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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 A PROPERTY IN LONDON, UNITED KINGDOM

The LSG Board and the LSD Board are pleased to announce that Buyer has entered into the Agreement with the Seller for the Acquisition of the Property on 18 December 2015.

The Acquisition constitutes a discloseable transaction for each of LSG and LSD and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

ACQUISITION

The principal terms of the Agreement are summarised below:

Date: 18 December 2015

Parties:

(i) Seller: BNP Paribas Securities Services Trust Company (Jersey) Limited and BNP Paribas Securities Services Trust Company Limited as trustees of the Threadneedle Property Unit Trust.

(ii) Buyer: Megabull Limited, an indirect wholly-owned subsidiary of LSD.

Property: 106 Leadenhall Street, London EC3, United Kingdom (subject to the lease).

Consideration and completion: The consideration for the Acquisition shall be £21,500,000 (approximately HK\$248,755,000). The Buyer shall pay the consideration on the date of the completion.

The consideration was arrived at having taken into account the prevailing market price of relevant properties in comparable locations and will be satisfied by internal resources.

The terms and conditions of the Agreement and the consideration for the Acquisition are on normal commercial terms and are determined after arm's length negotiations between the Buyer and the Seller.

INFORMATION ON THE SELLER

The Seller is BNP Paribas Securities Services Trust Company (Jersey) Limited and BNP Paribas Securities Services Trust Company Limited as trustees of the Threadneedle Property Unit Trust. The principal activity of the Seller is property investment.

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

INFORMATION ON LSG AND LSD

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 51.88% of the total issued shares of LSD as at the date of 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.

REASONS FOR AND BENEFITS OF THE ACQUISITION

The Property is located in the heart of the financial district within the City of London and adjacent to our other two wholly-owned properties, namely 100 and 107 Leadenhall Street. The Property is a multi-tenanted asset with approximately 12,687 square feet (approximately 1,179 square meters) of offices including ancillary space.

Based on the information provided by the Seller, the Property is currently let to different tenants and generates gross rental income of approximately £405,000 (approximately HK\$4,685,850) per annum. Taking such rental income against the consideration of £21,500,000 (approximately HK\$248,755,000), the gross rental income would have given an implied yield of approximately 1.9% for the transaction.

The LSG Board and the LSD Board consider that the Acquisition is in the interests of LSG and LSD, respectively as it will enhance and enlarge LSG Group's strategic property investment portfolio in the City of London, United Kingdom.

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

LISTING RULES IMPLICATIONS

The Acquisition constitutes a discloseable transaction for each of LSG and LSD as the applicable percentage ratio is greater than 5% but less than 25% 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:

“Acquisition”	the acquisition of the Property by the Buyer from the Seller pursuant to the terms and conditions of the Agreement;
“Agreement”	the agreement dated 18 December 2015 entered into by the Buyer and the Seller in respect of the Acquisition;
“Board”	the board of directors;
“Buyer”	Megabull Limited, a company incorporated in the British Virgin Islands and an indirect wholly-owned subsidiary of LSD;
“Completion”	the completion of the Acquisition on 18 December 2015;
“connected person(s)”	has the meaning as ascribed thereto in the Listing Rules;
“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;
“Lease”	the lease in respect of the Property;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“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;
“LSD Shareholders”	the shareholders of LSD;
“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 LSD Group;
“LSG Shareholders”	the shareholders of LSG;
“Property”	the whole of freehold property at 106 Leadenhall Street, London EC3, United Kingdom;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Seller”	BNP Paribas Securities Services Trust Company (Jersey) Limited and BNP Paribas Securities Services Trust Company Limited as trustees of the Threadneedle Property Unit Trust;
“£”	Pounds Sterling, the lawful currency of the United Kingdom; and
“%”	per cent.

For the purpose of this joint announcement, £ has been translated into HK\$ at the rate of £1=HK\$11.57 for reference purposes only.

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 December 2015

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. 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), 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.*