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LAI SUN GARMENT LAI SUN DEVELOPMENT

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

(Stock Code: 191)



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

(Stock Code: 488)

**JOINT ANNOUNCEMENT
LAPSE OF THE CALL OPTION AND THE PUT OPTION**

Reference is made to the joint announcement (the “**Announcement**”) of Lai Sun Garment (International) Limited (“**LSG**”) and Lai Sun Development Company Limited (“**LSD**”) dated 30 September 2016, in relation to the Call Option, the Put Option and two other options, made between Fincantieri and the Vendor (together with the Call Option and the Put Option, the “**Options**”). Unless otherwise stated, all capitalised terms used herein shall bear the same meanings as defined in the Announcement.

Pursuant to the Waiver and Consent Agreement, (i) the exercise of the Call Option (which is granted by the Vendor to the Purchaser and is exercisable by the Purchaser in the period from 1 December to 8 December 2016) is conditional upon the expiration of the call option granted by the Vendor to Fincantieri (the “**Fincantieri Call Option**”) without having been exercised; and (ii) the exercise of the Put Option (which is granted by the Purchaser to Fincantieri and is exercisable by Fincantieri from 1 January to 31 December 2017) is conditional upon all of the remaining Options having expired without being exercised, or the Purchaser having exercised the Call Option.

On 5 December 2016, the Purchaser received from the Vendor a copy of a notice from Fincantieri to the Vendor stating that Fincantieri intends to exercise the Fincantieri Call Option. Therefore, on the basis that completion of the exercise of the Fincantieri Call Option will take place in accordance with the notice (which the Company in good faith is relying upon), the Purchaser is treating the Call Option as now having ceased to be exercisable and that it will lapse. Also, because of Fincantieri's intention to exercise the Fincantieri Call Option on the above basis, and as the Purchaser is therefore not able to exercise the Call Option, the Put Option has ceased to be exercisable and will lapse.

A further announcement will be made if the Purchaser is notified that completion of the Fincantieri Call option does not take place.

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, 6 December 2016

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