period:** Pursuant to the Amended Facility Agreement, the availability period of the Facilities is the period from 28 June 2022 to the earlier of (i) the date falling 18 months after 28 June 2022 and (ii) the date on which the available commitment of the relevant Facility is reduced to zero under the terms of the Amended Facility Agreement.
- Guarantee Cap:** The liability of LSD to fund, make payment of or indemnify in respect of any amount shall be limited to 15% of such amount due under the Corporate Guarantee.
- Release:** The obligations created under the Corporate Guarantee shall be released or discharged at the request of LSD if all the secured liabilities have been paid in full and the available Facilities have been terminated or otherwise cancelled in full or the availability period of the Facilities has expired.

REASONS AND BENEFITS OF THE ACQUISITION

The principal business activities of the LSD Group include property investment, property development, investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. In view of the limited number of golf courses in Hong Kong, the management of LSD considers that the Acquisition is a unique investment opportunity for the LSD Group. The LSD Group believes that, by investing in the Target Company and participating in the development project of the Target Land, it will diversify and enrich LSD's development portfolio.

As disclosed above, the Total Consideration for the Option Shares (being the aggregate amount of the Option Price and the Exercise Price) will be equivalent to 150/550 (approximately 27.27%) of the principal amount of the Vendor's Shareholder Loan as of the date of Completion. The basis of determination of the Total Consideration was arrived at after arm's length negotiations between the Purchaser and the Vendor, taking into account (i) the costs of the Underlying Acquisition, (ii) investment potential of the Target Land; (iii) the amount of the Vendor's total contribution to the Target Company from the date of its incorporation up to Completion; and (iv) the proportion of the Vendor's interest in the Target Company to be acquired by the Purchaser.

The LSG Directors (including the independent non-executive LSG Directors) and the LSD Directors (including the independent non-executive LSD Directors) consider that the terms and conditions of the Acquisition as contained in the Call Option Deed are fair and reasonable, on normal commercial terms and in the interests of the LSG Group, the LSD Group and their respective shareholders as a whole.

REASONS AND BENEFITS OF THE PROPOSED FINANCIAL ASSISTANCE

The Facilities were taken out by the Target Group for the purpose of, amongst others, financing the costs of the Underlying Acquisition. The provision of the Corporate Guarantee by LSD is required by the Lenders as one of the conditions for the Amended Facility Agreement and the continuing availability of the Facilities. By obtaining external financing, the amount of shareholders' loans required from shareholders of the Target Company is reduced and the amount of the Exercise Price under the Call Option Deed is accordingly reduced. The LSD Group considers that the provision of the Corporate Guarantee (with the Guarantee Cap calculated based on the Purchaser's shareholding percentage in the Target Company) is in line with general market practice and beneficial to both the Target Group and the LSD Group.

The terms of the Corporate Guarantee were negotiated on an arm's length basis between LSD and the Lenders taking into account the financing needs of the Project Company and the percentage of the Purchaser's interest in the Project Company upon Completion.

The LSG Directors (including the independent non-executive LSG Directors) and the LSD Directors (including the independent non-executive LSD Directors) consider that the terms and conditions of the Corporate Guarantee are fair and reasonable, on normal commercial terms and in the interests of the LSG Group, the LSD Group and their respective shareholders as a whole.

INFORMATION OF LSG, LSD AND THE PURCHASER

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 business activities of the LSG Group include property investment, property development, investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. As at the date of this joint announcement, LSG owns approximately 53.19% of the total issued shares of LSD.

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 business activities of the LSD Group include property investment, property development, investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding.

The Purchaser is a company incorporated in the British Virgin Islands with limited liability and is a direct wholly-owned subsidiary of LSD. The principal business activity of the Purchaser is investment holding.

INFORMATION OF THE VENDOR

The Vendor is a company incorporated in the British Virgin Islands with limited liability. To the best of the LSG Directors' and LSD Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this joint announcement, Mr. David Chiu is the ultimate beneficial owner of the Vendor holding 60% of its voting power, and no other person holds more than 30% of the voting power of the Vendor. The principal business activity of the Vendor is investment holding.

To the best of the LSG Directors' knowledge, information and belief, having made all reasonable enquiries, the Vendor, its ultimate beneficial owner and each of the Vendor Guarantors 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 Vendor, its ultimate beneficial owner and each of the Vendor Guarantors are third parties independent of LSD and its connected persons.

INFORMATION OF THE LENDERS

To the best of the LSG Directors' and LSD Directors' knowledge, information and belief, having made all reasonable enquiries, UOB is a company incorporated in the Republic of Singapore with limited liability whose shares are listed and traded on the main board of the Singapore Exchange. UOB is principally engaged in banking and financial services.

To the best of the LSG Directors' and LSD Directors' knowledge, information and belief, having made all reasonable enquiries, Fubon Bank is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Fubon Financial Holding Co., Ltd., a company incorporated in the Republic of China whose shares are listed and traded on the main board of the Taiwan Stock Exchange. Fubon Bank is principally engaged in the provision of banking, financial and related services.

To the best of the LSG Directors' knowledge, information and belief, having made all reasonable enquiries, the Lenders and their ultimate beneficial owners 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 Lenders and their ultimate beneficial owners are third parties independent of LSD and its connected persons.

LISTING RULES IMPLICATIONS

As the highest of the applicable percentage ratios in relation to the Total Consideration for the Acquisition and the Guarantee Cap (calculated based on the total amount of the available Facilities) in relation to the Proposed Financial Assistance (on an aggregated basis) exceeds 5% but all of the applicable percentage ratios are less than 25%, the Acquisition and the Proposed Financial Assistance (on an aggregated basis) constitute a discloseable transaction for both LSG and LSD, and are subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules. For the avoidance of doubt, the entering into of the Call Option Deed by the Purchaser did not constitute a notifiable transaction of LSG or LSD under Chapter 14 of the Listing Rules.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the terms below have the following meanings:-

“Acquisition”	the acquisition of the Option Shares by the Purchaser by way of the exercise of the Call Option in accordance with the terms of the Call Option Deed;
“Amended Facility Agreement”	an amended and restated facility agreement to be executed amongst, inter alia, the Project Company (as borrower), the Lenders (as lenders) and UOB (as facility agent and security agent) in relation to the grant of the Facilities by the Lenders to the Project Company (as borrower);
“business days”	a day (excluding Saturday and Sunday) on which banks are generally open for business in Hong Kong;
“Call Option”	the call option granted by the Vendor to the Purchaser to acquire the Option Shares under the Call Option Deed as more particularly described in the section headed “The Acquisition – Principal Terms of the Call Option Deed – Call Option” of this joint announcement;
“Call Option Deed”	the call option deed dated 22 August 2022 and entered into amongst, inter alia, the Vendor, the Purchaser and the Target Company, the principal terms of which are set out in the section headed “The Acquisition – Principal Terms of the Call Option Deed” of this joint announcement (as varied by a notice of postponement dated 29 November 2022 and signed by the Vendor and the Purchaser in relation to the postponement of the Longstop Date to 31 March 2023);
“Completion”	completion of the Acquisition in accordance with the terms and conditions of the Call Option Deed;
“Completion Accounts”	the unaudited financial statements of the Target Company as of the date of Completion to be prepared and agreed or determined in accordance with the provisions of the Call Option Deed after Completion;
“Completion Conditions”	the conditions precedent for Completion pursuant to the Call Option Deed, a summary of which is set out in the section headed “The Acquisition – Principal Terms of the Call Option Deed – Completion Conditions” of this joint announcement;

“Completion Payment”	an amount equivalent to 150/550 (approximately 27.27%) of the principal amount of the Vendor’s Shareholder Loan as shown in the Pro Forma Completion Accounts less the Option Price;
“Corporate Guarantee”	the corporate guarantee to be executed by LSD in favour of UOB (as security agent), the principal terms of which are set out in the section headed “Proposed Financial Assistance to the Target Group – Principal Terms of the Corporate Guarantee” of this joint announcement;
“Exercise Conditions”	the conditions precedent for the exercise of the Call Option by the Purchaser pursuant to the Call Option Deed;
“Exercise Notice”	the exercise notice dated 3 March 2023 issued by the Purchaser to the Vendor in respect of the exercise of the Call Option pursuant to the Call Option Deed;
“Exercise Period”	the period during which the Call Option may be exercised by the Purchaser as described in the section headed “The Acquisition – Principal Terms of the Call Option Deed – Exercise Period” of this joint announcement;
“Exercise Price”	the exercise price for the Call Option to be determined pursuant to the terms of the Call Option Deed;
“Facilities”	the facilities made available by the Lenders to the Project Company pursuant to the Amended Facility Agreement as briefly described in the section headed “Proposed Financial Assistance to the Target Group – Principal Terms of the Corporate Guarantee – Facilities” of this joint announcement;
“Finance Document”	the Amended Facility Agreement, the Corporate Guarantee and various other documents relating to the Facilities designated by UOB (as facility agent) and the Project Company;
“Fubon Bank”	Fubon Bank (Hong Kong) Limited (富邦銀行(香港)有限公司) (an independent third party), a company incorporated in Hong Kong with limited liability the ultimate beneficial owner of which is Fubon Financial Holding Co., Ltd., a company incorporated in the Republic of China whose shares are listed and traded on the main board of the Taiwan Stock Exchange (Stock Code: 2881);

“Guarantee Cap”	LSD’s maximum liability under the Corporate Guarantee as set out in the section headed “Proposed Financial Assistance to the Target Group – Principal Terms of the Corporate Guarantee – Guarantee Cap” of this joint announcement;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	third party(ies) independent of the LSG, LSD and their connected persons;
“Lenders”	UOB and Fubon Bank;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, supplemented or otherwise modified from time to time;
“Longstop Date”	31 March 2023 (subject to postponement by the Purchaser and the Vendor in accordance with the terms of the Call Option Deed);
“LSD”	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);
“LSD Board”	the board of LSD Directors;
“LSD Directors”	the directors of LSD;
“LSD Group”	LSD and its subsidiaries;
“LSG”	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);
“LSG Board”	the board of LSG Directors;
“LSG Directors”	the directors of LSG;
“LSG Group”	LSG and its subsidiaries (including, for the avoidance of doubt, the LSD Group);

“Mr. David Chiu”	Tan Sri Dato’ David Chiu (丹斯里拿督邱達昌);
“Option Price”	the consideration paid by the Purchaser to the Vendor for the grant of the Call Option under the Call Option Deed;
“Option Shares”	such number ordinary shares of the Target Company representing 15% of its issued share capital as of the date of Completion;
“PRC”	the People’s Republic of China and for the purpose of this joint announcement, excludes Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan;
“Pro Forma Completion Accounts”	the unaudited financial statements of the Target Company as of the date of Completion to be prepared by the Vendor in accordance with the provisions of the Call Option Deed prior to Completion;
“Project Company”	Tai Po Golf Club Limited (大埔高爾夫球會有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Target Company;
“Proposed Financial Assistance”	the proposed provision of the Corporate Guarantee by LSD;
“Purchaser”	Early Harvest Assets Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of LSD;
“Rainbow Garden”	Rainbow Garden Holdings Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Target Company;
“Secured Liabilities”	the liabilities to be secured by the Corporate Guarantee as briefly described in the section headed “Proposed Financial Assistance to the Target Group – Principal Terms of the Corporate Guarantee – Secured Liabilities” of this joint announcement;
“Secured Parties”	has the meaning given to it in the Amended Facility Agreement which, as of the date of the Amended Facility Agreement, shall comprise the Lenders, namely UOB and Fubon Bank (as lenders), UOB (as facility agent or security agent) and their successors and assigns;

“Singapore Exchange”	The Singapore Exchange Limited;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Taiwan Stock Exchange”	The Taiwan Stock Exchange Corporation;
“Target Company”	Rainbow Estate International Limited (虹置國際有限公司), a company incorporated in the British Virgin Islands with limited liability;
“Target Group”	the Target Company and its subsidiaries;
“Target Land”	a lot of land located in Shuen Wan, Ting Kok, Tai Po, Hong Kong registered in the Land Registry as Tai Po Town Lot No. 246;
“Total Consideration”	the aggregate amount of the Option Price and the Exercise Price;
“Underlying Acquisition”	the acquisition by Rainbow Garden of the entire issued share capital of the Project Company from its previous sole shareholder;
“UOB”	United Overseas Bank Limited (大華銀行有限公司) (an independent third party), a company incorporated in the Republic of Singapore with limited liability whose shares are listed and traded on the main board of the Singapore Exchange (Stock Code: U11);
“Vendor”	Happy Tycoon Holdings Limited (an independent third party), a company incorporated in the British Virgin Islands with limited liability, and as at the date of this joint announcement, the ultimate beneficial owner of which is Mr. David Chiu;
“Vendor Guarantors”	Messrs. David Chiu, Chiu Tat Jung Daniel (邱達強) and Chiu Andrew Wah Wai (邱華瑋);

“Vendor’s Shareholder Loan” the aggregate amount of all loans and other amounts owing by the Target Company to the Vendor (including any interest accrued) immediately before Completion; and

“%” per cent.

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

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

Hong Kong, 3 March 2023

As at the date of this joint announcement,

- (a) *the LSG Board comprises five executive directors, namely Dr. Lam Kin Ngok, Peter (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; and*
- (b) *the LSD Board comprises five executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman), Lau Shu Yan, Julius (Chief Executive Officer), Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Lee Tze Yan, Ernest; one non-executive director, namely Madam U Po Chu; and three independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.*