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LAI SUN GARMENT

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

(Stock Code: 191)

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the SFO. The Board wishes to inform that the final results of the Group for the year ended 31 July 2016 are expected to record a significant decrease from last year. The expected decrease in profit attributable to owners of the Company for the Year is primarily due to a substantially lower revaluation of the Group's investment properties during the Year under review. The underlying profit excluding revaluation of the Group's investment properties is expected to be steady. The revaluation of the Group's investment properties is a non-cash item and will not have a direct impact on the cash flow of the Group.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Lai Sun Garment (International) Limited (“**Company**”) and together with its subsidiaries, “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**” and “**Listing Rules**” respectively) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance, Chapter 571, the Laws of Hong Kong (“**SFO**”).

The principal activities of the Group include property investment, property development, investment in and operation of hotels and restaurants and investment holding. The Group has recently arranged valuation of certain properties in Hong Kong for bank loan refinancing purpose. Based on the valuation of those properties as at 31 May 2016, it is expected that there will not be any substantial increase in valuations of the Group's investment properties for the second half of the current financial year. The board of directors of the Company (“**Board**”) wishes to inform shareholders of the Company (“**Shareholders**”) and potential investors that the profit attributable to the equity holders of the Company for the year ended 31 July 2016 (“**Year**”) are expected to record a significant decrease from that of approximately HK\$1,290 million for the year ended 31 July 2015.

The expected decrease in profit attributable to owners of the Company for the Year is primarily due to a substantially lower revaluation of the Group's investment properties during the Year under review. The underlying profit excluding revaluation of the Group's investment properties is expected to be steady. Therefore, a substantial decrease in the consolidated profit attributable to owners of the Company as compared to the same last year is expected. The revaluation of the Group's investment properties is a non-cash item and will not have a direct impact on the cash flow of the Group.

As the Group's final results for the Year have not yet been finalised, the information contained in this announcement is based on information that is currently available. The audited final results of the Group for the Year are expected to be published in late October 2016.

Shareholders and potential investors are, therefore, advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 1 August 2016

As at the date of this announcement, the 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.