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LAI SUN DEVELOPMENT

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

(Stock Code: 488)

RESULTS OF THE RIGHTS ISSUE OF 5,900,850,966 RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF HK\$0.09 EACH ON THE BASIS OF 5 RIGHTS SHARES FOR EVERY 12 SHARES HELD ON THE RECORD DATE

Underwriter of the Rights Issue

HSBC

RESULTS OF THE RIGHTS ISSUE

As at 4:00 p.m. on Thursday, 8 December 2011, being the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares, a total of 955 valid acceptances and applications had been received for a total of 14,151,106,553 Rights Shares, which comprise: (i) 500 valid acceptances of provisional allotments of a total of 5,642,962,495 Rights Shares, representing approximately 95.63% of the total number of Rights Shares; and (ii) 455 valid excess applications for a total of 8,508,144,058 Rights Shares, representing approximately 144.18% of the total number of Rights Shares. In aggregate, they represented approximately 239.81% of the total number of 5,900,850,966 Rights Shares available under the Rights Issue.

The Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 13 December 2011 and the Rights Issue became unconditional at 5:00 p.m. on Tuesday, 13 December 2011.

Based on the number of valid acceptances referred to above, 257,888,471 Rights Shares are available as excess Rights Shares for application under the EAFs. The Board has resolved to allot the excess Rights Shares on a fair and equitable basis as set out below in this announcement.

It is expected that the share certificates for fully-paid Rights Shares will be despatched by ordinary post to those entitled at their own risk on Friday, 16 December 2011. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares will also be despatched to the applicants by ordinary post at their own risk on Friday, 16 December 2011.

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 20 December 2011.

As the Rights Issue was over-subscribed, the obligations of the Underwriter under the Underwriting Agreement in respect of the Underwritten Shares have been fully discharged.

Reference is made to the prospectus of Lai Sun Development Company Limited (the “**Company**”) dated 24 November 2011 (the “**Prospectus**”) in respect of the Rights Issue. Capitalised terms used herein shall have the respective same meanings as those defined in the Prospectus unless otherwise stated.

RESULTS OF THE RIGHTS ISSUE

The Board is pleased to announce that as at 4:00 p.m. on Thursday, 8 December 2011, being the latest time for acceptance of and payment for the Rights Shares and for application and payment for the excess Rights Shares, a total of 955 valid acceptances and applications had been received for a total of 14,151,106,553 Rights Shares, which comprise: (i) 500 valid acceptances of provisional allotments of a total of 5,642,962,495 Rights Shares, representing approximately 95.63% of the total number of Rights Shares; and (ii) 455 valid excess applications for a total of 8,508,144,058 Rights Shares, representing approximately 144.18% of the total number of Rights Shares. In aggregate, they represented approximately 239.81% of the total number of 5,900,850,966 Rights Shares available under the Rights Issue.

Pursuant to the Underwriting Agreement, LSG (i) has accepted and subscribed for, or has procured the acceptance and subscription by the Nominee of, 597,405,468 Rights Shares under the PAL and (ii) has procured the LSG Subsidiaries to accept and subscribe for a total of 2,232,956,693 Right Shares. Pursuant to the Irrevocable Undertaking, the Irrevocable Undertaking Shareholder has accepted and subscribed for, or has procured the acceptance and subscription by HKSCC Nominees Limited of, 4,208,160 Rights Shares. All of LSG, the LSG Subsidiaries and the Irrevocable Undertaking Shareholder did not apply for the excess Rights Shares under the Rights Issue.

Based on the above, as the Rights Issue was over-subscribed and the obligations of the Underwriter under the Underwriting Agreement in respect of the Underwritten Shares have been fully discharged, all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement became unconditional at 4:00 p.m. on Tuesday, 13 December 2011. The Rights Issue became unconditional at 5:00 p.m. on Tuesday, 13 December 2011.

SHAREHOLDINGS IN THE COMPANY

To the best of the Directors’ knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company immediately before and after completion of the Rights Issue is as follows:

<i>Shareholders</i>	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Irrevocable Undertaking Shareholder (<i>Note 1</i>)	10,099,585	0.07	14,307,745	0.07
LSG (and the LSG subsidiaries)	6,792,869,192	47.97	9,623,231,353	47.97
Directors (<i>Note 2</i>)	6,833,400	0.05	9,680,649	0.05
Public Shareholders	<u>7,352,240,143</u>	<u>51.91</u>	<u>10,415,673,539</u>	<u>51.91</u>
Total	<u>14,162,042,320</u>	<u>100.00</u>	<u>20,062,893,286</u>	<u>100.00</u>

Notes:

- (1) LSG is approximately 8.07% directly beneficially owned by the Irrevocable Undertaking Shareholder and is approximately 29.99% owned by Wisdoman Limited which is in turn 50% owned by the Irrevocable Undertaking Shareholder. LSG, by itself and through the LSG Subsidiaries, namely Joy Mind Limited and Zimba International Limited, held / holds an aggregate of 6,792,869,192 Shares (immediately before completion of the Rights Issue and 9,623,231,353 Shares (immediately after completion of the Rights Issue), in each case representing approximately 47.97% of the issued share capital of the Company.
- (2) This represents the aggregate shareholding of the Directors other than the Irrevocable Undertaking Shareholder.

EXCESS APPLICATIONS

Regarding the 8,508,144,058 Rights Shares which had been validly applied for by way of excess application under the EAFs, the Board has resolved to allot a total of 257,888,471 Rights Shares available for excess application on a fair and equitable basis based on the following principles as set out in the Prospectus:

- (1) preference has been given to applications for topping-up odd-lot holdings to whole-lot holdings where it appeared to the Directors that such applications were not made with the intention to abuse such mechanism; and
- (2) after allocation under principle (1) above, the excess Rights Shares have been allocated to the Qualifying Shareholders (other than the Undertaking Shareholders and the LSG Subsidiaries) based on a sliding scale with reference to the number of excess Rights Shares applied for by them (i.e. the above Qualifying Shareholders applying for a smaller number of Rights Shares have been allocated a higher percentage of the excess Rights Shares they have applied for; whereas the above Qualifying Shareholders applying for a larger number of Rights Shares have been allocated a lower percentage of the excess Rights Shares they have applied for (although they still received a greater number of Rights Shares than those who applied for a smaller number)).

The allotment results in respect of the excess Rights Shares are as follows:

Number of excess Rights Shares applied for	Number of valid excess applications	Total number of excess Rights Shares applied for	Total number of Rights Shares allotted	Approximate percentage of allocation based on the total number of excess Rights Shares applied for in the category	Basis of allotment
1 to 999	66	40,562	40,562	100.00	In full.
1,000 to 109,999	231	5,736,148	764,148	13.32	Odd lots excess Rights Shares applied for in full plus 10% of the remaining excess Rights Shares applied for (round up to the nearest board lot).
110,000 to 299,999	52	10,875,190	805,190	7.40	Odd lots excess Rights Shares applied for in full plus 7% of the remaining excess Rights Shares applied for (round up to the nearest board lot).
300,000 to 1,299,999	49	36,816,307	2,232,307	6.06	Odd lots excess Rights Shares applied for in full plus 6% of the remaining excess Rights Shares applied for (round up to the nearest board lot).
1,300,000 to 6,999,999	31	91,497,123	4,587,123	5.01	Odd lots excess Rights Shares applied for in full plus 5% of the remaining excess Rights Shares applied for (round up to the nearest board lot).

7,000,000 to 29,999,999	14	246,475,455	9,863,455	4.00	Odd lots excess Rights Shares applied for in full plus 4% of the remaining excess Rights Shares applied for (round up to the nearest board lot).
30,000,000 to 69,999,999	7	309,002,693	10,820,693	3.50	Odd lots excess Rights Shares applied for in full plus 3.5% of the remaining excess Rights Shares applied for (round up to the nearest board lot).
70,000,000 to 179,999,999	4	589,999,997	17,702,997	3.00	Odd lots excess Rights Shares applied for in full plus 3% of the remaining excess Rights Shares applied for (round up to the nearest board lot).
7,217,700,583	1	7,217,700,583	211,071,996	2.92	Approximately 2.92% of the excess Rights Shares applied for.
Total	455	8,508,144,058	257,888,471		

DESPATCH OF SHARE CERTIFICATES FOR RIGHTS SHARES AND COMMENCEMENT OF DEALINGS OF RIGHTS SHARES IN FULLY-PAID FORM

It is expected that share certificates for the Rights Shares, in their fully-paid form, and the refund cheques in respect of the wholly or partially unsuccessful applications for the excess Rights Shares, will be despatched by ordinary post to those entitled thereto, at their own risk, on Friday, 16 December 2011.

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Tuesday, 20 December 2011.

By order of the Board
Lai Sun Development Company Limited
Kwok Siu Man
Company Secretary

Hong Kong, 15 December 2011

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

Executive Directors: *Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Lau Shu Yan, Julius (Chief Executive Officer), Tam Kin Man, Kraven, Cheung Wing Sum, Ambrose, Lui Siu Tsuen, Richard and Cheung Sum, Sam;*

Non-Executive Directors: *Dr. Lam Kin Ming, Madam U Po Chu and Mr. Wan Yee Hwa, Edward; and*

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