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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)



## LAI FUNG HOLDINGS

Lai Fung Holdings Limited  
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1125)

### JOINT ANNOUNCEMENT

### DISCLOSEABLE TRANSACTION ACQUISITION OF 30% INTEREST IN A SUBSIDIARY AND SHAREHOLDER'S LOAN

This joint announcement is made by LSG and Lai Fung pursuant to Rule 14.34 of the Listing Rules and by LSD as a voluntary announcement.

#### SALE AND PURCHASE AGREEMENT

The LSG Board, the LSD Board and the Lai Fung Board announce that after trading hours on 21 June 2023, Rosy Commerce and the Investor entered into the Sale and Purchase Agreement in relation to the Acquisition, pursuant to which Rosy Commerce has agreed to purchase the Sale Shares and take assignment of the Shareholder's Loan, and the Investor has agreed to sell the Sale Shares and assign the Shareholder's Loan at the consideration of USD8,386,176.05 and USD882,755.37, respectively, in cash subject to and in accordance with the terms of the Sale and Purchase Agreement.

Upon Completion, Glorious Stand will be wholly owned by Rosy Commerce, and Rosy Commerce will be the sole legal and beneficial owner of the Shareholder's Loan.

#### LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratio(s) in respect of the Acquisition exceed 5% but are all less than 25% for each of LSG and Lai Fung, the Acquisition constitutes a discloseable transaction of LSG and Lai Fung under the Listing Rules.

As at the date of this joint announcement, the Investor holds 30% of the issued share capital of each of Glorious Stand and Harmonic Run. As the total assets, profits and revenue of Glorious Stand and Harmonic Run, when aggregated with each other, compared to that of the LSG Group, the LSD Group and the Lai Fung Group are all less than 5% under the Percentage Ratios for the financial year ended 31 July 2022, Glorious Stand and Harmonic Run are insignificant subsidiaries of LSG, LSD and Lai Fung. Notwithstanding the Investor's interests in Glorious Stand and Harmonic Run, the Investor (as substantial shareholder of insignificant subsidiaries of LSG, LSD and Lai Fung) and its ultimate beneficial owner(s) are not regarded as connected persons of LSG, LSD and Lai Fung pursuant to Rule 14A.09 of the Listing Rules. Therefore, the Acquisition does not constitute a connected transaction of LSG, LSD and Lai Fung under Chapter 14A of the Listing Rules.

This joint announcement is made by LSG and Lai Fung pursuant to Rule 14.34 of the Listing Rules and by LSD as a voluntary announcement.

## **INTRODUCTION**

Reference is made to the joint announcement dated 2 January 2019 made by LSG, LSD, eSun and Lai Fung in relation to, among others, the deemed disposal of 30% interest in Glorious Stand and Harmonic Run.

The LSG Board, the LSD Board and the Lai Fung Board announce that after trading hours on 21 June 2023, Rosy Commerce and the Investor entered into the Sale and Purchase Agreement in relation to the Acquisition, pursuant to which Rosy Commerce has agreed to purchase the Sale Shares and take assignment of the Shareholder's Loan, and the Investor has agreed to sell the Sale Shares and assign the Shareholder's Loan at the consideration of USD8,386,176.05 and USD882,755.37, respectively, in cash subject to and in accordance with the terms of the Sale and Purchase Agreement.

Upon Completion, Glorious Stand will be wholly owned by Rosy Commerce, and Rosy Commerce will be the sole legal and beneficial owner of the Shareholder's Loan.

## **PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT**

Set out below are the principal terms of the Sale and Purchase Agreement.

### **Date**

After trading hours on 21 June 2023

## **Parties**

1. Rosy Commerce; and
2. the Investor.

## **Sale and purchase of Sale Shares**

Rosy Commerce has agreed to purchase, and the Investor has agreed to sell, the Sale Shares at the consideration of USD8,386,176.05, being the USD equivalent of RMB57 million based on the Agreed Exchange Rate, which is equal to the price paid by the Investor in acquiring and subscribing for the Sale Shares in accordance with the terms of the agreement dated 31 December 2018 made among Rosy Commerce, the Investor and Glorious Stand with respect to the sale and purchase and the allotment and subscription of the Sale Shares. For details, please refer to the joint announcement dated 2 January 2019 made by LSG, LSD, eSun and Lai Fung.

## **Assignment of Shareholder's Loan**

The Investor has agreed to assign, and Rosy Commerce has agreed to take the assignment of, the Shareholder's Loan at the consideration of USD882,755.37, being the USD equivalent of RMB6 million based on the Agreed Exchange Rate, which is the outstanding amount of the Shareholder's Loan.

## **Payment of Consideration**

The Total Consideration of USD9,268,931.42, being the USD equivalent of RMB63 million based on the Agreed Exchange Rate, shall be paid to the Investor by Rosy Commerce in USD or equivalent amounts of USD based on the Agreed Exchange Rate in cash in three instalments as follows:

- (i) USD5,000,000 ("**Tranche 1 Consideration**") shall be payable on or before 30 June 2023;
- (ii) a further USD2,000,000 ("**Tranche 2 Consideration**") shall be payable on or before 30 September 2023; and
- (iii) the remainder of USD2,268,931.42 ("**Tranche 3 Consideration**") shall be payable on or before 30 November 2023.

## *Basis of consideration for the Acquisition*

The consideration for the Acquisition was determined after arm's length negotiation between Rosy Commerce and the Investor with reference to (i) the price paid by the Investor in acquiring and subscribing for the Sale Shares; and (ii) the outstanding amount of the Shareholder's Loan.

## **Completion**

Completion shall take place on the day whereupon (i) Rosy Commerce shall have paid the Total Consideration in full to the Investor in accordance with the Sale and Purchase Agreement; and (ii) the Investor shall sell the Sale Shares and shall assign the Shareholder's Loan in full to Rosy Commerce.

Within 5 business days from Completion, the Investor shall deliver to Rosy Commerce, among others, such documents required to give Rosy Commerce good title to the Sale Shares and the Shareholder's Loan and to enable Rosy Commerce to become the registered holder thereof with effect from the date of Completion.

## **Termination of Shareholders' Agreement**

The Shareholders' Agreement shall be deemed to be terminated upon payment of the Total Consideration in full by Rosy Commerce to the Investor in accordance with the terms of the Sale and Purchase Agreement.

## **INFORMATION OF GSL GROUP, ROSY COMMERCE GROUP, THE INVESTOR, LAI FUNG GROUP, LSD GROUP AND LSG GROUP**

### **GSL Group**

Glorious Stand is a company incorporated in the BVI with limited liability and principally engaged in investment holding. GSL Group is principally engaged in the internal build-out, fitting, development and operation of themed indoor experience centres named "National Geographic Ultimate Explorer Hengqin" using the intellectual property licenses granted by National Geographic Partners, LLC.

### **Rosy Commerce Group**

Rosy Commerce is a company incorporated in the BVI with limited liability and principally engaged in investment holding. Rosy Commerce Group is principally engaged in design, development and operation of Phase I of Novotown project in Hengqin, Zhuhai City, Guangdong Province of the PRC, which is an integrated cultural, entertainment, tourism and hospitality project comprising two themed indoor experience centres, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin" under the intellectual property licenses granted by "Lionsgate" and "National Geographic" respectively, a 493-room Hyatt Regency Hengqin hotel, multi-function hall, wedding pavilion, offices, cultural workshops and studios, a central garden for hosting outdoor performances, shopping and leisure facilities.

## **The Investor**

The Investor is a company incorporated in Hong Kong and principally engaged in asset management. It is an indirectly wholly-owned subsidiary of China Cinda Asset Management Co., Ltd., a joint stock company incorporated in the PRC with limited liability and whose shares and preference shares are listed on the Main Board of the Stock Exchange.

To the best of the knowledge, information and belief of the LSG Directors, the LSD Directors and the Lai Fung Directors, as at the date of this joint announcement, the Investor is the legal and beneficial owner of 30% of the issued share capital of Glorious Stand (i.e. the Sale Shares) and 30% of the issued share capital of Harmonic Run and hence is a substantial shareholder of each of Glorious Stand and Harmonic Run. As the total assets, profits and revenue of Glorious Stand and Harmonic Run, when aggregated with each other, compared to that of the LSG Group, the LSD Group and the Lai Fung Group are all less than 5% under the Percentage Ratios for the financial year ended 31 July 2022, Glorious Stand and Harmonic Run are insignificant subsidiaries of LSG, LSD and Lai Fung. Accordingly, notwithstanding the Investor's interests in Glorious Stand and Harmonic Run, the Investor (as substantial shareholder of insignificant subsidiaries of LSG, LSD and Lai Fung) and its ultimate beneficial owner(s) are not regarded as connected persons of LSG, LSD and Lai Fung pursuant to Rule 14A.09 of the Listing Rules.

## **Lai Fung Group**

Lai Fung is an exempted company incorporated in the Cayman Islands 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 Lai Fung Group include property development for sale, property investment, and development and operation of and investment in cultural, leisure, entertainment and related facilities in the PRC.

## **LSD Group**

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 and development in Hong Kong, the PRC and overseas as well as investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. As at the date of this joint announcement, LSD owns approximately 55.08% of the total issued shares of Lai Fung.

## LSG Group

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 and development in Hong Kong, the PRC and overseas as well as investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. As at the date of this joint announcement, LSG owns approximately 53.19% of the total issued shares of LSD, which owns approximately 55.08% of the total issued shares of Lai Fung.

## FINANCIAL INFORMATION OF GSL GROUP

Set out below is the summary of the key financial information of GSL Group for the two years ended 31 July 2021 and 2022:

	<b>For the year ended 31 July 2021 <i>HK\$ million</i> (approximately)</b>	<b>For the year ended 31 July 2022 <i>HK\$ million</i> (approximately)</b>
Loss before taxation	31.8	39.5
Loss after taxation	32.0	39.6

As at 31 July 2022, the audited total asset value and net liabilities value of GSL Group are approximately HK\$90.6 million and HK\$47.6 million, respectively.

## REASONS FOR AND THE BENEFITS OF THE ACQUISITION

GSL Group is principally engaged in the operation of National Geographic Ultimate Explorer Hengqin, which is a family edutainment centre, featuring its 18 individual attractions including rides, food and beverage facilities, retail premises, virtual reality and/or 4-D interactive experiences, and other types of entertainment and educational attractions. Going into 2023 with strong rebound of travelling across the Mainland China, National Geographic Ultimate Explorer Hengqin has also seen strong pick-up in attendance and associated revenue as compared with corresponding period in the preceding year. The LSG Group, the LSD Group and the Lai Fung Group believe that the Acquisition would present to them a good opportunity to further increase their interests in the growing business of GSL Group, which is expected to benefit from the continuous development of the Guangdong-Macao-In-Depth Cooperation Zone in Hengqin and further integration between Macao and Hengqin.

The LSG Directors (including the independent non-executive LSG Directors), the LSD Directors (including the independent non-executive LSD Directors) and the Lai Fung Directors (including the independent non-executive Lai Fung Directors) consider that the terms and conditions of the Acquisition as contained in the Sale and Purchase Agreement are fair and reasonable and in the interests of the LSG Group, the LSD Group and the Lai Fung Group and their respective shareholders as a whole.

## LISTING RULES IMPLICATIONS

As one or more of the applicable Percentage Ratio(s) in respect of the Acquisition exceed 5% but are all less than 25% for each of LSG and Lai Fung, the Acquisition constitutes a discloseable transaction of LSG and Lai Fung under the Listing Rules.

As at the date of this joint announcement, the Investor holds 30% of the issued share capital of each of Glorious Stand and Harmonic Run. As the total assets, profits and revenue of Glorious Stand and Harmonic Run, when aggregated with each other, compared to that of the LSG Group, the LSD Group and the Lai Fung Group are all less than 5% under the Percentage Ratios for the financial year ended 31 July 2022, Glorious Stand and Harmonic Run are insignificant subsidiaries of LSG, LSD and Lai Fung. Notwithstanding the Investor's interests in Glorious Stand and Harmonic Run, the Investor (as substantial shareholder of insignificant subsidiaries of LSG, LSD and Lai Fung) and its ultimate beneficial owner(s) are not regarded as connected persons of LSG, LSD and Lai Fung pursuant to Rule 14A.09 of the Listing Rules. Therefore, the Acquisition does not constitute a connected transaction of LSG, LSD and Lai Fung under Chapter 14A of the Listing Rules.

## DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions have the following meanings:

“Acquisition”	the acquisition of the Sale Shares and the taking of assignment of the Shareholder's Loan by Rosy Commerce from the Investor subject to and in accordance with the terms of the Sale and Purchase Agreement;
“Agreed Exchange Rate”	as regards USD to RMB, USD1:RMB6.7969;
“business day(s)”	any day(s) on which licensed banks in Hong Kong and the PRC are open to conduct business generally throughout their normal business hours, excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning no. 8 or above or a black rainstorm warning signal is in force in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on weekdays;
“BVI”	the British Virgin Islands;
“Completion”	completion of the sale and purchase of the Sale Shares and the assignment of the Shareholder's Loan under the Sale and Purchase Agreement;
“connected person(s)”	has the meaning ascribed to it under the Listing Rules;
“eSun”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571);

“Glorious Stand”	Glorious Stand Limited (榮立有限公司), a company incorporated in the BVI with limited liability and as at the date of this joint announcement, owned by Rosy Commerce as to 70% and by the Investor as to 30%;
“GSL Group”	Glorious Stand and its subsidiaries;
“Harmonic Run”	Harmonic Run Limited (和運有限公司), a company incorporated in the BVI with limited liability and as at the date of this joint announcement, owned by Rosy Commerce as to 70% and by the Investor as to 30%;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Investor”	China Cinda (HK) Asset Management Co., Limited, a company incorporated in Hong Kong and an indirect wholly-owned subsidiary of China Cinda Asset Management Co., Ltd., a joint stock company incorporated in the PRC and whose shares and preference shares are listed on the Main Board of the Stock Exchange (Stock Code: 1359; Preference Shares Stock Code: 4621);
“Lai Fung”	Lai Fung Holdings Limited (麗豐控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 1125);
“Lai Fung Board”	the board of Lai Fung Directors;
“Lai Fung Directors”	the directors of Lai Fung;
“Lai Fung Group”	Lai Fung and its subsidiaries;
“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);
“LSG Board”	the board of LSG Directors;
“LSG Directors”	the directors of LSG;
“LSG Group”	LSG and its subsidiaries;
“Macao”	the Macao Special Administrative Region of the PRC;
“Percentage Ratios”	has the meaning ascribed to it in Rule 14.07 of the Listing Rules;
“PRC”	the People’s Republic of China (for the purpose of this joint announcement, excluding Hong Kong, Macao and Taiwan);
“RMB”	Renminbi, the lawful currency of the PRC;
“Rosy Commerce”	Rosy Commerce Holdings Limited (業佳控股有限公司), a company incorporated in the BVI with limited liability and owned by Lai Fung and LSD as to 80% and 20%, respectively;
“Rosy Commerce Group”	Rosy Commerce and its subsidiaries;
“Sale and Purchase Agreement”	the sale and purchase agreement dated 21 June 2023 in respect of the Acquisition entered into by Rosy Commerce and the Investor;
“Sale Shares”	30 shares in and of the issued share capital of Glorious Stand legally and beneficially owned by the Investor as at the date of this joint announcement and the subject matter of the Sale and Purchase Agreement;
“Shareholders’ Agreement”	the agreement dated 25 January 2019 entered into among Rosy Commerce, the Investor, Glorious Stand, Lai Fung and eSun with respect to the management of affairs of Glorious Stand (as amended and supplemented by the supplemental agreement dated 10 March 2020 entered into among the aforesaid parties and LSD);
“Shareholder’s Loan”	all loan(s) and interest accrued thereon (if any) owing by Glorious Stand to the Investor, which as at the date of the Sale and Purchase Agreement, is in the amount of USD882,755.37, being the USD equivalent of principal amount of RMB6 million based on the Agreed Exchange Rate and is interest-free;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules;
“Total Consideration”	collectively, the Tranche 1 Consideration, Tranche 2 Consideration and Tranche 3 Consideration;
“USD”	United States dollars, the lawful currency of the United States of America; 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*

By Order of the Board  
**Lai Fung Holdings Limited**  
**Lam Kin Ngok, Peter**  
*Chairman*

Hong Kong, 21 June 2023

*As at the date of this joint announcement:*

- (a) *the LSG Board comprises five executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yang Yiu Chong, Ronald Jeffrey, Madam U Po Chu, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); one non-executive director, namely Mr. Chew Fook Aun (Deputy Chairman); and three independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu;*
- (b) *the LSD Board comprises four executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Lau Shu Yan, Julius (Chief Executive Officer), Mr. Lam Hau Yin, Lester (also alternate director to Madam U Po Chu) and Mr. Lee Tze Yan, Ernest; two non-executive directors, namely Madam U Po Chu and Mr. Chew Fook Aun (Deputy Chairman); and three independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen; and*
- (c) *the Lai Fung Board comprises six executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer) (also alternate to Madam U Po Chu), Madam U Po Chu, Mr. Cheng Shin How and Mr. Lee Tze Yan, Ernest; one non-executive director, namely Mr. Chew Fook Aun (Deputy Chairman); and five independent non-executive directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin and Shek Lai Him, Abraham.*