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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 DISCLOSEABLE TRANSACTION

DISPOSAL OF PROPERTY

THE DISPOSAL

On 15 March 2024 (after trading hours), the Vendor (a wholly-owned subsidiary of LSD) entered into the Provisional SPA with the Purchaser in relation to the disposal of the Property for the consideration of HK\$80,000,000. The consideration was determined after arm's length negotiation among the parties and calculated with reference to the prevailing market price of similar properties in comparable locations and the unaudited net book value of the Property as at 31 January 2024.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal is more than 5% but less than 25%, the Disposal and the transactions contemplated under Provisional SPA constitute a discloseable transaction for both LSG and LSD and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

On 15 March 2024 (after trading hours), the Vendor (a wholly-owned subsidiary of LSD) entered into the Provisional SPA with the Purchaser in relation to the Disposal of the Property for the consideration of HK\$80,000,000.

Pursuant to the terms of the Provisional SPA, the Vendor and the Purchaser will enter into the formal sale and purchase agreement of the Property on or before 19 March 2024.

THE DISPOSAL

The principal terms of the Provisional SPA are set out below:

Date	:	15 March 2024 (after trading hours)
Parties	:	the Vendor; and the Purchaser
Consideration	:	HK\$80,000,000
Terms of payment	:	(a) Initial deposit in the sum of HK\$4,000,000 shall be paid upon the signing of the Provisional SPA. (b) Further deposit in the sum of HK\$4,000,000 shall be paid on or before 19 March 2024. (c) Balance of the purchase price in the sum of HK\$72,000,000 shall be paid on completion.
Completion Date	:	Expected to take place on or before 6 June 2024
Other terms	:	(a) Twentieth Floor of the Property shall be sold to the Purchaser in a “bare shell” condition. (b) Parking Spaces of the Property shall be sold to the Purchaser on an “as is” basis. (c) The stamp duty payable on the Provisional SPA, the formal sale and purchase agreement executed pursuant to the Provisional SPA or the assignment in connection with the Disposal shall be borne by the Purchaser alone.

Consideration

The consideration of HK\$80,000,000 was determined after arm’s length negotiation among the parties and calculated with reference to the prevailing market price of similar properties in comparable locations and the unaudited net book value of the Property as at 31 January 2024.

INFORMATION OF THE PROPERTY

The Property is a non-residential property which comprises (i) the Twentieth Floor and (ii) Parking Spaces Nos.P17, P18 and P59 on the Second Floor of Wyler Centre Phase II (also known as Wyler Centre 2), Nos.192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong.

As at 31 January 2024, the unaudited net book value of the Property was approximately HK\$84,000,000.

As the Property is held by the LSD Group for self-use purposes, there is no consolidated net profit before or after taxation attributable to the Property in respect of each of LSD Group and LSG Group for the two financial years ended 31 July 2023.

FINANCIAL EFFECT OF THE DISPOSAL

As at 31 January 2024, the unaudited net book value of the Property was approximately HK\$84,000,000. Based on the consideration of HK\$80,000,000, the LSD Group is expected to recognise a net loss (after deducting relevant legal costs, commission and expenses) of approximately HK\$6,000,000 from the Disposal, which is subject to final audit to be performed by the auditors of LSG and LSD respectively.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated under the laws of Hong Kong. Based on the information provided by the Purchaser, the ultimate beneficial owners of the Purchaser are individuals who are independent third parties in respect of LSG and LSD, and principally engaged in the trading of bed-related products.

To the best of the LSG Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser and its ultimate beneficial owners are third parties independent from 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 owners are third parties independent from each of LSD and its connected persons.

INFORMATION OF LSG, LSD AND THE VENDOR

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, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. LSG owns approximately 55.60% 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, production and distribution of films and TV programs, music production and publishing, management and production of concerts, artiste management, cinema operation, cultural, leisure, entertainment and related facilities and investment holding.

The Vendor is a company incorporated in Hong Kong with limited liability and is a wholly-owned subsidiary of LSD. The principal activity of the Vendor is property investment.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Property was acquired by the LSD Group, and is currently used by members of the LSD Group for self-use. The Disposal represents LSD Group's commitment to its non-core asset disposal plan so as to enable the LSD Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the LSD Group.

The gross proceeds and net proceeds from the Disposal amount to approximately HK\$80,000,000 and HK\$78,000,000, respectively. The net proceeds from the Disposal are intended to be applied towards repayment of bank loans and/or as general working capital of the LSD Group.

The LSG Directors are of the view that the Disposal is in the interests of LSG and its shareholders as a whole and the terms and consideration thereof are fair and reasonable.

The LSD Directors are of the view that the Disposal is in the interests of LSD and its shareholders as a whole and the terms and consideration thereof are fair and reasonable.

LISTING RULES IMPLICATIONS

As one of the applicable percentage ratios in respect of the Disposal is more than 5% but less than 25%, the Disposal and the transactions contemplated under Provisional SPA constitute a discloseable transaction for both LSG and LSD and is therefore subject to the reporting and announcement requirements but exempt from the shareholders' approval requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this joint announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“Board”	the board of Directors;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“Disposal”	the disposal of the Property by the Vendor to the Purchaser;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People's Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LSD”	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);
“LSD Board”	the board of LSD Directors;
“LSD Directors”	the directors of LSD;
“LSD Group”	LSD and its subsidiaries;
“LSG”	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;

“LSG Board”	the board of LSG Directors;
“LSG Directors”	the directors of LSG;
“LSG Group”	LSG and its subsidiaries;
“Property”	the non-residential property situated at Twentieth Floor and Parking Spaces Nos.P17, P18 and P59 on the Second Floor of Wyler Centre Phase II (also known as Wyler Centre 2), Nos.192-200 Tai Lin Pai Road, Kwai Chung, New Territories, Hong Kong;
“Provisional SPA”	the provisional sale and purchase agreement dated 15 March 2024 entered into between the Vendor and the Purchaser in relation to the Disposal;
“Purchaser”	Wai Tung International Limited (煒東國際有限公司), a company incorporated under the laws of Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	International Development and Services Limited (洲立發展及管理有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of LSD; and
“%”	per cent.

By order of the Board
Lai Sun Garment (International) Limited
Lam Kin Ngok, Peter
Chairman

By order of the Board
Lai Sun Development Company Limited
Lam Kin Ngok, Peter
Chairman

Hong Kong, 15 March 2024

As at the date of this joint announcement,

- (a) *the LSG Board comprises six executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yang Yiu Chong, Ronald Jeffrey, Mr. Cheung Sum, Sam, Madam U Po Chu, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); and four independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan, Chow Bing Chiu and Ng Chi Ho, Dennis; and*
- (b) *the LSD Board comprises five executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Lau Shu Yan, Julius (Chief Executive Officer), Cheung Sum, Sam, Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Lee Tze Yan, Ernest; one non-executive director, namely Madam U Po Chu; and four independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William, Ip Shu Kwan, Stephen and Luk Hon Man.*