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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  
MAJOR TRANSACTION  
DISPOSAL OF 50% INTEREST OF THE PROPERTIES  
BY WAY OF SALE OF THE SALE SHARES I**

**THE DISPOSAL**

The LSG Board and LSD Board are pleased to announce that, on 27 July 2018 (after the trading hours), the Sellers, the Purchaser (an Independent Third Party) and the Guarantors entered into the SPA by which, subject to the satisfaction of the conditions therein, (i) Luck Reach will sell and the Purchaser will purchase the Sale Shares I (representing 50% of the entire issued share capital of Best Value); and (ii) Financial Express will sell and the Purchaser will purchase the Sale Shares II (representing 50% of the entire issued share capital of Best Value), at the aggregate Consideration (being HK\$4,100,000,000 (subject to adjustment)).

The Sale Shares represent the entire issued share capital of Best Value, which in turn is the sole legal and beneficial owner of the entire issued share capital of the Intermediate Holding Company. The Intermediate Holding Company is the sole legal and beneficial owner of the entire issued share capital of Joinsmart, Lucky Castle and Supermate, respectively. The Target Companies (being Best Value, the Intermediate Holding Company, Joinsmart, Lucky Castle and Supermate) are the Registered Owners of the Properties.

Pursuant to the SPA, LSD will dispose its 50% interest in the Properties by way of sale of the Sale Shares I (representing 50% of the entire issued share capital of Best Value) through its shareholding in Luck Reach.

On 27 June 2018, the Sellers and a holding company of the Purchaser entered into the Offer Letter, upon which the Earnest Money (in the sum of HK\$205,000,000, being part of the Consideration) was paid by the Purchaser to the Sellers' Solicitors.

Luck Reach is currently an indirect non-wholly-owned subsidiary of LSG (through its shareholding in LSD) and a wholly-owned subsidiary of LSD. As the relevant Percentage Ratios of the sale of the Sale Shares I for each of LSG and LSD under the Listing Rules are more than 25% but less than 75%, the sale of the Sale Shares I constitutes a major transaction for each of LSG and LSD under the Listing Rules and is subject to reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### **LSG**

The sale of the Sale Shares I is subject to the approval of the LSG Shareholders at the LSG GM. Pursuant to the SPA, as part of the conduct of business pending Completion, Luck Reach shall provide the Purchaser with, amongst others, an original of the LSG Shareholders Undertaking to vote in favour of the sale of the Sale Shares I in the LSG GM no later than 30 days from the date of the SPA. A circular containing, among other things, further details of the Disposal and other information as required under the Listing Rules, and the notice convening the LSG GM is expected to be despatched by LSG to the LSG Shareholders within 15 Business Days after the publication of this joint announcement.

### **LSD**

Pursuant to Rule 14.44(2) of the Listing Rules, LSG and its wholly-owned subsidiaries, which together hold more than 50% of the total issued share capital of LSD, will give their written approval for the sale of Sale Shares I in lieu of holding a shareholders' meeting. Accordingly, no general meeting will be convened by LSD to approve the sale of the Sale Shares I. Pursuant to the SPA, as part of the conduct of business pending Completion, Luck Reach shall provide the Purchaser with, amongst others, a certified copy of the LSD Written Shareholders Approval no later than 30 days from the date of the SPA. A circular containing, among other things, further details of the Disposal and other information as required under the Listing Rules is expected to be despatched by LSD to the LSD Shareholders for their information within 15 Business Days after the publication of this joint announcement.

### **SPA**

The principal terms of the SPA are summarised as follows:

- Date: 27 July 2018 (after trading hours)
- The Sellers: (1) Luck Reach, a wholly-owned subsidiary of LSD and an indirect non-wholly-owned subsidiary of LSG; and  
(2) Financial Express
- The Purchaser: Treasure Ascend Global Limited, an Independent Third Party
- The Guarantors: (1) LSD (being the guarantor of Luck Reach); and  
(2) Millap Limited (being the guarantor of Financial Express)

Transaction structure: The Disposal comprises (i) the sale of the Sale Shares I (representing 50% of the entire issued share capital of Best Value) by Luck Reach to the Purchaser; and (ii) the sale of the Sale Shares II (representing 50% of the entire issued share capital of Best Value) by Financial Express to the Purchaser.

The Sale Shares represent the entire issued share capital of Best Value, which in turn owns the entire issued share capital of the Intermediate Holding Company. The Intermediate Holding Company is the sole legal and beneficial owner of the entire issued share capital of Joinsmart, Lucky Castle and Supermate, respectively.

The Sale Shares represent the entire issued share capital of Best Value, which, together with the Intermediate Holding Company, Joinsmart, Lucky Castle and Supermate, in turn own all of the Properties.

The Consideration: HK\$4,100,000,000, being the consideration to be paid by the Purchaser for the Sale Shares, and for assuming the obligation of full repayment of the existing loans owed by Best Value to certain financing parties (after repayment).

Subject to the payment terms and adjustment, the amount to be paid by the Purchaser to each of the Sellers shall be 50% of the balance of the Consideration after deducting the existing loans owed by Best Value to certain financing parties (after repayment).

Each of the LSG Board and the LSD Board considers that the terms of the SPA are fair and reasonable and are in the best interests of their respective companies and shareholders as a whole.

Payment terms: Subject to adjustment, the Consideration shall be paid by the Purchaser to the Sellers in the following manner:

- (i) the Earnest Money in the sum of HK\$205,000,000 was paid by the Purchaser to the Sellers' Solicitors upon signing of the Offer Letter on 27 June 2018, and such Earnest Money was converted into the initial deposit upon signing of the SPA;
- (ii) upon execution of the SPA, the Further Deposit, being HK\$205,000,000, has been paid by the Purchaser;
- (iii) on or before 26 October 2018, the Part Payment, being HK\$205,000,000, is payable by the Purchaser; and

- (iv) the Completion Payment (being the balance of Consideration after deducting the Earnest Money, the Further Deposit and the Part Payment) shall be paid by the Purchaser at Completion in the following manner:
  - (a) the Purchaser shall, at its own costs, procure the repayment of certain existing loan owing by Best Value by refinancing it with a new loan arranged and procured by the Purchaser; and
  - (b) the remainder of the Completion Payment shall be paid to each Seller in accordance with the SPA.

Conditions precedent:

The Disposal is subject to the following terms and conditions:

- (i) subject to release of certain existing security documents and satisfactory completion of due diligence review and title requisition, Luck Reach being the sole legal and beneficial owner of the Sale Shares I free from all encumbrances and having the capacity and power to sell the Sale Shares I to the Purchaser free from all encumbrances;
- (ii) subject to release of certain existing security documents and satisfactory completion of due diligence review and title requisition, Financial Express being the sole legal and beneficial owner of the Sale Shares II free from all encumbrances and having the capacity and power to sell the Sale Shares II to the Purchaser free from all encumbrances;
- (iii) subject to release of certain existing security documents and satisfactory completion of due diligence review and title requisition, Best Value being the sole legal and beneficial owner of the entire issued share capital of the Intermediate Holding Company free from all encumbrances;
- (iv) subject to release of certain existing security documents and satisfactory completion of due diligence review and title requisition, the Intermediate Holding Company being the sole legal and beneficial owner of the entire issued share capital of each of Joinsmart, Lucky Castle and Supermate, in each case, free from all encumbrances;

- (v) subject to release of certain existing security documents and satisfactory completion of due diligence review and title requisition, Best Value, the Intermediate Holding Company, Joinsmart, Lucky Castle, Supermate being the sole registered and beneficial owner of Property I, Property II, Property III, Property IV and Property V, respectively, and having good title to each Property, respectively, in accordance with sections 13 and 13A of the CPO;
- (vi) having obtained the approval of the SPA and the transactions contemplated thereunder by each of the LSG Shareholders and the LSD Shareholders, respectively, as required by the Listing Rules; and
- (vii) there being no Material Damage to the Properties or any part(s) thereof prior to and at all times up to Completion.

**Default:**

If the respective obligations of the Sellers and the Purchaser at Completion are not complied with on the Completion Date, the Purchaser may by notice to the Sellers (in the event that any Seller is unable or unwilling to comply with its obligation) or the Seller(s) may by notice to the Purchaser (in the event that the Purchaser is unable or unwilling to comply with its obligation) to:

- (i) postpone Completion to a date (being a Business Day) falling not more than 10 Business Days after the date originally set for Completion, provided that such right to postpone Completion shall not be exercised more than once by either party to the SPA; or
- (ii) proceed to Completion as far as practicable (without limiting its rights and remedies under the SPA); or
- (iii) terminate the SPA.

**Guarantee**

LSD has agreed to guarantee to the Purchaser as principal obligator the due and punctual performance of Luck Reach in accordance with the SPA and other transaction documents and to pay, on demand, any sum which Luck Reach fails to pay to the Purchaser in accordance with the SPA and the other transaction documents as described in the SPA.

Millap Limited has agreed to guarantee to the Purchaser as principal obligator the due and punctual performance of Financial Express in accordance with the SPA and other transaction documents and to pay, on demand, any sum which Financial Express fails to pay to the Purchaser in accordance with the SPA and the other transaction documents as described in the SPA.

The guarantee of each Guarantor under the SPA is several.

Completion: Completion shall take place at the Hong Kong office of the Sellers' Solicitors at or before 3:00 p.m. on the Completion Date, subject to all of the conditions set out in the SPA being satisfied (or waived by the Purchaser).

### **DEED OF TAX INDEMNITY**

The Deed of Tax Indemnity will be entered into upon Completion.

#### **Parties to the Deed of Tax Indemnity**

- (a) the Sellers;
- (b) the Guarantors;
- (c) the Purchaser; and
- (d) Best Value.

#### **Principal terms of the Deed of Tax Indemnity**

Pursuant to the Deed of Tax Indemnity and the SPA, the Sellers will severally covenant and agree with the Purchaser and Best Value (for itself and as agent of each other Target Companies) that they will fully and effectually indemnify and at all times keep fully and effectually indemnified Best Value (for itself and as agent of each other Target Companies) and the Purchaser from and against, amongst others, the amount of any taxation liabilities made against any Target Company, up to Completion.

### **INFORMATION OF BEST VALUE**

Best Value, together with the other Target Companies, are the legal and beneficial owners of the Properties.

Best Value is a company incorporated in Hong Kong with limited liability. Best Value is an investment holding company and is holding the Properties through itself and the other Target Companies.

Based on the audited consolidated financial statements of Best Value, the consolidated net loss (before and after taxation) for the financial year ended 30 June 2016 were approximately HK\$58 million and HK\$58 million, respectively. The audited consolidated net asset value as at 30 June 2016 was approximately HK\$1,656 million.

Based on the audited consolidated financial statements of Best Value, the consolidated net profit (before and after taxation) for the financial year ended 30 June 2017 were approximately HK\$87 million and HK\$82 million, respectively. The audited consolidated net asset value of Best Value as at 30 June 2017 was approximately HK\$1,738 million.

Upon Completion, LSG and LSD will cease to hold any shareholding in Best Value and the other Target Companies.

### **INFORMATION OF THE PURCHASER**

Treasure Ascend Global Limited, a company incorporated in the British Virgin Islands, is principally engaged in property and other investments.

To the best of the LSG Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties of LSG and its connected persons.

To the best of the LSD Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are Independent Third Parties of LSD and its connected persons.

### **INFORMATION OF 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 investment, property development, investment in and operation of hotels and restaurants and investment holding. LSG owns approximately 56.10% of the total issued shares of LSD as at the date of this 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 investment, property development, investment in and operation of hotels and restaurants and investment holding.

### **REASONS FOR AND BENEFITS OF THE DISPOSAL OF ITS 50% INTEREST OF THE PROPERTIES**

Each of the LSG Directors and the LSD Directors undertake strategic reviews of their respective assets from time to time with a view to maximizing returns to their respective shareholders.

In view of the appreciation of value of the Properties and the expected proceeds from the sale of the Sale Shares I, each of the LSG Board and the LSD Board considers that it is in the interests of their respective companies and shareholders as a whole to dispose its interests in the Properties by the sale of the Sale Shares I to realise the value of property investment, enhance their financial position and working capital, and pursue other growth opportunities.

The valuation of the Properties as at 31 January 2018 was HK\$3,630 million. LSD is expected to record an unaudited estimated gain (before deducting relevant expenses and taxation) of approximately HK\$235 million. Such gain is determined with reference to 50% of the total amount of the Consideration of HK\$2,050 million net of 50% of the valuation of the Properties as at 31 January 2018 of HK\$1,815 million.

Each of the LSG Board and the LSD Board considers that the sale of the Sale Shares I and the transactions contemplated thereunder are on an arm's length basis, are fair and reasonable and in the best interests of their respective companies and shareholders as a whole.

LSD intends to apply the net proceeds from the sale of the Sale Shares I for funding its working capital and other general corporate purposes.

#### **LISTING RULES IMPLICATION**

The sale of the Sale Shares I constitutes a major transaction for each of LSG and LSD as the relevant Percentage Ratios are more than 25% but less than 75% and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 14 of the Listing Rules.

#### **LSG**

The sale of the Sale Shares I is subject to the approval of the LSG Shareholders at the LSG GM by way of poll. To the best of the knowledge, information and belief of the LSG Directors having made all necessary enquiries, no LSG Shareholders or any of their respective associates have any material interest in the sale of the Sale Shares I. Therefore, no LSG Shareholders would be required to abstain from voting under the Listing Rules in the LSG GM for obtaining shareholders' approval for the sale of the Sale Shares I. Pursuant to the SPA, as part of the conduct of business pending Completion, Luck Reach shall provide the Purchaser with, amongst others, an original of the LSG Shareholders Undertaking to vote in favour of the sale of the Sale Shares I in the LSG GM no later than 30 days from the date of the SPA.

A circular containing, among other things, further details of the Disposal and other information as required under the Listing Rules, and the notice convening the LSG GM is expected to be despatched by LSG to the LSG Shareholders within 15 Business Days after the publication of this joint announcement.



## LSD

To the best of the knowledge, information and belief of the LSD Directors having made all necessary enquiries, no LSD Shareholders or any of their respective associates have any material interest in the sale of the Sale Shares I. Therefore, no LSD Shareholders would be required to abstain from voting under the Listing Rules if LSD were to convene a general meeting for obtaining shareholders' approval for the sale of the Sale Shares I.

As at the date of this joint announcement, LSG owns, and controls through its wholly-owned subsidiaries (namely Joy Mind Limited and Zimba International Limited) a total of 340,023,572 LSD Shares, representing approximately 56.10% of the total issued shares of LSD. As such, pursuant to Rule 14.44(2) of the Listing Rules, LSG, Joy Mind Limited and Zimba International Limited will give their written approvals for the sale of the Sales Shares I in lieu of holding a general meeting. Accordingly, no general meeting will be convened by LSD to approve the sale of the Sales Shares I. Pursuant to the SPA, as part of the conduct of business pending Completion, Luck Reach shall provide the Purchaser with, amongst others, a certified copy of the LSD Written Shareholders Approval no later than 30 days from the date of the SPA.

A circular containing, among other things, further details of the Disposal and other information as required under the Listing Rules is expected to be despatched by LSD to the LSD Shareholders for their information within 15 Business Days after the publication of this joint announcement.

## DEFINITIONS

“Best Value”	Best Value International Limited (顯中國際有限公司), a company incorporated in Hong Kong with limited liability and the registered and beneficial owner of Property I;
“Business Day”	means a day (not being a Saturday, Sunday, public holiday or any day on which typhoon signal No. 8 or above or black rainstorm warning is hoisted in Hong Kong at any time from 9:00 a.m. to 5:00 p.m.) on which licensed banks are generally open for business in Hong Kong;
“CPO”	the Conveyancing and Property Ordinance (Cap. 219 of the Laws of Hong Kong);
“Completion”	the completion of the Disposal;
“Completion Date”	(i) 27 March 2019; or (ii) such earlier date as designated by the Purchaser by no less than 35 days' written notice to the Sellers provided that such notice shall not be given prior to the satisfaction of the conditions set out in the SPA; or (iii) such other date as the Sellers and the Purchaser may agree in writing on which Completion takes place;

<b>“Completion Payment”</b>	an amount equal to the balance of the Consideration after deducting the Earnest Money as initial deposit, the Further Deposit and the Part Payment;
<b>“Consideration”</b>	the consideration to be paid by the Purchaser for the Sale Shares and for assuming the obligation of full repayment of the existing loans owed by Best Value to certain financing parties (after repayment);
<b>“Deed of Tax Indemnity”</b>	the deed of tax indemnity to be entered into among the Sellers, the Guarantors, the Purchaser and Best Value upon Completion;
<b>“Disposal”</b>	the transactions contemplated under the Offer Letter and the SPA, being the disposal of the Sale Shares by the Sellers to the Purchaser at the Consideration;
<b>“Earnest Money”</b>	the earnest money in the sum of HK\$205,000,000 paid by the Purchaser to the Sellers’ Solicitor upon signing of the Offer Letter;
<b>“Financial Express”</b>	Financial Express International Limited (豐越國際有限公司), a company incorporated in Hong Kong with limited liability
<b>“Further Deposit”</b>	the further deposit in the sum of HK\$205,000,000 paid by the Purchaser upon execution of the SPA;
<b>“Guarantors”</b>	(i) LSD, being the guarantor of Luck Reach; and (ii) Millap Limited (敬新有限公司), a company incorporated in Hong Kong with limited liability, being the guarantor of Financial Express, each the “Guarantor”;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“HK\$”</b>	Hong Kong dollar(s), the lawful currency of Hong Kong;
<b>“Independent Third Party(ies)”</b>	third party(ies) independent of and not connected with each of LSG and LSD (as the case maybe) and connected persons (as defined under the Listing Rules) of each of LSG and LSD (as the case maybe);
<b>“Intermediate Holding Company”</b>	Fu Ying Development Limited (富盈發展有限公司), a company incorporated in the British Virgin Islands, a wholly-owned subsidiary of Best Value and the registered and beneficial owner of Property II;

<b>“Joinsmart”</b>	Joinsmart Corporation Limited (駿群有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Intermediate Holding Company, being the registered and beneficial owner of Property III;
<b>“Listing Rules”</b>	Rules Governing the Listing of Securities on the Stock Exchange;
<b>“LSD”</b>	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);
<b>“LSD Board”</b>	the board LSD Directors;
<b>“LSD Directors”</b>	the directors of LSD;
<b>“LSD Group”</b>	LSD and its subsidiaries;
<b>“LSD Shareholders”</b>	the shareholders of LSD;
<b>“LSD Shares”</b>	shares in the issued share capital of LSD;
<b>“LSD Written Shareholders Approval”</b>	the written approval to be signed by the majority of LSD Shareholders, approving the transactions contemplated under the SPA and other transaction documents as described in the SPA, as required by the Listing Rules in the form specified in the SPA;
<b>“LSG”</b>	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), the ultimate holding company of LSD;
<b>“LSG Board”</b>	the board of LSG Directors;
<b>“LSG Directors”</b>	the directors of LSG;
<b>“LSG GM”</b>	a general meeting of LSG to be convened and held for considering, and, if thought fit, approving the sale of the Sale Shares I;
<b>“LSG Group”</b>	LSG and its subsidiaries, including the LSD Group;
<b>“LSG Shareholders”</b>	the shareholders of LSG;

<b>“LSG Shareholders Undertaking”</b>	the undertaking to be given by the LSG Shareholders holding no less than 41% of the total issued shares in LSG in a form specified in the SPA;
<b>“Luck Reach”</b>	Luck Reach Limited (瑞達有限公司), a company incorporated in the British Virgin Islands, an indirect non-wholly-owned subsidiary of LSG (through its shareholding in LSD) and a wholly-owned subsidiary of LSD;
<b>“Lucky Castle”</b>	Lucky Castle Development Limited (福堡發展有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Intermediate Holding Company, being the registered and beneficial owner of Property IV;
<b>“Material Damage”</b>	means damage to any of the Properties (or any part(s) thereof) resulting in more than 15% of the total gross floor area of the Properties being damaged and/or the aggregate costs of rectifying which damage exceeds or would reasonably be expected to exceed an amount of HK\$150,000,000, in each case, as certified by an independent loss adjustor to be jointly agreed and engaged by the Sellers and the Purchaser;
<b>“Offer Letter”</b>	the offer letter dated 27 June 2018 with a term sheet in relation to sale and purchase of the Sale Shares, issued by a holding company of the Purchaser and accepted and acknowledged by the Sellers on 27 June 2018;
<b>“Part Payment”</b>	the part payment in the sum of HK\$205,000,000 to be paid on or before 26 October 2018 by the Purchaser;
<b>“Percentage Ratios”</b>	the percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules;
<b>“Properties”</b>	collectively, Property I, Property II, Property III, Property IV and Property V, each the “Property”;
<b>“Property I”</b>	ALL THOSE 3,889 equal undivided 10,000 <sup>th</sup> parts or shares of and in ALL THAT piece of parcel of land registered in the Land Registry as INLAND LOT NO. 11231 together with the messuages erections and buildings thereon now known as No. 8 Observatory Road, Kowloon, Hong Kong, legally and beneficially owned by Best Value;

<b>“Property II”</b>	ALL THOSE 4,980 equal undivided 10,000 <sup>th</sup> parts or shares of and in ALL THAT piece of parcel of land registered in the Land Registry as INLAND LOT NO. 11231 together with the messuages erections and buildings thereon now known as No. 8 Observatory Road, Kowloon, Hong Kong, legally and beneficially owned by the Intermediate Holding Company;
<b>“Property III”</b>	ALL THOSE 714 equal undivided 10,000 <sup>th</sup> parts or shares of and in ALL THAT piece of parcel of land registered in the Land Registry as INLAND LOT NO. 11231 together with the messuages erections and buildings thereon now known as No. 8 Observatory Road, Kowloon, Hong Kong, legally and beneficially owned by Joinsmart;
<b>“Property IV”</b>	ALL THOSE 278 equal undivided 10,000 <sup>th</sup> parts or shares of and in ALL THAT piece of parcel of land registered in the Land Registry as INLAND LOT NO. 11231 together with the messuages erections and buildings thereon now known as No. 8 Observatory Road, Kowloon, Hong Kong, legally and beneficially owned by Lucky Castle;
<b>“Property V”</b>	ALL THOSE 139 equal undivided 10,000 <sup>th</sup> parts or shares of and in ALL THAT piece of parcel of land registered in the Land Registry as INLAND LOT NO. 11231 together with the messuages erections and buildings thereon now known as No. 8 Observatory Road, Kowloon, Hong Kong, legally and beneficially owned by Supermate;
<b>“Purchaser”</b>	Treasure Ascend Global Limited (寶登環球有限公司), a company incorporated in the British Virgin Islands, being an Independent Third Party of each of LSG and LSD;
<b>“Registered Owners”</b>	collectively, the registered owners of the Properties, namely, the Target Companies;
<b>“Sale Shares”</b>	Sale Shares I and Sale Shares II, being the entire issued share capital of Best Value;
<b>“Sale Shares I”</b>	5,000 ordinary shares in the capital of Best Value owned by Luck Reach, being 50% of the entire issued share capital of Best Value;
<b>“Sale Shares II”</b>	5,000 ordinary shares in the capital of Best Value owned by Financial Express, being 50% of the entire issued share capital of Best Value;

“Sellers”	Luck Reach and Financial Express, each the “Seller”;
“SPA”	the sale and purchase agreement dated 27 July 2018 in relation to the Disposal entered into between the Sellers, the Purchaser and the Guarantors;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Supermate”	Supermate Development Limited (信萬發展有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Intermediate Holding Company, being the registered and beneficial owner of Property V;
“Target Companies”	Best Value, the Intermediate Holding Company, Joinsmart, Lucky Castle and Supermate, each the “Target Company”; and
“%”	per cent.

Hong Kong, 27 July 2018

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*

*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. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu; and*
- (b) *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 three independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.*