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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
IN RELATION TO
DEEMED DISPOSAL OF
INTERESTS**

**(1) SUBSCRIPTION
AGREEMENT AND ISSUE OF
NEW SHARES UNDER GENERAL
MANDATE; AND
(2) RESTORATION OF PUBLIC
FLOAT**

SUBSCRIPTION AGREEMENT AND ISSUE OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 12 August 2021 (after trading hours), the Company, the Subscriber and the Manager entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue to the Subscriber, an aggregate of 67,669,800 new Shares at the Subscription Share Price on the terms and subject to the conditions set out in the Subscription Agreement.

The gross proceeds from the Subscription will be approximately HK\$470.3 million. The net proceeds from the Subscription (after deducting the expenses incurred in the Subscription) is estimated to be approximately HK\$470.0 million. The number of the Subscription Shares represents: (a) approximately 11.06% of the total number of Shares in issue as at the date of this joint announcement; and (b) approximately 9.95% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares.

The Company intends to apply the net proceeds from the Subscription (i) as to approximately HK\$200 million for repayment of certain bank borrowings subject to the Group's operating needs; and (ii) the remaining to finance future investments in property investments and/or development projects.

The Company shall make an application to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Shares will be allotted and issued pursuant to the General Mandate.

Completion of the Subscription is subject to fulfillment of the conditions precedent set out in the Subscription Agreement, and the Subscription may or may not proceed to Subscription Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

LISTING RULES IMPLICATIONS FOR THE COMPANY

The allotment and issue of the Subscription Shares will be made pursuant to the General Mandate granted to the Directors by the Shareholders at the AGM subject to a limit of up to 20% of the total number of issued Shares as at the date of the AGM (i.e. 122,417,805 Shares, representing approximately 20.0% of 612,089,025 Shares in issue as at the date of the AGM). Accordingly, the allotment and issue of the Subscription Shares will not be subject to Shareholders' approval. Up to the date of this joint announcement, the General Mandate has not been utilised. The issue of the Subscription Shares will utilise approximately 55.3% of the General Mandate.

LISTING RULES IMPLICATIONS FOR LSG

The Company is a subsidiary of LSG. As at the date of this joint announcement, LSG is interested in approximately 56.13% of the total number of issued Shares.

Upon the Subscription Completion, LSG's interest in the Company will be diluted to approximately 50.55%. As such, the Subscription will constitute a Deemed Disposal pursuant to Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio (as defined in Chapter 14 of the Listing Rules) in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of LSG under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

RESTORATION OF PUBLIC FLOAT

As disclosed in the announcement of the Company dated 28 June 2021, the public float of the Company remains below the minimum percentage of 25% as prescribed by Rule 8.08(1)(a) of the Listing Rules. As at the date of this joint announcement, the public float of the Company is approximately 17.08%.

Immediately following the Subscription Completion (assuming no further change in the number of Shares held in the hands of the public Shareholders from the date of this joint announcement to the date of allotment of the Subscription Shares), the number of Shares to be held by the public will increase from 104,550,848 Shares to 172,220,648 Shares, representing approximately 25.33% of the total number of issued Shares at the Subscription Completion (assuming no change in the number of Shares in issue from the date of this joint announcement to the date of allotment of the Subscription Shares save for the allotment and issue of the Subscription Shares). Accordingly, it is expected that the Company will be in compliance with the minimum public float requirement as set out in the Listing Rules immediately upon Subscription Completion.

THE SUBSCRIPTION AGREEMENT

The Board is pleased to announce that on 12 August 2021 (after trading hours), the Company, the Subscriber and the Manager entered into the Subscription Agreement, pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue to the Subscriber, an aggregate of 67,669,800 new Shares at the Subscription Share Price on the terms and subject to the conditions set out in the Subscription Agreement.

Date

12 August 2021 (after trading hours)

Parties

The Company, the Subscriber and the Manager

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the Subscriber and the Manager (and the ultimate beneficial owner(s) of the Subscriber and the Manager, where applicable) are Independent Third Parties.

Details of the Subscription are set out below.

THE SUBSCRIPTION

Subscription Shares

The Subscriber has conditionally agreed to subscribe as principal for, and the Company has conditionally agreed to issue to the Subscriber, an aggregate of 67,669,800 new Shares at the Subscription Share Price free from all Encumbrance, in consideration for the payment of the Subscription Consideration by the Subscriber to the Company, subject to the terms and conditions of the Subscription Agreement.

The number of the Subscription Shares represents: (a) approximately 11.06% of the total number of Shares in issue as at the date of this joint announcement; and (b) approximately 9.95% of the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares.

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with all the other Shares in issue on or prior to the date of allotment of the Subscription Shares.

General Mandate to issue the Subscription Shares

The Subscription Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the AGM to among other things, issue, allot and deal with additional Shares not exceeding 20% of the total number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 122,417,805 new Shares. As at the date of this joint announcement, no securities of the Company have been issued under the General Mandate.

Subscription Share Price

The Subscription Share Price is HK\$6.95, which:

- (i) represents a premium of approximately 1.3% to the closing price of HK\$6.86 per Share as quoted on the Stock Exchange on 12 August 2021, the Last Trading Day;
- (ii) represents a premium of approximately 2.2% to the average closing price of approximately HK\$6.80 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to and including the Last Trading Day;
- (iii) represents a premium of approximately 4.2% to the average closing price of approximately HK\$6.67 per Share as quoted on the Stock Exchange for the last ten (10) consecutive trading days prior to and including the Last Trading Day; and
- (iv) represents a discount of approximately 87.8% to the latest published unaudited consolidated net asset value per Share as at 31 January 2021 of approximately HK\$57.037 (as shown in the interim report of the Company for the six months ended 31 January 2021).

The Subscription Share Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Company on one hand, and the Subscriber and the Manager on the other hand. After taking into consideration the reasons for the Subscription as stated in the section headed "Reasons for the Subscription and use of proceeds of the Subscription" in this joint announcement, the Directors consider that the Subscription Share Price and the terms and conditions of the Subscription Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

Since the Company is incorporated in Hong Kong, the Subscription Shares have no nominal value.

Consideration

The Subscription Consideration shall be satisfied in the following manner at the Subscription Completion:

- (i) as to HK\$235,152,555 to be paid in cash by the Subscriber; and
- (ii) as to HK\$235,152,555 by way of the issue of the Promissory Note by the Subscriber.

Details of the Promissory Note

Issuer	: the Subscriber
Issue Date	: on Subscription Completion
Principal Amount	: HK\$235,152,555
Interest	: 0%
Maturity	: 5 years from the date of issue
Early Repayment	: the Subscriber may prior to the maturity date pay all or any part of the outstanding principal amount

The terms of payment for the Subscription Consideration was determined after arm's length negotiation on a commercial basis.

Conditions of the Subscription

The Subscription Completion is conditional upon the fulfilment of the following conditions:

- (i) the Listing Committee granting the listing of and permission to deal in the Subscription Shares and such listing and permission not subsequently revoked prior to the delivery of definitive share certificate(s) representing the Subscription Shares; and
- (ii) each party to the Subscription Agreement obtaining approval from its board of directors and all other necessary corporate and other actions to authorise the execution, delivery and performance of the Subscription Agreement and the transactions contemplated by the Subscription Agreement.

The Company shall use its reasonable endeavours to procure the fulfilment of the conditions to the Subscription Agreement as soon as is reasonably practicable.

The Company shall make an application to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares.

If the conditions above are not fulfilled within five calendar days after the date of the Subscription Agreement (or such later date as may be agreed among the Company, the Subscriber and the Manager), the obligations and liabilities of the Company, the Subscriber and the Manager under the Subscription Agreement shall be null and void and neither the Company nor the Subscriber nor the Manager shall have any claim against the other for costs, damages, compensation or otherwise.

The Subscription Completion

The Subscription Completion shall take place on the following Business Day after fulfilment of the last of the conditions described above, provided that it shall take place no later than six calendar days after the date of the Subscription Agreement (or such other time and/or date as the Company, the Subscriber and the Manager may agree in writing and in compliance with the Listing Rules).

Financial impact of the Subscription to LSG

Immediately after the Subscription Completion, LSG's interest in the Company will reduce from approximately 56.13% to approximately 50.55% and the change in the ownership interest in the Company will not result in loss of control. Therefore, the Deemed Disposal will be accounted for as an equity transaction of the LSG Group. The assets, liabilities and financial results of the Company will continue to be included in the consolidated financial statements of the LSG Group, and it will not result in the recognition of any gain or loss in the consolidated income statement of the LSG Group.

INFORMATION ON LSG

LSG is a limited liability company incorporated in Hong Kong with its LSG Shares 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, 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 is interested in approximately 56.13% of the total number of issued Shares.

INFORMATION ON THE COMPANY

The Company is a limited liability company incorporated in Hong Kong with its Shares listed and traded on the Main Board of the Stock Exchange. The Company is well diversified and its principal activities include property investment, property development, 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.

Set out below are the abridged audited consolidated financial statements of the Company for the two years ended 31 July 2020 as extracted from the annual report of the Company for the year ended 31 July 2020:

	For the year ended 31 July 2019 <i>HK\$'000</i>	For the year ended 31 July 2020 <i>HK\$'000</i>
(Loss)/Profit before tax	4,892,157	(4,102,612)
(Loss)/Profit after tax for the year	4,732,860	(4,012,587)
(Loss)/Profit for the year attributable to owners of the Company	4,842,944	(2,934,813)

The audited consolidated net asset value attributable to the Shareholders as at 31 July 2020 as disclosed in the annual report of the Company for the year ended 31 July 2020 was approximately HK\$34,970.2 million, and the unaudited consolidated net asset value attributable to the Shareholders as at 31 January 2021 as disclosed in the interim report of the Company for the six months ended 31 January 2021 was approximately HK\$34,911.6 million.

INFORMATION ON THE SUBSCRIBER

The Subscriber is a company incorporated in the Cayman Islands and an Independent Third Party. The Subscriber is a special purpose vehicle owned by funds under the discretionary management of the Manager.

INFORMATION ON THE MANAGER

The Manager is a company incorporated in the British Virgin Islands and a registered non-Hong Kong company under the Companies Ordinance, being the fund manager of funds that own the Subscriber and an Independent Third Party. The Manager is an investment fund manager specialising in special situations, undervalued assets, activist investing and structured lending across Asia. It is licensed to carry out type 4 (advising on securities) and type 9 (asset management) regulated activities under the SFO. As at the date of this joint announcement, funds managed by the Manager hold 259,500 Shares, representing approximately 0.04% of the entire issued share capital of the Company as at the date of this joint announcement.

EFFECT OF THE SUBSCRIPTION COMPLETION ON SHAREHOLDINGS IN THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) as at the date of the Subscription Completion:

	As at the date of this joint announcement		As at the date of the Subscription Completion	
	No. of issued Shares	Approx. % <i>(Note 1)</i>	No. of issued Shares	Approx. %
Non-public Shareholders				
LSG <i>(Note 2)</i>	343,593,021	56.13	343,593,021	50.55
Dr. Peter Lam <i>(Note 2)</i>	433,737	0.07	433,737	0.06
Mr. Chew Fook Aun <i>(Note 3)</i>	1,221,000	0.20	1,221,000	0.18
Mr. Lau Shu Yan, Julius <i>(Note 4)</i>	263,500	0.04	263,500	0.04
Madam U <i>(Note 5)</i>	26,919	0.004	26,919	0.004
Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk <i>(Note 6)</i>	162,000,000	26.47	162,000,000	23.83
Public Shareholders				
The Subscriber	259,500	0.04	67,929,300	9.99
Others	104,291,348	17.04	104,291,348	15.34
Total	612,089,025	100.00	679,758,825	100.00

Notes:

- (1) The percentage has been compiled based on the total number of issued Shares as at the date of this joint announcement (i.e. 612,089,025 Shares).
- (2) Among the 344,026,758 Shares, 343,593,021 Shares were directly held by LSG and two of its wholly-owned subsidiaries and 433,737 Shares were held personally by Dr. Peter Lam. Dr. Peter Lam was deemed to be interested in the 343,593,021 Shares by virtue of, in aggregate, his personal and deemed interests of approximately 41.89% in the issued share capital of LSG. LSG is approximately 12.66% owned by Dr. Peter Lam and is approximately 29.23% owned by Wisdoman Limited which in turn is 100% beneficially owned by Dr. Peter Lam.
- (3) The 1,221,000 Shares were owned by The Orchid Growers Association Limited. By virtue of his 100% interest in the issued share capital of The Orchid Growers Association Limited, Mr. Chew Fook Aun was deemed to be interested in these 1,221,000 Shares. Mr. Chew Fook Aun is an executive Director.
- (4) Mr. Lau Shu Yan, Julius is an executive Director.
- (5) Madam U is the widow of the late Mr. Lim Por Yen whose estate includes an interest of 3,957,189 Shares, representing approximately 0.65% of the total number of issued Shares.
- (6) Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 162,000,000 Shares (representing approximately 26.47% of the total number of issued Shares) according to the Individual Substantial Shareholder Notice (Form 1) filed with the Stock Exchange on 3 August 2021.

REASONS FOR THE SUBSCRIPTION AND USE OF PROCEEDS OF THE SUBSCRIPTION

As disclosed in the announcement of the Company dated 28 June 2021, the public float of the Company remains below the minimum percentage of 25% as prescribed by Rule 8.08(1) (a) of the Listing Rules. As at the date of this joint announcement, the public float of the Company is approximately 17.08%. The Directors have always been mindful of the public float insufficiency of the Company and in order to restore the Company's public float, the Directors are of the view that the Subscription will enable the shareholders' base of the Company to be broadened and following the Subscription Completion, the public float of the Company will be immediately restored to a level above the minimum percentage of 25% as prescribed by Rule 8.08(1)(a) of the Listing Rules. Further, it is considered that the Subscription is in the interests of the Company and the Shareholders as a whole and the allotment and issue of the Subscription Shares is an appropriate means of raising additional capital for the business operations of the Group and to further strengthen the Group's financial position.

The gross proceeds from the Subscription will be approximately HK\$470.3 million. The net proceeds from the Subscription (after deducting the expenses incurred in the Subscription) is estimated to be approximately HK\$470.0 million. The Directors consider that the terms of the Subscription Agreement are on normal commercial terms after arm's length negotiation and are fair and reasonable. The net price of each Subscription Share is approximately HK\$6.95.

The Company intends to apply the net proceeds from the Subscription (i) as to approximately HK\$200 million for repayment of certain bank borrowings subject to the Group's operating needs; and (ii) the remaining to finance future investments in property investments and/or development projects. Given there is no guarantee for the Group to secure any investment in property or development projects within any specific timeframe, if the Group is unable to obtain land use rights or to acquire investment properties in coming 12 months, the unused net proceeds from the Subscription will be applied for general corporate purposes of the Group should the need arise. The Company will give updates on the use of proceeds raised from the Subscription in its annual report and interim report going forward. Moreover, the Company shall comply with any reporting, announcement and/or Shareholders' approval requirements in accordance with the Listing Rules from time to time such that Shareholders will further be updated with information on the use of net proceeds from the Subscription for any investment in property or development projects made.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

The Company has not conducted any fund raising activities during the past 12 months immediately preceding the date of this joint announcement.

LISTING RULES IMPLICATIONS FOR THE COMPANY

The issue of the Subscription Shares will be made pursuant to the General Mandate granted to the Directors by the Shareholders at the AGM subject to a limit of up to 20% of the total number of issued Shares as at the date of the AGM (i.e. 122,417,805 Shares, representing approximately 20.0% of 612,089,025 Shares in issue as at the date of the AGM). Accordingly, the allotment and issue of the Subscription Shares will not be subject to Shareholders' approval. Up to the date of this joint announcement, the General Mandate has not been utilised. The issue of the Subscription Shares will utilise approximately 55.3% of the General Mandate.

LISTING RULES IMPLICATIONS FOR LSG

The Company is a subsidiary of LSG. As at the date of this joint announcement, LSG is interested in approximately 56.13% of the total number of issued Shares.

Upon the Subscription Completion, LSG's interest in the Company will be diluted to approximately 50.55%. As such, the Subscription will constitute a Deemed Disposal pursuant to Rule 14.29 of the Listing Rules. As the highest applicable percentage ratio (as defined in Chapter 14 of the Listing Rules) in respect of the Deemed Disposal exceeds 5% but is less than 25%, the Deemed Disposal constitutes a discloseable transaction of LSG under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

RESTORATION OF PUBLIC FLOAT

As disclosed in the announcement of the Company dated 28 June 2021, the public float of the Company remains below the minimum percentage of 25% as prescribed by Rule 8.08(1)(a) of the Listing Rules. As at the date of this joint announcement, the public float of the Company is approximately 17.08%.

Immediately following the Subscription Completion (assuming no further change in the number of Shares held in the hands of the public Shareholders from the date of this joint announcement to the date of allotment of the Subscription Shares), the number of Shares to be held by the public will increase from 104,550,848 Shares to 172,220,648 Shares, representing approximately 25.33% of the total number of issued Shares at the Subscription Completion (assuming no change in the number of Shares in issue from the date of this joint announcement to the date of allotment of the Subscription Shares save for the allotment and issue of the Subscription Shares). Accordingly, it is expected that the Company will be in compliance with the minimum public float requirement as set out in the Listing Rules immediately upon Subscription Completion.

Completion of the Subscription is subject to fulfillment of the conditions precedent set out in the Subscription Agreement, and the Subscription may or may not proceed to Subscription Completion. Shareholders and potential investors are reminded to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“AGM”	the annual general meeting of the Company held on 18 December 2020 at which, among other things, a resolution relating to the grant of the General Mandate was duly passed by the Shareholders
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than Saturday or Sunday or a day when typhoon no. 8 or black rainstorm warning is hoisted) on which banks are open for business in Hong Kong
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company”	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)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Deemed Disposal”	a deemed disposal of LSG’s interest in the Company pursuant to Rule 14.29 of the Listing Rules upon the Subscription Completion
“Director(s)”	the director(s) of the Company
“Dr. Peter Lam”	Dr. Lam Kin Ngok, Peter, an executive Director and the chairman of the Board, and a controlling shareholder of the Company

“Encumbrance(s)”	means any charge, mortgage, lien, hypothecation, judgment, encumbrance, easement, right of pre-emption, security, fiduciary transfers, fiduciary assignments, title retention, preferential right, preferential arrangements, trust arrangement or any other security interest or any other agreement or arrangement having a commercial effect analogous to the conferring of security or a similar right in favour of any person under applicable law or equity or contracts, and for the avoidance of doubt shall include the creation and/or the agreement to create any Encumbrances whatsoever
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the AGM to, among other things, issue, allot and deal with additional Shares not exceeding 20% of the total number of issued Shares as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any individual or company not being the connected persons (as defined under the Listing Rules) of the Company, independent of the Company and its connected persons and not connected with any of them or their respective associates
“Last Trading Day”	12 August 2021, being the last trading day for the Shares on the Stock Exchange immediately before the publication of this joint announcement
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“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 LSG Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191) and is the ultimate holding company of the Company

“LSG Group”	LSG and its subsidiaries (excluding, for the avoidance of doubt, the Group)
“LSG Share(s)”	ordinary share(s) in the share capital of LSG
“Madam U”	Madam U Po Chu, a non-executive Director
“Manager”	Argyle Street Management Limited, a company incorporated in the British Virgin Islands and a registered non-Hong Kong company under the Companies Ordinance, being the fund manager of funds that own the Subscriber and an Independent Third Party
“Promissory Note”	the non-interest bearing promissory note to be executed by the Subscriber in favour of the Company in the principal amount of HK\$235,152,555 maturing on the date falling on the fifth anniversary of the date of the issue
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Jinlong Road Limited, a company incorporated in the Cayman Islands and an Independent Third Party
“Subscription”	the subscription for the Subscription Shares
“Subscription Agreement”	the subscription agreement dated 12 August 2021 entered into among the Company, the Subscriber and the Manager in relation to the Subscription
“Subscription Completion”	completion of the Subscription
“Subscription Consideration”	the aggregate consideration payable by the Subscriber to the Company as set forth in the section headed “The Subscription Agreement — Consideration” in this joint announcement, being HK\$470,305,110
“Subscription Share Price”	the subscription price of HK\$6.95 per Subscription Share

“Subscription Shares”	67,669,800 Shares, representing approximately 9.95% of the total number of issued Shares immediately after the Subscription Completion and to be issued to the Subscriber by the Company under the Subscription Agreement
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent

By order of the Board Lai Sun Garment (International) Limited Chew Fook Aun <i>Executive Director and Deputy Chairman</i>	By order of the Board Lai Sun Development Company Limited Chew Fook Aun <i>Executive Director and Deputy Chairman</i>
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Hong Kong, 12 August 2021

As at the date of this joint announcement:

- (a) *the board of directors of LSG comprises five executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Chew Fook Aun (Deputy Chairman), Madam U Po Chu, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); and three independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu; and*
- (b) *the 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 (also alternate to Madam U Po Chu) and Tham Seng Yum, Ronald; 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 Leung Wang Ching, Clarence.*