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



LAI SUN DEVELOPMENT

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

(Stock Code: 488)

RESULTS OF THE RIGHTS ISSUE OF 484,442,943 RIGHTS SHARES AT THE SUBSCRIPTION PRICE OF HK\$1.64 EACH ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE AND ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

RESULTS OF THE RIGHTS ISSUE

As disclosed in the Announcement, as at 4:00 p.m. on Friday, 23 December 2022, being the Latest Time for Acceptance, a total of 103 valid applications had been received for a total of 304,101,976 Rights Shares, representing approximately 62.8% of the total number of Rights Shares available for subscription under the Rights Issue.

The Rights Issue became unconditional at 4:00 p.m. on Wednesday, 18 January 2023.

THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT

As disclosed in the Announcement, 180,340,967 Unsubscribed Rights Shares, representing approximately 37.2% of the total number of the Rights Shares available for subscription under the Rights Issue, were subject to the Compensatory Arrangements.

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 18 January 2023, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 109,128,000 Unsubscribed Rights Shares, representing approximately 7.51% of the issued Shares immediately upon completion of the Rights Issue, were successfully placed at the placing price of HK\$1.64 per Share, representing nil premium over the Subscription Price, to independent placees. Accordingly, the amount of the Net Gain under the Compensatory Arrangements is nil and no Net Gain were realised and to be received by any No Action Shareholder and Non-Qualifying Shareholder on Monday, 13 February 2023.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the Placees and where appropriate, their respective ultimate beneficial owners, is independent of and not connected with the Company and its connected persons and not a connected person of the Company; and (ii) none of the Placees has become a substantial shareholder (as defined under the Listing Rules) upon completion of the Placing.

The Placing became unconditional at 4:00 p.m. on Wednesday, 18 January 2023.

UNDERWRITING AGREEMENT

The aggregate number of Rights Shares validly accepted by the Qualifying Shareholders and the Unsubscribed Rights Shares successfully placed by the Placing Agent under the Placing are 413,229,976 Shares, representing approximately 85.3% of the total number of Rights Shares available for subscription under the Rights Issue. Accordingly, the Underwriter's obligations under the Underwriting Agreement in respect of the Underwritten Shares have not been discharged and therefore the Underwriter shall subscribe or, as agent of the Company, procure subscribers for the 71,212,967 Untaken Shares.

DESPATCH OF SHARE CERTIFICATES

It is expected that the share certificates for the Rights Shares, in their fully-paid form, and the share certificates for the Unsubscribed Rights Shares successfully placed by the Placing Agent will be posted to the allottees and/or Placees by ordinary post at their own risk on Monday, 30 January 2023.

COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARES

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, 31 January 2023.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

Pursuant to the terms and conditions of the Share Option Schemes and the Listing Rules, the exercise price and/or the number of Shares entitled to be subscribed under the outstanding Share Options granted under the Share Option Schemes will be adjusted. As a result of the Rights Issue, adjustments to the exercise price and the number of Shares to be issued upon exercise of the outstanding Share Options will become effective from Monday, 30 January 2023.

Reference is made to the prospectus of Lai Sun Development Company Limited (the “**Company**”) dated 9 December 2022 (the “**Prospectus**”) and the announcement of the Company, in relation to, among other things, the applications for the Rights Shares dated 29 December 2022 (the “**Announcement**”).

Unless otherwise defined herein, capitalised terms used in this announcement shall have the same meanings as defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE

As disclosed in the Announcement, as at 4:00 p.m. on Friday, 23 December 2022, being the Latest Time for Acceptance, a total of 103 valid applications had been received for a total of 304,101,976 Rights Shares, representing approximately 62.8% of the total number of Rights Shares available for subscription under the Rights Issue.

The Rights Issue became unconditional at 4:00 p.m. on Wednesday, 18 January 2023.

THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT

As disclosed in the Announcement, 180,340,967 Unsubscribed Rights Shares, representing approximately 37.2% of the total number of the Rights Shares available for subscription under the Rights Issue, were subject to the Compensatory Arrangements.

The Board is pleased to announce that as at 4:00 p.m. on Wednesday, 18 January 2023, being the latest time of placing of the Unsubscribed Rights Shares by the Placing Agent, 109,128,000 Unsubscribed Rights Shares, representing approximately 7.51% of the issued Shares immediately upon completion of the Rights Issue, were successfully placed at the placing price of HK\$1.64 per Share, representing nil premium over the Subscription Price, to independent placees. Accordingly, the amount of the Net Gain under the Compensatory Arrangements is nil and no Net Gain were realised and to be received by any No Action Shareholder and Non-Qualifying Shareholder on Monday, 13 February 2023.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the Placees and where appropriate, their respective ultimate beneficial owners, is independent of and not connected with the Company and its connected persons and not a connected person of the Company; and (ii) none of the Placees has become a substantial shareholder (as defined under the Listing Rules) upon completion of the Placing.

The Placing became unconditional at 4:00 p.m. on Wednesday, 18 January 2023.

THE UNDERWRITING AGREEMENT

As all the conditions precedent set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement was not terminated by the Underwriter on or before 4:00 p.m. on Wednesday, 18 January 2023, the Underwriting Agreement became unconditional at 4:00 p.m. on Wednesday, 18 January 2023.

The aggregate number of Rights Shares validly accepted by the Qualifying Shareholders and the Unsubscribed Rights Shares successfully placed by the Placing Agent under the Placing are 413,229,976 Shares, representing approximately 85.3% of the total number of Rights Shares available for subscription under the Rights Issue. Accordingly, the Underwriter's obligations under the Underwriting Agreement in respect of the Underwritten Shares have not been discharged and therefore the Underwriter shall subscribe or, as agent of the Company, procure subscribers for the 71,212,967 Untaken Shares.

Following completion of the Rights Issue, the Underwriter will not have any discloseable requirements in the Shares and underlying Shares under Part XV of the SFO.

SCALING-DOWN MECHANISM OF THE RIGHTS ISSUE

As stated in the Prospectus, all applications for the Rights Shares by the Qualifying Shareholders under the PAL(s), or by transferees of nil-paid Rights Shares, are subject to the scaling-down mechanism as determined by the Company and would be made on the basis that the applications are to be scaled-down by the Company to such level which does not result in (a) any GO Obligation being triggered by those affected applicant(s) and/or group of affected applicant(s) (together with parties respectively acting in concert with him/her/it/them); and/or (b) the Company's Public Float to decrease from that as at the date of the Prospectus. To the best of the Directors' knowledge, information and belief after considering the allotment results of the Rights Issue, the Company is not aware of any applications for Rights Shares by any participating Shareholders which would result in either the incurring of a GO Obligation or the Company's Public Float to decrease from that as at the date of the Prospectus. Accordingly, the scaling-down mechanism has not been triggered and no applications for Rights Shares are required to be scaled-down by the Company.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, for illustrative purposes, the shareholding structure of the Company immediately before and after completion of the Rights Issue is set out below:

	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
	<i>No. of issued Shares</i>	<i>Approx. %</i>	<i>No. of issued Shares</i>	<i>Approx. %</i>
Non-public Shareholders				
LSG ^(Note 1)	515,389,531	53.19	773,084,296	53.19
Dr. Peter Lam ^(Note 1)	650,605	0.07	975,907	0.07
Mr. Chew Fook Aun ^(Note 2)	1,831,500	0.19	1,831,500	0.13
Mr. Lau Shu Yan, Julius ^(Note 3)	395,250	0.04	592,875	0.04
Madam U ^(Note 4)	40,378	0.004	60,567	0.004
Other Shareholders holding above 10%				
Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk	271,740,000 <i>(Note 5)</i>	28.05 <i>(Note 5)</i>	271,740,000 <i>(Note 6)</i>	18.70 <i>(Note 6)</i>
Public Shareholders	127,697,023	13.18	147,990,318 <i>(Note 7)</i>	10.18 <i>(Note 7)</i>
Placees	51,141,600	5.28	185,840,400	12.79
Underwriter	—	—	71,212,967	4.90
Total	<u>968,885,887</u>	<u>100.00</u>	<u>1,453,328,830</u>	<u>100.00</u>

Notes:

- (1) *These Shares were directly held by LSG and the LSG Subsidiaries. Dr. Peter Lam was deemed to be interested in these Shares by virtue of, in aggregate, his personal and deemed interests of approximately 41.93% in the issued share capital of LSG. LSG is approximately 12.70% owned by Dr. Peter Lam and is approximately 29.23% owned by Wisdoman Limited which in turn is 100% beneficially owned by Dr. Peter Lam.*
- (2) *These Shares were owned by The Orchid Growers Association Limited. By virtue of his 100% interest in the issued share capital of The Orchid Growers Association Limited, Mr. Chew Fook Aun was deemed to be interested in these Shares. Mr. Chew Fook Aun is an executive Director.*
- (3) *Mr. Lau Shu Yan, Julius is an executive Director.*
- (4) *Madam U is the widow of the late Mr. Lim Por Yen whose estate includes an interest of approximately 0.60% of the total number of issued Shares.*
- (5) *Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 271,740,000 Shares (for reference and illustrative purposes only, these represented approximately 28.05% of the issued share capital of the Company, after the completion of the 1-for-2 rights issue of the Company announced on 5 October 2021) according to the Individual Substantial Shareholder Notice (Form 1) filed with the Stock Exchange on 26 July 2022.*
- (6) *Based on the DI Forms available to the public as at the date of this announcement.*
- (7) *The number of Shares and the approximate percentage of total issued Shares held by the public Shareholders are derived based on notes 5 and 6 above.*

Certain figures included in the above tables have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.

DESPATCH OF SHARE CERTIFICATES

It is expected that the share certificates for the Rights Shares, in their fully-paid form, and the Unsubscribed Rights Shares successfully placed by the Placing Agent will be posted to the allottees and/or Placees by ordinary post at their own risk on Monday, 30 January 2023.

COMMENCEMENT OF DEALINGS IN THE RIGHTS SHARES

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, 31 January 2023.

ADJUSTMENTS TO THE OUTSTANDING SHARE OPTIONS

Immediately before completion of the Rights Issue, there are 997,285 outstanding Share Options under the Share Option Schemes. Pursuant to the terms and conditions of the Share Option Schemes and the Listing Rules, the exercise price and/or the number of Shares entitled to be subscribed under the outstanding Share Options granted under the Share Option Schemes will be adjusted.

As a result of the Rights Issue, adjustments to the exercise price and the number of Shares to be issued upon exercise of the outstanding Share Options pursuant to the terms and conditions of the Share Option Schemes, Rule 17.03(13) of the Listing Rules, the Supplementary Guidance on Main Board Listing Rule 17.03(13) and the Note Immediately After the Rule attached to the Frequently Asked Question No. 072-2020 issued by the Stock Exchange on 6 November 2020 (the “**Stock Exchange Supplementary Guidance**”) are as follows and will become effective from Monday, 30 January 2023 upon the allotment and issue of the Rights Shares pursuant to the Rights Issue:

	<i>Date of grant of Share Options</i>	<i>Exercise period of Share Options</i>	Immediately before completion of the Rights Issue		Immediately after completion of the Rights Issue	
			<i>Number of Shares to be issued upon exercise of the Share Options</i>	<i>Exercise price of Share Options HK\$ per Share</i>	<i>Adjusted number of Shares to be issued upon exercise of the Share Options</i>	<i>Adjusted exercise price of Share Options HK\$ per Share</i>
Other employees						
In aggregate	26/07/2013	26/07/2013 - 25/07/2023	96,985	9.650	96,587	9.689
In aggregate	21/01/2015	21/01/2015 - 20/01/2025	193,971	7.163	193,176	7.192
In aggregate	22/01/2016	22/01/2016 - 21/01/2026	69,940	4.032	69,652	4.048
In aggregate	20/01/2017	20/01/2017 - 19/01/2027	69,940	6.991	69,652	7.019
In aggregate	26/01/2021	26/01/2021 - 25/01/2031	256,449	5.455	255,395	5.476
In aggregate	25/01/2022	25/01/2022 - 24/01/2032	310,000	4.380	308,729	4.397
			<u>997,285</u>		<u>993,191</u>	

Save for the above adjustments, all other terms and conditions of the outstanding Share Options remain unchanged.

The Company's auditor, Ernst & Young, has certified in writing that the adjustments made to the exercise prices and the number of Shares falling to be issued upon the exercise of the outstanding Share Options are in compliance with the requirements set out in the relevant terms and conditions of the Share Option Schemes, Rule 17.03(13) of the Listing Rules and the Stock Exchange Supplementary Guidance.

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

Hong Kong, 27 January 2023

As at the date of this announcement, the Board comprises five executive Directors, namely Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman), Lau Shu Yan, Julius (Chief Executive Officer), Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Lee Tze Yan, Ernest; one non-executive Director, namely Madam U Po Chu; and three independent non-executive Directors, namely Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.