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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)

Holy Unicorn Limited

(Incorporated in the British Virgin Islands with limited liability)

JOINT ANNOUNCEMENT

CLOSE OF THE LF OFFERS

AND

RESULTS OF THE LF OFFERS

AND

SUSPENSION OF TRADING OF THE SHARES IN

LAI FUNG HOLDINGS LIMITED

**VOLUNTARY GENERAL CASH OFFERS BY HSBC
ON BEHALF OF THE OFFEROR, A WHOLLY-OWNED
SUBSIDIARY OF LSD, TO ACQUIRE ALL OF THE
ISSUED SHARES OF LAI FUNG (OTHER THAN THOSE
ALREADY OWNED OR AGREED TO BE ACQUIRED BY LSD,
THE OFFEROR OR THE OTHER WHOLLY-OWNED
SUBSIDIARIES OF LSD) AND TO CANCEL ALL THE
OUTSTANDING SHARE OPTIONS OF LAI FUNG**

Financial Adviser to LSD and the Offeror



INTRODUCTION

Reference is made to (i) the joint announcement dated 21 February 2020 published by Lai Sun Garment (International) Limited (“**LSG**”), Lai Sun Development Company Limited (“**LSD**”), Holy Unicorn Limited (the “**Offeror**”), eSun Holdings Limited (“**eSun**”) and Lai Fung Holdings Limited (“**Lai Fung**”) in respect of, among others, the then conditional voluntary general cash offers to be made by The Hongkong and Shanghai Banking Corporation Limited (“**HSBC**”) on behalf of the Offeror, a wholly-owned subsidiary of LSD, to acquire all of the issued shares of Lai Fung (other than those already owned or agreed to be acquired by LSD, the Offeror or the other wholly-owned subsidiaries of LSD) (the “**LF Share Offer**”) and to cancel all the outstanding share options of Lai Fung (the “**LF Option Offer**”, and together with the LF Share Offer, the “**LF Offers**”); (ii) the composite offer and response document jointly issued by LSD, the Offeror and Lai Fung dated 24 April 2020 in relation to the LF Offers (“**Composite Document**”); (iii) the joint announcement issued by LSD, the Offeror and Lai Fung dated 23 April 2020 in relation to the despatch of the Composite Document and the letter dated 24 April 2020 issued by HSBC on behalf of the Offeror to the holders of outstanding share options of Lai Fung; (iv) the joint announcement issued by LSG, LSD, the Offeror, eSun and Lai Fung dated 13 May 2020 in relation to satisfaction of certain conditions to the LF Share Offer; and (v) the joint announcement issued by LSG, LSD, the Offeror, eSun and Lai Fung dated 14 May 2020 in relation to the LF Offers being declared unconditional in all respects.

Unless otherwise defined herein, capitalised terms used herein shall have the meanings ascribed to them in the Composite Document.

CLOSE OF THE LF OFFERS

The Offeror announces that the LF Offers closed at 4:00 p.m. on Thursday, 28 May 2020.

RESULTS OF THE LF OFFERS

Level of acceptances of the LF Offers

As of 4:00 p.m. on 28 May 2020, valid acceptances of the LF Share Offer had been received in respect of 180,600,756 LF Offer Shares, representing approximately 54.56% of the LF Offer Shares and approximately 54.56% of the issued share capital of Lai Fung as at the date of this joint announcement (of which valid acceptances in respect of 11,098,463 LF Offer Shares were from Disinterested Shareholders, representing approximately 6.87% of all Disinterested Shares as at the date of this joint announcement).

As of 4:00 p.m. on 28 May 2020, valid acceptances of the LF Option Offer had been received in respect of 900,000 LF Options, representing approximately 8.09% of the LF Options as at the date of this joint announcement (before the LF Options tendered for acceptance are cancelled pursuant to the LF Option Offer) (of which valid acceptances in respect of 900,000 LF Options were from Offeror Concert Parties, representing approximately 8.09% of the LF Options as at the date of this joint announcement (before the LF Options tendered for acceptance are cancelled pursuant to the LF Option Offer)).

Of the 180,600,756 LF Offer Shares validly tendered for acceptance under the LF Share Offer, 169,502,293 LF Offer Shares were tendered for acceptance by Offeror Concert Parties (including eSun), representing approximately 51.21% of the LF Offer Shares and approximately 51.20% of the issued share capital of Lai Fung as at the date of this joint announcement.

None of the Offeror or the Offeror Concert Parties has purchased any LF Shares during the LF Offer Period (other than under the LF Share Offer) up to the date of this joint announcement.

INTERESTS OF THE OFFEROR AND THE OFFEROR CONCERT PARTIES IN LAI FUNG

Immediately before 21 February 2020 (being the commencement date of the LF Offer Period), (i) the Offeror did not hold, control or direct any LF Shares; and (ii) the Offeror Concert Parties held, controlled or directed 169,519,803 LF Shares, representing approximately 51.21% of the issued share capital of Lai Fung as at the Announcement Date.

The LF Shares in respect of which valid acceptances had been received under the LF Share Offer as at 4:00 p.m. on the date of this joint announcement, together with the LF Shares held by LSD, the Offeror and the other wholly-owned subsidiaries of LSD, amount to 180,618,266 LF Shares, representing approximately 54.56% of the issued share capital of Lai Fung.

The following sets out the Offeror Concert Parties' holdings of the LF Options immediately before 21 February 2020 (being the commencement date of the LF Offer Period) and as at the date of this joint announcement:

Name	Relationship with the Offeror or its holding companies	Number of LF Options held immediately before 21 February 2020	Number of LF Options held as at the date of this joint announcement
Dr. Peter Lam	Offeror Director, a deputy chairman and an executive director of LSG, the chairman and an executive director of LSD and the ultimate controlling shareholder of LSG, LSD and the Offeror	321,918	321,918
Mr. Lester Lam	Offeror Director, an executive director of LSG (and an alternate to Madam U as an executive director of LSG), an executive director of LSD and Dr. Peter Lam's son	3,219,182	3,219,182
Mr. FA Chew	Offeror Director, a deputy chairman and an executive director of LSG and the deputy chairman and an executive director of LSD	900,000	0
Mr. Julius Lau	Offeror Director and the chief executive officer and an executive director of LSD	965,754	965,754
Mr. Ronald Tham	an executive director of LSD	500,000	500,000

Save as disclosed above, none of the Offeror or the Offeror Concert Parties: (i) held, controlled or directed any LF Shares and rights over LF Shares before the LF Offer Period; (ii) has acquired or agreed to acquire any LF Shares, other securities of Lai Fung or rights over LF Shares during the LF Offer Period; or (iii) has borrowed or lent any LF Shares or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of Lai Fung during the LF Offer Period (save for any borrowed LF Shares or such relevant securities which have been either on-lent or sold).

As Lai Fung was already a subsidiary of LSD, which wholly owns the Offeror, before the commencement date of the LF Offer Period, the LF Share Offer did not result in any change of control over Lai Fung under the terms of the Share Option Scheme adopted by Lai Fung on 21 August 2003 (as amended on 8 August 2018) and the Share Option Scheme adopted by Lai Fung on 18 December 2012. Accordingly, all LF Options shall remain valid and exercisable during their respective option periods in accordance with the terms of the relevant Share Option Scheme notwithstanding the LF Share Offer. Any unexercised LF Option will survive completion of the LF Offers provided that its option period will not expire before then.

SETTLEMENT OF CONSIDERATION

Settlement of the consideration in respect of an acceptance of the LF Offers will be made as soon as possible and in any event within seven (7) Business Days of (i) the date of receipt of the complete and valid acceptance of the relevant LF Offer Shareholder or LF Optionholder or (ii) the date on which the LF Offers become unconditional in all respects (which was 14 May 2020), whichever is the later.

NO COMPULSORY ACQUISITION OF LF OFFER SHARES

As the level of acceptances of the LF Share Offer has not reached the prescribed threshold under Section 88 of the Companies Law, no rights to effect the compulsory acquisition of the remaining LF Offer Shares have arisen. Therefore, Lai Fung will not apply for the withdrawal of listing of the LF Shares from the Stock Exchange as a result of the LF Offers.

SHAREHOLDING STRUCTURE OF LAI FUNG

The table below sets out the shareholding structure of Lai Fung as at the date of this joint announcement (assuming due registration by the Registrar of the transfer of the LF Shares in respect of which valid acceptances have been received had been completed already):

	<i>As at the date of this joint announcement</i>	
	<i>No. of LF Shares</i>	<i>As a percentage of the issued share capital of Lai Fung</i>
Offeror	180,600,756	54.56%
Transtrend	17,510	0.01%
Other core connected persons of Lai Fung	2,303,520	0.70%
CapitaLand LF (Cayman) Holdings Co., Ltd.	64,400,000	19.45%
Yu Shareholders	34,729,037	10.49%
Public shareholders	48,982,620	14.80%
Total number of LF Shares	<u>331,033,443</u>	<u>100%</u>

PUBLIC FLOAT OF LF SHARES AND SUSPENSION OF TRADING

As shown above, immediately following the close of the LF Offers and subject to the due registration by the Registrar of the transfer of the LF Shares in respect of which valid acceptances were received, 48,982,620 LF Shares are held by the public (within the meaning of the Listing Rules), representing approximately 14.80% of the issued share capital of Lai Fung as at the date of this joint announcement. Accordingly, the minimum public float requirement of 25% as set out in Rule 8.08(1)(a) of the Listing Rules is not satisfied as at the date of this joint announcement.

Pursuant to Note 1 to Rule 8.08(1)(b) of the Listing Rules, trading in the LF Shares will normally be required to be suspended if the percentage of public float falls below 15%. As the percentage of the public float of the LF Shares has fallen below 15%, Lai Fung has requested that trading in the LF Shares on the Stock Exchange be suspended with effect from 9:00 a.m. on 29 May 2020 until the public float of Lai Fung is restored.

As disclosed in the Composite Document, the Offeror Directors have jointly and severally undertaken to the Stock Exchange that, in the event the LF Share Offer becomes unconditional in all respects and the Offeror does not effect the compulsory acquisition of the remaining LF Offer Shares, they will take appropriate steps to ensure that any shortfall in the public float of Lai Fung as a result of the LF Offers is restored after the close of the LF Offers as long as Lai Fung remains listed on the Stock Exchange.

Further announcement(s) will be made by Lai Fung regarding the restoration of the shortfall in its public float as and when appropriate.

By order of the board
Lai Sun Development Company Limited
Lau Shu Yan, Julius
Executive Director and Chief Executive Officer

By order of the board
Lai Fung Holdings Limited
Chew Fook Aun
Chairman

By order of the board
Holy Unicorn Limited
Chew Fook Aun
Director

Hong Kong, 28 May 2020

As at the date of this joint announcement:

- (a) *the LSD Board comprises five executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman), Lau Shu Yan, Julius (Chief Executive Officer), Lam Hau Yin, Lester and Tham Seng Yum, Ronald; two non-executive directors, namely Dr. Lam Kin Ming and Madam U Po Chu; and four independent non-executive directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William, Ip Shu Kwan, Stephen and Leung Wang Ching, Clarence.*
- (b) *the Offeror Board comprises four directors, namely Dr. Lam Kin Ngok, Peter and Messrs. Chew Fook Aun, Lau Shu Yan, Julius and Lam Hau Yin, Lester.*
- (c) *the Lai Fung Board comprises eight executive directors, namely Mr. Chew Fook Aun (Chairman), Dr. Lam Kin Ming (Deputy Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer), Madam U Po Chu and Messrs. Cheng Shin How, Lee Tze Yan, Ernest and Tham Seng Yum, Ronald; two non-executive directors, namely Mr. Lucas Ignatius Loh Jen Yuh and Mr. Puah Tze Shyang (also alternate to Mr. Lucas Ignatius Loh Jen Yuh); 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.*

The LSD Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Lai Fung Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Lai Fung Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The Offeror Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than information relating to the Lai Fung Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than opinions expressed by the Lai Fung Group) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

The Lai Fung Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement relating to the Lai Fung Group and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement by the Lai Fung Group have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.