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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
INSIDE INFORMATION ANNOUNCEMENT
DISPOSAL BY A JOINT VENTURE**

DISPOSAL BY A JOINT VENTURE

LSG and LSD announce that on 2 July 2024 (after trading hours), the Agreement was entered into between the Seller and the Buyer, whereby the Seller agreed to dispose of its legal and beneficial interest in the Properties.

LISTING RULES IMPLICATIONS

As at the date of this joint announcement, the entire issued shares of the Seller are owned by the Joint Venture, a joint venture to which 50% interest is attributable to the LSD Group and 50% interest is attributable to a third party. Neither the Joint Venture nor the Seller is a subsidiary of LSG or LSD and the Disposal does not constitute a transaction of LSG or LSD under Chapters 14 and 14A of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of LSG and LSD.

This joint announcement is made by Lai Sun Garment (International) Limited (“**LSG**”; together with its subsidiaries, the “**LSG Group**”) and Lai Sun Development Company Limited (“**LSD**”; together with its subsidiaries, the “**LSD Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

DISPOSAL BY A JOINT VENTURE

LSG and LSD announce that on 2 July 2024 (after trading hours), an agreement for sale and purchase (the “**Agreement**”) was entered into between Strongly Limited (the “**Seller**”) and a third party buyer (the “**Buyer**”), whereby the Seller agreed to dispose of its legal and beneficial interest in the following properties (the “**Properties**”) (the “**Disposal**”):

1. All those 226,363 equal undivided 1,032,560th parts or shares of and in all that piece or parcel of land registered in the Land Registry as Tseung Kwan O Town Lot No.95 (the “**Land**”) and of and in the development constructed thereon now known as “Alto Residences (藍塘傲)” (the “**Development**”) together with the exclusive right and privilege to hold use occupy and enjoy all those premises known as Commercial Accommodation of the Development; and
2. All those 25,990 equal undivided 1,032,560th parts or shares of and in the Land and the Development together with the exclusive right and privilege to hold use occupy and enjoy all those premises known as Public Vehicle Park of the Development.

As at the date of this joint announcement, the Seller is the sole legal and beneficial owner of the Properties, all of which are non-residential properties.

Pursuant to the terms of the Disposal, the Properties shall be sold to the Buyer on an “as is” basis and subject to and with the benefit of the existing tenancies, leases and licences. The Seller will guarantee to the Buyer that the net rental income derived from the Properties as agreed by the Seller and the Buyer for each year of the period of 2 years from 1 August 2024 to 31 July 2026 to be no less than HK\$33,000,000, failing which the Seller shall pay the shortfall to the Buyer.

The consideration of the Disposal is HK\$540,000,000, which was determined after arm’s length negotiation between the Buyer and the Seller on normal commercial terms having taken into account all submissions submitted to the Seller during the tender process.

Completion of the Disposal is expected to take place on or before 5 August 2024. It is expected that both the LSG Group and the LSD Group will recognise an estimated loss arising from the Disposal reflected in share of profits and losses of joint ventures in their respective consolidated income statement of approximately HK\$307,000,000. The calculation of the estimated loss is arrived based on our 50% attributable interest in the Seller applied to the difference between the consideration and the carrying value of the Properties as at 31 July 2023. The actual amount of such loss to be recognised by each of the LSG Group and LSD Group will be subject to final audit and adjustment (if any).

The directors of LSG (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 directors of LSD (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

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

As at the date of this joint announcement, the entire issued shares of the Seller are owned by Diamond Path Limited (the "**Joint Venture**"), a joint venture to which 50% interest is attributable to the LSD Group and 50% interest is attributable to a third party. Neither the Joint Venture nor the Seller is a subsidiary of LSG or LSD and the Disposal does not constitute a transaction of LSG or LSD under Chapters 14 and 14A of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of LSG and LSD.

By order of the board Lai Sun Garment (International) Limited Lam Kin Ngok, Peter <i>Chairman</i>	By order of the board Lai Sun Development Company Limited Lam Kin Ngok, Peter <i>Chairman</i>
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Hong Kong, 2 July 2024

As at the date of this joint announcement,

- (a) *the board of LSG 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 board of LSD 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.*