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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 SHARES IN
CAMPER & NICHOLSONS INTERNATIONAL SA**

THE TRANSACTION

On 28 June 2018 (after trading hours), the Purchaser, a wholly-owned subsidiary of LSD, entered into the Share Purchase and Loan Assignment Agreement with the Seller, the Guarantor and CNI, pursuant to which the Seller agreed to sell and the Purchaser agreed to purchase the Transferred Shares, representing 49.96% of the share capital and voting rights of CNI, and agreed to assign and the Purchaser agreed to acquire all rights and obligations under the I/C Loan, including the right to receive the Outstanding Principal and the Outstanding interest, for the aggregate Consideration of EUR17,134,781.63 (equivalent to approximately HK\$156,612,000).

As at the date of this joint announcement, CNI is owned as to 49.96% by the Purchaser, 49.96% by Seller and 0.08% by Mr. Rodriguez.

After Closing, the Purchaser will hold all but one share of CNI, representing 99.92% of the share capital and voting rights of CNI and all the Seller's rights vis-à-vis the Company under the I/C Loan will automatically be assigned from the Seller to Purchaser.

LISTING RULES IMPLICATION

As one of the applicable percentage ratio as set out in the Listing Rules in respect of the Transaction exceeds 5% but all of the applicable percentage ratios are less than 25%, the Transaction 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.

On 28 June 2018 (after trading hours), the Purchaser entered into the Share Purchase and Loan Assignment Agreement with the Seller, the Guarantor and CNI, the principal terms of which are summarised below:

THE SHARE PURCHASE AND LOAN ASSIGNMENT AGREEMENT

Date: 28 June 2018 (after trading hours)

Parties:

- (i) Fincantieri, being the Seller;
- (ii) Vicper Holdings Limited, a wholly-owned subsidiary of LSD, being the Purchaser;
- (iii) LSD, being the Guarantor; and
- (iv) CNI.

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

(a) Share Transfer

Pursuant to the Share Purchase and Loan Assignment Agreement, the Seller agreed to sell and the Purchaser agreed to purchase the Transferred Shares, representing 49.96% of the share capital and voting rights of CNI as at the date of this joint announcement, free from all Encumbrances (**Share Transfer**).

(b) Loan Assignment

Pursuant to the Share Purchase and Loan Assignment Agreement, the Seller agreed to assign and the Purchaser agreed to acquire all rights and obligations under the I/C Loan, including the right to receive the Outstanding Principal and the Outstanding Interest with effect from Closing, free from any Encumbrance, against payment to the Seller of an amount equal to the sum of the Outstanding Principal and the Outstanding Interest. As a consequence of the above change and the consent from CNI, all the Seller's rights vis-à-vis the Company under the I/C loan will automatically be assigned from the Seller to the Purchaser (**Loan Assignment**).

Guarantee

Pursuant to the Share Purchase and Loan Assignment Agreement, LSD agreed to guarantee the due and complete performance of all present and future obligations and liabilities of the Purchaser under the Share Purchase and Loan Assignment Agreement.

Consideration

The Consideration for the Transaction payable by the Purchaser to the Seller shall be equal to EUR17,134,781.63 (equivalent to approximately HK\$156,612,000) on Closing and is the aggregate of:

- (a) EUR16,600,000 (equivalent to approximately HK\$151,724,000) for the Share Transfer; and
- (b) EUR534,781.63 (equivalent to approximately HK\$4,888,000), being the aggregate of:
 - (i) EUR499,565.50 (equivalent to approximately HK\$4,566,000) representing the Outstanding Principal, and
 - (ii) EUR35,216.13 (equivalent to approximately HK\$322,000), representing the Outstanding Interest, in relation to the Loan Assignment (subject to adjustment on a dollar to dollar basis).

The Consideration was arrived at after arm's length negotiations between the Purchaser and the Seller after taking into consideration of the financial position of CNI.

The Consideration is funded by the internal resources and existing bank facility of the LSD Group.

Closing

Closing shall occur simultaneously to the signing of the Share Purchase and Loan Assignment Agreement or on a date as the parties may agree in writing. It is the intention of the parties that Closing Date shall take place on 28 June 2018.

After Closing, the Purchaser will hold all but one share of CNI, representing 99.92% of the share capital and voting rights of CNI and all the Seller's rights vis-à-vis the Company under the I/C Loan will automatically be assigned from the Seller to Purchaser.

INFORMATION OF CNI

CNI was established under the laws of Luxembourg with limited liability and is principally engaged in the business of brokerage, charter, marketing, management and construction of yachts. As at the date of this joint announcement, CNI is owned as to 49.96% by the Purchaser, 49.96% by Seller and 0.08% by Mr. Rodriguez.

The following table summarises the consolidated financial results of CNI for each of the two financial periods ended 30 September 2016 and 31 December 2017, respectively:

	For the year ended 30 September 2016 (audited) approximate		For the period ended 31 December 2017 (audited) approximate	
	<i>EUR</i>	<i>HK\$</i>	<i>EUR</i>	<i>HK\$</i>
Revenue	22,404,568	204,778,000	27,085,868	247,565,000
Net (loss)/ profit before taxation	(2,982,710)	(27,262,000)	183,921	1,681,000
Net loss after taxation	(3,229,320)	(29,516,000)	(35,309)	(323,000)

Based on the audited accounts of CNI made up to 31 December 2017, the audited net assets of CNI as at 31 December 2017 was EUR648,613 (equivalent to approximately HK\$5,928,000).

REASONS FOR AND BENEFITS OF THE TRANSACTION

CNI is a global leader in luxury yachting activities, specialising in the brokerage, charter, marketing, management and construction of the luxury yachts. It is a long established and internationally recognised brand associated with luxury lifestyle. The LSD Group believes that the consolidation of interest in CNI will bolster LSD's offering of high-end food and beverage and hospitality services further.

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 Share Purchase and Loan Assignment Agreement are fair and reasonable and on normal commercial terms and are in the interests of the LSG Group, the LSD Group and their respective shareholders as a whole.

INFORMATION OF LSG, LSD, THE PURCHASER 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 development for sale, property investment, investment in and operation of hotels, investment in and operation of restaurants and investment holding. LSG owns approximately 55.39% 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 development for sale, property investment, investment in and operation of hotels, investment in and operation of restaurants and investment holding.

The Purchaser is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of LSD. The principal activities of the Purchaser is investment holding.

The Seller is a company incorporated in Italy with limited liability and listed on the Milan Stock Exchange. It is one of the largest shipbuilders in the world, and operates in the design and construction of merchant and naval vessels, luxury cruise ships and mega yachts, as well as ship repairs and conversions.

LISTING RULES IMPLICATION

As one of the applicable percentage ratios as set out in the Listing Rules in respect of the Transaction exceeds 5% but all of the applicable percentage ratios are less than 25%, the Transaction 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

The following terms have the following meanings in this joint announcement, unless the context otherwise requires:

“Board” the board of directors;

“Closing”	the completion of the Transaction;
“Closing Date”	the date on which the Closing taking place;
“CNI”	Camper & Nicholson International SA, a limited company incorporated under the laws of Luxembourg, which number of issued shares is 1,215 shares, each with a nominal value of EUR775;
“connected person(s)”	has the same meaning as ascribed thereto in the Listing Rules;
“Consideration”	an aggregate consideration of EUR17,134,781.63 (equivalent to approximately HK\$156,612,000) in accordance with the Share Purchase and Loan Assignment Agreement;
“Encumbrance”	any pledge of property, mortgage, lien, right of retention, charge, ownership right, or other security or similar right restricting in any manner the ownership or the transferability of the relevant asset;
“EUR”	Euro, the official currency of European Union;
“Fincantieri” or “Seller”	Fincantieri S.p.A., an Italian state owned shipbuilding company listed on the Milan Stock Exchange and holder of 607 shares of CNI, representing 49.96% of the share capital and voting rights of CNI as at the date of this joint announcement;
“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;
“I/C Loan”	the intercompany loan granted by the Seller to the Company pursuant to a loan agreement on 30 November 2015 as subsequently amended by a first amendment agreement on 18 December 2015 and a second agreement on 15 December 2016 with respect to a principal amount of EUR499,565.50 (equivalent to approximately HK\$4,566,000);
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;

“LSD” or “Guarantor”	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) and is the ultimate holding company of LSD;
“LSG Board”	the board of LSG Directors;
“LSG Directors”	the directors of LSG;
“LSG Group”	LSG and its subsidiaries, including the LSD Group;
“Mr. Rodriguez”	Alexandre Rodriguez, holder of approximately 0.08% of the share capital and voting rights of CNI as at the date of this joint announcement;
“Outstanding Interest”	the outstanding interest amount of the I/C Loan as of the Closing Date;
“Outstanding Principal”	the outstanding principal amount of the I/C Loan as of the Closing Date;
“percentage ratio(s)”	has the meaning given to it under the Listing Rules;
“Purchaser”	Vicper Holdings Limited (威霸集團有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of LSD and holder of 607 shares of CNI, representing 49.96% of the share capital and voting rights of CNI as at the date of this joint announcement;
“Share Purchase and Loan Assignment Agreement”	the share purchase and loan assignment agreement dated 28 June 2018 and entered into among the Purchaser, the Seller, the Guarantor and CNI in relation to the Transaction;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“Transaction”	the Share Transfer and Loan Assignment;
“Transferred Shares”	607 shares of CNI, representing 49.96% of the share capital and voting rights of CNI as at the date of this joint announcement; and
“%”	per cent.

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

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

Hong Kong, 28 June 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 EUR into HK\$ are based on the approximate exchange rate of EUR1 to HK\$9.14 for the purpose of illustration only. No representation is made that any amount of HK\$ or EUR could have been or could be converted at the above rate or at any other rates.