



LAI SUN GARMENT

Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 191)

DISCLOSEABLE TRANSACTION AND DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES

THE TRANSACTION

The Board wishes to announce that on 15th November, 2005, the Borrower, the Lenders and the Mortgagor entered into a Loan Facility Agreement in relation to a revolving loan facility of HK\$100,000,000 (the "Revolving Loan Facility"). The Revolving Loan Facility is effective for a period of three (3) years commencing as of 28th July, 2005 and is secured by the Debenture and Share Mortgage.

DISCLOSEABLE TRANSACTION

The transaction constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules and the Company is also required to disclose details of the transaction pursuant to Rule 13.13 of the Listing Rules.

THE TRANSACTION

On 15th November, 2005, the Lenders and the Borrower entered into the Loan Facility Agreement. Under the terms of the Loan Facility Agreement, the Lenders agreed to provide a revolving loan facility of HK\$100,000,000 to the Borrower, effective for a period of three (3) years commencing as of 28th July, 2005. The Loan Facility Agreement replaces a prior loan agreement between the same parties on 28th July, 2005 for a reduced amount.

LOAN FACILITY AGREEMENT DATED 15TH NOVEMBER, 2005

Parties	:	(1) the Borrower; (2) the Lenders; and (3) the Mortgagor
Revolving Loan Facility	:	A total amount of HK\$100,000,000: (a) a loan facility of up to HK\$70,000,000 to be provided by Lender A to the Borrower; and (b) a loan facility of up to HK\$30,000,000 to be provided by Lender B to the Borrower. The loan facility is revolving in which any part of the loan facility that is repaid or prepaid but not cancelled may be reborrowed.
Commencement date	:	As of 28th July, 2005
Term	:	For a period of three (3) years. All outstanding principal and interest shall be repaid by 28th July, 2008.
Interest	:	Interest on the amount outstanding under the Revolving Loan Facility and any interest will be charged at the rate of twenty-seven per cent. (27%) per annum. Interest accrued shall not be compounded annually. The length of each interest period in relation to the Revolving Loan Facility shall be of a duration of one (1) year or the expiry of the Revolving Loan Facility, whichever is the earlier.
Purpose of the Revolving Loan Facility	:	The purpose of the Revolving Loan Facility is to provide general working capital to the Borrower.

SECURITY UNDER THE REVOLVING LOAN FACILITY

The Revolving Loan Facility is secured by (1) the Deed of Debenture; and (2) the Deed of Mortgage of Shares. In the event of Borrower's default, Lender A is entitled, on behalf of itself and as agent for Lender B, to exercise all rights, powers, authorities and discretion as Lender A thinks fit in its sole and absolute discretion, without having to first obtain any prior consent or instructions from, or to give any prior notice to, Lender B. All monies recovered are repaid to Lender A and Lender B on a pro rata and pari passu basis.

PRINCIPAL BUSINESS ACTIVITIES OF THE BORROWER, LENDER B AND THE MORTGAGOR

The Borrower is a limited company duly incorporated under the laws of Hong Kong and its principal business activities include money lending, securities financing and investment holding.

Lender B is a limited company duly incorporated under the laws of the British Virgin Islands and its principal business activity is investment holding.

The Mortgagor is a limited company duly incorporated under the laws of the British Virgin Islands and its principal business activity is investment holding. It is a newly set up company in respect of which no audited accounts have been prepared as at the date of this announcement.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, each of Lender B, the Borrower and the Mortgagor, and the ultimate beneficial owner(s) of each, are third parties independent of the Company and the connected persons (as defined in the Listing Rules) of the Company.

PRINCIPAL BUSINESS ACTIVITY OF LENDER A

Lender A is a limited company duly incorporated under the laws of the Hong Kong and its only business activity is entering into the Revolving Loan Facility for the Group. Lender A is a wholly-owned subsidiary of the Company. Lender A is not a licensed money lender and it is not in the business of money lending. In any event, the Company understands that the Revolving Loan Facility is an exempted loan under the Money Lenders Ordinance (Chapter 163). The Company understands that the Revolving Loan Facility is in compliance with the laws and regulations of Hong Kong.

PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP

The Company is the holding company of the Group which is principally engaged in garment manufacturing, retail and wholesale, property development and property investment in Hong Kong and the Mainland of China.

REASONS FOR THE TRANSACTION AND SOURCE OF FINANCE

On 28th July, 2005, the Lenders entered into the Previous Facility Letter with the Borrower for a total amount of HK\$33,300,000 (out of which HK\$23,300,000 and HK\$10,000,000 were lent by Lender A and Lender B respectively). The Revolving Loan Facility embraces the Previous Facility Letter and increases the total loan amount to HK\$100,000,000. The terms of the Revolving Loan Facility and the Previous Facility Letter are largely similar to each other save that the former is of a revolving nature. The Previous Loan Facility was not notifiable under the Listing Rules at the time of entering into the same.

The Directors, having regard to the current investment opportunities available to the Company, consider that the transaction denoted by the Revolving Loan Facility represent an attractive investment for the Company. This is a unique opportunity for the Group, but it has no current intention to expand into the money lending business.

The loan is secured against all the assets and undertaking of the Borrower, as well as all the shares of the Borrower pledged by its shareholders. The Borrower's principal business is lending against traded securities. As such, its assets and undertakings comprise mainly cash and/or loan investments secured by tradable shares. The Company does not consider the credit risk for this loan transaction to be unacceptable.

The Directors, including the independent non-executive Directors, consider that the transaction, which was entered into after arm's length negotiations, is a transaction on normal commercial items that are fair and reasonable and in the interests of the Company and its shareholders as a whole.

The transaction is funded from internal resources of the Company. The Directors are of the view that the Revolving Loan Facility will not have any significant financial impact on the Group.

DISCLOSEABLE TRANSACTION

As the relevant ratios (as defined in the Listing Rules) in respect of Lender A's portion of the Revolving Loan Facility are greater than 5% but less than 25%, the Revolving Loan Facility constitutes a discloseable transaction for the Company pursuant to Rule 14.06(2) of the Listing Rules and a circular containing further details of the Revolving Loan Facility will be sent to shareholders of the Company as soon as practicable and in accordance with the Listing Rules. The relevant ratios (as defined in the Listing Rules) in respect of Lender A's portion of the Revolving Loan Facility exceed 8%, hence, it also constitutes an advance to an entity and is discloseable by the Company under Rule 13.13 of the Listing Rules.

DEFINITIONS

"Board"	the board of Directors of the Company;
"Borrower"	Capital Wealth Corporation Limited, a company duly incorporated under the laws of Hong Kong and a wholly owned subsidiary of the Mortgagor;
"Company"	Lai Sun Garment (International) Limited;
"Deed of Debenture"	a deed of debenture dated 28th July, 2005 entered into between (1) the Borrower as chargor; and (2) the Lenders as chargees creating fixed and floating charges over its assets and undertakings;
"Deed of Mortgage of Shares"	a deed of mortgage of shares dated 28th July, 2005 entered into between (1) the Mortgagor; and (2) the Lenders as chargees over the shares of the Mortgagor;
"Director(s)"	the director(s) of the Company;
"Group"	the Company and its subsidiaries at the relevant point of time;
"HK\$"	Hong Kong Dollars, the lawful currency of Hong Kong;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"Lender A"	Starfeel Hong Kong Limited, a company duly incorporated under the laws of Hong Kong and a wholly-owned subsidiary of the Company;
"Lender B"	Proven Honour Investments Limited, a company duly incorporated under the laws of the British Virgin Islands;
"Lenders"	Lender A and Lender B;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"Loan Facility Agreement"	a loan facility agreement dated 15th November, 2005 entered into between (1) the Borrower; (2) the Lenders; and (3) the Mortgagor in relation to a revolving loan facility of HK\$100,000,000;
"Mortgagor"	Stayever Group Limited, a company duly incorporated under the laws of the British Virgin Islands;
"Previous Facility Letter"	a facility letter dated 28th July, 2005 entered into between (1) the Borrower; (2) the Lenders; and (3) the Mortgagor in relation to a three (3) year loan facility of HK\$33,300,000; and
"Stock Exchange"	the Stock Exchange of Hong Kong Limited.

By Order of the Board
Lai Sun Garment (International) Limited
Yeung Kam Hoi
Company Secretary

Hong Kong, 17th November, 2005

As at the date of this announcement, the Directors of the Company comprise (i) five (5) executive directors, namely Mr. Lam Kin Ming, Mr. Lam Kin Ngok, Peter, Mr. Shiu Kai Wah, Mr. Lee Po On and Mr. Lam Kin Hong, Matthew; (ii) four (4) non-executive directors, namely Madam U Po Chu, Mr. Chiu Wai, Madam Lai Yuen Fong and Miss Lam Wai Kei, Vicky (alternate director to Madam Lai Yuen Fong), and (iii) three (3) independent non-executive directors, namely Mr. Wan Yee Hwa, Edward, Mr. Leung Shu Yin, William and Mr. Chow Bing Chiu.