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LAI SUN GARMENT

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

(Stock Code: 191)

DISCLOSEABLE TRANSACTION ACQUISITION OF LISTED SECURITIES

The Company acquired the Acquired Shares on the market in a series of transactions conducted between 31 October 2012 and 11 December 2012 for an aggregate purchase price of approximately HK\$107,474,644 (exclusive of transaction costs).

The Acquisitions constitute a discloseable transaction for the Company under the Listing Rules.

THE ACQUISITIONS

The Board is pleased to announce that the Company, through Joy Mind, one of its wholly-owned subsidiaries, acquired the Acquired Shares (i.e. an aggregate of 401,234,000 LSD Shares, representing slightly below 2% of the entire issued share capital of LSD at the date of this announcement) on the market in a series of transactions conducted between 31 October 2012 and 11 December 2012 at the price between HK\$0.188 and HK\$0.320 per LSD Share (exclusive of transaction costs). The average price for the acquisition of each Acquired Shares (exclusive of transaction costs) is approximately HK\$0.268 and the aggregate purchase price of the Acquired Shares (exclusive of transaction costs) is approximately HK\$107,474,644, which has been/will be paid/payable by the Group in cash from its internal resources.

As the Acquisitions were made on the market, the Company is not aware of the identities of the sellers of the Acquired Shares and accordingly, to the best knowledge, information and belief of the Directors having made all reasonable enquiries, such sellers are Independent Third Parties.

ACQUISITION AND DISPOSAL OF LSD SHARES IN THE PAST 12 MONTHS

Save as aforesaid, the Company did not acquire or dispose of any LSD Shares listed on the Stock Exchange within a period of 12 months immediately preceding the date of this announcement.

INFORMATION ON LSD

The principal businesses of LSD and its subsidiaries are property development, property investment, investment in and operation of a hotel in Vietnam and restaurants in Hong Kong and the Mainland of China, and investment holding.

Based on the annual report of LSD for the year ended 31 July 2012, the net asset value of each LSD Share as at 31 July 2012 was HK\$0.815. The following information is extracted respectively from the published audited financial statements of LSD for the two financial years ended 31 July 2012:

| | For the year ended 31 July | |
|--|----------------------------|--|
| | 2012 | 2011 |
| | <i>HK\$ million</i> | <i>HK\$ million</i> <i>(Restated)</i> |
| Profit before taxation | 2,357 | 2,537 |
| Profit after taxation attributable to ordinary equity holders of LSD | 2,283 | 2,449 |

REASONS FOR AND BENEFIT OF THE ACQUISITIONS

The principal businesses of the Group are property development, property investment, investment in and operation of a hotel and restaurants and investment holding.

Due to the early adoption by the Company of certain new and revised Hong Kong Financial Reporting Standards (including *HKFR 10 "Consolidated Financial Statements"*) for the financial year ended 31 July 2012, LSD has been accounted for and consolidated in the consolidated financial statements of the Group as a subsidiary. Immediately after the Acquisitions, the Group held approximately 49.97% of the entire issued share capital of LSD.

Having considered the results for recent years and the future development of LSD as well as the LSD Shares trading at a substantial discount to their net asset value, the Company considers that the Acquired Shares are an attractive investment and can enhance the profitability and asset value of the Company.

As the Acquisitions were made on the market at the then prevailing prices, the Directors are of the view that the Acquisitions were fair and reasonable, on normal commercial terms and in the interests of the Company and its Shareholders as a whole.

GENERAL

As one of the applicable Percentage Ratios exceeds 5% but is less than 25%, the Acquisitions constitute a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following respective meanings:

| | |
|-----------------------------|---|
| “Acquired Shares” | an aggregate of 401,234,000 LSD Shares; |
| “Acquisitions” | acquisition of the Acquired Shares by the Company; |
| “Board” | board of Directors; |
| “Company” | Lai Sun Garment (International) Limited, a company incorporated under the laws of 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); |
| “connected person” | has the meaning ascribed to it under the Listing Rules; |
| “Directors” | Director(s) of the Company; |
| “Group” | the Company and its subsidiaries; |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong; |
| “Hong Kong” | The Hong Kong Special Administrative Region of the People’s Republic of China; |
| “Independent Third Parties” | third parties independent of the Company and its connected persons; |
| “Joy Mind” | Joy Mind Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of the Company; |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange; |
| “LSD” | Lai Sun Development Company Limited, a company incorporated under the laws of 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 Shares” | ordinary shares of HK\$0.01 each in the share capital of LSD; |
| “Percentage Ratio(s)” | the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction; |

| | |
|------------------|---|
| “Shareholders” | holders of the Shares; |
| “Shares” | ordinary shares of HK\$0.01 each in the share capital of the Company; |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited; |
| “subsidiary” | has the meaning ascribed to it under the Listing Rules; and |
| “%” | per cent. |

By Order of the Board
Lai Sun Garment (International) Limited
Kwok Siu Man
Company Secretary

Hong Kong, 12 December 2012

As at the date of this announcement, the Board comprises seven 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 and Messrs. Shiu Kai Wah, Lam Kin Hong, Matthew and Lam Hau Yin, Lester (also alternate to Madam U Po Chu); one non-executive Director, Mr. Wan Yee Hwa, Edward; and three independent non-executive Directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu.