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LAI SUN DEVELOPMENT

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

(Stock Code: 488)



LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

(Stock Code:1125)

Transtrend Holdings Limited

(Incorporated in Hong Kong with limited liability)

JOINT ANNOUNCEMENT

CLOSE OF THE LAI FUNG OFFERS AND RESULTS OF THE LAI FUNG OFFERS

**UNCONDITIONAL MANDATORY GENERAL CASH OFFERS
BY HSBC ON BEHALF OF THE OFFEROR, A WHOLLY-OWNED SUBSIDIARY OF
LSD, TO ACQUIRE ALL OF THE ISSUED SHARES OF LAI FUNG (OTHER THAN
THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY LSD, THE OFFEROR,
eSUN OR THEIR RESPECTIVE SUBSIDIARIES) AND TO CANCEL ALL THE
OUTSTANDING SHARE OPTIONS OF LAI FUNG**

Financial Adviser to LSD and the Offeror



INTRODUCTION

Reference is made to (i) the joint announcement dated 27 May 2018 published by Lai Sun Garment (International) Limited (“**LSG**”), Lai Sun Development Company Limited (“**LSD**”), Transtrend Holdings Limited (the “**Offeror**”), eSun Holdings Limited (“**eSun**”) and Lai Fung Holdings Limited (“**Lai Fung**”) in respect of, among others, (1) the then conditional voluntary general cash offers to be made by The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) on behalf of the Offeror, a wholly-owned subsidiary of LSD, to acquire all of the issued shares of eSun (other than those already owned or agreed to be acquired by LSD, the Offeror or their respective subsidiaries) and to cancel all the outstanding share options of eSun and (2) the then possible unconditional mandatory general cash offers to be made by HSBC on behalf of the Offeror to acquire all of the issued shares of Lai Fung (other than those already owned or agreed to be acquired by LSD, the Offeror, eSun or their respective subsidiaries) (the “**Lai Fung Share Offer**”) and to cancel all the outstanding share options of Lai Fung (the “**Lai Fung Option Offer**”, and together with the Lai Fung Share Offer, the “**Lai Fung Offers**”); (ii) the joint announcement issued by LSG, LSD, the Offeror, eSun and Lai Fung dated 8 August 2018 in relation to, among others, the satisfaction of the pre-condition to the Lai Fung Offers; (iii) the composite offer and response document jointly issued by LSD, the Offeror and Lai Fung dated 15 August 2018 in relation to the Lai Fung Offers (“**Lai Fung Composite Document**”); and (iv) the joint announcement issued by LSD, the Offeror and Lai Fung dated 15 August 2018 in relation to the despatch of the Lai Fung Composite Document and the letter dated 15 August 2018 issued by HSBC on behalf of the Offeror to the holders of outstanding share options of Lai Fung.

Unless otherwise defined herein, capitalised terms used herein shall have the meanings ascribed to them in the Lai Fung Composite Document.

CLOSE OF THE LAI FUNG OFFERS

The Offeror announces that the Lai Fung Offers closed at 4:00 p.m. on Thursday, 13 September 2018.

RESULTS OF THE LAI FUNG OFFERS

Level of acceptances of the Lai Fung Offers

As at 4:00 p.m. on the date of this joint announcement, the Offeror had received:

- (A) valid acceptances of the Lai Fung Share Offer in respect of 17,167 Lai Fung Offer Shares, representing approximately 0.01% of the Lai Fung Offer Shares and approximately 0.01% of the issued share capital and voting rights of Lai Fung as at the date of this joint announcement; and
- (B) no acceptances of the Lai Fung Option Offer.

All of the 17,167 Lai Fung Offer Shares validly tendered for acceptance under the Lai Fung Share Offer were tendered by Disinterested Lai Fung Shareholders and represented approximately 0.01% of the Disinterested Lai Fung Shares. No Lai Fung Offer Share was tendered for acceptance by the Offeror Concert Parties.

None of the Offeror or the Offeror Concert Parties has purchased any Lai Fung Shares after the posting of the Lai Fung Composite Document (other than under the Lai Fung Share Offer) up to the date of this joint announcement.

Interests of the Offeror and the Offeror Concert Parties in Lai Fung

Immediately before 27 May 2018 (being the commencement date of the Lai Fung Offer Period), (i) the Offeror held, controlled or directed 165,485,406 Lai Fung Shares, representing approximately 50.60% of the issued share capital of Lai Fung as at the Announcement Date; (ii) the Offeror Concert Parties held, controlled or directed 600,235 Lai Fung Shares, representing approximately 0.18% of the issued share capital of Lai Fung as at the Announcement Date; and (iii) the Offeror and the Offeror Concert Parties held, controlled or directed 166,085,641 Lai Fung Shares in aggregate, representing approximately 50.78% of the issued share capital of Lai Fung as at the Announcement Date.

As at 4:00 p.m. on the date of this joint announcement, the Lai Fung Shares in respect of which valid acceptances had been received under the Lai Fung Share Offer, together with the Lai Fung Shares held by the Offeror and LSD and their respective subsidiaries, amount to 166,102,808 Lai Fung Shares, representing approximately 50.79% of the issued share capital of Lai Fung.

The following sets out the Offeror Concert Parties' holdings of the Lai Fung Options immediately before 27 May 2018 (being the commencement date of the Lai Fung Offer Period) and as at the date of this joint announcement:

Name	Relationship with the Offeror	Number of Lai Fung Options held immediately before 27 May 2018	Number of Lai Fung Options held as at the date of this joint announcement
Dr. Peter Lam	Offeror Director, a deputy chairman and an executive director of LSG, the chairman and an executive director of LSD and the ultimate controlling shareholder of LSG, LSD and the Offeror	321,918	321,918
Mr. Lester Lam	Offeror Director, an executive director of LSG and LSD and Dr. Peter Lam's son	3,219,182	3,219,182
Mr. FA Chew	Offeror Director, a deputy chairman and an executive director of LSG and the deputy chairman and an executive director of LSD	1,009,591	1,009,591
Mr. Julius Lau	Offeror Director and the chief executive officer and an executive director of LSD	965,754	965,754

Save as disclosed above, none of the Offeror or the Offeror Concert Parties (i) held, controlled or directed any Lai Fung Shares or rights over Lai Fung Shares before the Lai Fung Offer Period; (ii) has acquired or agreed to acquire any Lai Fung Shares, other securities of Lai Fung or rights over Lai Fung Shares during the Lai Fung Offer Period; or (iii) has borrowed or lent any Lai Fung Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Lai Fung during the Lai Fung Offer Period (save for any borrowed Lai Fung Shares or such relevant securities which have been either on-lent or sold).

Settlement of consideration

Settlement of the consideration in respect of an acceptance of the Lai Fung Share Offer will be made as soon as possible and in any event within seven (7) Business Days of the date of receipt of the complete and valid acceptance of the relevant Lai Fung Offer Shareholder.

Shareholding Structure of Lai Fung

The table below sets out the shareholding structure of Lai Fung as at the date of this joint announcement (assuming due registration by the Registrar of the transfer of the Lai Fung Shares in respect of which valid acceptances have been received had been completed already):

	<i>As at the date of this joint announcement</i>	
	<i>No. of Lai Fung Shares</i>	<i>As a percentage of the issued share capital of Lai Fung</i>
Offeror	17,167	0.01%
eSun	165,485,406	50.60%
Other Offeror Concert Parties, whose Lai Fung Shares form part of the Lai Fung Offer Shares and do not form part of the Disinterested Lai Fung Shares:		
- Dr. Peter Lam	0	0%
- Mr. Lester Lam	0	0%
- Mr. FA Chew	600,000	0.18%
- Mr. Julius Lau	235	0.00%
- HSBC (<i>Note 1</i>)	0	0%
Aggregate number of Lai Fung Shares held by the Offeror and the Offeror Concert Parties	<u>166,102,808</u>	<u>50.79%</u>
Holders of Disinterested Lai Fung Shares		
- Yu Shareholders (<i>Note 2</i>)	26,595,837	8.13%
- Other holders of Disinterested Lai Fung Shares	134,345,489	41.08%
Total number of Lai Fung Shares	<u>327,044,134</u>	<u>100%</u>

Notes:

1. HSBC is the financial adviser to LSD and the Offeror in respect of the Offers. Accordingly, HSBC and relevant members of the HSBC Group which hold Lai Fung Shares on an own account or discretionary managed basis are presumed to be acting in concert with the Offeror in relation to Lai Fung in accordance with class 5 of the definition of "acting in concert" under the Takeovers Code (except in respect of Lai Fung Shares held by exempt principal traders or exempt fund managers, in each case recognised by the Executive as such for the purpose of the Takeovers Code).
2. Based on the relevant public disclosure form filed with the SFC as at 4:00 p.m. on the date of this joint announcement.

Exercise of the Lai Fung Options

Pursuant to the terms of the Lai Fung Share Option Scheme adopted by Lai Fung on 21 August 2003 (as amended on 8 August 2018) and the Lai Fung Share Option Scheme adopted by Lai Fung on 18 December 2012, all Lai Fung Options shall remain valid and exercisable during their respective option periods in accordance with the terms of the relevant Lai Fung Share Option Scheme notwithstanding the Lai Fung Share Offer.

Public Float of Lai Fung Shares

Immediately following the close of the Lai Fung Offers, subject to the due registration by the Registrar of the transfer of the Lai Fung Shares in respect of which valid acceptances were received, 96,541,326 Lai Fung Shares are held by the public (within the meaning of the Listing Rules), representing approximately 29.52% of the issued share capital of Lai Fung as at the date of this joint announcement. Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is satisfied as at the date of this joint announcement.

By order of the board

Lai Sun Development Company Limited

Lau Shu Yan, Julius

Executive Director and Chief Executive Officer

By order of the board

Lai Fung Holdings Limited

Cheng Shin How

Executive Director

By order of the board

Transtrend Holdings Limited

Chew Fook Aun

Director

Hong Kong, 13 September 2018

As at the date of this joint announcement:

- (a) *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 four independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William, Ip Shu Kwan, Stephen and Leung Wang Ching, Clarence.*
- (b) *the Offeror Board comprises four directors, namely Dr. Lam Kin Ngok, Peter and Messrs. Chew Fook Aun, Lau Shu Yan, Julius and Lam Hau Yin, Lester.*
- (c) *the Lai Fung Board comprises seven executive directors, namely Mr. Chew Fook Aun (Chairman), Dr. Lam Kin Ming (Deputy Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer), Madam U Po Chu, Mr. Cheng Shin How and Mr. Lee Tze Yan, Ernest; two non-executive directors, namely Mr. Lucas Ignatius Loh Jen Yuh and Mr. Puah Tze Shyang (also alternate to Mr. Lucas Ignatius Loh Jen Yuh); and five independent non-executive directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin and Shek Lai Him, Abraham.*

The LSD Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Lai Fung Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Lai Fung Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The Offeror Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Lai Fung Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Lai Fung Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The Lai Fung Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the Lai Fung Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the Lai Fung Group have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.