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*The securities described herein will be offered in accordance with all applicable laws and regulations.*



**LAI SUN GARMENT**

Lai Sun Garment (International) Limited  
(Incorporated in Hong Kong with limited liability)

**(Stock Code: 191)**

**ANNOUNCEMENT**

**PROPOSED RIGHTS ISSUE OF NOT LESS THAN 258,787,744 RIGHTS SHARES  
AND NOT MORE THAN 266,012,228 RIGHTS SHARES AT THE SUBSCRIPTION PRICE  
OF HK\$0.834 EACH ON THE BASIS OF 4 RIGHTS SHARES  
FOR EVERY 25 EXISTING SHARES HELD ON THE RECORD DATE**

**AND**

**CLOSURE OF REGISTER OF MEMBERS**

**Financial Adviser to the Company**



**KINGSTON CORPORATE FINANCE LTD.**

**Underwriter of the Rights Issue**



**KINGSTON SECURITIES LTD.**

## **PROPOSED RIGHTS ISSUE**

Subject to additional Shares, if any, being issued prior to the Record Date pursuant to the exercise of Vested Share Options, the Company proposes to raise not less than approximately HK\$215.8 million before expenses, and not more than HK\$221.9 million before expenses, by way of a rights issue of not less than 258,787,744 Rights Shares and not more than 266,012,228 Rights Shares, at the Subscription Price of HK\$0.834 per Rights Share.

Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted 4 Rights Shares in nil-paid form for every 25 existing Shares held on the Record Date. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of the Company. The Rights Issue is not available to Non-Qualifying Shareholders.

Subject to additional Shares, if any, being issued prior to the Record Date pursuant to the exercise of Vested Share Options, the estimated net proceeds of the Rights Issue are estimated to be not less than approximately HK\$210.7 million and not more than approximately HK\$216.6 million. The Company intends to apply the net proceeds of the Rights Issue for general working capital purposes.

Pursuant to the Underwriting Agreement, the Underwriter has agreed to fully underwrite the Rights Issue (other than the Rights Shares which will be provisionally allotted to Wisdoman and Dr. Peter Lam in respect of which they have undertaken to accept pursuant to the Irrevocable Undertakings), being not less than 155,149,976 Rights Shares and not more than 162,115,672 Rights Shares.

## **IRREVOCABLE UNDERTAKINGS OF WISDOMAN AND DR. PETER LAM**

As at the date of this announcement, (a) Wisdoman holds 484,991,750 Shares, representing approximately 29.99% of the total issued share capital of the Company and Dr. Peter Lam holds 162,744,319 Shares (as to 56,977,578 Shares in his own name and 105,766,741 Shares through CCASS), representing approximately 10.06% of the total issued share capital of the Company. As at the date of this announcement, 1,617,423 additional Shares may be allotted to Dr. Peter Lam upon full exercise of the Vested Share Options granted to him.

Pursuant to the Underwriting Agreement, each of Wisdoman and Dr. Peter Lam has given an Irrevocable Undertaking in favour of the Company and the Underwriter where, among other things, (a) Wisdoman will take up or procure to take up the 77,598,680 Rights Shares to which it will be entitled pursuant to the terms of the Rights Issue, and (b) Dr. Peter Lam will take up or procure to take up not less than 26,039,088 Rights Shares (if no additional Shares are allotted to Dr. Peter Lam on or before the Record Date pursuant to any exercise of his Vested Share Options) and not more than

26,297,876 Rights Shares (if 1,617,423 additional Shares are allotted to Dr. Peter Lam on or before the Record Date pursuant to the full exercise of his Vested Share Options), to which he will be entitled pursuant to the terms of the Rights Issue.

Save for the Irrevocable Undertakings, the Company has not obtained undertakings from any other Shareholders that they will subscribe for any Rights Shares to be provisionally allotted to them.

#### **NON-BINDING INDICATIVE INTENTION OF THE LAM FAMILY TO MAINTAIN SHAREHOLDING**

As at the date of this announcement, the Lam Family holds in aggregate (a) 717,495,925 Shares, representing approximately 44.36% of the total issued share capital of the Company, and (b) outstanding Vested Share Options to subscribe for an additional 17,791,657 Shares in the Company. The Company has been informed by Dr. Peter Lam that the Lam Family intends to maintain the level of their shareholdings in the Company, such that the aggregate beneficial shareholdings of the Lam Family will be maintained at not less than 44.36% of the issued share capital of the Company upon the completion of the Rights Issue and (where relevant) including the taking up of any relevant untaken Shares by the Underwriter. The expression of intention is entirely non-binding and none of Wisdoman, Dr. Peter Lam or any other members of the Lam Family has given any legally binding commitment to maintain the collective shareholdings of the Lam Family. The only undertakings to accept the Rights Shares are the Irrevocable Undertakings given severally by Wisdoman and Dr. Peter Lam.

#### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Underwriting Agreement contains provisions granting the Underwriter a right to terminate its obligations on the occurrence of certain events. Please refer to the sub-section headed “Termination of the Underwriting Agreement” in this announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.**

**Any Shareholder or other person who contemplates transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser. Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (and the date on which the Underwriter’s right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

**The attention of Shareholders and investors is drawn to the section headed “Warning of the risks of dealing in the Shares and the nil-paid Rights Shares” below.**

### **TRADING ARRANGEMENTS**

The last day of dealings in the Shares on a cum-rights basis is Friday, 27 December 2013. The Shares will be dealt with on an ex-rights basis from Monday, 30 December 2013. The Rights Shares are expected to be dealt with in their nil-paid form from Wednesday, 15 January 2014 to Wednesday, 22 January 2014 (both days inclusive).

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company as at 5:00 p.m. on the Record Date, which is currently expected to be Wednesday, 8 January 2014, and not be a Non-Qualifying Shareholder.

In order to be registered as members of the Company on or before 5:00 p.m. on the Record Date, all transfer documents of the Shares (together with the relevant share certificates) must be lodged for registration with the Registrar at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong, by 4:30 p.m. on Thursday, 2 January 2014.

Holders of the Vested Share Options who wish to participate in the Rights Issue should exercise their Vested Share Options in accordance with their respective terms and conditions and be registered as holders of the relevant Shares before 4:30 p.m. on Thursday, 2 January 2014.

The register of members of the Company will be closed from Friday, 3 January 2014 to Wednesday, 8 January 2014, both days inclusive.

The Latest Acceptance Time is expected to be at 4:00 p.m. on Monday, 27 January 2014 or such other date as the Company and the Underwriter may agree in writing. The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms. For details of the trading arrangements, please refer to the section headed “Expected Timetable” below.

To alleviate difficulties in odd lots trading which may arise as a result of the Rights Issue, the Company has appointed an agent to provide matching services to Shareholders who wish to top up or sell their odd lots during the period from Monday, 10 February 2014 to Monday, 3 March 2014 (both days inclusive). For details of the trading arrangements, please refer to the section headed “Odd Lot Matching Services” below.

## GENERAL

As the Rights Issue will not increase the issued share capital or the market capitalization of the Company by more than 50%, the Rights Issue is not subject to the approval of Shareholders in general meeting pursuant to Rule 7.19(6) of the Listing Rules.

The Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched by the Company to the Qualifying Shareholders together with the relevant PALs and EAFs on the Posting Date. A copy of the Prospectus will be made available on the websites of the Company ([www.laisun.com](http://www.laisun.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus (without any PALs or EAFs) to Non-Qualifying Shareholders for information purposes only. The Prospectus will not be distributed, and the Rights Shares will not be sold, in the US, except in certain transactions exempt from registration under the US Securities Act.

**Notwithstanding the foregoing, the Prospectus is expected to include provisions permitting certain categories of sophisticated investors and/or qualified institutional buyers in the US and possibly other jurisdictions to take up their Rights Shares under the Rights Issue, subject to complying with certain certification and other requirements (to be described in the Prospectus) which the Directors consider necessary or desirable in order to enable those investors to take part in the Rights Issue in compliance with applicable local laws and regulations. The Company reserves the absolute discretion to determine, in compliance with the Listing Rules, whether to allow such participation as well as the identity of any person(s) who may be allowed to do so.**

## PROPOSED RIGHTS ISSUE

### Issue statistics

Basis of the Rights Issue:	4 Rights Shares for every 25 existing Shares held at 5:00 p.m. on the Record Date
Subscription Price:	HK\$0.834 per Rights Share
Number of the existing Shares in issue:	1,617,423,423
Number of Rights Shares:	Not less than 258,787,744 (assuming no new Shares are allotted and issued on or before the Record Date pursuant to any exercise of the

Vested Share Options) and not more than 266,012,228 Rights Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of the Vested Share Options)

Minimum enlarged issued share capital upon completion of the Rights Issue: 1,876,211,167 Shares (assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)

Maximum enlarged issued share capital upon completion of the Rights Issue: 1,928,588,659 Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of the Vested Share Options and no other Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue)

Underwriter: Kingston Securities Limited

Number of Underwritten Shares: Not less than 155,149,976 (assuming no new Shares are allotted and issued on or before the Record Date pursuant to any exercise of the Vested Share Options) and not more than 162,115,672 Rights Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of the Vested Share Options)

Assuming no new Shares (other than the Rights Shares) are allotted and issued on or before completion of the Rights Issue, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents approximately 16.0% of the Company's issued share capital as at the date of this announcement and approximately 13.8% of the Company's issued share capital as enlarged by the Rights Issue.

As at the date of this announcement, there are 45,153,008 Share Options outstanding which entitle the holders thereof to subscribe for 45,153,008 Shares, all of which have vested as at the date of the Underwriting Agreement. Assuming the Vested Share Options are exercised in full such that 45,153,008 new Shares are allotted and issued on or before the Record Date, the total number of Rights Shares will be increased by 7,224,484 Right

Shares to 266,012,228 Right Shares.

Save for the outstanding Share Options as mentioned above, the Company has no other outstanding convertible securities or options in issue or other similar rights which confer any right to convert or exchange into, or subscribe for, Shares as at the date of this announcement.

Assuming 45,153,008 new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of the Vested Share Options, but no other Shares, other than the Rights Shares, are allotted and issued on or before completion of the Rights Issue, the aggregate number of nil-paid Rights Shares proposed to be provisionally allotted pursuant to the terms of the Rights Issue represents (i) approximately 16.0% of the Company's issued share capital as at the date of this announcement as enlarged by the issue of 45,153,008 new Shares pursuant to the full exercise of the Vested Share Options and (ii) approximately 13.8% of the Company's issued share capital as further enlarged by the Rights Issue.

### **Subscription Price**

The Subscription Price of HK\$0.834 per Rights Share is payable in full by a Qualifying Shareholder upon acceptance of the provisional allotment of the Rights Shares under the Rights Issue or, where applicable, application for excess Rights Shares or when a renouncee of any provisional allotment of the Rights Shares or a transferee of nil-paid Rights Shares applies for the Rights Shares. The Subscription Price represents:

- (a) a discount of approximately 40% to the closing price of HK\$1.39 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 40.7% to the average of the closing prices per Share as quoted on the Stock Exchange for the five previous consecutive trading days up to and including the Last Trading Day of approximately HK\$1.406;
- (c) a discount of approximately 40.9% to the average of the closing prices per Share as quoted on the Stock Exchange for the 10 previous consecutive trading days up to and including the Last Trading Day of approximately HK\$1.412;
- (d) a discount of approximately 36.5% to the theoretical ex-rights price of approximately HK\$1.31 per Share based on the closing price of HK\$1.39 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (e) a discount of approximately 87.8% to the audited consolidated net asset value attributable to the Shareholders as at 31 July 2013 of approximately HK\$6.823 per Share.

Each Rights Share has a par value of HK\$0.01.

The Subscription Price was determined by the Directors with reference to the market price of the Shares under the prevailing market conditions. Each Qualifying Shareholder will be entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding held at 5:00 p.m. on the Record Date.

The Directors consider the terms of the Rights Issue, including the Subscription Price (and the discounts to the relative values as indicated above), to be fair and reasonable and to be in the interests of the Company and the Shareholders as a whole.

### **Basis of provisional allotment**

4 Rights Shares (in nil-paid form) for every 25 existing Shares held by the Qualifying Shareholders as at 5:00 p.m. on the Record Date. Application for all or any part of a Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for.

### **Status of the Rights Shares**

The Rights Shares (when allotted, issued and fully paid) will rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid after the date of allotment and issue of the Rights Shares in their fully-paid form.

### **Certificates for the Rights Shares and Refund Cheques**

Subject to the fulfilment of the conditions of the Rights Issue as set out below, certificates for fully-paid Rights Shares are expected to be sent by ordinary post on or before Friday, 7 February 2014 to those persons who have accepted and, where applicable, applied for, and paid for the Rights Shares, at their own risk.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be sent by ordinary post on or before Friday, 7 February 2014 to the applicants at their own risk.

### **Fractions of the Rights Shares**

The Company will not provisionally allot and will not accept application for any fraction of the Rights Shares. Fractional entitlements will be rounded down to the nearest whole number of Rights Shares. All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to the Underwriter or such other person as may be nominated by the Company, and will be sold in the market and the proceeds will

be retained by the Company for its own benefit, if a premium (net of expenses) can be obtained. Any unsold Rights Shares arising from such aggregation will be made available for excess application by Qualifying Shareholders.

### **Application for excess Rights Shares**

Qualifying Shareholders shall be entitled to apply for (a) any unsold Rights Shares which would have been allotted to Non-Qualifying Shareholders had they been Qualifying Shareholders, (b) any Rights Shares provisionally allotted but not accepted, and (c) any unsold Rights Shares created by aggregating fractions of the Rights Shares. Application may be made only by the Qualifying Shareholders and only by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar by a time which is currently expected to be 4:00 p.m. on Monday, 27 January 2014 or such later time as may be agreed between the Company and the Underwriter.

Subject to the availability of excess Rights Shares, the Directors will allocate the excess Rights Shares at their discretion on a fair and equitable basis and, to the extent practicable, on a pro-rata basis to the excess Rights Shares being applied for under each application. However, no preference will be given to topping-up odd lots to whole board lots. Shareholders who have been offered odd lots of the Rights Shares should note there is no guarantee that such odd lots of the Rights Shares will be topped up to create whole board lots pursuant to applications for excess Rights Shares.

Investors whose Shares are held by nominee(s) (or which are held in CCASS) should note that the Board will regard the nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, investors whose Shares are registered in the name of nominee(s) (or which are held in CCASS) should note that the aforesaid arrangement for the allocation of the excess Rights Shares will not be extended to them individually. Beneficial owners with their Shares held by nominee(s) (or which are held in CCASS) are advised to consider whether they would like to arrange for the relevant Shares to be registered in their own names prior to the Record Date.

Investors whose Shares are held by nominee(s) (or which are held in CCASS) and who would like to have their name registered on the register of members of the Company must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Thursday, 2 January 2014.

### **Odd Lot Matching Services**

To alleviate difficulties in odd lots trading which may arise as a result of the Rights Issue, the Company has appointed Kingston Securities Limited to provide matching services to Shareholders who wish to top up or sell their odd lots during the period from Monday, 10

February 2014 to Monday, 3 March 2014 (both days inclusive). Holders of odd lots who wish to take advantage of this facility to either dispose of or top up their odd lots to board lots may directly or through their broker contact Ms. Rosita Kiu of Kingston Securities Limited at Suite 2801, 28/F., One International Finance Centre, 1 Harbour View Street, Central, Hong Kong (telephone: (852) 2298-6215 and facsimile: (852) 2295-0682) during such period.

Holders of odd lots should note that successful matching of the sale and purchase of odd lots is not guaranteed. The Shareholders are recommended to consult their professional advisers if they are in doubt about the above facility.

### **Application for listing**

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in or on any other stock exchange.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Rights Shares on the Stock Exchange or such other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter.

All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

### **Qualifying Shareholders**

To qualify for the Rights Issue, a Shareholder must (a) be registered as a member of the Company as at 5:00 p.m. on the Record Date; and (b) not be a Non-Qualifying Shareholder. In order to be registered as members of the Company on or before 5:00 p.m. on the Record Date, all transfer documents of the Shares must be lodged (together with the relevant share certificate(s)) with the Registrar by 4:30 p.m. (Hong Kong time) on Thursday, 2 January 2014. The last day of dealings in the Shares on a cum-rights basis is Friday, 27 December 2013. The Shares will be dealt with on an ex-rights basis from Monday, 30 December 2013. The particulars of the Registrar are as follows:

**Tricor Tengis Limited**

26/F., Tesbury Centre  
28 Queen's Road East  
Wanchai, Hong Kong  
Tel: (852) 2980 1333  
Fax: (852) 2810 8185

The Company will send the Rights Issue Documents to the Qualifying Shareholders on the Posting Date.

Holders of Vested Share Options who wish to participate in the Rights Issue should exercise their Vested Share Options in accordance with their respective terms and conditions and be registered as holders of the relevant Shares before 4:30 p.m. on Thursday, 2 January 2014.

**Non-Qualifying Shareholders**

In compliance with Rule 13.36(2)(a) of the Listing Rules, the Company is making enquiries with overseas legal advisers regarding the feasibility of extending the Rights Issue to Overseas Shareholders. Save and except as provided below, if, based on the advice provided by such overseas legal advisers, the Directors are of the opinion that it would be necessary or expedient, on account of either the legal restrictions under the laws of the relevant jurisdiction or any requirement of the relevant regulatory body or stock exchange in that jurisdiction, not to offer the Rights Shares to any of the Overseas Shareholders, the Rights Issue will not be available to Overseas Shareholders in such jurisdictions and those Overseas Shareholders will be Non-Qualifying Shareholders for the purposes of the Rights Issue.

**Notwithstanding the foregoing, the Prospectus is expected to include provisions permitting certain categories of sophisticated investors and/or qualified institutional buyers in the US and possibly other jurisdictions to take up their Rights Shares under the Rights Issue, subject to complying with certain certification and other requirements (to be described in the Prospectus) which the Directors consider necessary or desirable in order to enable those investors to take part in the Rights Issue in compliance with applicable local laws and regulations. The Company reserves the absolute discretion to determine, in compliance with the Listing Rules, whether to allow such participation as well as the identity of any person(s) who may be allowed to do so.**

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the Rights Shares in their nil-paid form commence and before dealings in the Rights Shares in their nil-paid form end, if a premium (net of expenses) can be obtained. The proceeds of such sale, less expenses and stamp duty, of more than HK\$100 will be paid by the Company pro rata to the

Non-Qualifying Shareholders. The Company will retain individual amounts of HK\$100 or less for its own benefit. Any unsold entitlement of such Non-Qualifying Shareholders to the Rights Shares will be made available for excess applications on EAFs by Qualifying Shareholders.

The Company will, to the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, send the Prospectus (without any PALs or EAFs) to Non-Qualifying Shareholders for information purposes only. The Prospectus will not be distributed, and the Rights Shares will not be sold, in the US, except in certain transactions exempt from registration under the US Securities Act. The Rights Issue is only available to the Qualifying Shareholders and will not be available to the Non-Qualifying Shareholders.

**Overseas Shareholders should note that they may or may not be entitled to the Rights Issue subject to the results of the enquiries made by the Directors. The Company reserves the right to treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction. Accordingly, the Overseas Shareholders should exercise caution when dealing in the Shares.**

#### **Closure of the register of members**

The register of members of the Company will be closed from Friday, 3 January 2014 to Wednesday, 8 January 2014 for determining the entitlement to the Rights Issue. No transfers of Shares will be registered during this period.

### **UNDERWRITING ARRANGEMENT**

#### **Underwriting Agreement**

Pursuant to the Underwriting Agreement, the Underwriter has agreed to fully underwrite the Rights Issue (other than the Rights Shares which will be provisionally allotted to Wisdoman and Dr. Peter Lam in respect of which they have undertaken to accept pursuant to the Irrevocable Undertakings), being not less than 155,149,976 Rights Shares and not more than 162,115,672 Rights Shares.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Underwriter and its controlling shareholder(s) (as defined in the Listing Rules) are third parties independent of and not connected persons of the Company. As at the date of this announcement, the Underwriter is not interested in any Shares.

In the event of the Underwriter being called upon to subscribe for or procure subscribers for the Underwritten Shares, the Underwriter shall use its best endeavours to ensure that (a) each of the subscribers of the Underwritten Shares procured by it shall be third party independent of, not acting in concert (within the meaning of the Hong Kong Code on

Takeovers and Mergers) with and not connected with the Company, any of the directors of the Company or chief executive or substantial shareholders of the Company or their respective associates; and (b) the public float requirements under Rule 8.08 of the Listing Rules be fulfilled by the Company upon completion of the Rights Issue.

### **Conditions of the Rights Issue and the Underwriting Agreement**

The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional and not being terminated in accordance with its terms. The obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (i) the registration by and filing with the Registrar of Companies in Hong Kong of the Rights Issue Documents;
- (ii) the posting of copies of the Rights Issue Documents to the Qualifying Shareholders on the Posting Date;
- (iii) no material breach of the warranties, representations and undertakings under the Underwriting Agreement having been committed by the Company as of the latest time for termination under the Underwriting Agreement and the Company having complied with relevant obligations under the Underwriting Agreement;
- (iv) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms and such listings and permission to deal not having been withdrawn or revoked by no later than the first day of their dealings;
- (v) the Shares remaining listed on the Stock Exchange at all times prior to the Settlement Date and the listing of the Shares not having been withdrawn or the trading of the Shares not having been suspended for a consecutive period of more than 5 trading days; and
- (vi) delivery by the Company to the Underwriter of the Irrevocable Undertakings by Wisdoman and Dr. Peter Lam and fulfilment of their respective obligations under the Irrevocable Undertakings, subject to relevant regulatory approval under the Listing Rules or otherwise being obtained (if required).

The Rights Issue will not proceed if the Underwriting Agreement is terminated.

In the event that the conditions (i) and (ii) above are not satisfied and/or waived in whole or in part by the Underwriter on or before the Posting Date, or in the event that the conditions (iii), (iv), (v) and (vi) above have not been satisfied/or waived (other than condition (iv) above which cannot be waived) in whole or in part by the Underwriter on or before 4:00 p.m. on the Settlement Date or such other time as specified therein (or, in each case, on or before 31 March 2014 or such later date as the Underwriter and the Company may agree), all liabilities of the parties to the Underwriting Agreement shall cease and neither party shall have any claim against the other and the Irrevocable Undertakings will lapse and the Rights Issue will not proceed.

## **Commission**

The Company will pay the Underwriter an underwriting commission of 2.5% of the aggregate subscription price in respect of the maximum number of Rights Shares underwritten by it pursuant to the Underwriting Agreement. The Directors consider that the underwriting commission accords with market rates.

## **Undertakings from the Company**

The Company has undertaken to the Underwriter that, save as disclosed in the annual report of the Company for the year ended 31 July 2013, announcements and circulars made or issued by the Company or otherwise publicly disclosed and subject as provided in the Underwriting Agreement, the Company shall not, from the date of the Underwriting Agreement until completion of the Rights Issue, issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares save for Shares issuable in accordance with contractual obligations in force at the date of the Underwriting Agreement (including any options granted under the Share Option Scheme).

## **Irrevocable Undertakings from Wisdoman and Dr. Peter Lam**

As at the date of this announcement, (a) Wisdoman holds 484,991,750 Shares, representing approximately 29.99% of the total issued share capital of the Company and Dr. Peter Lam holds 162,744,319 Shares (as to 56,977,578 Shares in his own name and 105,766,741 Shares through CCASS), representing approximately 10.06% of the total issued share capital of the Company. As at the date of this announcement, 1,617,423 additional Shares may be allotted to Dr. Peter Lam upon full exercise of the Vested Share Options granted to him.

Pursuant to the Underwriting Agreement, each of Wisdoman and Dr. Peter Lam has given an Irrevocable Undertaking in favour of the Company and the Underwriter where, among other things, (a) Wisdoman will take up or procure to take up the 77,598,680 Rights Shares to which it will be entitled pursuant to the terms of the Rights Issue, and (b) Dr. Peter Lam will take up or procure to take up not less than 26,039,088 Rights Shares (if no additional Shares are allotted to Dr. Peter Lam on or before the Record Date pursuant to any exercise of the Vested Share Options) and not more than 26,297,876 Rights Shares (if 1,617,423 additional Shares are allotted to Dr. Peter Lam on or before the Record Date pursuant to the full exercise of his Vested Share Options), to which he will be entitled pursuant to the terms of the Rights Issue. Pursuant to the Irrevocable Undertakings, each of Wisdoman and Dr. Peter Lam has also undertaken that: (1) the Shares comprising its/his current shareholding in the Company will remain registered in their respective names (or, in the case of Dr. Peter Lam, in his name or in the name of HKSCC Nominees Limited) at the Record Date as they are as at the date of the Irrevocable Undertakings; and (2) it/he will procure that their applications in respect of all its/his Rights Shares will be lodged with the Registrar or the Company, with payment in full therefor, by no later than the Acceptance Time.

The undertakings of Wisdoman and Dr. Peter Lam are several and the Irrevocable Undertakings are subject to the Underwriting Agreement becoming unconditional in accordance with its terms. If the conditions are not fulfilled, all liabilities of Wisdoman and Dr. Peter Lam under the Irrevocable Undertakings shall cease and their undertakings shall lapse, and no party shall have any claims against the other for matters referred to in the Irrevocable Undertakings.

Save for the Irrevocable Undertakings, the Company has not obtained undertakings from any other Shareholders that they will subscribe for any or all of the Rights Shares to be provisionally allotted to them.

### **Termination of the Underwriting Agreement**

The Underwriter may terminate the arrangements set out in the Underwriting Agreement by notice in writing to the Company at any time prior to 4:00 p.m. on the Settlement Date if:

- (1) in the absolute opinion of the Underwriter, the success of the Rights Issue would be materially and adversely affected by:
  - (a) an introduction of any new regulation or any change in existing law or regulation (or the judicial interpretation thereof) which may in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or is materially adverse in the context of the Rights Issue;
  - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial or economic nature, or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities markets which may, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
  - (c) any act of God, war, riot, public disorder, civil commotion, fire, flood, explosion, epidemic, terrorism, strike or lock-out which would, in the absolute opinion of the Underwriter materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole;

- (2) there occurs any material adverse change in market conditions (including, without limitation, a change in fiscal or monetary policy or foreign exchange or currency markets, suspension or restriction of trading in securities, and a change in currency conditions for the purpose of this paragraph includes a change in the system under which the value of the Hong Kong currency is pegged with that of the currency of the United States of America) occurs which in the absolute opinion of the Underwriter makes it inexpedient or inadvisable to proceed with the Rights Issue;
- (3) the Prospectus when published contains information (either as to business prospects or the financial condition of the Group as a whole or as to its compliance with any laws or the Listing Rules or any applicable regulations) which has not prior to the date hereof been publicly announced or published by the Company and which may in the absolute opinion of the Underwriter be material to the Group as a whole upon completion of the Rights Issue and is likely to affect materially and adversely the success of the Rights Issue; or
- (4) any material breach of any of the warranties, representations and undertakings under the Underwriting Agreement comes to the knowledge of the Underwriter.

**Upon the giving of notice of termination, all obligations of the Underwriter and the Company under the Underwriting Agreement shall cease (without prejudice to the rights of any party in respect of antecedent breaches) provided that the Company shall remain liable to pay to the Underwriter the fees and expenses (other than the underwriting commission) payable by the Company pursuant to the Underwriting Agreement. If the Underwriter exercises such right, the Rights Issue will not proceed.**

## EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows (assuming no new Shares, other than the Rights Shares, are allotted and issued from the date of this announcement to completion of the Rights Issue and there are no Non-Qualifying Shareholders):

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by Shareholders)		Immediately after completion of the Rights Issue (assuming no Shareholders, other than Wisdoman and Dr. Peter Lam, take up Rights Shares) (Note 5)	
	No. of Shares	Approximate % of the total issued Shares	No. of Shares	Approximate % of the total issued Shares	No. of Shares	Approximate % of the total issued Shares
Wisdoman (Note 1) Dr. Peter Lam	484,991,750	29.99	562,590,430	29.99	562,590,430	29.99
Madam U Po Chu (Note 1)	162,744,319	10.06	188,783,407	10.06	188,783,407	10.06
Dr. Lam Kin Ming	4,127,625	0.25	4,788,045	0.25	4,127,625	0.22
Mr. Lam Hau Yin, Lester	5,008,263	0.31	5,809,583	0.31	5,008,263	0.27
	60,623,968	3.75	70,323,800	3.75	60,623,968	3.23
<b>Lam Family</b>	<b>717,495,925</b>	<b>44.36</b>	<b>832,295,265</b>	<b>44.36</b>	<b>821,133,693</b>	<b>43.77</b>
Director (other than members of Lam Family)	-	-	-	-	-	-
Third Avenue Management LLC (Note 2)	242,671,398	15.00	281,498,818	15.00	242,671,398	12.93
Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk (Note 3)	123,304,000	7.62	143,032,640	7.62	123,304,000	6.57
Dalton Investments LLC (Note 4)	82,395,337	5.09	95,578,589	5.09	82,395,337	4.39
Underwriter	-	-	-	-	155,149,976	8.27
Other Public Shareholders	451,556,763	27.93	523,805,855	27.93	451,556,763	24.07
<b>Total</b>	<b>1,617,423,423</b>	<b>100.00</b>	<b>1,876,211,167</b>	<b>100.00</b>	<b>1,876,211,167</b>	<b>100.00</b>

Notes:

1. Dr. Peter Lam and Madam U Po Chu are the directors of Wisdoman and both of them are deemed to be interested in the Shares owned by Wisdoman by virtue of their respective 50% interests in the issued capital of Wisdoman under Part XV of the SFO.

2. *The register of interests in shares and short positions of substantial shareholders maintained by the Company under Section 336 of the SFO as at the date of the this announcement shows the Company has been notified that Third Avenue Management LLC is interested in 242,671,398 Shares in its capacity as investment manager, which includes the 171,393,000 Shares which the Third Avenue Value Fund is beneficially interested in.*
3. *The register of interests in shares and short positions of substantial shareholders maintained by the Company under Section 336 of the SFO as at the date of the this announcement shows that the Company has been notified that Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk are both taken to be interested in the same 123,304,000 Shares, which are held jointly by them, under the SFO.*
4. *The register of interests in shares and short positions of substantial shareholders maintained by the Company under Section 336 of the SFO as at the date of this announcement shows the Company has been notified that Dalton Investments LLC is interested in 82,395,337 Shares in its capacity as investment manager.*
5. *The Company has been informed by Dr. Peter Lam that the Lam Family intends to maintain the level of their shareholdings in the Company, such that the aggregate beneficial shareholdings of the Lam Family will be maintained at not less than 44.36% of the issued share capital of the Company upon the completion of the Rights Issue and (where relevant) including the taking up of any relevant untaken Shares by the Underwriter. Please refer to the section headed "Non-binding Indicative Intention of the Lam Family to maintain shareholding" below for further details.*
6. *Certain amounts and percentage figures above have been subject to rounding adjustments. Accordingly, certain figures shown as totals in the above table may not be an arithmetic aggregation of the figures preceding them.*

The changes in the shareholding structure of the Company arising from the Rights Issue are as follows (assuming 45,153,008 new Shares have been allotted and issued on or before the Record Date pursuant to the full exercise of the Vested Share Options, but no other Shares, other than the Rights Shares, are allotted and issued from the date of this announcement to completion of the Rights Issue and there are no Non-Qualifying Shareholders):

Name of Shareholders	Assuming, as at the date of this announcement, the Vested Share Options have been exercised in full		Immediately after completion of the Rights Issue (assuming all Rights Shares are taken up by the Shareholders)		Immediately after completion of the Rights Issue (assuming no Shareholders, other than Wisdoman and Dr. Peter Lam, take up Rights Shares) (Note 5)	
	No. of Shares	Approximate % of the total issued Shares	No. of Shares	Approximate % of the total issued Shares	No. of Shares	Approximate % of the total issued Shares
Wisdoman (Note 1)	484,991,750	29.17	562,590,430	29.17	562,590,430	29.17
Dr. Peter Lam (Note 1)	164,361,742	9.89	190,659,618	9.89	190,659,618	9.89
Madam U Po Chu (Note 1)	4,127,625	0.25	4,788,045	0.25	4,127,625	0.21
Dr. Lam Kin Ming	5,008,263	0.30	5,809,583	0.30	5,008,263	0.26
Mr. Lam Hau Yin, Lester	76,798,202	4.62	89,085,914	4.62	76,798,202	3.98
<b>Lam Family</b>	<b>735,287,582</b>	<b>44.23</b>	<b>852,933,590</b>	<b>44.23</b>	<b>839,184,138</b>	<b>43.51</b>
Director (other than members of Lam Family)	16,174,234	0.97	18,762,110	0.97	16,174,234	0.84
Other employees	11,187,117	0.67	12,977,053	0.67	11,187,117	0.58

Third Avenue Management LLC (Note 2)	242,671,398	14.60	281,498,818	14.60	242,671,398	12.58
Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk (Note 3)	123,304,000	7.42	143,032,640	7.42	123,304,000	6.39
Dalton Investments LLC (Note 4)	82,395,337	4.95	95,578,589	4.95	82,395,337	4.27
Underwriter	-	-	-	-	162,115,672	8.41
Other Public Shareholders	451,556,763	27.16	523,805,859	27.16	451,556,763	23.42
<b>Total</b>	<b>1,662,576,431</b>	<b>100.00</b>	<b>1,928,588,659</b>	<b>100.00</b>	<b>1,928,588,659</b>	<b>100.00</b>

Notes:

1. *Dr. Peter Lam and Madam U Po Chu are the directors of Wisdoman and both of them are deemed to be interested in the Shares owned by Wisdoman by virtue of their respective 50% interests in the issued capital of Wisdoman under Part XV of the SFO.*
2. *The register of interests in shares and short positions of substantial shareholders maintained by the Company under Section 336 of the SFO as at the date of this announcement shows the Company has been notified that the Third Avenue Management LLC is interested in 242,671,398 Shares in its capacity as investment manager, which includes the 171,393,000 Shares which the Third Avenue Value Fund is beneficially interested in.*
3. *The register of interests in shares and short positions of substantial shareholders maintained by the Company under Section 336 of the SFO shows that as at the date of the this announcement, the Company has been notified that Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk are both taken to be interested in the same 123,304,000 Shares, which are held jointly by them, under the SFO.*
4. *The register of interests in shares and short positions of substantial shareholders maintained by the Company under Section 336 of the SFO as at the date of the this announcement shows the Company has been notified that Dalton Investments LLC is interested in 82,395,337 Shares in its capacity as investment manager,.*
5. *The Company has been informed by Dr. Peter Lam that the Lam Family intends to maintain the level of their shareholdings in the Company, such that the aggregate beneficial shareholdings of the Lam Family will be maintained at not less than 44.36% of the issued share capital of the Company upon the completion of the Rights Issue and (where relevant) including the taking up of any relevant untaken Shares by the Underwriter. Please refer to the section headed “Non-binding Indicative Intention of the Lam Family to maintain shareholding” below for further details.*
6. *Certain amounts and percentage figures above have been subject to rounding adjustments. Accordingly, certain figures shown as totals in the above table may not be an arithmetic aggregation of the figures preceding them.*

## **NON-BINDING INDICATIVE INTENTION OF THE LAM FAMILY TO MAINTAIN SHAREHOLDING**

As at the date of this announcement, the Lam Family holds in aggregate (a) 717,495,925 Shares, representing approximately 44.36% of the total issued share capital of the Company, and (b) outstanding Vested Share Options to subscribe for an additional 17,791,657 Shares in the Company. The Company has been informed by Dr. Peter Lam that the Lam Family intends to maintain the level of their shareholdings in the Company, such that the aggregate beneficial shareholdings of the Lam Family will be maintained at not less than 44.36% of the issued share capital of the Company upon the completion of the Rights Issue and (where relevant) including the taking up of any relevant untaken Shares by the Underwriter. The expression of intention is entirely non-binding and none of Wisdoman, Dr. Peter Lam or any other members of the Lam Family has given any legally binding commitment to maintain the collective shareholdings of the Lam Family. The only undertakings to accept the Rights Shares are the Irrevocable Undertakings given severally by Wisdoman and Dr. Peter Lam. Please refer to the last columns in the tables set forth in the section headed “Effect of the Rights Issue on shareholdings in the Company” in this announcement for an illustration of the aggregate beneficial shareholdings of the Lam Family in the issued share capital of the Company in the event that the Lam Family does not (save as regards Wisdoman and Dr. Peter Lam as expressly provided under the Irrevocable Undertakings) take up any of the Rights Shares to which they will be entitled under the Right Issue (assuming the Lam Family does not otherwise acquire or dispose of any Shares).

## **RIGHTS ISSUE TIMETABLE**

### **Expected Timetable**

Last day for dealings in the Shares on a cum-rights basis	Friday, 27 December 2013
Commencement of dealings in the Shares on an ex-rights basis	Monday, 30 December 2013
Latest time for lodging transfer documents of the Shares in order to be qualified for the Rights Issue	4:30 p.m. on Thursday, 2 January 2014
Closure of the register of members for determining entitlements under the Rights Issue	Friday, 3 January 2014 to Wednesday, 8 January 2014
Record Date for determining entitlements under the Rights Issue	5:00 p.m. on Wednesday, 8 January 2014

Re-opening of the register of members	Thursday, 9 January 2014
Registration of the Prospectus	Monday, 13 January 2014
Despatch of the Rights Issue Documents	Monday, 13 January 2014
First day for dealings in nil-paid Rights Shares	Wednesday, 15 January 2014
Latest time for splitting of nil-paid Rights Shares	4:30 p.m. on Friday, 17 January 2014
Last day for dealings in nil-paid Rights Shares	Wednesday, 22 January 2014
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares	4:00 p.m. on Monday, 27 January 2014
Rights Issue expected to become unconditional	4:00 p.m. on Tuesday, 4 February 2014
Announcement of results of the Rights Issue	Thursday, 6 February 2014
Certificates for the Rights Shares expected to be despatched on or before	Friday, 7 February 2014
Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares expected to be posted on or before	Friday, 7 February 2014
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Monday, 10 February 2014
Designated broker starts to stand in the market to provide matching services for odd lots of Shares	9:00 a.m. on Monday, 10 February 2014
Designated broker ceases to stand in the market to provide matching service for odd lots of Shares	Monday, 3 March 2014

**Note: All times and dates in this announcement refer to Hong Kong local times and dates. Shareholders should note that the dates or deadlines specified in the expected timetable of the Rights Issue as set out above, and in other parts of this announcement,**

**are indicative only and may be varied by agreement between the Company and the Underwriter. In the event that any special circumstances arise, the Board may extend, or make adjustment to, the timetable if it considers appropriate. Any extension or adjustment to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.**

### **Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares**

The latest time for acceptance of and payment for Rights Shares and for application and payment for excess Rights Shares will not take place at 4:00 p.m. on Monday, 27 January 2014 if there is a tropical cyclone warning signal no. 8 or above, or a black rainstorm warning, if such circumstance is:

- i. in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 27 January 2014. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 27 January 2014. Instead the latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on Monday, 27 January 2014, the dates mentioned in the 'Expected Timetable' section may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

### **WARNING OF THE RISKS OF DEALING IN THE SHARES AND THE NIL-PAID RIGHTS SHARES**

**The Shares are expected to be dealt in on an ex-rights basis from Monday, 30 December 2013. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 15 January 2014 to Wednesday, 22 January 2014 (both days inclusive). The Rights Issue is conditional upon the Underwriting Agreement becoming unconditional. If the conditions of the Rights Issue are not fulfilled or waived, including the termination of the Underwriting Agreement by the Underwriter, the Rights Issue will not proceed.**

**Any Shareholder or other person who contemplates transferring, selling or purchasing Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (including the date on which the Underwriter's right of termination of the Underwriting Agreement ceases) will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.**

## **REASONS FOR THE RIGHTS ISSUE AND USE OF PROCEEDS**

### **Reasons for the Rights Issue**

The Directors believe that it is in the interests of the Company and the Shareholders as a whole to enlarge the capital base of the Company through the Rights Issue in order to support the continuing development of the Group's business activities while strengthening its cash position and maintaining a reasonable level of gearing and interest expense.

The Rights Issue enables the Company to carry out a fund raising exercise whereby Qualifying Shareholders will have the opportunity to maintain their respective pro rata shareholding interests in the Company by participating in the Rights Issue. **However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholders should note that their shareholdings in the Company will be diluted.**

### **Use of Proceeds**

The estimated expenses of the Rights Issue (including the underwriting commission, printing, registration, translation, legal, accounting and documentation charges) are estimated to be not less than approximately HK\$5.1 million and not more than approximately HK\$5.3 million and will be borne by the Company. Assuming no new Shares are allotted and issued on or before the Record Date pursuant to any exercise of the Vested Share Options, the net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$0.814 per Rights Share. Assuming 45,153,008 new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of the Vested Share Options, the net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$0.814 per Rights Share.

The estimated net proceeds of the Rights Issue are estimated to be not less than approximately HK\$210.7 million (assuming no new Shares are allotted and issued on or before the Record Date pursuant to any exercise of the Vested Share Options) and not more than approximately HK\$216.6 million (assuming 45,153,008 new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of the Vested Share Options). The Company intends to apply the net proceeds of the Rights Issue for general working capital purposes.

## **TAXATION**

Shareholders are advised to consult their professional advisers if they are in any doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

## **EQUITY FUND RAISING OF THE COMPANY**

### **Equity fund raising activities of the Company during the past 12 months**

The Company has not engaged in or initiated any equity fund raising exercises or any rights issue exercise during the past 12 months immediately before the date of this announcement.

## **POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS**

The Rights Issue may lead to adjustment(s) to the number of Shares subject to the Share Options and the relevant option exercise price following completion of the Rights Issue. The Company will ascertain the required adjustment(s), if any, and inform the holders of the Share Options of the required adjustment(s) as soon as practicable. Any such adjustment(s) to the option exercise price will comply with the supplemental guidance issued by the Stock Exchange on 5 September 2005 and will be reviewed by an independent financial adviser or the Company's auditor. A further announcement will be made in relation to any adjustment(s) to the Share Options and the date they are expected to take effect once determined by the Company.

## **INFORMATION OF THE GROUP**

The Company 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 Group include property development, property investment, investment in and operation of hotels and restaurants and investment holding.

## GENERAL

As the Rights Issue will not increase the issued share capital or the market capitalization of the Company by more than 50%, the Rights Issue is not subject to the approval of Shareholders in general meeting pursuant to Rule 7.19(6) of the Listing Rules.

The Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched by the Company to the Qualifying Shareholders together with the relevant PALs and EAFs on the Posting Date. A copy of the Prospectus will be made available on the websites of the Company ([www.laisun.com](http://www.laisun.com)) and the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)). To the extent reasonably practicable and subject to the advice of legal advisers in the relevant jurisdictions in respect of applicable local laws and regulations, the Company will send copies of the Prospectus (without any PALs or EAFs) to Non-Qualifying Shareholders for information purposes only. The Prospectus will not be distributed, and the Rights Shares will not be sold, in the US, except in certain transactions exempt from registration under the US Securities Act.

## DEFINITIONS

Unless the context otherwise requires, terms used in this announcement shall have the following respective meanings:

“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, Sunday and a public holiday or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 am and 4.00 pm) on which banks are generally open for business in Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Company”	Lai Sun Garment (International) Limited, 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);
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;

“Dr. Peter Lam”	Dr. Lam Kin Ngok, Peter, an executive Director and the Deputy Chairman of the Board;
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders in respect of applications for excess Rights Shares;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Irrevocable Undertaking(s)”	each of the irrevocable undertakings dated 13 December 2013 and given by Wisdoman and Dr. Peter Lam, respectively, to the Company and the Underwriter as described in the paragraph headed “Irrevocable Undertakings from Wisdoman and Dr. Peter Lam ” in this announcement;
“Lam Family”	collectively, Wisdoman, Dr. Peter Lam, Madam U Po Chu, Dr. Lam Kin Ming and Mr. Lam Hau Yin, Lester;
“Last Trading Day”	13 December 2013, being the date of this announcement;
“Latest Acceptance Time”	4:00 p.m. on Monday, 27 January 2014 (subject to changes due to bad weather as described under the paragraphs headed “Effect of bad weather on the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares” in this announcement), or such other date as the Company and the Underwriter may agree in writing as the latest time for acceptance of, and payment for, the Rights Shares;
“Listing Committee”	has the same meaning ascribed to it under the Listing Rules;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) to whom the Directors, based on advice provided by legal advisers, are of the opinion that it would be necessary or expedient not to offer the Rights Shares on account of either the legal restrictions under the laws of the relevant place or any requirement of the relevant regulatory body or stock exchange in that place (other than offers to certain categories of sophisticated investors and/or qualified institutional investors as may be permitted by, and in accordance with, applicable local laws and regulations);
“Overseas Shareholder(s)”	the Shareholder(s) whose name(s) appear(s) on the register of members of the Company as at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong and beneficial owners of Shares at that time who are otherwise known to the Company to be resident in a place(s) outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue;
“Posting Date”	Monday, 13 January 2014, or such other date as the Underwriter may agree in writing with the Company for the despatch of the Rights Issue Documents;
“PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Prospectus”	the prospectus to be issued by the Company in relation to the Rights Issue;
“Qualifying Shareholders”	the Shareholders whose names appear on the register of members of the Company as at 5:00 p.m. on the Record Date, other than the Non-Qualifying Shareholders;

“Record Date”	Wednesday, 8 January 2014 (or such other date as the Underwriter and the Company may agree in writing as the date by reference to which entitlements to the Rights Issue are to be determined);
“Registrar”	Tricor Tengis Limited, the share registrar of the Company at 26/F., Tesbury Centre, 28 Queen’s Road East, Wanchai, Hong Kong;
“Rights Issue”	the proposed issue by the Company of the Rights Share(s) at the Subscription Price on the basis of 4 Rights Shares for every 25 existing Shares held on the Record Date payable in full on acceptance;
“Rights Issue Documents”	the Prospectus, the PAL(s) and the EAF(s);
“Rights Share(s)”	the new Share(s) to be allotted and issued in respect of the Rights Issue;
“Settlement Date”	Tuesday, 4 February 2014, being the fourth Business Day following the Latest Acceptance Time (or such other date as the Company and the Underwriter may agree in writing);
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Share(s)”	ordinary share(s) of nominal value of HK\$0.01 each in the capital of the Company;
“Share Option(s)”	the share option(s) granted by the Company pursuant to the Share Option Scheme;
“Share Option Scheme”	the share option scheme of the Company adopted on 22 December 2006;
“Shareholder(s)”	the holder(s) of the Share(s);

“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.834 per Rights Share;
“subsidiary” or “subsidiaries”	has the same meaning ascribed to it under the Listing Rules;
“substantial shareholder(s)”	has the same meaning ascribed to it under the Listing Rules;
“Underwriter”	Kingston Securities Limited, a corporation licensed to carry out Type 1 (dealing in securities) regulated activity under the SFO;
“Underwriting Agreement”	the underwriting agreement dated 13 December 2013 and entered into between the Company and the Underwriter in relation to the Rights Issue;
“Underwritten Shares”	the Rights Shares underwritten by the Underwriter pursuant to the terms of the Underwriting Agreement;
“United States” or “US”	the United States of America (including its territories and dependencies, any state in the US and the District of Columbia);
“Vested Share Options”	Share Options which have been validly vested to the holders entitling them to subscribe for Shares on or before the Record Date (being Share Options in respect of 45,153,008 Shares as at the date of this announcement);
“Wisdoman”	Wisdoman Limited, a company incorporated in Hong Kong and a substantial shareholder of the Company; and
“%”	per cent or percentage.

*\* The number of Rights Shares attributable to a particular Shareholder set out in this announcement is for illustration purpose only and the actual number may change due to the fact that the Shares may be held by different nominees and as a result of rounding resulting from fractional entitlements.*

By order of the Board of  
**Lai Sun Garment (International) Limited**  
**Chew Fook Aun**  
*Executive Director and Deputy Chairman*

Hong Kong, 13 December 2013

*As at the date of this announcement, the Board comprises six executive directors, namely Dr. Lam Kin Ming (Chairman), Dr. Lam Kin Ngok, Peter (Deputy Chairman), Mr. Chew Fook Aun (Deputy Chairman), Madam U Po Chu, Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Mr. Lam Kin Hong, Matthew; and three independent non-executive directors, namely, Messrs. Chow Bing Chiu, Lam Bing Kwan and Leung Shu Yin, William.*