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LAI SUN DEVELOPMENT

Lai Sun Development Company Limited  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 488)



LAI SUN GARMENT

Lai Sun Garment (International) Limited  
(Incorporated in Hong Kong with limited liability)  
(Stock Code: 191)

## JOINT ANNOUNCEMENT

**(1) PROPOSED RIGHTS ISSUE ON  
THE BASIS OF 1 RIGHTS SHARE  
FOR EVERY 2 EXISTING SHARES  
HELD ON THE RECORD DATE  
(2) CONNECTED TRANSACTION TO  
PAY UNDERWRITING  
COMMISSION  
AND  
(3) CLOSURE OF REGISTER OF  
MEMBERS**

**MAJOR TRANSACTION IN  
RELATION TO SUBSCRIPTION  
OBLIGATIONS IN RESPECT OF THE  
RIGHTS ISSUE**

**Underwriter of the Rights Issue**



LAI SUN GARMENT

## **PROPOSED RIGHTS ISSUE**

LSD proposes to raise approximately HK\$924.3 million before expenses by way of a rights issue.

Pursuant to the Rights Issue, the Qualifying Shareholders will be provisionally allotted 1 Rights Share in nil-paid form for every 2 existing LSD Shares held on the Record Date. The Subscription Price has been set at HK\$0.092 per Rights Share. Fractional entitlements will not be allotted but will be aggregated and sold for the benefit of LSD. The Rights Issue will not be available to the Non-Qualifying Shareholders.

The Rights Issue will be fully underwritten by LSG, whose commitment also extends to subscribing or procuring the subscription of the Committed Shares. LSG's obligations under the Underwriting Agreement (inclusive of its commitment in respect of the Committed Shares) represent a major transaction for LSG. The Rights Issue is, accordingly, conditional upon LSG obtaining the requisite approval of its shareholders in general meeting in respect of the Proposed Subscription.

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

**The Rights Issue is conditional. Details of the conditions are set out below in the section headed "Conditions to the Rights Issue and the Underwriting Agreement". Accordingly, the Rights Issue may or may not proceed. Investors are advised to exercise caution when dealing in the LSD Shares.**

**Notwithstanding that the Proposed Subscription may be approved by the LSG Shareholders in general meeting, 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 joint announcement for further details. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed.**

**Any LSD Shareholder or other person contemplating transferring, selling or purchasing the LSD Shares and/or the Rights Shares in their nil-paid form is advised to exercise caution when dealing in the LSD 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 LSD Shareholder or other person dealing in the LSD 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 LSD Shareholders and investors is drawn to the section headed "Warning of the risks of dealing in the LSD Shares and the nil-paid Rights Shares" below.**

## **TRADING ARRANGEMENTS**

Assuming that LSG obtains the requisite approval of its shareholders in general meeting in respect of the Proposed Subscription, the last day of dealings in the LSD Shares on a cum-rights basis is expected to be Monday, 11 January 2016. The LSD Shares will be dealt with on an ex-rights basis from Tuesday, 12 January 2016. The Rights Shares are expected to be dealt with in their nil-paid form from Wednesday, 20 January 2016 to Wednesday, 27 January 2016 (both days inclusive).

To qualify for the Rights Issue, a LSD Shareholder must be registered as a member of LSD as at 5:00 p.m. on the Record Date, which is currently expected to be Friday, 15 January 2016. In order to be registered as members of LSD at 5:00 p.m. on the Record Date, all transfer documents of the LSD Shares (together with the relevant share certificates) must be lodged for registration with the Registrar at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, by 4:30 p.m. on Wednesday, 13 January 2016. The register of members of LSD will be closed on Thursday, 14 January 2016 and Friday, 15 January 2016.

The Latest Acceptance Date is expected to be on Monday, 1 February 2016 or such other date as LSD and the Underwriter may agree in writing. LSD 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.

## **MAJOR TRANSACTION OF LSG**

LSG, the controlling shareholder of LSD, has, directly and indirectly (through the LSG Subsidiaries) an aggregate shareholding of approximately 51.88% of the issued share capital of LSD as at the date of this joint announcement. The Proposed Subscription, comprising as it does, the obligation of LSG and the LSG Subsidiaries to subscribe both the Committed Shares and the Underwritten Shares represents the acquisition of a further interest in LSD constituting a major transaction for LSG. In the absence of interest in the Rights Issue on the part of other Qualifying Shareholders, LSG's interest in LSD could increase to a maximum of approximately 67.92% of LSD.

## **GENERAL**

It is currently expected that the circular of LSG relating to the Proposed Subscription and giving notice of the LSG GM will be despatched by LSG to LSG Shareholders on or before Friday, 11 December 2015, which is more than 15 Business Days after the publication of this joint announcement, as LSG requires more time to prepare the information to be included in the circular, including the financial information.

Assuming LSG obtains the requisite approval of its shareholders in general meeting in respect of the Proposed Subscription, the Prospectus containing, among other things, further details of the Rights Issue is expected to be despatched by LSD to the Qualifying Shareholders and for information only, to the Non-Qualifying Shareholders on the Posting Date. The PALs and the EAFs will also be sent to the Qualifying Shareholders on the same date.

## **PROPOSED RIGHTS ISSUE**

LSD proposes to raise funds by way of Rights Issue, the principal terms of which are set out below. The Rights Issue is conditional, as explained below in the section headed “Conditions to the Rights Issue and the Underwriting Agreement”.

### **Issue statistics (assuming no change in LSD’s issued share capital prior to the Record Date)**

Basis of the Rights Issue:	1 Rights Share for every 2 existing LSD Shares held at 5:00 p.m. on the Record Date
Subscription Price:	HK\$0.092 per Rights Share
Number of the existing LSD Shares in issue:	20,094,533,563
Number of Rights Shares:	10,047,266,781
Underwriter:	LSG

Under the Rights Issue, the 10,047,266,781 nil-paid Rights Shares proposed to be provisionally allotted represent approximately 50.00% of the existing issued share capital of LSD and approximately 33.33% of the issued share capital of LSD as enlarged by the Rights Issue.

### **Possible changes to LSD’s issued share capital**

It should be noted that:

- (i) as at the date of this joint announcement, there are outstanding options to subscribe a total of 713,823,903 LSD Shares; and
- (ii) the LSD Directors have recommended the payment of a final dividend of HK0.25 cent per share, amounting to HK\$50,236,334 for LSD’s financial year ended 31 July 2015, to LSD Shareholders whose names appear on the register of members of LSD on Tuesday, 22 December 2015, subject to the approval of LSD Shareholders at Friday, 11 December 2015 annual general meeting of LSD. The proposed dividend includes a scrip alternative, meaning that those on the register as at that record date can elect to receive some or all of the dividend in the form of new LSD Shares.

Taking into account the possibility that all of the options referred to (i) above might be exercised before the Record Date; and the further possibility that the entire dividend referred to in (ii) above could, assuming LSD Shareholders’ approval is forthcoming, be required to be settled in scrip (and assuming, for illustration purposes only, that the issue price for such scrip were to be the theoretical ex-rights price of approximately HK\$0.123 per LSD Share based on the closing price of an LSD Share quoted on the Last Trading Day), LSD’s issued shares of the Record Date could increase by approximately 1,122,249,382 shares to 21,216,782,945 shares in total. This would increase the number of Rights Shares by approximately 561,124,691, meaning that LSD would stand to derive additional proceeds of approximately HK\$51.6 million, increasing LSG’s underwriting commitment accordingly.

Other than this, LSD had no outstanding convertible securities, options or warrants in issue which would otherwise confer any right to subscribe for, convert or exchange into the existing LSD Shares.

### **Subscription Price**

The Subscription Price of HK\$0.092 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 renounee 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 33.33% to the closing price of HK\$0.138 per LSD Share as quoted on the Stock Exchange on the Last Trading Day;
- (b) a discount of approximately 33.33% to the average of the closing prices per LSD 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\$0.138;
- (c) a discount of approximately 33.81% to the average of the closing prices per LSD Share as quoted on the Stock Exchange for the ten previous consecutive trading days up to and including the Last Trading Day of approximately HK\$0.139;
- (d) a discount of approximately 25.20% to the theoretical ex-rights price of approximately HK\$0.123 per LSD Share based on the closing price of HK\$0.138 per LSD Share as quoted on the Stock Exchange on the Last Trading Day; and
- (e) a discount of approximately 91.84% to the audited consolidated net asset value attributable to the LSD Shareholders as at 31 July 2015 of approximately HK\$1.128 per LSD Share.

The Rights Shares have no par value as LSD is a company incorporated in Hong Kong and, as such, the concept of par value no longer exists in respect of its shares.

The Subscription Price was determined by the LSD Directors with reference to the market price of the LSD Shares prior to and including the Last Trading Day. 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 LSD 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 LSD and the LSD Shareholders as a whole.

### **Basis of provisional allotment**

1 Rights Share (in nil-paid form) for every 2 existing LSD Shares held by the Qualifying Shareholders as at 5:00 p.m. on the Record Date. Application for all or any part of a LSD 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 existing LSD Shares 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 (for the avoidance of doubt, excluding the 2015 final cash dividend, as further described above under the heading 'Possible changes to LSD's issued share Capital').

## **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 all fully-paid Rights Shares are expected to be sent by ordinary post on or before Wednesday, 17 February 2016 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 Wednesday, 17 February 2016 to the applicants at their own risk.

## **Fractions of the Rights Shares**

LSD will not provisionally allot and will not accept application for any fraction of the Rights Shares. No odd lot matching services will be provided. All fractions of the Rights Shares will be aggregated (rounded down to the nearest whole number). All nil-paid Rights Shares arising from such aggregation will be provisionally allotted (in nil-paid form) to the Underwriter or its nominee, and will be sold in the market and the proceeds will be retained by LSD 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 the Qualifying Shareholders.

## **Application for excess Rights Shares**

The Qualifying Shareholders shall be entitled to apply for (a) any unsold Rights Shares which would have been allotted to the Non-Qualifying Shareholders had they been the Qualifying Shareholders, (b) any Rights Shares provisionally allotted but not validly accepted by the Qualifying Shareholders or otherwise subscribed for by renounees or transferees of nil-paid Rights Shares, 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, 1 February 2016 or such later time as may be agreed between LSD and the Underwriter.

The LSD Board will, upon consultation with the Underwriter, allocate the excess Rights Shares being applied for at its discretion and on a fair and equitable basis and on the following principles:

- (1) no preference will be given to applications for topping-up odd-lot holdings to whole-lot holdings as the giving of such preference may potentially be abused by certain investors by splitting their nil-paid Rights Shares and thereby receiving more Rights Shares than they would receive if such preference is not given, which is an unintended and undesirable result;

- (2) subject to the availability of excess Rights Shares, the excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis based on the excess Rights Shares applied for by them; and
- (3) provided always that, in any event, LSG and/or the LSG Subsidiaries' EAFs will be scaled back to ensure that out of all Shares available for subscription by EAFs, LSG and the LSG Subsidiaries will receive no more than the percentage thereof as equates to their percentage interest in LSD on the Record Date.

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

Investors whose LSD 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 LSD must lodge all necessary documents with the Registrar for completion of the relevant registration by 4:30 p.m. on Wednesday, 13 January 2016.

### **Application for listing**

Subject to LSG obtaining the approval of its shareholders in general meeting necessary to enable LSG to fulfil its obligations under the Underwriting Agreement, LSD 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. Nil-paid Rights Shares are expected to be traded in board lots of 15,000 (as the LSD Shares are currently traded on the Stock Exchange in board lots of 15,000). No part of the securities of LSD 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.

Dealings in the Rights Shares (in both nil-paid and fully-paid forms) will be subject to the payment of stamp duty, Stock Exchange trading fee and SFC transaction levy, if any, and other applicable fees and charges in Hong Kong.

### **Rights Shares will be eligible for admission into CCASS**

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. LSD 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 LSD Shareholder must (a) be registered as a member of LSD 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 LSD at 5:00 p.m. on the Record Date, all transfer documents of the LSD Shares must be lodged (together with the relevant share certificate(s)) with the Registrar by 4:30 p.m. (Hong Kong time) on Wednesday, 13 January 2016. The last day of dealings in the LSD Shares on a cum-rights basis is expected to be on Monday, 11 January 2016. The LSD Shares will be dealt with on an ex-rights basis from on Tuesday, 12 January 2016. The particulars of the Registrar are as follows:

**Tricor Tengis Limited**  
Level 22, Hopewell Centre  
183 Queen's Road East  
Hong Kong  
Tel: (852) 2980 1333  
Fax: (852) 2810 8185

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

### **Non-Qualifying Shareholders**

If there are Overseas Shareholders at 5:00 p.m. on the Record Date, the Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

The LSD Board will make enquiries pursuant to Rule 13.36(2)(a) of the Listing Rules as to the applicable securities legislation of the relevant overseas jurisdictions or the requirements of any relevant regulatory body or stock exchange for the issue of the Rights Shares to the Overseas Shareholders and the results of the enquiries will be included in the Prospectus. If, after making such enquiries, the LSD Board is 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, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. Accordingly, the Rights Issue will not be extended to the Non-Qualifying Shareholders and no Rights Shares will be provisionally allotted to them. LSD will, to the extent reasonably practicable, send the Prospectus to the Non-Qualifying Shareholders for their information only on the Posting Date but will not send the PALs or the EAFs to them. The Rights Issue Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. The basis of exclusion of the Non-Qualifying Shareholders, if any, from the Rights Issue will be disclosed in the Prospectus.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence on the Stock Exchange but before the last date for dealings in nil-paid Rights Shares, if a premium (net of expenses) can be obtained. The proceeds of each sale, less expenses and stamp duty, of more than HK\$100 will be paid by LSD to the relevant Non-Qualifying Shareholder(s) pro rata to their shareholdings in LSD at 5:00 p.m. on the Record Date in Hong Kong dollars. LSD will retain individual amounts of HK\$100 or less for the benefit of LSD. Any unsold entitlements of the Non-Qualifying Shareholders will, as referred to above in this joint announcement, be made available to meet excess applications on EAFs by the 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 LSD Directors pursuant to Rule 13.36(2)(a) of the Listing Rules. Accordingly, the Overseas Shareholders should exercise caution when dealing in the LSD Shares.**

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

It is expected that the register of members of LSD will be closed on Thursday, 14 January 2016 and Friday, 15 January 2016 for determining entitlements pursuant to the Rights Issue. No transfers of LSD Shares will be registered during this period.

## **UNDERWRITING ARRANGEMENT**

### **Underwriting Agreement**

Date:	17 November 2015
Underwriter:	LSG, whose ordinary and usual course of business does not include the underwriting of securities
Number of Rights Shares:	10,047,266,781 (assuming no change in LSD's issued share capital prior to the Record Date)
Number of Underwritten Shares:	4,834,417,105 Underwritten Shares (assuming no change in LSD's issued share capital prior to the Record Date), which figure excludes the 5,212,849,676 Committed Shares to be provisionally allotted to the Undertaking Shareholders
Commission:	2% of the aggregate Subscription Price of the total Underwritten Shares, which amounts to approximately HK\$8.9 million (assuming no change in LSD's issued share capital prior to the Record Date)

LSG (together with the LSG Subsidiaries) holds LSD Shares representing approximately 51.88% of LSD's issued share capital as at the date of this joint announcement. This makes LSG the controlling shareholder of LSD and a connected person of LSD for the purposes of the Listing Rules. The Underwriting Agreement therefore represents a connected transaction for LSD. In turn, the Proposed Subscription, representing LSG's aggregate commitments under the Underwriting Agreement, would amount to a major transaction for LSG.

The impact of the Rights Issue, for the purposes of the Listing Rules, so far as both LSD and LSG are concerned, is set out further below under the heading "Listing Rules implications".

Subject to the fulfilment of the conditions (or any waiver, as the case may be, by the Underwriter) contained in the Underwriting Agreement and provided that the Underwriting Agreement is not terminated prior to the Latest Time for Termination in accordance with the terms thereof, the Underwriter has agreed to subscribe or procure the subscription for all Underwritten Shares that are not taken up by the Qualifying Shareholders.

Each of the LSD Board and the LSG Board considers that the Underwriting Agreement is on normal commercial terms and is fair and reasonable so far as the LSD Shareholders and the LSG Shareholders are, respectively, concerned.

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

The Rights Issue is conditional upon (i) LSG obtaining the approval of its shareholders in general meeting necessary to enable LSG and the LSG Subsidiaries to implement the Proposed Subscription in full, and in full compliance with the Listing Rules; (ii) the Underwriting Agreement becoming unconditional and not being terminated; and (iii) permission to deal in and listing of all the Rights Shares (in their nil-paid and fully-paid forms) being granted by the Stock Exchange and not being withdrawn or revoked prior to the Latest Time for Termination.

The obligations of LSG to subscribe and underwrite Right Shares under the Underwriting Agreement are conditional on the fulfilment or waiver (as described below) of the following conditions:

- (a) the Underwriter having obtained approval of its shareholders in general meeting necessary to enable LSG and the LSG Subsidiaries to implement the Proposed Subscription in full, and in full compliance with the Listing Rules;
- (b) the registration by and filing with the Registrar of Companies in Hong Kong of the Rights Issue Documents;
- (c) the posting of copies of the Rights Issue Documents to Qualifying Shareholders on or before the Posting Date;
- (d) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Rights Shares in their nil-paid form and fully-paid form and such listing and permission to deal not being withdrawn or revoked by no later than the first day of their dealings;

- (e) the shares of LSD remaining listed on the Stock Exchange at all times prior to the Latest Time for Termination and the listing of the Shares not having been withdrawn or the trading for the Shares not having been suspended for a consecutive period of more than 5 trading days; and
- (f) no material breach of the warranties specified in the Underwriting Agreement having been committed by LSD as of the Latest Time for Termination.

LSG shall use its reasonable endeavours to procure the fulfilment of condition (a) above; and LSD shall use its reasonable endeavours to procure the fulfilment of conditions (b) to (f), inclusive, above. LSG shall have the right to waive either or both of conditions (e) and (f) above, but otherwise none of the conditions may be waived by either party.

In the event that the conditions mentioned above have not been fulfilled or (as applicable) waived on or before the respective dates aforesaid or such later date or dates as may be agreed between LSD and the Underwriter, in any event on or before 31 March 2016 or such later date as may be agreed between LSD and the Underwriter, or if the Underwriting Agreement shall be rescinded or terminated, all obligations and liabilities of the parties pursuant to the Underwriting Agreement will forthwith cease and determine and neither party will have any claim against the other (save in respect of any antecedent breaches thereof).

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

The Underwriter reserves the right (but shall not be obliged to do so) to rescind or terminate the arrangements set out in the Underwriting Agreement by notice in writing given by it to LSD at any time prior to 4:00 p.m. on the fourth Business Day following the Latest Acceptance Date, if in the sole and absolute opinion of the Underwriter acting in good faith:

- (a) the success of the Rights Issue would be materially and adversely affected by:
  - (i) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may materially adversely affect the business or the financial or trading position or prospects of the LSD Group as a whole; or
  - (ii) 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 hereof) of a political, military, financial, economic, currency or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national or international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which materially adversely affects the business or the financial or trading position or prospects of the LSD Group as a whole or materially adversely prejudices the success of the Rights Issue or otherwise makes it inexpedient or inadvisable for LSD or the Underwriter to proceed with the Rights Issue; or

- (iii) 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 LSD Group as a whole; or
- (b) any material adverse change in market conditions or combination of circumstances in Hong Kong or elsewhere (including without limitation suspension or material restriction or trading in securities) occurs which may adversely and materially affect the success of the Rights Issue.

Upon the giving of notice by the Underwriter to rescind or terminate the Underwriting Agreement, all obligations of the Underwriter shall cease and determine and neither party shall have any claim against the other in respect of any matter or thing arising out of or in connection with the Underwriting Agreement (save for any antecedent breaches thereof). If the Underwriter exercises such right, the Rights Issue will not proceed.

## EFFECT OF RIGHTS ISSUE ON SHAREHOLDINGS IN LSD

### Changes in the Shareholding Structure of LSD from the Rights Issue

The changes in the shareholding structure of LSD arising from the Rights Issue (assuming there is no change in the shareholding structure of LSD from the date of this joint announcement to completion of the Rights Issue and that there are no Non-Qualifying Shareholders) are as follows:

Name of the LSD Shareholder	As at the date of this joint announcement		Shareholdings immediately after completion of the Rights Issue			
	No. of LSD Shares	Approximate % of the total issued LSD Shares	Assuming 0% taken up by the Qualifying Shareholders (other than the Undertaking Shareholders)		Assuming 100% taken up by all Qualifying Shareholders	
			No. of LSD Shares	Approximate % of the total issued LSD Shares	No. of LSD Shares	Approximate % of the total issued LSD Shares
Dr. Lam (Note 1)	14,307,745	0.07	14,307,745	0.05	21,461,617	0.07
LSG (Note 1)	10,425,699,353	51.88	20,472,966,134	67.92	15,638,549,029	51.88
The LSD Directors (Note 2)	9,680,649	0.05	9,680,649	0.03	14,520,974	0.05
Public Shareholders	9,644,845,816	48.00	9,644,845,816	32.00	14,467,268,724	48.00
<b>Total</b>	<b><u>20,094,533,563</u></b>	<b><u>100.00</u></b>	<b><u>30,141,800,344</u></b>	<b><u>100.00</u></b>	<b><u>30,141,800,344</u></b>	<b><u>100.00</u></b>

#### Notes:

- (1) LSG is approximately 12.55% directly beneficially owned by Dr. Lam and is approximately 29.74% owned by Wisdoman Limited which is in turn 100% owned by Dr. Lam. In addition, LSG, by itself and through the LSG Subsidiaries, namely Joy Mind Limited and Zimba International Limited, hold an aggregate of 10,425,699,353 LSD Shares, representing approximately 51.88% of the issued share capital of LSD.
- (2) This represents the aggregate shareholding of the LSD Directors other than Dr. Lam.

## **RIGHTS ISSUE TIMETABLE**

### **Expected Timetable**

Proposed despatch of LSG Circular .....	11 December 2015
Latest time for lodging forms of proxy for the purpose of the LSG GM.....	10:00 a.m. on 6 January 2016
LSG GM .....	10:00 a.m. on 8 January 2016
Announcement of poll results of LSG GM .....	8 January 2016

### **On the assumption that the resolution(s) are duly passed at the LSG GM**

Last day for dealings in the LSD Shares on a cum-rights basis .....	11 January 2016
Commencement of dealings in the LSD Shares on an ex-rights basis .....	12 January 2016
Latest time for lodging transfer documents of the LSD Shares in order to be qualified for the Rights Issue .....	4:30 p.m. on 13 January 2016
Closure of the register of members for determining entitlements under the Rights Issue.....	14-15 January 2016
Record Date for determining entitlements under the Rights Issue .....	15 January 2016
Registration of the Prospectus .....	18 January 2016
Despatch of the Rights Issue Documents .....	18 January 2016
Re-opening of the register of members .....	18 January 2016
First day for dealings in nil-paid Rights Shares .....	20 January 2016
Latest time for splitting of nil-paid Rights Shares .....	4:30 p.m. on 22 January 2016
Last day for dealings in nil-paid Rights Shares.....	27 January 2016
Latest time for acceptance of, and payment for, the Rights Shares and application and payment for excess Rights Shares.....	4:00 p.m. on 1 February 2016
Rights Issue to become unconditional.....	4:00 p.m. on 5 February 2016
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company .....	on or before 16 February 2016
Certificates for the Rights Shares expected to be despatched .....	on or before 17 February 2016

Refund cheques in respect of wholly or partially  
unsuccessful applications for excess  
Rights Shares expected to be posted ..... on or before 17 February 2016

Commencement of dealings in  
fully-paid Rights Shares.....9:00 a.m. on 18 February 2016

**Note: All times and dates in this joint announcement refer to Hong Kong local times and dates. LSD 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 joint announcement, are indicative only and may be varied by agreement between LSD and the Underwriter. In the event that any special circumstances arise, the LSD Board may extend, or make adjustment to, the timetable if it considers appropriate. Any such extension or adjustment to the expected timetable will be published or notified to the LSD 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 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 the Latest Acceptance Date. 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; and
- ii. in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on the Latest Acceptance Date. 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 the Latest Acceptance Date, the dates mentioned in the 'Expected Timetable' section may be affected. LSD will notify the LSD 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 LSD Shares and the nil-paid Rights Shares**

**The LSD Shares are expected to be dealt in on an ex-rights basis from Tuesday, 12 January 2016. Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 20 January 2016 to Wednesday, 27 January 2016 (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 LSD Shareholder or other person contemplating transferring, selling or purchasing LSD Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the LSD 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 LSD Shareholder or other person dealing in the LSD 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 Underwriters' 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 LSD Directors believe that it is in the best interest of LSD and the LSD Shareholders as a whole to enlarge the capital base of LSD through the Rights Issue in order to support the continuing development of the LSD Group's existing business activities and to replenish LSD's cash reserves. The Rights Issue enables LSD to carry out a fund raising exercise while the Qualifying Shareholders are given the opportunity to maintain their respective pro rata shareholding interests in LSD 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 LSD will be diluted.**

### **Use of Proceeds**

The estimated net proceeds of the Rights Issue will be approximately HK\$912.1 million. LSD intends to apply the net proceeds of the Rights Issue for general working purposes.

The expenses of the Rights Issue (including the underwriting commission, printing, registration, translation, legal, accounting and documentation charges) are estimated to be approximately HK\$12.2 million and will be payable by LSD. The net subscription price per Rights Share upon full acceptance of the relevant provisional allotment of Rights Shares is expected to be approximately HK\$0.091 per Rights Share.

## **EQUITY FUND RAISING OF LSD**

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

LSD 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 joint announcement.

## **LISTING RULES IMPLICATIONS**

### **LSD**

#### *(1) No shareholder approval*

There is no requirement under the Listing Rules for the Rights Issue to be approved by the LSD Shareholders in general meeting.

This is because the Rights Issue does not increase the number of issued shares or the market capitalisation of LSD by more than 50% (on its own or when aggregated with any other rights issues or open offers announced or completed within the past 12 months) and because, notwithstanding the Rights Issue being underwritten by a connected person of LSD, LSD has made arrangements of the type described in Rule 7.21(1) of the Listing Rules for the disposal of Rights Shares not subscribed by allottees under PALs or their renounees. These arrangements include making available to all Qualifying Shareholders the ability to subscribe Rights Shares not subscribed by allottees under PALs or their renounees, to be allocated on a fair basis as described above under the heading “Application for excess Rights Shares”.

Under this fair basis, LSG or the LSG Subsidiaries’ ability to subscribe unwanted Rights Shares by way of EAFs will be treated in the same manner as all other Qualifying Shareholders who submit EAFs, save that, in any event, applications by LSG and the LSG Subsidiaries, will be scaled back to ensure that LSG and the LSG Subsidiaries entitlement to such unwanted Rights Shares is capped at the same percentage interest which LSG and the LSG Subsidiaries collectively hold in the LSD Shares on the Record Date.

(2) *Connected Transaction*

The Underwriting Agreement constitutes a connected transaction for LSD under the Listing Rules. This is because LSG, as underwriter, is the controlling shareholder of LSD and is therefore a connected person of LSD. Subscription by LSG and the LSG Subsidiaries of the Committed Shares, representing their pro-rata entitlement to Rights Shares, is, so far as LSD is concerned, fully exempt from shareholders’ approval, annual review and all disclosure requirements under Rule 14A.92(1) of the Listing Rules. Subscription by LSG and the LSG Subsidiaries for the Underwritten Shares through EAFs and/or on the basis of subscribing all Untaken Shares is, so far as LSD is concerned, fully exempt from shareholders’ approval, annual review and all disclosure requirements under Rule 14A.92(2) of the Listing Rules, on the basis that a fair arrangement to dispose of unwanted Rights Shares of the type described in Rule 7.21(1) of the Listing Rules will be implemented, as described above.

Pursuant to the Underwriting Agreement, LSD will pay an underwriting commission at the rate of 2% to LSG in respect of all of the Underwritten Shares. Assuming no change in LSD’s issued share capital prior to the Record Date, the underwriting commission will be approximately HK\$8.9 million. As the relevant Percentage Ratios regarding the amount of the underwriting commission payable by LSD are less than 5%, the underwriting commission constitutes, so far as LSD is concerned, a connected transaction exempt from the circular (including independent financial advice) and shareholders’ approval requirements of the Listing Rules by virtue of Rule 14A.76(2) of the Listing Rules. The LSD Directors (including for these purposes the independent non-executive LSD Directors) are satisfied that the terms of the underwriting commission, and the Underwriting Agreement generally, are fair and reasonable and represents normal commercial terms or better so far as LSD is concerned, and are in the interests of LSD and the LSD Shareholders as a whole.

## **LSG**

### *(1) Major Transaction*

As described further below the obligations of LSG and the LSG Subsidiaries to implement the Proposed Subscription in full constitutes a major transaction of LSG.

### *(2) Shareholder approval required*

As described further below, the LSG GM will be convened to approve the Underwriting Agreement, the Proposed Subscription and all other transactions and matters contemplated thereunder.

## **MAJOR TRANSACTION OF LSG**

LSG, the controlling shareholder of LSD, is interested (directly and indirectly through the LSG Subsidiaries) in approximately 51.88% of the issued share capital of LSD as at the date of this joint announcement. The Proposed Subscription, comprising as it does, the obligation of LSG and the LSG Subsidiaries to subscribe both the Committed Shares and the Underwritten Shares represents the acquisition of a further interest in LSD constituting a major transaction for LSG. On completion of the Proposed Subscription, LSG will remain as the controlling shareholder of LSD.

### **Rights Shares to be subscribed**

Pursuant to the Undertaking contained in the Underwriting Agreement, LSG has irrevocably undertaken to subscribe for, and procure that the LSG Subsidiaries subscribe for, the Committed Shares. In addition, pursuant to the Underwriting Agreement, LSG has undertaken to underwrite and subscribe or procure the subscription of the Underwritten Shares.

The Committed Shares represent 5,212,849,676 Rights Shares and the Underwritten Shares, assuming no change in the issued capital of LSD prior to the Record Date, represent 4,834,417,105 Rights Shares.

In the event that no Qualifying Shareholder (other than LSG and the LSG Subsidiaries) nor any of their renounees were to subscribe their entitlement to Rights Shares, the LSG Group's interest in LSD would increase from approximately 51.88% to approximately 67.92%.

### **Consideration**

The Subscription Price is HK\$0.092 per Rights Share. The aggregate Subscription Price payable by LSG and the LSG Subsidiaries to complete the Proposed Subscription in full would be approximately HK\$924.3 million assuming no change in the issued share capital of LSD prior to the Record Date. This amount would increase by approximately HK\$51.6 million were the total number of Rights Shares to increase by 561,124,691, based on potential issues of new LSD Shares before the Record Date in order to satisfy exercises of share options and/or elections for scrip in lieu of the 2015 final cash dividend, as further the described above under the heading 'Possible changes to LSD's issued share capital'.

The consideration will be fully satisfied in cash and will be financed by the internal resources of the LSG Group.

### **Completion**

In the event that the conditions set out in the sub-section headed “Conditions of the Rights Issue and the Underwriting Agreement” above are not fulfilled (or waived by the Underwriter, to the extent permissible, as described above), the Rights Issue will not proceed and the Proposed Subscription will accordingly also not proceed.

Completion by LSG and the LSG Subsidiaries of the subscription of the Rights Shares under the Underwriting Agreement is expected to take place at 4:00 p.m. on Monday, 1 February 2016 according to the expected timetable for the Rights Issue.

### **Reasons and benefits which are expected to accrue to LSG**

The LSG Directors (including the independent non-executive LSG Directors) believe that it is in the best interests of LSG and its shareholders, taken as a whole, to make a further investment in LSD. The LSG Directors are satisfied that not only should the LSG Group maintain its pro-rata percentage shareholding in LSD via the subscription of the Committed Shares, but also that LSG would stand to benefit from increasing its percentage shareholding in LSD via its commitment to subscribe the Underwritten Shares.

The LSD Directors are confident in the long terms prospects of the LSD Group and, like, in particular, the balance of its revenues across diversified business lines, including property development, property investment, hotel operations and restaurant operations. The LSG Directors have further noted that LSD has paid dividends in its financial years ended on 31 July 2014 and 31 July 2015. The LSD Directors see the Proposed Subscription as a means of maintaining and enhancing the long term value of LSG’s investment in LSD.

### **Views on the Underwriting Agreement**

The Underwriting Agreement was concluded after arm’s length negotiations between LSD and LSG. The LSG Directors are satisfied that the terms of the Underwriting Agreement, including the Subscription Price and the Commissions, reflect normal commercial terms and are fair and reasonable so far as LSG and its shareholders taken as a whole are concerned.

### **Financial information of LSD**

The audited consolidated net profit before taxation and after taxation of LSD for the financial year ended 31 July 2015 was approximately HK\$2,127,891,000 and HK\$2,048,494,000, respectively. The audited consolidated net profit before taxation and after taxation of LSD for the financial year ended 31 July 2014 was approximately HK\$1,602,137,000 and HK\$1,511,648,000, respectively. The audited consolidated net assets attributable to LSD Shareholders as at 31 July 2015 amounted to approximately HK\$22,662,543,000.

### **Implications under the Listing Rules**

As the highest applicable Percentage Ratio for the Proposed Subscription is more than 25% but less than 100%, the Proposed Subscription, therefore, constitutes a major transaction (acquisition) of LSG and is subject to the notification, publication and shareholders’ approval requirements under Chapter 14 of the Listing Rules.

## **LSG GM**

As the Proposed Subscription represents a major transaction for LSG, LSG will send a circular to the LSG Shareholders with further particulars concerning the Underwriting Agreement and the Proposed Subscription and will convene the LSG GM to consider, and if thought fit, approve resolutions in respect of the same.

## **Information on LSD and LSG**

The principal business activities of LSD and its subsidiaries are property development, property investment, investment in and operation of hotels and restaurants and investment holding. LSD, through one of its subsidiaries, owns an approximate 41.92% shareholding interest in eSun, which is an investment holding company and the principal business activities of the subsidiaries of eSun include the development, operation of and investment in media and entertainment, music production and distribution, the investment in and production and distribution of television programmes, film and video format products, cinema operation, the sale of cosmetic products as well as property development for sale and property investment for rental purposes. eSun also owns a 51.30% shareholding interest in LFH which is an investment holding company and the principal business activities of the subsidiaries of LFH are property investment and development in the PRC.

The principal business activities of LSG and its subsidiaries include property development, property investment, investment in and operation of hotels and restaurants and investment holding.

## **GENERAL**

It is currently expected that the circular of LSG relating to the Proposed Subscription and giving notice of the LSG GM will be despatched by LSG to LSG Shareholders on or before Friday, 11 December 2015, which is more than 15 Business Days after the publication of this joint announcement, as LSG requires more time to prepare the information to be included in the circular, including the financial information

The Prospectus containing, among other things, further details of the Rights Issue is currently expected, conditional upon all relevant resolution(s) being duly passed at the LSG GM, to be despatched by LSD to the Qualifying Shareholders and for information only, to the Non-Qualifying Shareholders on the Posting Date. The PALs and the EAFs will also be sent to the Qualifying Shareholders on the same date.

## **DEFINITIONS**

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

“Application Forms” collectively, the PAL(s) and the EAF(s);

“Business Day”	any weekday (other than 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 a.m. and 4:00 p.m.) on which banks generally are open for business in Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Committed Shares”	the 5,212,849,676 Rights Shares to be provisionally allotted to the Undertaking Shareholders;
“connected person(s)”	has the same meaning ascribed thereto in the Rule 1.01 of the Listing Rules;
“controlling shareholder”	has the same meaning ascribed thereto in the Rule 1.01 of the Listing Rules;
“Dr. Lam”	Dr. Lam Kin Ngok, Peter, the chairman of LSD and the deputy chairman of LSG;
“EAF(s)”	the excess application form(s) to be issued to the Qualifying Shareholders in respect of applications for excess Rights Shares;
“eSun”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571);
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Last Trading Day”	Tuesday, 17 November 2015, being the last trading day of the LSD Shares on the Stock Exchange immediately prior to the publication of this joint announcement;
“Latest Acceptance Date”	Monday, 1 February 2016, being the last day for acceptance and payment of the Rights Shares, or such other date as LSD and the Underwriter may agree in writing;
“latest time for acceptance”	4:00 p.m. on the Latest Acceptance Date;
“Latest Time for Termination”	4:00 p.m. on the fourth Business Day after the latest time for acceptance or such later date as LSD and the Underwriter may agree in writing;

“LFH”	Lai Fung Holdings Limited (麗豐控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed and traded on the Main Board of Stock Exchange (Stock Code: 1125);
“Listing Committee”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“LSD”	Lai Sun Development Company Limited (麗新發展有限公司), a company incorporated in Hong Kong with limited liability, the issued LSD Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488);
“LSD Board”	the board of LSD Directors;
“LSD Director(s)”	the director(s) of LSD;
“LSD Group”	LSD and its subsidiaries;
“LSD Share(s)”	ordinary share(s) in the capital of LSD;
“LSD Shareholder(s)”	the holder(s) of the LSD Share(s);
“LSG” or “Underwriter”	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, also the controlling shareholder of LSD, the issued shares of which are listed and trade on the Main Board of the Stock Exchange (Stock Code: 191), and is the ultimate holding company of LSD;
“LSG Board”	the board of LSG Directors;
“LSG GM”	the general meeting of LSG proposed to be convened to consider and, if thought fit, approve resolution(s) to approve the Proposed Subscription and matters incidental thereto;
“LSG Director(s)”	the director(s) of LSG;
“LSG Group”	LSG and its subsidiaries;

“LSG Subsidiaries”	Joy Mind Limited, a company incorporated in Hong Kong with limited liability, and Zimba International Limited, a company incorporated in the British Virgin Islands with limited liabilities, both being wholly-owned subsidiaries of LSG and holding 1,027,854,093 and 7,366,666,666 LSD Shares (respectively) as at the date of this joint announcement;
“Non-Qualifying Shareholders”	the Overseas Shareholders to whom the Directors, after making relevant enquiries, consider it necessary or expedient not to offer the Rights Shares on account of either the legal restrictions under the laws of the relevant jurisdiction or the requirements of the relevant regulatory body or stock exchange in that jurisdiction;
“Overseas Shareholder(s)”	the LSD Shareholder(s) whose name(s) appear(s) on the register of members of LSD as at 5:00 p.m. on the Record Date and whose address(es) as shown on such register is/are outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in respect of their assured entitlements under the Rights Issue;
“Percentage Ratio(s)”	the percentage ratio(s) as set out in Rule 14.07 of the Listing Rules to be applied for determining the classification of a transaction;
“Posting Date”	Monday, 18 January 2016 or such other date as the Underwriter may agree in writing with LSD for the despatch of the Rights Issue Documents;
“PRC”	the People’s Republic of China which, for the purpose of this joint announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Proposed Subscription”	the proposed subscription(s) by LSG and the LSG Subsidiaries in respect of (i) the Committed Shares pursuant to the Undertaking; (ii) further Rights Shares by way of EAFs; and/or (iii) the Untaken Shares;
“Prospectus”	the prospectus proposed to be issued by LSD in relation to the Rights Issue;
“Qualifying Shareholders”	the LSD Shareholders whose names appear on the register of members of LSD as at 5:00 p.m. on the Record Date, other than the Non-Qualifying Shareholders;

“Record Date”	Friday, 15 January 2016, being the record date to determine entitlements to the Rights Issue (or such other date as the Underwriter may agree in writing with LSD);
“Registrar”	Tricor Tengis Limited, the share registrar of LSD at Level 22, Hopewell Centre, 183 Queen’s Road East, Hong Kong;
“Rights Issue”	the issue of 10,047,266,781 Rights Shares at the Subscription Price on the basis of 1 Rights Share for every 2 existing LSD 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 LSD Share(s) to be allotted and issued pursuant to the Rights Issue;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.092 per Rights Share;
“subsidiary”	has the same meaning ascribed thereto in Rule 1.01 of the Listing Rules;
“Undertaking”	the irrevocable undertaking on the part of the LSG to subscribe or procure the subscription of the Committed Shares, as contained in the Underwriting Agreement;
“Undertaking Shareholders”	LSG and the LSG Subsidiaries;
“Underwriting Agreement”	the underwriting agreement dated 17 November 2015 and entered into between LSD and LSG in relation to the Rights Issue;
“Underwritten Shares”	the 4,834,417,105 Rights Shares (other than the Committed 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);

“Untaken Shares”	all those Underwritten Shares for which duly completed Application Forms (accompanied by cheques or banker’s cashier orders for the full amount payable on the applications which are honoured on first presentation) have not been lodged for acceptance by the Qualifying Shareholders, or received, as the case may be, on or before the latest time for acceptance;
“US Person(s)”	any person(s) or entity(ies) deemed to be a US Person for the purposes of Regulation S under the US Securities Act of 1933, as amended; and
“%”	per cent or percentage.

For and on behalf of <b>Lai Sun Development Company Limited</b> <b>Chew Fook Aun</b> <i>Executive Director and Deputy Chairman</i>	For and on behalf of <b>Lai Sun Garment (International) Limited</b> <b>Chew Fook Aun</b> <i>Executive Director and Deputy Chairman</i>
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Hong Kong, 17 November 2015

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

*Executive Directors: Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman), Lau Shu Yan, Julius (Chief Executive Officer) and Lam Hau Yin, Lester;*

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

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

*As at the date of this joint announcement, the LSG 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 Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); and three independent non-executive directors, namely Messrs. Chow Bing Chiu, Lam Bing Kwan and Leung Shu Yin, William.*