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## LAI SUN DEVELOPMENT

Lai Sun Development Company Limited  
(Incorporated in Hong Kong with limited liability)

**(Stock Code: 488)**

### **CONTINUING CONNECTED TRANSACTIONS**

### **ESTABLISHMENT OF ANNUAL CAP AMOUNTS**

On 24 May 2013, the five listed companies of the Lai Sun Group entered into the Original Agreement to record the basis on which inter-group leases/licences may be entered as continuing connected transactions; the Original Agreement was renewed by the Renewal Agreement on 17 February 2014. Pursuant to the Original Agreement and the Renewal Agreement, there are Cap Amounts in place for eSun, Lai Fung and MAGHL up to 31 July 2017.

In the Original Agreement and the Renewal Agreement, LSD had not adopted any Cap Amounts for the Transactions, as the Transactions, as aggregated under each of the Original Agreement and the Renewal Agreement, constitute de minimis continuing connected transactions for LSD pursuant to the Listing Rules and are fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. However, LSD expects that due to business needs of the LSD Group, there will be an increase in the annual aggregate amount payable by the LSD Group in connection with its Transactions with the LSG Group (excluding the LSD Group). In such circumstances, pursuant to the terms of the Renewal Agreement, the Board of LSD has resolved on 30 November 2016 to adopt a Cap Amount of HK\$7,000,000 for the year ending 31 July 2017 in respect of Transactions with the LSG Group (excluding the LSD Group). The Cap Amount was determined with reference to the amount payable by the LSD Group under each of the existing and expected new agreements contemplated under the Renewal Agreement in connection with Transactions with the LSG Group (excluding the LSD Group). As one or more of the relevant percentage ratios set out in the Listing Rules in respect of the Cap Amount for LSD is more than 0.1% but less than 5% for LSD, the Cap Amount for the Transactions for LSD is subject to reporting, annual review and announcement requirements pursuant to Chapter 14A of the Listing Rules for LSD.

### **BACKGROUND**

The LSG Group, the LSD Group and the Lai Fung Group own various premises in Hong Kong and the PRC. From time to time, the need arises for the members of the Lai Sun Group to lease or license these premises on an inter-group basis.

On 24 May 2013, LSG, LSD, eSun, Lai Fung and MAGHL entered into the Original Agreement to record the basis on which inter-group leases/licences may be entered as continuing connected transactions. The details of the Original Agreement and the Cap Amounts set by eSun, Lai Fung and MAGHL are contained in the joint announcement published on 24 May 2013.

On 17 February 2014, a further announcement was published by the members of the Lai Sun Group, whereby the Original Agreement was renewed under the Renewal Agreement. The eSun Cap Amount for the year ended 31 July 2014 was revised, and the Cap Amount for eSun, Lai Fung and MAGHL for the three years ending 31 July 2017 were adopted. For further particulars on the details of the Renewal Agreement, reference is made to the 2014 Joint Announcement.

In the Original Agreement and the Renewal Agreement, LSD had not adopted any Cap Amounts for the Transactions, as the Transactions, as aggregated under each of the Original Agreement and the Renewal Agreement, constitute de minimis continuing connected transactions for LSD pursuant to the Listing Rules and are fully exempt from shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules. However, LSD expects that due to business needs of the LSD Group, there will be an increase in the annual aggregate amount payable by the LSD Group in connection with its Transactions with the LSG Group (excluding the LSD Group). In such circumstances, pursuant to the terms of the Renewal Agreement, the Board of LSD has resolved on 30 November 2016 to adopt a Cap Amount of HK\$7,000,000 for the year ending 31 July 2017 in respect of Transactions with the LSG Group (excluding the LSD Group). The Cap Amount was determined with reference to the amount payable by the LSD Group under each of the existing and expected new agreements contemplated under the Renewal Agreement in connection with Transactions with the LSG Group (excluding the LSD Group). As one or more of the relevant percentage ratios set out in the Listing Rules in respect of the Cap Amount for LSD is more than 0.1% but less than 5% for LSD, the Cap Amount for the Transactions for LSD is subject to reporting, annual review and announcement requirements pursuant to Chapter 14A of the Listing Rules for LSD.

Under the terms of the Renewal Agreement, LSD is required to comply with the requirement of annual review and other requirements under the Listing Rules if the above Cap Amount for the Transactions for LSD is exceeded or, when the Renewal Agreement is renewed or there is a material change to the provisions of the Renewal Agreement. The Renewal Agreement, if not renewed, will expire on 31 July 2017.

The directors of LSD (including the independent non-executive directors) believe that the Cap Amount is fair and reasonable.

## **GENERAL**

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.

## DEFINITIONS

In this announcement, unless the context otherwise requires, the terms below have the following meanings:

“2014 Joint Announcement”	the joint announcement of LSG, LSD, eSun, Lai Fung and MAGHL dated 17 February 2014 in relation to continuing connected transactions regarding letting and/or licensing of premises;
“Board”	the board of directors;
“Cap Amount(s)”	the annual cap amount(s) as may be adopted by LSG, LSD, eSun, Lai Fung and/or MAGHL from time to time with respect to the Transactions;
“eSun”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571);
“GEM”	the Growth Enterprise Market of the Stock Exchange;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“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 Group”	Lai Fung and its subsidiaries;
“Lai Sun Group”	LSG, LSD, eSun, Lai Fung, MAGHL and their respective 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 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 Group”	LSG and its subsidiaries, including the LSD Group;
“MAGHL”	Media Asia Group Holdings Limited (寰亞傳媒集團有限公司), an exempted company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed and traded on the GEM (Stock Code: 8075);
“Main Board”	has the meaning ascribed to it under the Listing Rules;
“Original Agreement”	the memorandum of agreement dated 24 May 2013 entered into between LSG, LSD, eSun, Lai Fung and MAGHL regarding, inter alia, the basis on which Transactions may be concluded from time to time;
“PRC”	the People’s Republic of China and for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan;
“Renewal Agreement”	the memorandum of agreement dated 17 February 2014 entered into between LSG, LSD, eSun, Lai Fung and MAGHL to renew the Original Agreement upon the expiration of the Original Agreement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Transaction(s)”	the transaction(s) involving the LSG Group, the LSD Group and the Lai Fung Group letting and/or licensing various premises to members of the Lai Sun Group as may be subsisting from time to time; and
“%”	per cent.

By order of the Board  
**Lai Sun Development Company Limited**  
**Chew Fook Aun**  
*Executive Director and Deputy Chairman*

Hong Kong, 30 November 2016

*As at the date of this announcement, the Board comprises the following members:*

*Executive Directors: 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;*

*Non-Executive Directors: Dr. Lam Kin Ming and Madam U Po Chu; and*

*Independent Non-Executive Directors: Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.*