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L A I S U N G A R M E N T

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

(Stock Code: 191)

**PROPOSED SHARE CONSOLIDATION
AND
CHANGE IN BOARD LOT SIZE**

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued Existing Shares be consolidated into one (1) Consolidated Share. The Share Consolidation is conditional upon, among other things, the approval of the Shareholders at the GM.

PROPOSED CHANGE IN BOARD LOT SIZE

As at the date of this announcement, the Shares are traded in board lots of 5,000 Shares. The Board further proposes to change the board lot size for trading on the Stock Exchange from 5,000 Shares to 1,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

GENERAL

A circular containing, among other things, details of the Share Consolidation and a notice convening the GM is expected to be despatched to the Shareholders on or before Monday, 22 May 2017.

PROPOSED SHARE CONSOLIDATION

The Board proposes to implement the Share Consolidation on the basis that every five (5) issued Existing Shares be consolidated into one (1) Consolidated Share.

Effects of the Share Consolidation

As at the date of this announcement, 1,910,372,241 Existing Shares have been allotted and issued. Upon the Share Consolidation becoming effective and assuming that no new Existing Shares are issued or repurchased from the date hereof until the effective date of the Share Consolidation, not less than 382,074,448 Consolidated Shares will be in issue. Upon the Share Consolidation becoming effective, the Consolidated Shares shall rank *pari passu* in all respects with each other.

Other than the expenses to be incurred in relation to the Share Consolidation, the implementation of the Share Consolidation will not alter the underlying assets, business operations, management or financial position of the Company or the proportionate interests or rights of the Shareholders, save for any fractional Consolidated Shares to which Shareholders may be entitled.

Conditions of the Share Consolidation

The Share Consolidation is conditional upon the following conditions:

- (i) the passing of the ordinary resolution by the Shareholders to approve the Share Consolidation at the GM;
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares; and
- (iii) the compliance with the relevant procedures and requirements under the Hong Kong laws (where applicable) and the Listing Rules to effect the Share Consolidation.

Listing application

An application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Consolidated Shares upon the Share Consolidation becoming effective.

Subject to the granting of listing of, and permission to deal in, the Consolidated Shares on the Stock Exchange upon the Share Consolidation becoming effective, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares 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 Consolidated 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. All necessary arrangements will be made for the Consolidated Shares to be admitted into CCASS established and operated by HKSCC.

None of the Existing Shares are listed or dealt in any other stock exchange other than the Stock Exchange, and at the time the Share Consolidation becoming effective, the Consolidated Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought. Facility has been made to trade the Shares over-the-counter in the form of ADSs, as described further below.

Reason for the Share Consolidation

It is expected that the Share Consolidation will bring about a corresponding upward adjustment in the trading price per Share. It is hoped that this will make investing in the Shares more attractive to a broader range of investors, in particular to institutional investors whose house rules might otherwise prohibit or restrict trading in securities that are priced below a prescribed floor, and thus help to further broaden the shareholder base of the Company. Accordingly, the Board is of the view that the Share Consolidation is beneficial to the Company and the Shareholders as a whole.

As of the date of the announcement, the Company has no plans for any further corporate action or arrangement that may affect the trading in its Shares and it has no plans for any equity fundraising in the forthcoming twelve months.

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Shares of the Company regardless of the number of share certificates held by such holder.

Shareholders concerned about losing out on any fractional entitlement are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser and may wish to consider the possibility of buying or selling Shares in a number sufficient to make up an entitlement to receive a whole number of Consolidated Shares.

Board lot size

Currently, the Existing Shares are traded on the Stock Exchange in the board lot size of 5,000 Existing Shares. The Board proposes to change the board lot size for trading on the Stock Exchange from 5,000 Existing Shares to 1,000 Consolidated Shares conditional upon the Share Consolidation becoming effective.

Based on the closing price of HK\$2.22 per Existing Share (equivalent to the theoretical closing price of HK\$11.10 per Consolidated Share) as at the date of this announcement, (i) the value of each existing board lot of Existing Shares is HK\$11,100; (ii) the value of each board lot of 5,000 Consolidated Shares would be HK\$55,500 assuming the Share Consolidation becoming effective; and (iii) the estimated market value per board lot of 1,000 Consolidated Shares would be HK\$11,100 assuming that the Change in Board Lot Size had also been effective.

The Change in Board Lot Size will not result in change in the relative rights of the Shareholders.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots of the Consolidated Shares arising from the Share Consolidation, the Company will appoint a securities firm to provide a matching service, on a best efforts basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares. Details of the odd lot arrangement will be set out in the circular of the Company.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed.

Exchange of share certificates

Subject to the Share Consolidation becoming effective, the Shareholders may during the period from Thursday, 8 June 2017 to Friday, 14 July 2017 (both days inclusive) submit existing share certificates in the colour of pink for the Existing Shares to the Company's share registrar and transfer office in Hong Kong, Tricor Tengis Limited, at Level 22, Hopewell Centre, 183 Queen's Road East, Hong Kong, for exchange for new share certificates in the colour of yellow for the Consolidated Shares at the expense of the Company.

Thereafter, share certificates of the Existing Shares will be accepted for exchange only on payment of a fee of HK\$2.50 (or such other amount as may from time to time be specified by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares submitted for cancellation or each new share certificate issued for the Consolidated Shares, whichever is higher.

After 4:00 p.m. on Wednesday, 12 July 2017, existing share certificates for the Existing Shares will only remain effective as documents of title and may be exchanged for share certificates for Consolidated Shares at any time but will not be accepted for delivery, trading and settlement purposes.

Adjustments in relation to other securities of the Company

Share Options

As at the date of this announcement, the Company has outstanding 2006 Share Options entitling the holders thereof to subscribe for a total of 34,215,378 Existing Shares. Under the terms and conditions of the 2006 Share Option Scheme, the Share Consolidation may lead to adjustments to the number of Existing Shares subject to the 2006 Share Option so far as unexercised and/or the subscription price and/or the maximum number of Existing Shares available for subscription upon the exercise of the 2006 Share Options.

As at the date of this announcement, the Company has no outstanding 2015 Share Options entitling the holders thereof to subscribe for Existing Shares. Under the terms and conditions of the 2015 Share Option Scheme, the Share Consolidation may lead to adjustments to, amongst other things, the number of Existing Shares subject to the 2015 Share Option so far as unexercised and/or the option price.

The Company will make further announcement(s) on such adjustments as and when appropriate.

American Depositary Shares

As at the date of this announcement, facility has been made to trade Shares in the form of ADSs with each ADS representing 100 Existing Shares. Upon approval of the proposed Share Consolidation at the GM, the Company intends to effect a simultaneous change to the ratio of ADSs to Shares so that one ADS will represent twenty Consolidated Shares. The Company will make separate arrangements with its depositary, The Bank of New York Mellon, to provide further details.

Save as disclosed above, the Company does not have any other derivatives, options, warrants, other securities or conversion rights or other similar rights which are convertible or exchangeable into, any Existing Shares or Consolidated Shares, as at the date of this announcement.

GENERAL

A circular containing, among other things, further details of the Share Consolidation and a notice convening the GM will be despatched to the Shareholders on or before Monday, 22 May 2017. Shareholders are recommended to consult their licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser if they are in doubt about any of the above matters.

EXPECTED TIMETABLE

The expected timetable for the implementation of the Share Consolidation and Change in Board Lot Size is as follows:

Despatch date of circular with notice of the GM 22 May 2017

Latest date and time for lodging transfer documents in order
to qualify for attending and voting at the GM 4:30 p.m on 1 June 2017

Closure of register of members for the entitlement to attend
and vote at the GM 2 June 2017 to
7 June 2017 (both days inclusive)

Latest date and time for lodging forms of proxy
for the GM 11:00 a.m. on 5 June 2017

Record date for attending the GM.....	7 June 2017
Date and time of the GM	11:00 a.m. on 7 June 2017
Announcement of voting results of the GM	7 June 2017
Effective date of the Share Consolidation	8 June 2017
First day for free exchange of existing share certificates for new share certificates for the Consolidated Shares commences	8 June 2017
Dealings in the Consolidated Shares commences	9:00 a.m. on 8 June 2017
Original counter for trading in the Existing Shares in board lots of 5,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on 8 June 2017
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on 8 June 2017
Original counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of new share certificates) re-opens	9:00 a.m. on 22 June 2017
Parallel trading in the Consolidated Shares (in form of new share certificates and existing share certificates) commences	9:00 a.m. on 22 June 2017
Designated broker starts to stand in the market to provide matching services for odd lots of the Consolidated Shares	9:00 a.m. on 22 June 2017
Temporary counter for trading in the Consolidated Shares in board lots of 1,000 Consolidated Shares (in the form of existing share certificates) closes	4:00 p.m. on 12 July 2017
Parallel trading in Consolidated Shares (in form of new share certificates and existing share certificates) ends	4:00 p.m. on 12 July 2017
Designated broker ceases to stand in the market to provide matching services for odd lots of the Consolidated Shares.....	4:00 p.m. on 12 July 2017
Last day for free exchange of existing share certificates for new share certificates for the Consolidated Shares	14 July 2017

All times and dates in this announcement refer to Hong Kong local times and dates. The expected timetable set out above is indicative only and may be subject to change. Further announcement(s) will be made as and when appropriate.

DEFINITIONS

In this announcement, unless the context otherwise requires, capitalized terms used shall have the following meanings:

“ADS(s)”	American depositary share(s) of the Company, each of which represents 100 ordinary shares in the share capital of the Company before the Share Consolidation becomes effective
“Board”	the board of Directors
“Company”	Lai Sun Garment (International) Limited (麗新製衣國際有限公司), a company incorporated in Hong Kong with limited liability, the shares of which are listed on the main board of the Stock Exchange (stock code: 191)
“CCASS”	the Central Clearing and Settlement System established and operated by the HKSCC
“Change in Board Lot Size”	the proposed change in board lot size of the Shares for trading on the Stock Exchange from 5,000 Shares to 1,000 Consolidated Shares
“Consolidated Share(s)”	ordinary share(s) in the share capital of the Company immediately after the Share Consolidation becoming effective
“Director(s)”	the director(s) of the Company
“Existing Share(s)”	ordinary share(s) in the share capital of the Company before the Share Consolidation becomes effective
“GM”	the general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Share Consolidation
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Shares(s)”	Existing Share(s) and/or Consolidated Share(s), as the case may be

“Share Consolidation”	the proposed share consolidation of every five (5) issued Existing Shares into one (1) Consolidated Share
“Shareholder(s)”	holder(s) of the Existing Share(s) or the Consolidated Shares, as the case may be
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“2006 Share Option(s)”	the options to subscribe for new shares of the Company granted under the 2006 Share Option Scheme
“2006 Share Option Scheme”	share option scheme adopted by the Company on 22 December 2006
“2015 Share Option(s)”	the options to subscribe for new shares of the Company granted under the 2015 Share Option Scheme
“2015 Share Option Scheme”	share option scheme adopted by the Company on 11 December 2015

By Order of the Board
Lai Sun Garment (International) Limited
Lam Kin Ming
Chairman

Hong Kong, 27 April 2017

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.