
THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser. Capitalised terms used herein shall have the same meanings as those defined in the section headed "Definitions" in this prospectus, unless otherwise stated.

If you have sold or transferred all your shares in **Lai Sun Garment (International) Limited** (the "Company"), you should at once hand the Prospectus Documents, to the purchaser(s) or other transferee(s) or to the bank, licensed securities dealer, registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed "14. Documents delivered to the Registrar of Companies" in Appendix III to this prospectus, have been registered by the Registrar of Companies in Hong Kong as required by section 38D of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Registrar of Companies in Hong Kong, the Stock Exchange and the SFC take no responsibility for the contents of any of the Prospectus Documents.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the paragraph headed "Warning of the Risks of Dealing in the Shares and Nil-paid Rights Shares" in the "Letter from the Board" in this prospectus.

Subject to the granting of the listing of, and the permission to deal in, the Rights Shares (in both their 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 respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange, or such other dates as determined by HKSCC and you should consult a stockbroker or other registered securities dealer, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Hong Kong Exchanges and Clearing Limited, the Stock Exchange and HKSCC take no responsibility for the contents of the Prospectus Documents, make no representation as to their accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of the Prospectus Documents.

The attention of Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or holding Shares on behalf of beneficial owners of Shares with such addresses is drawn to the paragraph headed "Rights of the Overseas Shareholders" in the "Letter from the Board" in this prospectus.

This prospectus is for information purposes only and shall not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale or purchase of securities in any jurisdictions in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act"), or the laws of any state or jurisdiction of the United States, and may not be offered or sold within the United States, absent registration or an exemption from the registration requirements of the Securities Act and applicable state laws. There is no intention to register any portion of the Rights Shares or any securities described herein in the United States or to conduct a public offering of securities in the United States.



LAI SUN GARMENT

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

(Stock Code: 191)

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE;
(2) CLOSURE OF REGISTER OF MEMBERS;
AND
(3) POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS UNDER
THE SHARE OPTION SCHEMES**

Underwriter of the Rights Issue



Placing Agent



The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Friday, 9 December 2022.

It should be noted that the Underwriter may, upon giving notice in writing to the Company, terminate the Underwriting Agreement at any time prior to the Latest Time for Termination, upon the occurrence of certain events. These events are set out in the section headed "Termination of the Underwriting Agreement" on pages 9 to 10 of this prospectus. If the Underwriter exercises such right, the Rights Issue will not proceed. Upon the giving of written notice of termination, all obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement.

Shareholders should note that the Rights Issue will proceed on a fully-underwritten basis. Save for the Undertaken Shares and the Underwritten Shares, there is no requirement for a minimum level of subscription. Subject to the fulfilment or waiver (as applicable) of the conditions of the Rights Issue, the Rights Issue will proceed regardless of the ultimate subscription level.

Shareholders should note that the existing Shares have been dealt in on an ex-rights basis from Wednesday, 16 November 2022. The nil-paid Rights Shares will be dealt in from Tuesday, 29 November 2022 to Tuesday, 6 December 2022 (both days inclusive). If, prior to the Latest Time for Termination, the Underwriter terminates the Underwriting Agreement or if the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue and the Underwriting Agreement" in the "Letter from the Board" in this prospectus are otherwise not fulfilled or waived (as applicable), the Rights Issue will not proceed.

Any dealings in the Shares from the date of this prospectus up to the date on which the conditions of the Rights Issue are fulfilled or waived (as applicable), and any dealings in the nil-paid Rights Shares from Tuesday, 29 November 2022 to Tuesday, 6 December 2022 (both days inclusive) are accordingly subject to the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

NOTICES

The Rights Issue is conditional upon the fulfillment or waiver (as applicable) of the conditions as described in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” contained in the “Letter from the Board” in this prospectus, including the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with its terms. It should also be noted that the Underwriting Agreement contains provisions granting the Underwriter the right to terminate its obligations on the occurrence of certain events. Please refer to the section headed “Termination of the Underwriting Agreement” in this prospectus for further details. Accordingly, the Rights Issue may or may not proceed. If any of the conditions of the Rights Issue is not fulfilled or waived (as applicable), the Rights Issue will not proceed. It should be noted that existing Shares have been dealt in on an ex-rights basis from Wednesday, 16 November 2022. The Rights Shares in their nil-paid form are expected to be dealt in from Tuesday, 29 November 2022 to Tuesday, 6 December 2022 (both days inclusive). If the Underwriter terminates the Underwriting Agreement, or the conditions of the Rights Issue are not fulfilled or waived (as applicable), the Rights Issue will not proceed.

Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the Rights Shares in their nil-paid forms is advised to exercise caution when dealing in the Shares and/or Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue is subject are fulfilled (or waived (as applicable)) (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.

EXCEPT AS OTHERWISE SET OUT HEREIN, THE RIGHTS ISSUE DESCRIBED IN THIS PROSPECTUS IS NOT BEING MADE TO SHAREHOLDERS WITH REGISTERED ADDRESSES IN JURISDICTIONS OUTSIDE HONG KONG AND NEITHER IS THE RIGHTS ISSUE BEING MADE TO INVESTORS WHO ARE LOCATED OR RESIDING IN ANY OF THE JURISDICTIONS OUTSIDE HONG KONG, UNLESS AN OFFER OF RIGHTS SHARES AND NIL-PAID RIGHTS SHARES INTO SUCH JURISDICTIONS COULD LAWFULLY BE MADE WITHOUT COMPLIANCE WITH ANY REGISTRATION OR OTHER LEGAL OR REGULATORY REQUIREMENTS OR THE OFFER IS MADE IN RELIANCE ON ANY EXEMPTION OR WHERE COMPLIANCE IS NOT UNDULY BURDENSOME.

NOTICES

This prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, the nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to the nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer, invitation or solicitation is unlawful. None of the nil-paid Rights Shares, the fully-paid Rights Shares, this prospectus and the PAL have been or will be registered or filed under the securities laws of any jurisdiction or with any securities commission or similar regulatory authority in any jurisdiction other than in Hong Kong and none of the nil-paid Rights Shares, the fully-paid Rights Shares, this prospectus and the PAL will qualify for distribution under any of the relevant securities laws of any of the jurisdictions outside Hong Kong (other than pursuant to any applicable exceptions as agreed by the Company). Accordingly, the nil-paid Rights Shares and the fully-paid Rights Shares may not be offered, sold, pledged, taken up, resold, renounced, transferred or delivered, directly or indirectly, into or within any jurisdictions outside Hong Kong absent registration or qualification under the respective securities laws of such jurisdictions other than in Hong Kong, or exemption from the registration or qualification requirements under applicable rules of such jurisdictions.

Shareholders with registered addresses in, and investors who are located or residing in, any of the jurisdictions outside Hong Kong or who hold Shares on behalf of persons with such addresses should refer to the paragraph headed “Rights of the Overseas Shareholders” under “Letter from the Board” of this prospectus.

Each person acquiring the nil-paid Rights Shares and/or Rights Shares under the Rights Issue will be required to confirm, or be deemed by his acquisition of the nil-paid Rights Shares and/or Rights Shares to confirm, that he is aware of the restrictions on offers and sales of the nil-paid Rights Shares and/or Rights Shares described in this prospectus.

FORWARD-LOOKING STATEMENTS

All statements in this prospectus other than statements of historical fact are forward-looking statements. In some cases, forward-looking statements may be identified by the use of words such as “might”, “may”, “could”, “would”, “will”, “expect”, “intend”, “estimate”, “anticipate”, “believe”, “plan”, “seek”, “continue”, “illustrate”, “illustration”, “projection” or similar expressions and the negative thereof. Forward-looking statements in this prospectus include, without limitation, statements in respect of the Group’s business strategies, service offerings, market position, competition, financial prospects, performance, liquidity and capital resources, as well as statements regarding trends in the relevant industries and markets in which the Group operates, technological advances, financial and economic developments, legal and regulatory changes and their interpretation and enforcement.

NOTICES

The forward-looking statements in this prospectus are based on management's present expectations about future events. Management's present expectations reflect numerous assumptions regarding the Group's strategy, operations, industry, developments in the credit and other financial markets and trading environment. By their nature, they are subject to known and unknown risks and uncertainties, which could cause actual results and future events to differ materially from those implied or expressed by forward-looking statements. Should one or more of these risks or uncertainties materialise, or should any assumptions underlying forward-looking statements prove to be incorrect, the Group's actual results could differ materially from those expressed or implied by forward-looking statements. Additional risks not known to the Group or that the Group does not currently consider material could also cause the events and trends discussed in this prospectus not to occur, and the estimates, illustrations and projections of financial performance not to be realised.

Prospective investors are cautioned that forward-looking statements speak only as at the date of publication of this prospectus. Except as required by applicable law, the Group does not undertake, and expressly disclaims, any duty to revise any forward-looking statement in this prospectus, be it as a result of new information, future events or otherwise.

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DEFINITIONS

In this prospectus, the following terms shall have the meanings respectively set opposite them unless the context requires otherwise:

“acting in concert”	has the meaning ascribed thereto under the Takeovers Code
“Announcement”	the announcement of the Company dated 10 November 2022, in relation to, among other things, the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by a super typhoon or a “black” rainstorm warning signal is hoisted or in effect between 9:00 a.m. and 12:00 noon and is not lowered or discontinued at or before 12:00 noon) on which commercial banks in Hong Kong are open for general business
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“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 issued Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191)
“Compensatory Arrangements”	the arrangement involving the placing of the Unsubscribed Rights Shares, if any, by the Placing Agent on a best effort basis pursuant to the Placing Agreement in accordance with Rule 7.21(1)(b) of the Listing Rules
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dr. Peter Lam”	Dr. Lam Kin Ngok, Peter, an executive Director and the chairman of the Board and, together with Wisdoman, are controlling shareholders of the Company
“Dr. Peter Lam’s Share Options”	the Share Options held by Dr. Peter Lam as at the date of the Announcement, comprising a total of 1,737,333 underlying Shares, for which he has undertaken not to exercise from the date of the Irrevocable Undertaking to the Record Date
“eSun”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability and the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 571)
“eSun Group”	eSun and its subsidiaries
“Existing Share Option Scheme”	the existing share option scheme adopted by the Company on 11 December 2015
“Former Share Option Scheme”	the former share option scheme adopted by the Company on 22 December 2006 and terminated on 11 December 2015
“GO obligation”	the obligation to make a general offer under Rule 26 of the Takeovers Code
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HKEX”	Hong Kong Exchanges and Clearing Limited
“Independent Third Party(ies)”	any individual or company not being the connected persons (as defined under the Listing Rules) of the Company, independent of the Company and its connected persons and not connected with any of them or their respective associates
“Irrevocable Undertaking”	the irrevocable undertaking dated 10 November 2022 given by Dr. Peter Lam and Wisdoman in favour of the Company and the Underwriter

DEFINITIONS

“Lai Fung”	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 the Stock Exchange (Stock Code: 1125)
“Lai Fung Group”	Lai Fung and its subsidiaries
“Last Trading Day”	10 November 2022, being the last trading day for the Shares on the Stock Exchange immediately before the publication of the Announcement
“Latest Practicable Date”	21 November 2022, being the latest practicable date prior to the printing of this prospectus for the purpose of ascertaining certain information in this prospectus
“Latest Time for Acceptance”	4:00 p.m. on Friday, 9 December 2022, or such later time or date as may be agreed by the Company and the Underwriter in writing, being the latest time and date for acceptance of and payment for the Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on Friday, 16 December 2022, or such later time or date as may be agreed by the Company and the Underwriter in writing, being the latest time for termination of the Underwriting Agreement
“Listing Committee”	has the meaning ascribed thereto under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“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 shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 488)
“LSD Group”	LSD and its subsidiaries
“Madam U”	Madam U Po Chu, an executive Director
“MAGHL”	Media Asia Group Holdings Limited (寰亞傳媒集團有限公司), an exempt company incorporated in the Cayman Islands and continued in Bermuda with limited liability, the issued shares of which are listed and traded on GEM of the Stock Exchange (Stock Code: 8075)

DEFINITIONS

“Mr. Lester Lam”	Mr. Lam Hau Yin, Lester, an executive Director
“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Right Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Non-Qualifying Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“NQS Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form
“Overseas Shareholder(s)”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) for the Rights Shares to be issued to the Qualifying Shareholders in respect of their entitlements under the Rights Issue
“Placee(s)”	professional, institutional or other investor(s), who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies) and not acting in concert with the Underwriter and parties acting in concert with it and/or the connected persons of the Company, procured by the Placing Agent and/or its sub-placing agent(s) to subscribe for any of the Unsubscribed Rights Shares pursuant to the Placing Agreement
“Placing”	the placing of a maximum of 180,500,311 Unsubscribed Rights Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	Haitong International Securities Company Limited, a licensed corporation carrying out type 1 (dealing in securities), and type 4 (advising on securities) regulated activities under the SFO, being the placing agent appointed by the Company pursuant to the Placing Agreement

DEFINITIONS

“Placing Agreement”	the placing agreement dated 10 November 2022 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Amount”	the total aggregate amount of money (total monetary value) derived from multiplying (a) the price at which the Unsubscribed Rights Shares are subscribed for by the Placees procured by the Placing Agent by (b) the actual number of Unsubscribed Rights Shares actually subscribed for by the Placees procured by the Placing Agent
“Placing Completion Date”	Friday, 16 December 2022, or such other date as the Company and the Placing Agent may agree
“Posting Date”	Friday, 25 November 2022, or such other date as the Company and the Underwriter may agree in writing for the despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region and Taiwan for the purpose of this prospectus
“Prospectus Documents”	this prospectus and the PAL issued by the Company
“Public Float Requirement”	the public float requirement under Rules 8.08(1)(a) and 13.32(1) of the Listing Rules
“Qualifying Shareholder(s)”	Shareholder(s), whose name(s) appear(s) on the register of members of the Company as at the close of business on the Record Date, other than the Non-Qualifying Shareholder(s)
“Record Date”	Thursday, 24 November 2022, or such other date as the Company and the Underwriter may agree in writing, being the date by reference to which entitlements of the Shareholders to participate in the Rights Issue will be determined
“Registrar”	Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, the Company’s share registrar and transfer office
“Rights Issue”	the proposed issue by way of rights on the basis of one (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date at the Subscription Price, payable in full on acceptance and on the terms and subject to the conditions of the Underwriting Agreement and the Prospectus Documents

DEFINITIONS

“Rights Share(s)”	not less than 294,457,967 new Shares and not more than 303,960,052 new Shares to be allotted and issued pursuant to the Rights Issue
“Scaled-down PAL Shares”	such number of Rights Shares applied for under the PAL(s) which would, if allotted by the Company, result in either the triggering of a GO Obligation on the part of the applicant or the failure to comply with the Public Float Requirement on the part of the Company
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Option(s)”	the total of 20,741,503 outstanding share options to subscribe for 20,741,503 Shares granted under the Share Option Schemes
“Share Option Schemes”	collectively, the Existing Share Option Scheme and the Former Share Option Scheme
“Share(s)”	ordinary share(s) in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$1.58 for each Rights Share under the Rights Issue
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended, supplemented or otherwise modified from time to time
“Undertaken Shares”	123,459,741 Rights Shares, being the aggregate number of Rights Shares for which the Undertaking Covenantors have undertaken to subscribe pursuant to the Irrevocable Undertaking
“Undertaking Covenantors”	collectively, Dr. Peter Lam and Wisdoman

DEFINITIONS

“Underwriter”	Haitong International Securities Company Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities
“Underwriting Agreement”	the underwriting agreement dated 10 November 2022 entered into between the Company and the Underwriter in relation to the Rights Issue, as revised, supplemented or amended from time to time in accordance with its terms
“Underwritten Shares”	up to 180,500,311 Rights Shares, being the maximum number of the Rights Shares less the Undertaken Shares, assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date, other than the new Shares that are allotted and issued pursuant to the exercise of all the Share Options (except for Dr. Peter Lam’s Share Options) on or before the Record Date, excluding the Undertaken Shares to be taken up by the Undertaking Covenantors, to be underwritten by the Underwriter pursuant to the terms and conditions under 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)
“Unsubscribed Rights Shares”	those Rights Shares that are not subscribed by the Qualifying Shareholders and the NQS Rights Shares that are not successfully sold by the Company as described in the paragraph headed “Arrangements for the NQS Rights Shares” in this prospectus
“Untaken Shares”	all the Unsubscribed Rights Shares that are not placed by the Placing Agent or they have been placed but the places have not paid therefor at 4:00 p.m. on the Placing Completion Date
“Wisdoman”	Wisdoman Limited, a company incorporated in Hong Kong with limited liability, which is 100% beneficially owned by Dr. Peter Lam, together with Dr. Peter Lam, are controlling shareholders of the Company
“%”	per cent

SUMMARY OF THE RIGHTS ISSUE

The following information is derived from, and should be read in conjunction with the full text of this prospectus:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$1.58 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	588,915,934 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Not less than 294,457,967 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) and not more than 303,960,052 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options (except for Dr. Peter Lam's Share Options))
Number of issued Shares upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	:	Not less than 883,373,901 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) and not more than 911,880,156 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to full exercise of the outstanding Share Options (except for Dr. Peter Lam's Share Options) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Amount to be raised before expenses	:	Not less than approximately HK\$465.2 million and not more than approximately HK\$480.3 million

TERMINATION OF THE UNDERWRITING AGREEMENT

The Underwriter shall have the right to terminate the Underwriting Agreement by notice in writing given to the Company at any time prior to the Latest Time for Termination, if

- (i) the occurrence of the following events have or will, or is likely to, in the reasonable opinion of the Underwriter, materially and adversely affect the business, financial or the success of the Rights Issue or dealings in the Rights Issue in the secondary market, or trading position or prospects of the Group as a whole or otherwise makes it impracticable, inexpedient or inadvisable for the Company or the Underwriter to proceed with the Rights Issue on the terms and manner contemplated in the Announcement and the Prospectus Documents:
 - (a) 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;
 - (b) the occurrence of any local, national or international event or change (whether or not forming part of a series of events or changes occurring or continuing before, and/or after the date of the Underwriting Agreement) of a political, military, financial, economic, industrial, legal, fiscal, regulatory 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);
 - (c) the imposition of any moratorium, suspension or restriction on trading in securities generally on the Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the London Stock Exchange, the New York Stock Exchange or any major disruption of any securities settlement or clearing services in Hong Kong or on commercial banking activities in Hong Kong, due to exceptional financial circumstances or otherwise;
 - (d) the occurrence of any change in market conditions or combination of circumstances in Hong Kong, the United States, the European Union, the United Kingdom or the PRC (including without limitation, any change in fiscal policy or money policy, or foreign exchange or currency markets, suspension or material restrict or trading in securities) which in the reasonable opinion of the Underwriter materially prejudicially affects the Rights Issue and make it impracticable, inadvisable or inexpedient to proceed therein;
- (ii) the Company's application to the Main Board of the Stock Exchange for permission for the listing of the Rights Shares (nil-paid and fully-paid) and permission to deal in the Rights Shares (nil-paid and fully-paid) on the Stock Exchange is withdrawn by the Company and/or refused by the Stock Exchange;
- (iii) there is any material adverse change or prospective adverse change in the business or in the financial or trading position or prospects of any member of the Group which in the reasonable opinion of the Underwriter acting in good faith is material in the context of the Rights Issue;
- (iv) any matter arises or is discovered which would, if this prospectus was to be issued at the time, constitute material omission therefrom;

TERMINATION OF THE UNDERWRITING AGREEMENT

- (v) the Company commits any material breach of any of the obligations or undertakings expressed to be assumed by it under the Underwriting Agreement;
- (vi) the Underwriter shall receive notification pursuant to the Underwriting Agreement or shall otherwise become aware of, the fact that any of the representations or warranties contained in the Underwriting Agreement was, when given, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate if repeated as provided in the Underwriting Agreement and the Underwriter shall in its reasonable opinion determine that any such untrue representation or warranty represents or is likely to represent a material and adverse change in the business, financial or trading position or prospects of the Group as a whole or is otherwise likely to have a material and adverse effect on the Rights Issue; or
- (vii) the Company shall, after any matter or event referred to in the Underwriting Agreement has occurred or come to the attention of the Underwriter, fail promptly to send out any announcement or circular (after the despatch of the Prospectus Documents), in such manner (and as appropriate with such contents) as the Underwriter may reasonably request for the purpose of preventing the creation of a false market in the securities of the Company.

Upon the giving of written notice of termination, all obligations of the Underwriter and the Company under the Underwriting Agreement shall cease and determine (save for any antecedent breaches thereof) and no party shall have any claim against any other party in respect of any matter or thing arising out of or in connection with the Underwriting Agreement. If the Underwriter terminates the Underwriting Agreement, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue, which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled or otherwise waived:

<u>Event</u>	<u>2022</u>
Last day of dealings in the Shares on a cum-rights basis	Tuesday, 15 November
Commencement of dealings in the Shares on an ex-rights basis.....	Wednesday, 16 November
Latest time for lodging transfer documents of the Shares in order to be qualified for the Rights Issue.....	4:30 p.m. on Thursday, 17 November
Closure of the register of members of the Company for determining entitlements under the Rights Issue	Friday, 18 November to Thursday, 24 November (both days inclusive)
Record Date for determining entitlements under the Rights Issue	Thursday, 24 November
Re-opening of the register of members of the Company.....	Friday, 25 November
Despatch of the Prospectus Documents (in the case of the Non-Qualifying Shareholders, this prospectus only)	Friday, 25 November
First day for dealings in nil-paid Rights Shares	Tuesday, 29 November
Latest time for splitting of nil-paid Rights Shares.....	4:30 p.m. on Thursday, 1 December
Last day for dealings in nil-paid Rights Shares.....	Tuesday, 6 December
Latest time for lodging transfer documents of nil-paid Right Shares in order to qualify for the Compensatory Arrangements	4:00 p.m. on Friday, 9 December
Latest time for acceptance of and payment for the Rights Shares.....	4:00 p.m. on Friday, 9 December
Announcement of the number of Unsubscribed Rights Shares subject to the Compensatory Arrangements.....	Tuesday, 13 December

EXPECTED TIMETABLE

<u>Event</u>	<u>2022</u>
Commencement of placing of Unsubscribed Right Shares by the Placing Agent	Wednesday, 14 December
Latest time of placing of the Unsubscribed Rights Shares by the Placing Agent	Friday, 16 December
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional.....	4:00 p.m. on Friday, 16 December
Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company	Thursday, 22 December
Despatch of Share certificates for fully-paid Rights Shares	Friday, 23 December
Despatch of refund cheques, if any, if the Rights Issue is terminated	Friday, 23 December
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Wednesday, 28 December

<u>Event</u>	<u>2023</u>
Payment of Net Gain to relevant No Action Shareholders and Non-Qualifying Shareholders and net proceeds from the sale of nil-pail Rights Shares to the relevant Non-Qualifying Shareholders (if any)	Thursday, 12 January

All times and dates in this prospectus refer to Hong Kong local times and dates. The dates or deadlines specified in this prospectus for events in the timetable for (or otherwise in relation to) the Rights Issue are indicative only and may be extended or varied by the Company in agreement with the Underwriter in accordance with the Listing Rules. The Company will make an announcement to notify the Shareholders and the Stock Exchange in the event of any changes to the expected timetable as and when appropriate.

EXPECTED TIMETABLE

EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal number 8 or above, a “black” rainstorm warning or “extreme conditions” caused by super typhoons as announced by the Government of Hong Kong:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 9 December 2022. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 9 December 2022. Instead, the latest time for acceptance of and payment for the 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 does not take place on Friday, 9 December 2022, the dates mentioned above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

LETTER FROM THE BOARD



LAI SUN GARMENT

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

(Stock Code: 191)

Executive Directors:

Dr. Lam Kin Ngok, Peter, *GBM, GBS (Chairman)*
Mr. Chew Fook Aun (*Deputy Chairman*)
Madam U Po Chu
Mr. Lam Hau Yin, Lester
(also alternate director to Madam U Po Chu)
Mr. Lam Kin Hong, Matthew

Registered Office/Principal Office:

11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

Independent Non-executive Directors:

Mr. Leung Shu Yin, William
Mr. Lam Bing Kwan
Mr. Chow Bing Chiu

25 November 2022

*To the Qualifying Shareholders and, for information purposes only,
the Non-Qualifying Shareholders and the holders of the Share Options*

Dear Sir or Madam,

**(1) PROPOSED RIGHTS ISSUE ON THE BASIS OF
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES
HELD ON THE RECORD DATE;
(2) CLOSURE OF REGISTER OF MEMBERS;
AND
(3) POSSIBLE ADJUSTMENTS TO THE SHARE OPTIONS UNDER
THE SHARE OPTION SCHEMES**

INTRODUCTION

Reference is made to the Announcement.

On Thursday, 10 November 2022, the Board announced that the Company proposes to raise gross proceeds of up to (i) approximately HK\$465.2 million by way of the issue of 294,457,967 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$480.3 million by way of the issue of 303,960,052 Rights Shares (assuming

LETTER FROM THE BOARD

no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of outstanding Share Options (except for Dr. Peter Lam's Share Options)), at the Subscription Price of HK\$1.58 per Rights Share on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Non-Qualifying Shareholders.

The purpose of this prospectus is to provide you with, among other things, further information on the Rights Issue, including the procedures for acceptance of the Rights Shares provisionally allotted to you, together with the financial and other information of the Company.

PROPOSED RIGHTS ISSUE

The Board proposes the Rights Issue, details of which are summarised below:

Issue statistics

Basis of the Rights Issue	:	One (1) Rights Share for every two (2) existing Shares held by the Qualifying Shareholders on the Record Date
Subscription Price	:	HK\$1.58 per Rights Share
Number of Shares in issue as at the Latest Practicable Date	:	588,915,934 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Not less than 294,457,967 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) and not more than 303,960,052 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options (except for Dr. Peter Lam's Share Options))
Number of issued Shares upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed)	:	Not less than 883,373,901 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue) and not more than 911,880,156 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options (except for Dr. Peter Lam's Share Options) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
Amount to be raised before expenses	:	Not less than approximately HK\$465.2 million and not more than approximately HK\$480.3 million

LETTER FROM THE BOARD

As at the Latest Practicable Date, there are 20,741,503 outstanding Share Options granted by the Company exercisable into 20,741,503 Shares. Save for the foregoing, as at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Assuming no change in the number of issued Shares on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 294,457,967 Rights Shares proposed to be issued pursuant to the Rights Issue represents approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

The Company shall not from the date of the Underwriting Agreement until the Record Date issue any Shares or issue or grant any share options or other securities convertible into, exchangeable for or which carry rights to acquire Shares (other than the nil-paid Rights Shares) without the approval of the Underwriter.

Assuming no change in the number of issued Shares on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of outstanding Share Options (except for Dr. Peter Lam's Share Options) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 303,960,052 Rights Shares proposed to be issued pursuant to the Rights Issue represents approximately 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

Qualifying Shareholders and Non-Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. The Company will send the Prospectus Documents to the Qualifying Shareholders. The Company will not extend the Rights Issue to the Non-Qualifying Shareholders. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send this prospectus to the Non-Qualifying Shareholders for information purposes only but will not send any PAL to them.

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company at the close of business on the Record Date and not be a Non-Qualifying Shareholder. Shareholders having an address in Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will qualify for the Rights Issue.

Shareholders having an address outside Hong Kong as shown on the register of members of the Company at the close of business on the Record Date will not qualify for the Rights Issue if the Board, after making relevant enquiries, considers that the exclusion of such Overseas Shareholders from the Rights Issue would be necessary or expedient on account either of legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place.

LETTER FROM THE BOARD

Shareholders with their Shares held by nominee(s) (or held in CCASS) should note that the Board will consider the said nominee (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company and are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names prior to the Record Date.

In order to be registered as a member of the Company by the Record Date, all transfer documents of the Shares (with the relevant share certificates) must be lodged for registration with the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Thursday, 17 November 2022. The last day for dealing in the Shares on a cum-rights basis is Tuesday, 15 November 2022.

Holders of Share Options who wish to participate in the Rights Issue should exercise their Share Options in accordance with the terms and conditions of the Share Option Schemes and be registered as holders of the Shares so allotted and issued to them pursuant to such exercise with the Company on or before the Record Date.

Application for all of a Qualifying Shareholder's provisional allotment should be made by completing the PAL and lodging the same with a cheque or banker's cashier order for the Rights Shares being applied for with the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before the Latest Time for Acceptance.

If a Qualifying Shareholder wishes to accept only a part of, or to renounce or transfer a part of, the Rights Shares provisionally allotted to him/her/it under the PAL, such Qualifying Shareholder will need to split his/her/its PAL into the denominations required. Details as to how to split the PALs has been set out in the paragraph headed "Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares" below and in the paragraph headed "Procedures for acceptance and Payment" in the PAL.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements). If a Qualifying Shareholder does not take up any of his/her/its entitlement in full under the Rights Issue, his/her/its proportionate shareholding in the Company will be diluted.

LETTER FROM THE BOARD

Rights of the Overseas Shareholders

As at the Record Date, based on the register of members of the Company, the Overseas Shareholders were as follows:

Jurisdiction of the registered address of the Overseas Shareholders	Number of Overseas Shareholders	Number of Shares held	Approximate % of issued share capital of the Company
Singapore	1	1,213	0.0002
Malaysia	1	1,000	0.0002
Taiwan	2	17,659,332	2.9986
The United States	2	520	0.0001
Canada	4	1,298	0.0002
New Zealand	1	360	0.0001
Denmark	1	90	0.0000
Ireland	1	1,200	0.0002

The Prospectus Documents are not intended to be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders on the Record Date, if any, may not be eligible to take part in the Rights Issue as explained below.

The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made reasonable enquiries of the legal requirements regarding the feasibility of extending the Rights Issue to the Overseas Shareholders.

The Company has obtained advice from legal advisers in Singapore, Taiwan, Denmark and Ireland, and has been advised that under the applicable legislations of these jurisdictions, either (i) there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect to extending the Rights Issue to the Overseas Shareholders in the relevant jurisdictions; or (ii) the Rights Issue meets the relevant exemption requirements under the relevant jurisdictions so that it would be exempt from obtaining approval or recognition from and/or registration of the Prospectus Documents with the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions.

Accordingly, the Rights Issue will be extended to the Overseas Shareholders having registered addresses in Singapore, Taiwan, Denmark, and Ireland and such Overseas Shareholders are Qualifying Shareholders.

The Company has also obtained advice from legal advisers in the United States, Canada, New Zealand and Malaysia. Having considered the circumstances, the Directors are of the view that it is necessary or expedient not to offer the Rights Shares (in their nil-paid and fully-paid forms) to Overseas Shareholders with registered addresses in the United States, Canada, New Zealand and Malaysia due to the time and costs involved in the registration or filing of the Prospectus Documents and/or approval required by the relevant authorities in the United States, Canada, New Zealand and Malaysia and/or additional steps the Company and/or Overseas Shareholders need to take to comply with the relevant legal or regulatory requirements in the United States, Canada, New Zealand and Malaysia.

LETTER FROM THE BOARD

Thus, for the purposes of the Rights Issue, the Non-Qualifying Shareholders are any Shareholder(s) whose name(s) appeared in the register of members of the Company at the close of business on the Record Date and whose address(es) as shown on such register is/are in the United States, Canada, New Zealand and Malaysia.

The Company would, to the extent permitted under the relevant laws and regulations and reasonably practicable send copies of this prospectus to the Non-Qualifying Shareholders for their information only, but would not send the PAL to them.

Notwithstanding any other provision in this prospectus or any other Prospectus Documents, the Company reserves the right to permit any Shareholder (whether as a direct holder or beneficial owner) whose registered address is in, or who otherwise resides in, a jurisdiction other than Hong Kong to take up Rights Shares if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations in that jurisdiction which would otherwise give rise to restrictions upon the offer or take-up of Rights Shares in that jurisdiction and treat as invalid any acceptances of or applications for the Rights Shares where it believes that such acceptance or application would violate the applicable securities or other laws or regulations of any territory or jurisdiction.

Arrangements for the NQS Rights Shares

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 and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Non-Qualifying Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit. Any such unsold nil-paid Rights Shares to which such Non-Qualifying Shareholders would otherwise have been entitled will be offered for subscription by the Placing Agent to the Placees under the Placing.

LETTER FROM THE BOARD

Closure of register of members of the Company

The register of members of the Company will be closed from Friday, 18 November 2022 to Thursday, 24 November 2022 (both days inclusive) for determining the entitlements to the Rights Issue. No transfer of Shares will be registered during this period.

Basis of provisional allotments

The basis of the provisional allotment shall be one (1) Rights Share (in nil-paid form) for every two (2) existing Shares held by the Qualifying Shareholders as at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Subscription Price

The Subscription Price is HK\$1.58 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 50.0% to the closing price of HK\$3.16 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 50.8% to the average closing price of approximately HK\$3.21 per Share for the last five trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iii) a discount of approximately 51.7% to the average closing price of approximately HK\$3.27 per Share for the last ten trading days as quoted on the Stock Exchange up to and including the Last Trading Day;
- (iv) a discount of approximately 40.8% to the theoretical ex-rights price of approximately HK\$2.67 per Share. The Company would like to clarify that this is based on the average closing price in the five trading days immediately prior to the date of Announcement, as opposed to the previous disclosure in the Announcement;
- (v) a discount of approximately 95.2% to the latest published consolidated net asset value per Share as at 31 July 2022 of approximately HK\$32.729 (as shown in the announcement of the Company in respect of the final results for the year ended 31 July 2022 published on 21 October 2022) is based on the total equity attributable to the owners of the Company as at 31 July 2022 of approximately HK\$19,275 million and 588,915,934 Shares in issue as at the Latest Practicable Date;

LETTER FROM THE BOARD

- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 17.1%, represented by the theoretical diluted price of approximately HK\$2.67 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of the closing price on the Last Trading Day of HK\$3.16 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five previous consecutive trading days prior to the date of the Announcement of approximately HK\$3.22 per Share) of approximately HK\$3.22 per Share; and
- (vii) a discount of approximately 6.0% to the closing price of HK\$1.68 per Share as quoted on the Stock Exchange on the Latest Practicable Date.

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$1.52 (assuming no change in the number of Shares in issue on or before the Record Date) and approximately HK\$1.52 (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options) (except for Dr. Peter Lam's Share Options)). Since the Company is incorporated in Hong Kong, the Rights Shares have no nominal value.

The Subscription Price was determined by the Company with reference to, among others, the following:

1. *Recent market prices of the Shares*

During the twelve months up to and including the Last Trading Day, the closing price of the Shares reached a high of HK\$4.87 per Share on 26 August 2022 and decreased to a low of HK\$3.16 per Share on the Last Trading Day and closed at HK\$3.16 per Share on the Last Trading Day. In order to enhance the attractiveness of the Rights Issue, the Directors set the Subscription Price at a discount to the then market prices of the Shares as mentioned above.

2. *Current market conditions*

The recent volatility of the capital market in Hong Kong since May 2022 was also referenced. During the three months up to and including the Last Trading Day, the Hang Seng Index fluctuated between a high of approximately 20,176 at closing on 12 August 2022 and approximately 14,687 at closing on 31 October 2022 and closed at approximately 16,081 on the Last Trading Day. The Directors considered that such volatility may affect investors' confidence in the market and therefore set the Subscription Price at a discount to the then market prices of the Shares to encourage Shareholders to participate in the Rights Issue.

3. *Amount of funds the Company intends to raise under the Rights Issue*

The net proceeds from the Rights Issue after deducting the expenses are estimated to be (i) approximately HK\$446.0 million (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$461.0 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options (except for Dr. Peter Lam's Share Options)). The Company intends to apply the net proceeds from the Rights Issue for the purposes described in the section headed "Reasons for the Rights Issue and Use of Proceeds of the Rights Issue" below.

LETTER FROM THE BOARD

The Directors consider that setting the Subscription Price at a discount to the current market price of the Shares would enhance the attractiveness of the Rights Issue, and in turn encourage the Shareholders to participate in the Rights Issue, and accordingly allow them to maintain their shareholdings in the Company and participate in the future growth and development of the Group. The Directors have noted the material discount to the net assets value per Share mentioned in paragraph (vi) above. Nevertheless, taking into account the fact that (i) the Shares were traded at a discount to the net assets value per Share of approximately HK\$32.729 as at 31 July 2022 over the 3-month period from 11 August 2022 up to and including the Last Trading Day ranging from approximately 85.1% to 90.3%; (ii) the average share price of the Company for the period of three months ended on the Last Trading Day of approximately HK\$4.13, also represents a material discount of approximately 87.4% to the net assets value per Share of approximately HK\$32.729 as at 31 July 2022; (iii) each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same Subscription Price in proportion to his/her/its shareholding interest held on the Record Date on a fair and equal basis; and (iv) the proceeds from the Rights Issue can finance the potential investment of the Group and help improve the financial position of the Group, the Directors consider that the Subscription Price is fair and reasonable and in the interests of the Company and its shareholders as a whole. Further, after taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for the Rights Issue and Use of Proceeds of the Rights Issue” below, the Directors consider the terms of the Rights Issue to be fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Status of Rights Shares

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

Stamp duty and other applicable fees and charges

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

Share certificates and refund cheques for the Rights Issue

Subject to the fulfilment or waiver (as applicable) of the conditions of the Rights Issue as set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” below in this prospectus, share certificates for all fully-paid Rights Shares are expected to be posted on or about Friday, 23 December 2022 by ordinary post to the allottees, at their own risk, to their registered addresses. If the Underwriting Agreement is terminated or does not become unconditional, refund cheques will be posted on or before Friday, 23 December 2022 by ordinary post to the respective Shareholders, at their own risk, to their registered addresses.

LETTER FROM THE BOARD

Fractions of Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved.

No odd lot matching services will be provided as the Directors are of the view that, having compared the fees to be charged by a designated securities broker and the market value of the odd lots of Shares, it will not be cost-effective for the Company to appoint such a securities broker to provide matching services for odd lots of Shares. As such, the Directors consider that it is in the interest of the Company and the Shareholders not to provide odd lot matching services for the Rights Issue.

Procedure for acceptance, payment, transfer and/or splitting of provisional allotment of the Rights Shares

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholder to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/it must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Friday, 9 December 2022 (or, under bad weather conditions, such later date as mentioned in the section headed “Expected Timetable – Effect of Bad Weather on the Latest Time For Acceptance of and Payment for the Rights Shares”). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, licensed banks in Hong Kong and made payable to “Lai Sun Garment (International) Limited – Provisional Allotment Account” and crossed “Account Payee Only”. It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. on Friday, 9 December 2022, whether by the original allottee or any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled after the Latest Time for Acceptance. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions.

LETTER FROM THE BOARD

If the Qualifying Shareholders wish to accept only part of their provision allotment or transfer part of their rights to subscribe for the Rights Share provisionally allotted to them under the PALs or to transfer part of their rights to more than one person, the original PALs must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Thursday, 1 December 2022 to the Registrar, who will cancel the original PALs and issue new PALs in the denomination required which will be available for collection from the Registrar, Tricor Tengis Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PALs. The PAL contains further information regarding the procedures to be followed for acceptance and/or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders. All cheques or banker's cashier orders will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the PAL with a cheque or a banker's cashier order, whether by a Qualifying Shareholder or by any nominated transferee, will constitute a warranty by the applicant that the cheque or the banker's cashier order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the cheque or banker's cashier order is dishonoured on first presentation, and in that event, the provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled.

Irrevocable Undertaking by the Undertaking Covenantors

As at the Latest Practicable Date, Dr. Peter Lam and Wisdoman held 74,807,359 Shares and 172,112,124 Shares, respectively, representing approximately 12.70% and 29.23% of the total number of issued Shares, respectively.

Pursuant to the Irrevocable Undertaking, Dr. Peter Lam and Wisdoman have provided a joint, several, irrevocable and unconditional undertaking to the Company and the Underwriter, pursuant to which Dr. Peter Lam and Wisdoman have irrevocably undertaken and warranted to the Company and the Underwriter, among other things:

- (i) to subscribe for 37,403,679 Rights Shares and 86,056,062 Rights Shares to be provisionally allotted to Dr. Peter Lam and Wisdoman, respectively; and
- (ii) not to sell, dispose of or transfer, or agree to sell, dispose of or transfer any of the Shares held by them or any one of them from the date of the Irrevocable Undertaking to the date of completion of the Rights Issue.

Additionally, pursuant to the Irrevocable Undertaking, Dr. Peter Lam has irrevocably and unconditionally undertaken and warranted to the Company and the Underwriter that he will not exercise any of Dr. Peter Lam's Share Options from the date of the Irrevocable Undertaking to the Record Date.

Save for the Irrevocable Undertaking, the Company had not received any information or irrevocable undertaking from any other Shareholders of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the Latest Practicable Date.

LETTER FROM THE BOARD

Scale-down of subscriptions to avoid triggering the GO Obligation and non-compliance with Public Float Requirement

To avoid the unwitting triggering of any GO Obligation and/or the Company's non-compliance with the Public Float Requirement, 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 will be made on the basis that the applications are to be scaled-down by the Company (further details of which are set out below) 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 non-compliance with the Public Float Requirement. Any subscription monies for the Scaled-down PAL Shares will be offered to independent placees by the Placing Agent under the Placing Agreement.

Such scaling-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) where the scale-down is necessitated by the exceeding of shareholding by a group of Qualifying Shareholders acting in concert (the "**Affected Group(s) of Shareholders**") rather than an individual Qualifying Shareholder, the allocations of PAL(s) to members of the Affected Group of Shareholders should be made by reference to the number of Shares held by the affected applicants on the Record Date; and (b) the allocations of PAL(s) to different Affected Groups of Shareholders and/or affected individual Qualifying Shareholders should be made by reference to the number of Shares held by the affected applicant(s) and/or affected group(s) of applicant(s) on the Record Date.

Application for listing

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms. The nil-paid Rights Shares and fully-paid Rights Shares are expected to have the same board lot size as the Shares, i.e., 1,000 Shares in one board lot. No part of the securities of the Company in issue or for which listing or permission to deal is being or is proposed to be sought is listed or dealt in on any stock exchange other than the Stock Exchange.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their 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 respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates 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 trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

LETTER FROM THE BOARD

Procedures in respect of the Unsubscribed Rights Shares and the Compensatory Arrangements

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares by offering the Unsubscribed Rights Shares to independent placees for the benefit of the relevant No Action Shareholders and Non-Qualifying Shareholders. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue.

The Company appointed the Placing Agent to place the Unsubscribed Rights Shares after the Latest Time for Acceptance to independent placees on a best effort basis, and any premium over the aggregate amount of (i) the Subscription Price for those Rights Shares; and (ii) the expenses of the Placing Agent (including any other related costs and expenses), that is realised from the Placing (the “**Net Gain**”) will be paid to the relevant No Action Shareholders and Non-Qualifying Shareholders in the manner set out below. The Placing Agent will, on a best effort basis, procure, by not later than 4:00 p.m. on Friday, 16 December 2022, acquirers for all (or as many as possible) of those Unsubscribed Rights Shares at a price not less than the Subscription Price. Any unsold Unsubscribed Rights Shares under the Compensatory Arrangements will be taken up by the Underwriter pursuant to the terms of the Underwriting Agreement.

Net Gain (if any but rounded down to the nearest cent) will be paid on a pro-rata basis to the relevant No Action Shareholders and Non-Qualifying Shareholders as set out below:

- (i) for No Action Shareholders, the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for, and where the nil-paid rights are, at the time they lapse, represented by a PAL, to the person whose name and address appeared on the PAL and where the nil-paid rights are, at the time they lapse, registered in the name of HKSCC Nominees Limited, to the beneficial holders (via their respective CCASS participants) as the holder of those nil-paid rights in CCASS; and
- (ii) for Non-Qualifying Shareholders, the relevant Non-Qualifying Shareholders whose name and address appeared on the register of members of the Company on the Record Date with reference to their shareholdings in the Company on the Record Date.

It is proposed that if the Net Gain to any of the No Action Shareholder(s) and Non-Qualifying Shareholder(s) mentioned above (i) is more than HK\$100, the entire amount will be paid to them; or (ii) is HK\$100 or less, such amount will be retained by the Company for its own benefit.

LETTER FROM THE BOARD

THE PLACING AGREEMENT

On 10 November 2022 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has agreed to procure Placee(s), on a best effort basis, to subscribe for the Unsubscribed Rights Shares. Details of the Placing Agreement are as follows:

Date : 10 November 2022 (after trading hours)

Placing agent : Haitong International Securities Company Limited was appointed as the placing agent to place, or procure the placing of, up to 170,998,226 Unsubscribed Rights Shares (assuming no Shares being issued or bought back by the Company on or after the date of the Placing Agreement and on or before the Record Date); or up to 180,500,311 Unsubscribed Rights Shares (assuming new Shares are allotted and issued on or before the Record Date pursuant to the full exercise of outstanding Share Options (except for Dr. Peter Lam's Share Options) but otherwise no Shares being issued or bought back by the Company on or after the date of the Placing Agreement and on or before the Record Date), on a best effort basis, to the Placee(s).

Haitong International Securities Company Limited and its ultimate beneficial owners are Independent Third Parties. The Placing Agent has also undertaken that before it engages sub-placing agent(s) to place the Unsubscribed Rights Shares, it will confirm with the Company and such sub-placing agent(s) that these sub-placing agent(s) and their ultimate beneficial owners are Independent Third Parties and that they are independent of and not acting in concert with the Underwriter and parties acting in concert with it.

Placing fee payable to the Placing Agent : There is no placing commission payable by the Company to the Placing Agent in respect of the Placing. However, the Company shall be responsible for all costs and expenses reasonably incurred by the Placing Agent in connection with or arising out of the Placing.

LETTER FROM THE BOARD

- Placing price of the Unsubscribed Rights Shares : The placing price of the Unsubscribed Rights Shares shall be not less than the Subscription Price.
- The final price will be determined based on the demand for the Unsubscribed Rights Shares and market conditions at the time of placement.
- Placees : The Unsubscribed Rights Shares shall only be offered (i) to institutional, corporate or individual investor(s) who and whose ultimate beneficial owner(s) shall be Independent Third Parties; and (ii) such that the Placing will not have any implications under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing.
- Ranking of Unsubscribed Rights Shares : The Unsubscribed Rights Shares (when placed, allotted, issued and fully paid) shall rank *pari passu* in all respects among themselves and with the Shares then in issue.
- Placing condition : The Placing is subject to and conditional upon inter alia, (i) the Listing Committee of the Stock Exchange having granted the listing of, and permission to deal in, the Rights Shares; (ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and (iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.
- Completion date of the Placing : Friday, 16 December 2022 or such other date as the Company and the Placing Agent may agree.

The terms of the Placing Agreement (including the placing fee) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue and are on normal commercial terms. The Directors consider that the terms of the Placing Agreement are fair and reasonable. As the Placing Agent and the Underwriter are the same entity, it is in the best interest of the Company to not give any placing commission to the Placing Agent to avoid the overlapping of the payment of fees. The Company believes that this is on normal commercial terms as the Placing Agent and the Underwriter are the same entity. In addition, the Company believes that not paying placing commission is in the best interest of the Company and that this arrangement is therefore fair and reasonable.

Given that the Compensatory Arrangements would provide a compensatory mechanism for the relevant No Action Shareholders and Non-Qualifying Shareholders, the Directors consider that the Compensatory Arrangements are in the interest of the minority Shareholders.

LETTER FROM THE BOARD

THE UNDERWRITING AGREEMENT

On 10 November 2022 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement in relation to the underwriting and respective arrangements in respect of the Rights Issue. Further details of the Underwriting Agreement are set out below:

Underwriting Agreement

Date : 10 November 2022 (after trading hours)

Issuer : The Company

Underwriter : Haitong International Securities Company Limited, a licensed corporation carrying out type 1 (dealing in securities) and type 4 (advising on securities) regulated activities under the SFO and its ordinary course of business includes underwriting of securities.

As at the Latest Practicable Date, the Underwriter does not hold any Shares. The Underwriter and its ultimate beneficial owners are, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Independent Third Parties. The Underwriter confirmed that it has complied with Rule 7.19(1)(a) of the Listing Rules.

Number of Rights Shares underwritten by the Underwriter : Up to 180,500,311 Rights Shares, being the maximum number of the Rights Shares less the Undertaken Shares, assuming no further issue of new Share(s) and no repurchase of Share(s) on or before the Record Date, other than the new Shares that are allotted and issued pursuant to the exercise of all Share Options (except for Dr. Peter Lam's Share Options) on or before the Record Date, excluding the Undertaken Shares to be taken up by the Undertaking Covenantors, to be underwritten by the Underwriter pursuant to the terms and conditions under the Underwriting Agreement.

Underwriting Commission : 2% of the aggregate Subscription Price in respect of the number of Underwritten Shares committed to be underwritten, subscribed for or procured to be subscribed for by the Underwriter in accordance with the Underwriting Agreement.

Additional commission at the rate of 7% of the aggregate Subscription Price in respect of the number of Untaken Shares to be subscribed or procure to be subscribed by the Underwriter in accordance with the provision in the Underwriting Agreement.

LETTER FROM THE BOARD

Pursuant to the Underwriting Agreement, the Underwriter shall ensure that (i) each of the subscribers of the Untaken Shares procured by it shall be an Independent Third Party; (ii) none of the subscribers of the Untaken Shares shall own 10% or more of the total number of Shares in issue immediately upon completion of the Rights Issue and otherwise becoming a core connected person of the Company; (iii) none of the subscribers, together with any party(ies) acting in concert with it/them, will hold 30% (or such percentage which will trigger any GO Obligation under the Takeovers Code) or more of the voting rights of the Company upon completion of the Rights Issue; and (iv) the Public Float Requirement remains to be fulfilled by the Company upon completion of the Rights Issue.

The terms of the Underwriting Agreement, including the underwriting commission rate, were determined after arm's length negotiation between the Company and the Underwriter with reference to, among other things, the prevailing market conditions and the structure and size of the Rights Issue. The Company has approached two financial institutions (including the Underwriter) to explore their interest in underwriting the Rights Issue. The Company considers reaching out to two financial institutions is commercially appropriate, as reaching out to too many firms in a short period of time may be interpreted wrongly by the market and the risk of information leakage is high. Having provided the proposed indicative terms and structure of the Rights Issue to such financial institutions, only the Underwriter showed interest in underwriting the Rights Issue and further negotiated with the Company, while the other financial institution did not pursue further. Given that the Underwriter was able to meet the parameters, terms, conditions and pricing of the Rights Issue set by the Company in light of the current financial market conditions and also to act as the placing agent for the Placing, the Company believes that the terms set out in the Underwriting Agreement were the best available option to the Company. The underwriting commission was negotiated on an arm's length basis, taking into account the current market conditions, price performance and trading liquidity of the Shares, as well as the fact that the underwriter is taking up the role of both the placing agent and underwriter. The 2% commission rate is considered in line with general market practices and given the overall stock market volatility, weak market sentiment globally and relatively thinly traded nature of the Company's Shares, a higher commission fee is considered acceptable. It is also on similar terms to the 1-for-2 rights issue of the Company in 2021 ("**2021 Rights Issue**"). The final commission payable under the 7% commission rate will depend on the results of subscription of Rights Shares and placement of Unsubscribed Rights Shares. Having considered all of the above, the Directors consider that the terms of the Underwriting Agreement, including the commission rate, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole. None of the Directors has a material interest in the transaction contemplated under the Underwriting Agreement.

Subject to the fulfilment or waiver (as applicable) of all the conditions 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 shall subscribe for or procure the subscription for, pursuant to the terms of Underwriting Agreement and the Prospectus Documents (insofar as the same are applicable), the Untaken Shares (being any Unsubscribed Rights Shares that are not placed by the Placing Agent under the Placing Agreement).

LETTER FROM THE BOARD

Conditions of the Rights Issue and the Underwriting Agreement

The completion of the Rights Issue and the obligations of the Underwriter under the Underwriting Agreement are conditional upon:

- (i) the Listing Committee granting or agreeing to grant (subject only to allotment and despatch of the appropriate documents of title) and not having withdrawn or revoked the listing of and permission to deal in all the Rights Shares (in their nil-paid and fully-paid forms);
- (ii) the Rights Shares (in nil-paid form) having been provisionally allotted by a resolution of the Board (or a committee thereof) on the terms set out in the Prospectus Documents;
- (iii) each condition to enable the nil-paid Rights Shares and the fully-paid Rights Shares to be admitted as eligible securities for deposit, clearance and settlement in CCASS (other than the listing approval of the Rights Shares under the Rights Issue) having been satisfied not later than two business days after the Record Date/prior to the first day of dealings in the nil-paid Rights Shares as set out in this prospectus and no notification having been received by the Company from HKSCC by such date that such admission or facility for holding and settlement has been or is to be refused;
- (iv) delivery of the duly executed counterparts of the Irrevocable Undertaking (in such form and substance to the reasonable satisfaction of the Underwriter) by the Undertaking Covenantors on the date of the Underwriting Agreement to the Company and the Underwriter;
- (v) compliance by the Undertaking Covenantors with all of their respective obligations under the Irrevocable Undertaking and the Irrevocable Undertaking not being terminated;
- (vi) receipt by the Underwriter of all relevant documents specified in the Underwriting Agreement (in the form and substance to the reasonable satisfaction of the Underwriter) to be provided by the Company by the times specified in the Underwriting Agreement;
- (vii) compliance by the Company with all of its obligations under the Underwriting Agreement or in relation to the publication of the Announcement;
- (viii) the representations and warranties of the Company, referred to in the Underwriting Agreement remaining true and accurate in all material respects and none of the undertakings of the Company, referred to in the Underwriting Agreement having been breached;
- (ix) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong no later than the Posting Date of each of the Prospectus Documents and (where necessary) other documents in compliance with the Companies (WUMP) Ordinance and otherwise complying with the requirements of the Companies (WUMP) Ordinance, the Companies Ordinance and the Listing Rules;

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- (x) the posting of the Prospectus Documents to Qualifying Shareholders on the Posting Date; and
- (xi) the Underwriting Agreement not having been terminated in accordance with its terms on or before the Latest Time for Termination.

Other than conditions (vi) and (viii) which can be waived in whole or in part by the Underwriter by notice in writing to the Company prior to the Latest Time for Termination, all other conditions precedent above cannot be waived. In the event that the above conditions precedent have not been satisfied or waived by the Latest Time for Termination, all liabilities of the Company and the Underwriter under the Underwriting Agreement shall cease and determine and no party shall have any claim against the other party save for any antecedent breach of the Underwriting Agreement.

As at the Latest Practicable Date, condition (iv) above has been fulfilled.

The Underwriting Agreement contains detailed conditions and events which may cause the Underwriting Agreement to be terminated by the Underwriter. Please refer to the section headed “Termination of the Underwriting Agreement” in this prospectus for details of the grounds of termination of the Underwriting Agreement. If the Underwriting Agreement does not become unconditional or is terminated, the Rights Issue will not proceed. A further announcement will be made by the Company if the Underwriting Agreement is terminated by the Underwriter.

Restriction on dealings

The Company has undertaken to the Underwriter that for the period from the date of the Underwriting Agreement and ending on the date which is 90 days from the Latest Time for Termination, the Company shall not (except for the Rights Shares):

- (i) allot or issue or offer to allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (except for the allotment or issue of Shares upon exercise of the outstanding Share Options);
- (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in paragraph (i); or
- (iii) announce any intention to enter into or effect any such transaction described in paragraph (i) or (ii);

unless with the prior written consent of the Underwriter (such consent not to be unreasonably withheld or delayed).

LETTER FROM THE BOARD

EFFECT OF THE RIGHTS ISSUE ON SHAREHOLDINGS IN THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) immediately after completion of the Rights Issue assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full; and (iii) immediately after completion of the Rights Issue assuming none of the Qualifying Shareholders (other than the Undertaking Covenantors pursuant to the Irrevocable Undertaking) have taken up any entitlements of the Rights Shares:

- (a) assuming no outstanding Share Options being exercised and there is no other change in the shareholding structure of the Company before completion of the Rights Issue (“**Scenario I**”):

	As at the Latest Practicable Date		Immediately after completion of the Rights Issue						
			Assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Assuming none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Issue other than the Undertaking Covenantors pursuant to the Irrevocable Undertaking and all of the Unsubscribed Rights Shares are placed to the Places under the Compensatory Arrangements		Assuming none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares other than the Undertaking Covenantors pursuant to the Irrevocable Undertaking and none of the Unsubscribed Rights Shares are placed to the Places under the Compensatory Arrangements		
					No. of issued Shares	Approx. %	No. of issued Shares	Approx. %	No. of issued Shares
Non-public Shareholders									
Wisdoman ^(Notes 1 and 2)	172,112,124	29.23	258,168,186	29.23	258,168,186	29.23	258,168,186	29.23	
Dr. Peter Lam ^(Notes 1 and 2)	74,807,359	12.70	112,211,038	12.70	112,211,038	12.70	112,211,038	12.70	
Madam U ^(Note 2)	1,238,287	0.21	1,857,430	0.21	1,238,287	0.14	1,238,287	0.14	
Mr. Lester Lam ^(Note 2)	18,688,812	3.17	28,033,218	3.17	18,688,812	2.12	18,688,812	2.12	
Other core connected persons of the Company	100	0.00002	150	0.00002	100	0.00001	100	0.00001	
Other Shareholders holding above 10%									
Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk ^(Note 3)	173,208,420	29.41	259,812,630	29.41	173,208,420	19.61	173,208,420	19.61	
Public Shareholders	148,860,832	25.28	223,291,249	25.28	148,860,832	16.85	148,860,832	16.85	
Places	—	—	—	—	170,998,226	19.36	—	—	
Underwriter	—	—	—	—	—	—	170,998,226	19.36	
Total	<u>588,915,934</u>	<u>100.00</u>	<u>883,373,901</u>	<u>100.00</u>	<u>883,373,901</u>	<u>100.00</u>	<u>883,373,901</u>	<u>100.00</u>	

LETTER FROM THE BOARD

Notes:

1. *Wisdoman is 100% beneficially owned by Dr. Peter Lam. As such, Dr. Peter Lam is deemed to be interested in all the Shares held by Wisdoman by virtue of the SFO. Dr. Peter Lam and Wisdoman are controlling shareholders of the Company and Dr. Peter Lam is an executive Director.*
2. *Dr. Peter Lam, Wisdoman, Madam U and Mr. Lester Lam are parties presumed to be acting in concert under the class (8) presumption under the definition of “acting in concert” under the Takeovers Code. Madam U and Mr. Lester Lam are executive Directors.*
3. *Based on the information received by the Company from Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk, which the Company is unable to separately verify, as at 5 May 2020, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 115,472,280 Shares. For reference and illustrative purposes only, the increase in the number of issued Shares and the approximate percentage of total number of issued Shares held jointly by Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk to 173,208,420 Shares and 29.41%, respectively, after the completion of the 2021 Rights Issue announced on 2 August 2021, was arrived at on the assumption that they have taken up their full entitlement of rights shares under the provisional allotment letter(s) based on 115,472,280 Shares held by them before the 2021 Rights Issue.*

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.

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- (b) assuming all the outstanding Share Options (except for Dr. Peter Lam’s Share Options) being exercised on or before the Record Date and there is no other change in the shareholding structure of the Company before completion of the Rights Issue (“**Scenario II**”):

	As at the Latest Practicable Date		Upon full exercise of the outstanding Share Options (except for Dr. Peter Lam’s Share Options) on or before the Record Date		Assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full		Immediately after completion of the Rights Issue			
							Assuming none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Issue other than the Undertaking Covenantors pursuant to the Irrevocable Undertaking and all of the Unsubscribed Rights Shares are placed to the Placees under the Compensatory Arrangements		Assuming none of the Qualifying Shareholders have taken up their respective entitlements of the Rights Shares other than the Undertaking Covenantors pursuant to the Irrevocable Undertaking and none of the Unsubscribed Rights Shares are placed to the Placees under the Compensatory Arrangements	
	No. of issued Shares	Approx. %	No. of issued Shares	Approx. %	No. of issued Shares	Approx. %	No. of issued Shares	Approx. %	No. of issued Shares	Approx. %
Non-public Shareholders										
Wisdoman ^(Notes 1 and 2)	172,112,124	29.23	172,112,124	28.31	258,168,186	28.31	258,168,186	28.31	258,168,186	28.31
Dr. Peter Lam ^(Notes 1 and 2)	74,807,359	12.70	74,807,359	12.31	112,211,038	12.31	112,211,038	12.31	112,211,038	12.31
Madam U ^(Note 2)	1,238,287	0.21	1,238,287	0.20	1,857,430	0.20	1,238,287	0.14	1,238,287	0.14
Mr. Lester Lam ^(Note 2)	18,688,812	3.17	24,870,979	4.09	37,306,468	4.09	24,870,979	2.73	24,870,979	2.73
Mr. Chew Fook Aun ^(Note 3)	—	—	4,869,867	0.80	7,304,800	0.80	4,869,867	0.53	4,869,867	0.53
Other core connected persons of the Company	100	0.00002	100,100	0.02	150,150	0.02	100,100	0.01	100,100	0.01
Other Shareholders holding above 10%										
Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk ^(Note 4)	173,208,420	29.41	173,208,420	28.49	259,812,630	28.49	173,208,420	18.99	173,208,420	18.99
Public Shareholders										
Holders of outstanding Share Options	—	—	7,852,136	1.29	11,778,204	1.29	7,852,136	0.86	7,852,136	0.86
Others	148,860,832	25.28	148,860,832	24.49	223,291,250	24.49	148,860,832	16.33	148,860,832	16.33
Placees	—	—	—	—	—	—	180,500,311	19.79	—	—
Underwriter	—	—	—	—	—	—	—	—	180,500,311	19.79
Total	588,915,934	100.00	607,920,104	100.00	911,880,156	100.00	911,880,156	100.00	911,880,156	100.00

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Notes:

- 1. Wisdoman is 100% beneficially owned by Dr. Peter Lam. As such, Dr. Peter Lam is deemed to be interested in all the Shares held by Wisdoman by virtue of the SFO. Dr. Peter Lam and Wisdoman are controlling shareholders of the Company and Dr. Peter Lam is an executive Director. Pursuant to the Irrevocable Undertaking, Dr. Peter Lam has undertaken not to exercise Dr. Peter Lam's Share Options from the date of the Irrevocable Undertaking to the Record Date.*
- 2. Dr. Peter Lam, Wisdoman, Madam U and Mr. Lester Lam are parties presumed to be acting in concert under the class (8) presumption under the definition of "acting in concert" under the Takeovers Code. Madam U and Mr. Lester Lam are executive Directors.*
- 3. Mr. Chew Fook Aun is an executive Director.*
- 4. Based on the information received by the Company from Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk, which the Company is unable to separately verify, as at 5 May 2020, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 115,472,280 Shares. For reference and illustrative purposes only, the increase in the number of issued Shares and the approximate percentage of total number of issued Shares held jointly by Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk to 173,208,420 Shares and 29.41%, respectively, after the completion of the 2021 Rights Issue, was arrived at on the assumption that they have taken up their full entitlement of rights shares under the provisional allotment letter(s) based on 115,472,280 Shares held by them before the 2021 Rights Issue.*

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.

As illustrated in the tables above, immediately after completion of the Rights Issue, the shareholding interest of the existing public Shareholders will be diluted from approximately 25.28% as at the Latest Practicable Date to (i) approximately 16.85% under Scenario I; and (ii) approximately 16.33% under Scenario II. The possible maximum dilution to the shareholdings of the existing public Shareholders if they elect not to subscribe for the Rights Shares under the Rights Issue will be approximately 8.95%.

The Company will ensure that it will comply with the Public Float Requirement upon the completion of the Rights Issue. In ensuring that the Public Float Requirement can be attained, the Company has put in place the scaling-down mechanism, the Irrevocable Undertaking, the Placing and the Underwriting to ensure the compliance with the Public Float Requirement. Furthermore, pursuant to the Placing Agreement, the Placing Agent shall only place the Unsubscribed Rights Shares to institution, corporate or individual investors who and whose ultimate beneficial owners shall be Independent Third Parties.

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

The Group is a diversified conglomerate and its principal activities include property development and investment in Hong Kong, the PRC and overseas as well as investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. The Company holds substantial interests in the listed companies of the Group.

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As at 31 July 2022, the Group's consolidated cash and bank deposits amounted to approximately HK\$8,037.3 million and excluding LSD Group, the standalone consolidated cash and bank balance of the Group amounted to approximately HK\$456.6 million. Undrawn facilities of the Group as at 31 July 2022 was approximately HK\$5,834.6 million and excluding LSD, the standalone undrawn facilities was approximately HK\$50.0 million. Whilst the Group has steady access to funds, the management also considered other fund-raising alternatives available to the Group that can optimise the Company's capital structure, while maintaining a reasonable level of gearing and interest expense.

The Board considers that fund raising in the form of equity is a better alternative than debt as it would not result in additional interest burden and will improve the gearing of the Group. Amongst the equity financing methods, placing or subscription of new Shares would dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. On the contrary, the Rights Issue is pre-emptive in nature, as it allows Qualifying Shareholders to maintain their proportional shareholdings in the Company through participation in the Rights Issue. The Rights Issue also allows the Qualifying Shareholders to (a) increase their respective shareholding interests in the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (b) reduce their respective shareholding interests in the Company by disposing of their rights entitlements in the open market (subject to the market demand). As an open offer does not allow the trading of rights entitlements, a rights issue is preferred. Further, the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs. The proceeds from the Rights Issue will replenish the Company's financial resources and strengthen its financial position so as that it has flexibility to mobilise funds as and when necessary. Accordingly, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. As at the Latest Practicable Date, no specific investment target has been identified.

The net proceeds from the Rights Issue after deducting the expenses are estimated to be (i) approximately HK\$446.0 million (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$461.0 million (assuming no change in the number of Shares in issue on or before the Record Date other than the full exercise of outstanding Share Options) (except for Dr. Peter Lam's Share Options)).

The Company intends to apply all of the net proceeds from the Rights Issue for the repayment of outstanding loan under a HK\$1,000 million 5-year secured banking facility ("**Facility**") secured by (i) Por Yen Building situated at No. 478 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong and (ii) G/F to 9/F of Crocodile Center situated at No.79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong. The Facility was signed on 10 December 2020 with five financial institutions, namely, The Bank of East Asia, Limited, Bank of China (Hong Kong) Limited, Oversea-Chinese Banking Corporation Limited, Cathay United Bank Company, Limited, Hong Kong Branch and Dah Sing Bank, Limited. Interest rate of the Facility is 1.3% per annum over HIBOR and as at 31 October 2022, the outstanding amount is approximately HK\$507.0 million. Assuming HIBOR rate of 3.6% as at the Latest Practicable Date, the annual interest rate of the Facility is approximately 4.9%. With all of the net proceeds from the Rights Issue being applied to repay the Facility, the interests saved by the Company would be approximately HK\$22 million per annum. It is considered the Rights Issue will enable the Company to strengthen its financial position amid the market uncertainty and rising

LETTER FROM THE BOARD

interest rates. The Company will give updates on the use of proceeds raised from the Rights Issue in its annual report and interim report going forward, if any. Moreover, the Company shall comply with any reporting, announcement and/or Shareholders' approval requirements in accordance with the Listing Rules from time to time such that Shareholders will further be updated with information on the use of net proceeds from the Rights Issue, if any.

POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEMES

As at the Latest Practicable Date, there are 20,741,503 outstanding Share Options granted by the Company exercisable into 20,741,503 Shares. Pursuant to the terms of the Share Option Schemes, the Rights Issue may lead to adjustments to, among others, the exercise price and/or the number of Shares to be issued upon exercise of the outstanding Share Options under the Share Option Schemes. The Company will notify the holders of such Share Options and the Shareholders by way of announcement (as and when appropriate) regarding adjustments to be made (if any) pursuant to the terms of the Share Option Schemes and such adjustment will be certified by an independent financial adviser or auditors of the Company (as the case may be).

Save for the foregoing, as at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares prior to the Record Date. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

FUND RAISING ACTIVITIES BY THE COMPANY DURING THE PAST 12 MONTHS

The Company did not raise any funds by issue of equity securities during the 12 months immediately preceding the Latest Practicable Date.

The Company currently does not have any intention to carry out other corporate actions or funding raising in the coming 12 months which may affect dealing in its Shares.

LISTING RULES IMPLICATION

As the Rights Issue will not increase either the total number of issued Shares or the market capitalisation of the Company by more than 50%, the Rights Issue is not subject to the approval of minority Shareholders in general meeting pursuant to Rule 7.19A of the Listing Rules.

The Company has not conducted any rights issue, open offer or specific mandate placing within the 12-month period immediately preceding the Latest Practicable Date, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, nor has it issued any bonus securities, warrants or other convertible securities within such 12-month period. The Rights Issue does not result in a theoretical dilution effect of 25% or more on its own.

LETTER FROM THE BOARD

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

Shareholders and potential investors of the Company should note that the proposed Rights Issue is conditional upon, among others, the Underwriting Agreement having become unconditional and the Underwriter not having terminated the Underwriting Agreement in accordance with the terms thereof (a summary of which is set out in the paragraph headed “Conditions of the Rights Issue and the Underwriting Agreement” and section headed “Termination of the Underwriting Agreement” in this prospectus). Accordingly, the Rights Issue may or may not proceed.

Any Shareholder or other person dealing in the existing Shares and/or the nil-paid Rights Shares up to the date on which all the conditions to which the Rights Issue are fulfilled or waived (as applicable) (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.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the existing Shares and/or the nil-paid Rights Shares. Any party (including Shareholders and potential investors of the Company) 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).

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms.

TAXATION

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

ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this prospectus.

Yours faithfully,
On behalf of the Board
Lai Sun Garment (International) Limited
Chew Fook Aun
Executive Director and Deputy Chairman

1. SUMMARY OF FINANCIAL INFORMATION OF THE GROUP

Details of the consolidated financial information of the Group for the years ended 31 July 2020, 2021 and 2022 are disclosed in the following documents which have been published on the website of the HKEX (www.hkexnews.hk) and the website of the Company (www.laisun.com). Set out below are links to the relevant reports of the Company:

- (i) The audited financial information of the Group for the year ended 31 July 2022 is disclosed in the annual report of the Company for the year ended 31 July 2022 published on 16 November 2022, from pages 173 to 360:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1116/2022111600916.pdf>
- (ii) The audited financial information of the Group for the year ended 31 July 2021 is disclosed in the annual report of the Company for the year ended 31 July 2021 published on 17 November 2021, from pages 153 to 344:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1117/2021111700749.pdf>
- (iii) The audited financial information of the Group for the year ended 31 July 2020 is disclosed in the annual report of the Company for the year ended 31 July 2020 published on 18 November 2020, from pages 137 to 328:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1118/2020111800926.pdf>

2. INDEBTEDNESS STATEMENT

As at 31 October 2022, being the latest practicable date for ascertaining certain information related to this indebtedness statement, the Group had outstanding consolidated total borrowings (after intragroup elimination) of approximately HK\$27,322 million, comprising secured bank borrowings of approximately HK\$18,441 million, unsecured and guaranteed bank borrowings of approximately HK\$1,094 million, unsecured guaranteed notes of approximately HK\$7,023 million, and unsecured and unguaranteed other borrowings of approximately HK\$764 million.

As at 31 October 2022, the Group, as lessees, had lease liabilities of approximately HK\$1,219 million.

As at 31 October 2022, certain investment properties, right-of-use assets, property, plant and equipment, completed properties for sale, properties under development, serviced apartments (including related leasehold improvements), construction in progress, and bank balances and time deposits were pledged to banks to secure banking facilities granted to the Group. In addition, certain shares in subsidiaries were pledged to banks to secure banking borrowing facilities granted to the Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Group. The Group's secured bank borrowings were also secured by floating charges over certain assets held by the Group.

The Group has provided guarantees to certain banks in respect of mortgage loan facilities granted by such banks to certain end-buyers of property units developed by the Group. Pursuant to the terms of the guarantees, upon default in mortgage payments by these end-buyers, the Group will be responsible to repay the outstanding mortgage loan principal amounts together with accrued interest owed by the end-buyers in default. The Group's obligation in relation to such guarantees has been gradually relinquished along with the settlement of the mortgage loans granted by the banks to the end-buyers. Such obligation will also be relinquished when the property ownership certificates for the relevant properties are issued and/or the end-buyers have fully repaid the mortgage loans. As at 31 October 2022, in respect of these guarantees, the contingent liabilities of the Group amounted to approximately HK\$768 million.

As at 31 October 2022, the Group has provided corporate guarantees to banks in connection with facilities granted to and utilised by joint ventures of approximately HK\$556 million. The Group has pledged certain time deposits to banks to secure banking facilities of the Group which were granted to the extent of approximately HK\$23 million and utilised to the extent of approximately HK\$2 million. The Group has also pledged a time deposit to a bank in connection with a bank guarantee for an associate of approximately HK\$14 million.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31 October 2022, have any material outstanding (i) debt securities, whether issued and outstanding, authorised or otherwise created but unissued, or term loans, whether guaranteed, unguaranteed, secured (whether the security is provided by the Group or by third parties) or unsecured; (ii) other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments, whether guaranteed, unguaranteed, secured or unsecured; (iii) mortgage or charges; or (iv) guarantees or other contingent liabilities.

3. WORKING CAPITAL STATEMENT

The Directors are of the opinion that, in the absence of any unforeseen circumstances and after taking into account (i) the estimated net proceeds from the Rights Issue; (ii) the internal resources of the Group; (iii) the Group's presently available banking facilities and other borrowings; and (iv) the expected financing and refinancing of certain bank loans, the Group has sufficient working capital for its requirements for at least 12 months from the date of this prospectus.

The Company has obtained the relevant confirmation(s) as required under Rule 14.66(12) of the Listing Rules.

4. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, save as disclosed in the section headed “Appendix I – 5. Financial and Trading Prospects of the Group” in this prospectus, the Directors were not aware of any material adverse change in the financial or trading position of the Group as a whole since 31 July 2022 (being the date to which the latest published audited financial statements of the Group were made up).

5. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is a diversified conglomerate and its principal activities include property development and investment in Hong Kong, Mainland China and overseas as well as investment in and operation of hotels and restaurants, media and entertainment, music production and distribution, films, video format products and television programmes production and distribution, cinema operation, cultural, leisure, entertainment and related facilities and investment holding. The Company holds substantial interests in the listed companies of the Group.

The global economy experienced a gradual recovery in 2021, however, the momentum for growth, especially in most major economies has slowed considerably since the end of 2021. While central banks across the world have been raising interest rates aggressively over the course of 2022 to tame inflation, the recession risk across the globe has been rising in the midst of, amongst other factors, persistently high inflation, rising borrowing costs, ongoing geopolitical instabilities and conflicts, energy price volatility, as well as lingering supply-chain disruptions.

Hong Kong and Overseas Property Market

Despite continued disruption, Hong Kong’s economy showed signs of recovery in 2021 and recorded a strong year-on-year expansion of 6.4%, after contracting by 6.5% in 2020. However, a marked deterioration was seen in the first quarter of 2022 as the fifth-wave of COVID-19 infection cases hit in January. With the epidemic situation gradually stabilising in Hong Kong, social distancing measures were relaxed and various measures were launched by the government to assist the affected industries and the public, resulting in local economic activities seeing some revival. However, the consumer sentiment might be dampened by the worse-than-expected economic outlook amid tighter financial conditions and rising borrowing costs as well as deterioration of global economic prospects.

Office leasing activities regained momentum in mid-2022 when the fifth-wave of COVID-19 was brought under control. While affected by the weakening economic performance in the second half of 2022, tenants tend to be cautious and have slowed down their relocation or expansion plans in the face of mounting uncertainties. Given the worsening business sentiment and the lack of demand from multinational and Chinese enterprises, the leasing market is under pressure and higher vacancy rates and suppressed rents are expected to prevail in near term. The retail segment remained reliant on domestic consumption. Poor economic outlook,

interest rate hike cycle and volatile stock market are expected to continue weighing on local consumption sentiment, therefore downward pressure on retail rents is expect to remain. Market activities have also slowed down in both the primary and secondary residential markets, amid the rising mortgage rates and weak purchase sentiment with home prices softening across different residential market segments.

During the year ended 31 July 2022, prolonged social distancing measures and travel restrictions in Hong Kong continued to impact many industries to varying degrees. Amid weak business sentiment, slowdown of retail leasing activities and soaring vacancies in the market, the Group's major Hong Kong properties performed relatively steadily at over 84% occupancy. The Group have been coping with changing market trends and the operating environment by continuing to optimise the tenant mix. Certain renovation and space optimisation works have been done during the year under review to improve the competitiveness of major rental properties of the Group. With the planning consent approved by the City of London's Planning and Transportation Committee and all leases being aligned to expire in 2023, Lai Sun Development Company Limited ("**LSD**") and its subsidiaries (together, "**LSD Group**") keeps monitoring the market conditions in London closely for the potential redevelopment of the three properties on Leadenhall Street in London, comprising 100, 106 and 107 Leadenhall Street ("**Leadenhall Properties**"). A revised proposal was submitted by LSD Group to the City of London's Planning and Transportation Committee in August 2022 for improving on the original design and repositioning the new building to provide higher sustainability standards and enhanced amenities within the building.

Despite the uncertain economic outlook in the near term, we remain confident of the long-term prospects of the residential property market in Hong Kong which has been demonstrating resilience supported by limited supply and solid pent-up demand driven by local end-users. During the year under review, LSD Group continued to source and evaluate suitable land acquisition opportunities to restock its development land bank and successfully secured 3 residential projects. In September 2021, LSD Group acquired a 3-storey building at No. 116 Waterloo Road in Ho Man Tin and the transaction was completed with vacant possession in March 2022. LSD Group intends to redevelop the site into residential units with total gross floor area ("**GFA**") of approximately 46,100 square feet, offering around 79 residential units. In October 2021, LSD Group successfully won the tender for the residential site of approximately 23,900 square feet at No. 79 Broadcast Drive, Kowloon Tong, formerly the Educational Television Centre of Radio Television Hong Kong. LSD Group plans to develop a high-quality luxury residential project offering around 46 medium-large sized units including 2 houses and the maximum permissible GFA is approximately 71,600 square feet. In January 2022, LSD Group acquired two adjacent buildings at 1&1A Kotewall Road in Mid-Levels, Hong Kong Island for redevelopment purposes and the transaction was completed with vacant possession in March 2022. LSD Group intends to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 28 medium-large sized residential units.

Construction works of Bal Residence (formerly known as the Hang On Street Project) in Kwun Tong and the Tai Kei Leng Project in Yuen Long are on schedule and completions are expected in the fourth quarter of 2023 and the first quarter of 2024, respectively. Upon completion, these two residential projects are expected to add total GFA of approximately 71,800 square feet and 42,200 square feet, respectively, to the development portfolio of LSD Group. Presale of Bal Residence and the Tai Kei Leng Project are expected to be launched in the fourth quarter of 2022 and the first quarter of 2023 respectively. The planning and design work of the residential project at the Wong Chuk Hang Station Package Five Property Development is in progress. Construction is expected to be completed in 2025. 604 units, including 23 houses in Alto Residences have been sold, achieving an average selling price of approximately HK\$18,000 per square foot. LSD Group has released 86 car parking spaces of Alto Residences for sale since March 2019. Up to 14 October 2022, 75 car parking spaces have been sold and the total sales proceeds amounted to approximately HK\$204.1 million.

The sale and handover of all 209 residential units and 7 commercial units of 93 Pau Chung Street have been completed. Car parking spaces of 93 Pau Chung Street were launched for sale in July 2019. Up to 14 October 2022, 7 out of 20 car parking spaces and 4 out of 5 motor-parking spaces have been sold and the total sales proceeds amounted to approximately HK\$10.2 million.

Construction of Monti, the Sai Wan Ho Street project has been completed. Up to 14 October 2022, 140 out of 144 units in Monti has been sold with saleable area of approximately 44,378 square feet and the average selling price amounted to approximately HK\$21,300 per square foot. Handover of the sold residential units has been substantially completed.

The Group will continue its prudent and flexible approach and be prepared to capture new development opportunities as soon as the economy is on track for a recovery.

Mainland China Property Market

People's Republic of China ("PRC" or "China") targeted slower economic growth of around 5.5% this year at the fifth session of the 13th National People's Congress held in March 2022 and has set stability as its top priority for economic achievement for the year, amid rising domestic constraints and uncertain global recovery. We believe that the Chinese government will forge ahead and deliver stable economic performance through a combination of more neutral fiscal policy and moderately supportive monetary policy. We remain optimistic about the long-term prospects and sustainability of the business environment in China in light of the dual circulation development model emphasising the rebalancing of domestic and overseas demand and are confident about future prospects of the cities in which the Group has exposure in, especially the Greater Bay Area in southern China, and continue to regard Hong Kong, where our headquarters is situated, as one of the major beneficiary cities.

The regional focus and rental-led strategy of Lai Fung Holdings Limited (“**Lai Fung**”) and its subsidiaries (together, “**Lai Fung Group**”), the PRC property arm of the Group, has demonstrated resilience in recent years. The rental portfolio of approximately 4.5 million square feet in Shanghai, Guangzhou, Zhongshan and Hengqin, being Tier 1 cities in China and cities within the Greater Bay Area delivered steady performance in rental income for the year ended 31 July 2022. Top tier cities and the Greater Bay Area will remain as the primary drivers for Lai Fung Group’s rental growth in coming years. The construction of Shanghai Skyline Tower, the grade A office tower located at Tian Mu Road West in the Jing’an District of Shanghai near the Shanghai Railway Terminal was completed in September 2022, adding approximately 727,200 square feet rental GFA (excluding car parking spaces) to the rental portfolio of Lai Fung Group. Leasing of Shanghai Skyline Tower is in progress. As at 16 November 2022, approximately 8% of commercial and office area have been pre-leased with letter of intent signed. Upon completion of construction works of remaining projects on hand, which include, Guangzhou Lai Fung International Center (the development of Guangzhou Haizhu Plaza Project) and Phase II (“**Novotown Phase II**”) of the Novotown Project in Hengqin (“**Novotown**”), Lai Fung Group will have a rental portfolio of approximately 6.8 million square feet. Construction of Guangzhou Lai Fung International Center is expected to complete by end of 2022 and pre-leasing is underway. As at 16 November 2022, approximately 20% of commercial and office area have been pre-leased. Leasing of the commercial area of Phase I of Novotown (“**Novotown Phase I**”) is underway with approximately 77% of the leasable area having been leased and key tenants include two themed indoor experience centres, namely “Lionsgate Entertainment World[®]” and “National Geographic Ultimate Explorer Hengqin”, Zhuhai Duty Free Group, BaoLian Retail Commerce, Adidas Outlet, Pokiddo Trampoline Park, an indoor gun shooting range, Starbucks, McDonald’s, Paulaner Wirtshaus Hengqin, Oyster King and Vanguard Life Superstore.

Construction of Novotown Phase II is in progress. This mixed-used development project is expected to be completed in phases by 2024, providing commercial and experiential entertainment facilities, office and serviced apartment spaces of 355,500 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Parts of the office units and serviced apartment units have been designated as for-sale properties. During the year ended 31 July 2022, Novotown Phase II was awarded as a winner under the Retail & Leisure International (“**RLI**”) Best Placemaking Scheme category at the Global RLI Awards for 2021 and the 5 Star — Best Mixed-use Architecture for Guangdong Province, China at Asia Pacific Property Awards 2021-2022. Novotown Phase II is also the sole winner of “Annual Model Project of Cultural Tourism Real Estate” at the 17th China Commercial Real Estate Festival. Lai Fung Group remains confident that the deepening of cooperation between Hengqin and Macau, and the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will encourage more businesses and population to reside in Hengqin which will further enhance the tourism market, making Novotown a new contributor to Lai Fung Group’s results in the long run. Shanghai Wuli Bridge Project, the high-end luxury residential project located by the Huangpu River in Huangpu District providing 28 residential units and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. As at 31 July 2022, one residential unit and 13 car parking spaces remain

unsold. Construction of remaining phases of Zhongshan Palm Spring has been completed and handover of sold units is in progress. The residential units and the unsold serviced apartment units in Zhongshan Palm Spring, the cultural studios, cultural workshops and office of Hengqin Novotown Phase I, as well as office and the serviced apartment units of Hengqin Novotown Phase II are expected to contribute to the income of Lai Fung Group in coming financial years.

Lai Fung Group will consider replenishing its landbank as and when opportunities arise, and will take into account, amongst other factors, overall macroeconomic conditions, Lai Fung Group's existing presence in the relevant cities and allocation of risks etc.

Cinema Operation/Media and Entertainment/Film Production and Distribution

The COVID-19 pandemic has had a drastic impact on every facet of the global economy, including the entertainment industry. With the epidemic situation gradually stabilising in Hong Kong, social and economic activities have seen some revival but consumer sentiment might be dampened by the worse-than-expected economic outlook in Hong Kong and the deterioration of global economic prospects.

Due to the relaxation of social distancing measures and the release of a number of local and international blockbuster movies, the cinema operation of eSun Holdings Limited (“eSun”) and its subsidiaries (together, “eSun Group”) recovered gradually from the worst of the COVID-19 pandemic. During the year under review, eSun Group's cinemas in Hong Kong were allowed to operate at 85% capacity for all screens before the hit of the fifth-wave of COVID-19 in January 2022 resulting in us being requested to close from 7 January 2022 to 20 April 2022 as part of the government's ramped up measures to contain the spread of COVID-19. When we reopened on 21 April 2022 under the first phase of recent relaxation of social distancing measures in Hong Kong, the maximum number of customers allowed in cinemas was limited to 50% of their normal capacity, which has been relaxed to 85% since 19 May 2022. Cinemas in Mainland China have capped their attendance at 75% of capacity in low-risk areas and operations got suspended when their neighborhoods or districts were categorised as medium or high-risk areas. The box office in Mainland China has also shown a recovery since 2021 driven by the success of patriotic blockbusters. The performance of cinema operations in Hong Kong and Mainland China are still suffering from the social distancing measures as well as the challenging operating environment amid the economic uncertainty, eSun Group remains cautiously optimistic about the fundamental demand for entertainment in the long run and continues to evaluate opportunities to maintain and enhance its market positioning as a leading multiplex cinema operator in Hong Kong.

In February 2022, eSun Group extended the tenancy agreement of the Festival Grand Cinema in Festival Walk for 3 years commencing on 1 February 2024. Festival Walk is one of the most popular shopping and leisure destinations in Hong Kong with direct connection to the Kowloon Tong MTR Station and eSun Group has been operating the cinema since June 2016. Given its strategic location, eSun Group considers that the continued use of the premise after the expiry of the existing tenancy will be beneficial to the cinema operation of eSun Group and will further enhance its market position as a leading multiplex cinema operator in Hong Kong.

MCL Cinemas Plus+ Plaza Hollywood, the new cinema at Plaza Hollywood in Diamond Hill, Kowloon through a joint venture company with Emperor Cinemas Group opened in July 2022. Another new cinema of eSun Group in Kai Tak, Kowloon, is expected to commence business in the second quarter of 2023. eSun Group also secured the cinema site at The ONE in Tsim Sha Tsui, Kowloon and the operation is expected to commence in the third quarter of 2023. In view of the challenging market condition and economic uncertainty in Mainland China, the Guangzhou Mayflower Cinema City was closed in October 2022. eSun Group is closely monitoring the market conditions and will continue to improve its overall operating efficiency and take a prudent approach in evaluating opportunities for further expansion of its footprint.

The COVID-19 pandemic has changed the consumption behavior of the general public. To rise to this challenge, Media Asia Group Holdings Limited (“MAGHL”, a non-wholly-owned subsidiary of eSun, together with its subsidiaries, “MAGHL Group”), being the media and entertainment arm of eSun Group will continue to produce high quality and commercially viable products, and has also been directing its resources towards development of online content for streaming platforms and e-commerce to capture the related market opportunities. MAGHL Group continues to invest in original productions of quality films with Chinese themes. The current production pipeline includes “*Twilight of the Warriors: Walled In*”, an action film directed by Cheng Poi-Shui, featuring Louis Koo, Sammo Hung, Richie Jen and Raymond Lam and “*Tales from the Occult II & III*”, both are psychological thrillers each made up of three short stories produced by John Chong and Mathew Tang, and directed by Frank Hui, Daniel Chan and Doris Wong (*Tales from the Occult II*), and Li Chi Ngai, Peter Lee and Pater Wong (*Tales from the Occult III*).

“*Dead Ringer*”, a 24-episode modern-day TV drama series featuring Bosco Wong and Chrissie Chau, is in post-production stage. MAGHL Group is in discussion with various Chinese portals and video websites for new project development in TV drama production.

The distribution licence of music products with Tencent Music Entertainment (Shenzhen) Co., Ltd and Warner Music continue to provide stable income to eSun Group. MAGHL Group will keep looking for new talent in Greater China and further cooperation with Asian artistes with an aim to build up a strong artiste roster for eSun Group.

Upcoming events including long-awaited “*Re: Grasshopper In Concert 2022*”, “*Here & Now Ekin In Concert 2022*” and “*Super Junior World Tour – Super Show 9: Road in Hong Kong*” will be held in the coming months. MAGHL Group will continue to work with prominent local and Asian artistes for concert promotion and events scheduled for next year include concerts of Joyce Cheng, Jay Fung, Yoga Lin and Tsai Chin.

It is believed that MAGHL Group’s integrated media platform comprising movies, TV programs, music, new media, artiste management and live entertainment put it in a strong position to capture the opportunities of the entertainment market by a balanced and synergistic approach. eSun Group is monitoring market conditions closely and will take a prudent approach to explore cooperation and investment opportunities to enrich its portfolio and broaden its income stream.

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP

The unaudited pro forma statement of adjusted consolidated net tangible assets (the “**Unaudited Pro Forma Financial Information**”) of the Group has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 July 2022.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the audited consolidated net assets of the Group as at 31 July 2022, as extracted from the published annual report of the Group for the year ended 31 July 2022, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

The Unaudited Pro Forma Financial Information has been prepared for illustrative purposes only and, because of its hypothetical nature, it may not give a true picture of the consolidated net tangible assets of the Group following the Rights Issue as at the date to which it is made up or at any future date.

	Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 July 2022 <i>HK\$'000</i> <i>(Note 1)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 2)</i>	Unaudited pro forma adjusted consolidated net tangible assets of the Group attributable to owners of the Company after completion of the Rights Issue as at 31 July 2022 <i>HK\$'000</i>
Consolidated net tangible assets	19,076,539	446,004	19,522,543
Audited consolidated net tangible assets per Share attributable to owners of the Company, prior to the completion of the Rights Issue <i>(Note 3)</i>	<u>HK\$32.393</u>		
Unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company, after the completion of the Rights Issue <i>(Note 4)</i>			<u>HK\$22.100</u>

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

Notes:

- (1) *The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 July 2022 is extracted from the published annual report of the Group for the year ended 31 July 2022 and calculated as follows:*

	HK\$'000	HK\$'000
<i>Audited consolidated net assets of the Group attributable to owners of the Company as at 31 July 2022</i>		19,274,583
<i>Less: Intangible assets attributable to owners of the Company</i>		
<i>Film rights</i>	(19,162)	
<i>Film and TV program products</i>	(61,174)	
<i>Music catalogs</i>	(663)	
<i>Goodwill</i>	(207,792)	
<i>Other intangible assets</i>	(132,883)	
	(421,674)	
<i>Less: Attributable to non-controlling interests</i>	223,630	
		(198,044)
		19,076,539

- (2) *The estimated net proceeds from the Rights Issue of approximately HK\$446.0 million are based on 294,457,967 Rights Shares to be issued (in the proportion of 1 Rights Share for every 2 existing Shares held on the Record Date which is 588,915,934 Shares at the subscription price of HK\$1.58 per Rights Share) and after the deduction of estimated related expenses of approximately HK\$19.2 million.*
- (3) *The calculation of audited consolidated net tangible assets per Share attributable to owners of the Company prior to the completion of the Rights Issue is based on 588,915,934 Shares in issue as at 31 July 2022.*
- (4) *The calculation of unaudited pro forma adjusted consolidated net tangible assets per Share attributable to owners of the Company after the completion of the Rights Issue is based on 883,373,901 Shares which comprise of 588,915,934 Shares in issue as at 31 July 2022 and 294,457,967 Rights Shares to be issued.*
- (5) *No adjustment has been made to reflect any trading results or other transactions of the Group entered into subsequent to 31 July 2022.*

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

INDEPENDENT REPORTING ACCOUNTANTS' ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION



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To the Directors of Lai Sun Garment (International) Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Lai Sun Garment (International) Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the pro forma consolidated net tangible assets as at 31 July 2022, and related notes as set out in Appendix II of the prospectus dated 25 November 2022 (the “**Prospectus**”) issued by the Company (the “**Pro Forma Financial Information**”). The applicable criteria on the basis of which the Directors have compiled the Pro Forma Financial Information are described in Appendix II.

The Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the proposed rights issue of the Company (the “**Proposed Rights Issue**”) on the Group’s financial position as at 31 July 2022 as if the Proposed Rights Issue had taken place at 31 July 2022. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the Directors from the consolidated statement of financial position of the Group as at 31 July 2022, on which an annual report has been published.

Directors’ responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the Pro Forma Financial Information in accordance with paragraph 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 *Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars* issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

Our independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Control 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

Reporting accountants' responsibilities

Our responsibility is to express an opinion, as required by paragraph 4.29(7) of the Listing Rules, on the Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 *Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus* issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Pro Forma Financial Information in accordance with paragraph 4.29 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Pro Forma Financial Information.

The purpose of the Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of the Proposed Rights Issue on unadjusted financial information of the Group as if the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the transaction would have been as presented.

A reasonable assurance engagement to report on whether the Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the transaction, and to obtain sufficient appropriate evidence about whether:

- the related pro forma adjustments give appropriate effect to those criteria; and
- the Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the transaction in respect of which the Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

**APPENDIX II UNAUDITED PRO FORMA FINANCIAL INFORMATION
OF THE GROUP**

The engagement also involves evaluating the overall presentation of the Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion

In our opinion:

- (a) the Pro Forma Financial Information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purpose of the Pro Forma Financial Information as disclosed pursuant to paragraph 4.29(1) of the Listing Rules.

Ernst & Young
Certified Public Accountants
Hong Kong

25 November 2022

1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this prospectus misleading.

2. SHARE CAPITAL

The issued share capital of the Company as at the Latest Practicable Date were, and following completion of the Rights Issue, are expected to be as follows:

Issued and fully paid or credited as fully paid:

588,915,934 Shares (as at the Latest Practicable Date)

Rights Shares to be issued upon completion of the Rights Issue:

294,457,967 Shares (assuming no change in the number of Shares in issue on or before the Record Date)

303,960,052 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options (except for Dr. Peter Lam's Share Options))

Issued share capital upon completion of the Rights Issue:

883,373,901 Shares (assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue and all Qualifying Shareholders have taken up the Rights Shares to which they are entitled)

911,880,156 Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the new Shares to be allotted and issued pursuant to the full exercise of the outstanding Share Options (except for Dr. Peter Lam's Share Options) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue and all Qualifying Shareholders have taken up the Rights Shares to which they are entitled)

All of the Rights Shares to be issued will rank *pari passu* in all respects with each other, including, in particular, as to dividends, voting rights and return of capital, and once issued and fully paid, with all the Shares in issue as at the date of allotment and issue of the Rights Shares. The Rights Shares to be issued will be listed on the Main Board of the Stock Exchange.

The Company has applied to the Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No Share or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, there were no arrangements under which future dividends are waived or agreed to be waived. Save as disclosed below, the Company has no other outstanding convertible securities, options or warrants, which confer any right to subscribe for or convert or exchange into the Shares.

3. SHARE OPTION SCHEMES

As at the Latest Practicable Date, there are 20,741,503 outstanding Share Options granted by the Company exercisable into 20,741,503 Shares pursuant to the Share Option Schemes. Save for the foregoing, as at the Latest Practicable Date, the Company had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

4. PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT

(a) Business Address

The business address of all the Directors and senior management is the same as the address of the Company's registered office at 11/F., Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong.

(b) Biographical Details

Each of the current executive Directors (“**Executive Directors**”) named below (except Madam U Po Chu and Mr. Lam Kin Hong, Matthew) holds directorships in a number or certain of the subsidiaries of the Company and all of them hold directorships in all or certain of the Company's listed affiliates, namely Lai Sun Development Company Limited (“**LSD**”), eSun Holdings Limited (“**eSun**”), Lai Fung Holdings Limited (“**Lai Fung**”) and Media Asia Group Holdings Limited (“**MAGHL**”). The issued shares of LSD, eSun and Lai Fung are listed and traded on the Main Board of the Stock Exchange and MAGHL's issued shares are listed and traded on the GEM of the Stock Exchange. Wisdoman is the controlling shareholder of the Company, the Company is the ultimate holding company of LSD which in turn is the intermediate holding company of eSun, Lai Fung and MAGHL while MAGHL is the subsidiary of eSun.

Dr. Lam Kin Ngok, Peter*Executive Director and Chairman*

Dr. Lam Kin Ngok, Peter, aged 65, is the Chairman of the Company and a member of the Executive Committee of the Company. He has been an Executive Director since October 1987 and is a director of Wisdoman Limited (a controlling shareholder of the Company). Dr. Lam was appointed the chairman of the Nomination Committee of the Company on 25 January 2022. Dr. Lam is also the chairman and an executive director of LSD and MAGHL as well as an executive director of Crocodile Garments Limited (“CGL”), a company listed on the Main Board of the Stock Exchange. Dr. Lam was an executive director of eSun from 15 October 1996 to 13 February 2014. Dr. Lam was the chairman and an executive director of Lai Fung from 25 November 1993 to 31 October 2012. Dr. Lam has extensive experience in the property development and investment business, hospitality as well as media and entertainment business. Dr. Lam was conferred an Honorary Doctorate by The Hong Kong Academy for Performing Arts in June 2011. Dr. Lam received the Gold Bauhinia Star awarded from the Government of the Hong Kong Special Administrative Region on 1 July 2015. He also received the Grand Bauhinia Medal awarded from the Government of the Hong Kong Special Administrative Region on 27 July 2022.

Currently, Dr. Lam is the chairman of the Hong Kong Trade Development Council. He is also a standing committee member of the 13th National Committee of the Chinese People’s Political Consultative Conference (“CPPCC”). In addition, Dr. Lam is the chairman of Hong Kong Chamber of Films Limited, a life honorable president of Hong Kong Motion Picture Industry Association Limited, a director of The Real Estate Developers Association of Hong Kong, a trustee of The Better Hong Kong Foundation, a vice chairman of Friends of Hong Kong Association Limited, a director of Hong Kong-Vietnam Chamber of Commerce Limited, an honorary chairman of Federation of HK Jiangsu Community Organisations, the president of Hong Kong Association of Cultural Industries Limited, the chairman of Hong Kong Cultural Development Research Institute Limited, a non-official member of the Trade and Industry Advisory Board, a member of each of the board of West Kowloon Cultural District Foundation Limited (a wholly-owned subsidiary of West Kowloon Cultural District Authority) and the general committee of the Hong Kong General Chamber of Commerce.

Dr. Peter Lam is the son of Madam U, the elder brother of Mr. Lam Kin Hong, Matthew and the father of Mr. Lester Lam.

Mr. Chew Fook Aun*Executive Director and Deputy Chairman*

Mr. Chew Fook Aun, aged 60, was appointed the Deputy Chairman and an Executive Director of the Company on 5 June 2012. He is presently a member of the Executive Committee and Remuneration Committee, and has been appointed the alternate to Dr. Lam Kin Ngok, Peter, the chairman of the Nomination Committee of the Company. He is also the deputy chairman and an executive director of LSD, an executive director of eSun and the chairman and an executive director of Lai Fung.

Prior to joining the Lai Sun Group, Mr. Chew was an executive director and the group chief financial officer of Esprit Holdings Limited (“**Esprit**”) from 1 February 2009 to 1 May 2012, and an executive director and the chief financial officer of The Link Management Limited (now known as Link Asset Management Limited), acting as manager of The Link Real Estate Investment Trust (now known as Link Real Estate Investment Trust (“**Link REIT**”)), from February 2007 to January 2009. He was also the chief financial officer of Kerry Properties Limited (“**Kerry Properties**”) from 1996 to 2004, a director of corporate finance for Kerry Holdings Limited from 1998 to 2004, and an executive director of Kyard Limited in charge of the property portfolio of a private family office from 2004 to 2007. The issued shares of Esprit and Kerry Properties and the issued units of the Link REIT are listed and traded on the Main Board of the Stock Exchange.

Mr. Chew has over 30 years of experience in accounting, auditing and finance in the United Kingdom (“**UK**”) and Hong Kong. He graduated from the London School of Economics and Political Science of the University of London in the UK with a Bachelor of Science (Economics) degree. Mr. Chew is a certified public accountant, a Fellow Member of The Institute of Chartered Accountants in England and Wales (ICAEW), the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and The Hong Kong Institute of Directors (HKIoD).

Mr. Chew was a council member of the HKICPA and its vice president in 2010. He was council member of the Financial Reporting Council (“**FRC**”), a member of the Independent Audit Oversight Reform Committee for the FRC and a member of the Investigation and Compliance Committee of the FRC. Mr. Chew was a member of the Advisory Committee of the Securities and Futures Commission (“**SFC**”), the Citizens Advisory Committee on Community Relations of the Independent Commission Against Corruption (“**ICAC**”), the Corruption Prevention Advisory Committee of the ICAC and the Operations Review Committee of the ICAC. He was also a member of the Standing Committee on Company Law Reform of the Companies Registry.

Mr. Chew is presently a member of the Hong Kong Judiciary Barristers Disciplinary Tribunal Panel since 2015. He is a member of the Board of Directors of the Hong Kong Sports Institute Limited (HKSI) from 1 April 2017 and was appointed its Vice Chairman from 1 April 2021. He is a member of the Board of Directors of The Asian Youth Orchestra since 2018. Mr. Chew was appointed a member of the Council of The Hong Kong Polytechnic University for a term of three years with effect from 1 April 2022 and is a deputy chairman of the executive committee of The Malaysian Chamber of Commerce (Hong Kong and Macau) Limited since 13 June 2022. Mr. Chew was appointed a non-executive director of the SFC on 17 October 2022 for a term of two years with effect from 1 January 2023.

Mr. Lam Kin Hong, Matthew

Executive Director

Mr. Lam Kin Hong, Matthew, aged 54, was appointed an Executive Director in March 2001 and is a member of the Executive Committee and a legal adviser of the Company. He is also an executive deputy chairman and an executive director of Lai Fung and an executive director of CGL.

Mr. Lam graduated from the University College London in the UK with a Bachelor of Science Degree and underwent training as a lawyer with Reed Smith Richards Butler, an international law firm. He is the Co-founding Partner and Managing Partner of Nixon Peabody CWL in Hong Kong and a member of The Law Society of Hong Kong, The Law Society of Singapore and The Law Society of England and Wales.

Mr. Lam has considerable experience in property development and corporate finance in Hong Kong and Mainland China. He is the vice president of the Hong Kong Real Property Federation and a standing committee member of the CPPCC in Shanghai.

Mr. Lam was appointed a Justice of the Peace in July 2021. He serves as an Honorary Consul of the Republic of Estonia in Hong Kong, a member of the Consumer Council, a member of the Fight Crime Committee and the observer of the Independent Police Complaints Council. Mr. Lam also serves as a Racing Steward at the Hong Kong Jockey Club and is a council member of the Better Hong Kong Foundation. He was a member of the Employees Compensation Assistance Fund Board, and the Advisory Committee on Admission of Quality Migrants and Professionals.

Mr. Lam is the younger brother of Dr. Peter Lam and an uncle of Mr. Lester Lam.

Mr. Lam Hau Yin, Lester

Executive Director (also alternate to Madam U)

Mr. Lester Lam, aged 41, was appointed an Executive Director in May 2006 and is a member of the Executive Committee of the Company. He is also the alternate director to Madam U in her capacity as an executive director of the Company and Lai Fung and a non-executive director each of LSD and eSun. Mr. Lester Lam is an executive director of LSD and eSun as well as an executive director and the chief executive officer of Lai Fung. He is also a director of Wisdoman.

Mr. Lester Lam holds a Bachelor of Science in Business Administration degree from Northeastern University, Boston, the United States. He completed the Kellogg-HKUST Executive MBA program in July 2016. He has acquired working experience since 1999 in various companies engaged in securities investment, hotel operations, environmental products, entertainment and property development and investment. He is member of the general committee of the Chamber of Hong Kong Listed Companies.

Mr. Lester Lam is a son of Dr. Peter Lam, a grandson of Madam U and a nephew of Mr. Lam Kin Hong, Matthew.

Madam U Po Chu

Executive Director

Madam U, aged 97, has been a Director since December 1990 and was re-designated as an Executive Director with effect from 27 November 2012. She is also a non-executive director of LSD and eSun, as well as an executive director of Lai Fung, and a director of Wisdoman.

Madam U has over 55 years of experience in the garment manufacturing business and had been involved in the printing business in the mid-1960's. She started to expand the business to fabric bleaching and dyeing in the early 1970's and became involved in property development and investment in the late 1980's.

Madam U is the mother of Dr. Peter Lam and the grandmother of Mr. Lester Lam.

Mr. Chow Bing Chiu*Independent Non-executive Director*

Mr. Chow, aged 71, was appointed an Independent Non-executive Director in September 2004 and is a member of the Audit Committee, the Nomination Committee, and the Remuneration Committee of the Company. Mr. Chow is also a non-executive director of CGL.

Mr. Chow obtained his Bachelor of Law degree in 1980 and qualified as a solicitor in Hong Kong in 1983. He is the senior partner of B.C. Chow & Co., Solicitors, in Hong Kong and a China-appointed Attesting Officer.

Mr. Lam Bing Kwan*Independent Non-executive Director*

Mr. Lam, aged 72, was appointed an Independent Non-executive Director in February 2011 and is the chairman of the Remuneration Committee and a member of both the Audit Committee and the Nomination Committee of the Company. Mr. Lam is also an independent non-executive director of LSD and Lai Fung and a non-executive director of Sino-i Technology Limited and Nan Hai Corporation Limited. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange.

Mr. Lam graduated from the University of Oregon in the United States with a Bachelor of Business Administration degree in 1974. He has substantial experience in property development and investment in China, having been actively involved in this industry since the mid-1980's. Mr. Lam has served on the boards of directors of a number of listed companies in Hong Kong for over 10 years.

Mr. Leung Shu Yin, William*Independent Non-executive Director*

Mr. Leung, aged 73, was appointed an Independent Non-executive Director in July 2002 and is the chairman of the Audit Committee and a member of the Remuneration Committee of the Company. Mr. Leung is also an independent non-executive director of LSD and Mainland Headwear Holdings Limited. He is also an independent non-executive director and deputy chairman of CGL. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange.

Mr. Leung is a certified public accountant, a member of the Hong Kong Securities and Investment Institute and a fellow of both the Association of Chartered Certified Accountants in the UK and the HKICPA. Mr. Leung is a practising director of two certified public accountants' firms in Hong Kong.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors was a director or employee of a company which had any interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

Mr. Yip Chai Tuck*Chief Executive Officer*

Mr. Yip, aged 48, has been appointed Chief Executive Officer in August 2013. He is also an executive director of eSun and MAGHL. Mr. Yip has extensive experience in corporate advisory, business development and investment banking. Mr. Yip has been appointed a member of the Securities and Futures Appeals Tribunal for a term of 2 years from 1 April 2021. Prior to joining the Lai Sun Group, he was a managing director and head of mergers and acquisitions (“M&A”) for China of Goldman Sachs. He also worked for PCCW Limited, a Hong Kong listed company, as vice president of ventures and M&A, responsible for strategic investments and M&A transactions.

Mr. Yip graduated from Macquarie University, Australia with a Bachelor of Economics (Accounting) and obtained a Master Degree in Applied Finance and Investments from the Financial Services Institute of Australia, where he is also a Fellow member.

5. DISCLOSURE OF INTERESTS

Directors' and chief executives' interests and short positions in Shares, underlying Shares and debentures of the Company and its associated corporations

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required to be (i) notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (ii) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO (“**Register of Directors and Chief Executive**”); or (iii) as otherwise notified to the Company and the Stock Exchange pursuant to the Code of Practice for Securities Transactions by Directors and Designated Employees adopted by the Company (“**Securities Code**”) on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of the Listed Issuers contained in Appendix 10 to the Listing Rules; or (iv) as known by the Directors were as follows:

(a) The Company**Long positions in the Shares and the underlying Shares**

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued Shares (Note 1)
Dr. Peter Lam (Note 4)	Beneficial owner/ Owner of controlled corporations	74,807,359	Nil	172,112,124 (Note 2)	1,737,333 (Note 3)	248,656,816	42.22%
Mr. Chew Fook Aun ("Mr. FA Chew")	Beneficial owner	Nil	Nil	Nil	4,869,867 (Note 3)	4,869,867	0.83%
Madam U (Note 4)	Beneficial owner	1,238,287	Nil	Nil	Nil	1,238,287	0.21%
Mr. Lester Lam (Note 4)	Beneficial owner	18,688,812	Nil	Nil	6,182,167 (Note 3)	24,870,979	4.22%

Notes:

1. *The percentage has been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 588,915,934 Shares).*
2. *172,112,124 Shares were owned by Wisdoman. Dr. Peter Lam was deemed to be interested in the same 172,112,124 Shares (representing approximately 29.23% of the Company's issued share capital) by virtue of his 100% interest in the issued share capital of Wisdoman.*
3. *Share options were granted by the Company to each of Dr. Peter Lam, Mr. FA Chew and Mr. Lester Lam, the particulars of which are set out below (after taking into account the effects of the 2021 Rights Issue):*

<i>Name of Director</i>	<i>Date of grant</i>	<i>Number of underlying Shares comprised in the share options</i>	<i>Exercise period of share options</i>	<i>Exercise price of share options HK\$ per Share</i>
<i>Dr. Peter Lam</i>	<i>19/06/2017</i>	<i>425,033</i>	<i>19/06/2017-18/06/2027</i>	<i>11.763</i>
<i>Dr. Peter Lam</i>	<i>25/01/2022</i>	<i>1,312,300</i>	<i>25/01/2022-24/01/2032</i>	<i>3.874</i>
<i>Mr. FA Chew</i>	<i>19/06/2017</i>	<i>4,869,867</i>	<i>19/06/2017-18/06/2027</i>	<i>11.763</i>
<i>Mr. Lester Lam</i>	<i>19/06/2017</i>	<i>4,869,867</i>	<i>19/06/2017-18/06/2027</i>	<i>11.763</i>
<i>Mr. Lester Lam</i>	<i>25/01/2022</i>	<i>1,312,300</i>	<i>25/01/2022-24/01/2032</i>	<i>3.874</i>

4. *Dr. Peter Lam, Madam U and Mr. Lester Lam are the directors of Wisdoman.*

(b) Associated Corporations**(i) LSD — a subsidiary of the Company****Long positions in the ordinary shares of LSD (“LSD Shares”) and the underlying LSD Shares**

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued LSD Shares (Note 1)
Dr. Peter Lam	Beneficial owner/ Owner of controlled corporations	650,605	Nil	515,389,531 (Note 2)	486,452 (Note 4)	516,526,588	53.31%
Mr. FA Chew	Beneficial owner/ Owner of controlled corporations	Nil	Nil	1,831,500 (Note 3)	Nil (Note 4)	1,831,500	0.19%
Madam U (Note 5)	Beneficial owner	40,378	Nil	Nil	Nil	40,378	0.01%
Mr. Lester Lam	Beneficial owner	Nil	Nil	Nil	4,864,519 (Note 4)	4,864,519	0.50%

Notes:

- The percentage has been compiled based on the total number of issued LSD Shares as at the Latest Practicable Date (i.e. 968,885,887 LSD Shares).*
- As at the Latest Practicable Date, the Company, together with Joy Mind Limited and Zimba International Limited (wholly-owned subsidiaries of the Company), beneficially owned in aggregate 515,389,531 LSD Shares. Dr. Peter Lam was deemed to be interested in the same 515,389,531 LSD Shares (representing approximately 53.19% of the issued share capital of LSD) by virtue of, in aggregate, his personal (excluding underlying shares) and deemed interests of approximately 41.93% in the issued share capital of the Company.*
- The 1,831,500 LSD 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. FA Chew was deemed to be interested in these 1,831,500 LSD Shares (representing approximately 0.19% of the issued share capital of LSD).*

4. Share options were granted by LSD to each of Dr. Peter Lam, Mr. FA Chew and Mr. Lester Lam, the particulars of which are set out below (after taking into account the effects of the rights issue of LSD in 2021):

Name of Director	Date of grant	Number of underlying Shares comprised in the LSD share options	Exercise period of LSD share options	Exercise price of LSD share options HK\$ per share
Dr. Peter Lam	18/01/2013	486,452	18/01/2013-17/01/2023	13.811
Mr. FA Chew	05/06/2012	2,275,301*	05/06/2012-04/06/2022	4.590
Mr. Lester Lam	18/01/2013	4,864,519	18/01/2013-17/01/2023	13.811

* The share options comprising a total of 2,275,301 underlying LSD Shares granted to Mr. FA Chew on 5 June 2012 expired on 5 June 2022.

5. Madam U is the widow of the late Mr. Lim Por Yen whose estate includes an interest of 5,812,553 LSD Shares, representing approximately 0.60% of the issued share capital of LSD.

(ii) eSun — a subsidiary of LSD

Long positions in the ordinary shares of eSun (“eSun Shares”) and the underlying eSun Shares

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued eSun Shares (Note 1)
Dr. Peter Lam	Beneficial owner/ Owner of controlled corporations	2,794,443	Nil	1,113,260,072 (Note 2)	Nil	1,116,054,515	74.81%
Mr. Lester Lam	Beneficial owner	2,794,443	Nil	Nil	Nil	2,794,443	0.19%

Notes:

1. *The percentage has been compiled based on the total number of issued eSun Shares as at the Latest Practicable Date (i.e. 1,491,854,598 eSun Shares).*
2. *As at the Latest Practicable Date, the Company was interested in 515,389,531 LSD Shares, representing approximately 53.19% of the issued share capital of LSD. Transtrend Holdings Limited (“**Transtrend**”), a wholly-owned subsidiary of LSD, was interested in 1,113,260,072 eSun Shares, representing approximately 74.62% of the issued share capital of eSun. As such, Dr. Peter Lam was deemed to be interested in the same 1,113,260,072 eSun Shares (representing approximately 74.62% of the issued share capital of eSun) by virtue of, in aggregate, his personal (excluding underlying shares) and deemed interests of approximately 41.93% and 53.26% in the issued share capital of the Company and LSD, respectively.*

(iii) Lai Fung — a subsidiary of LSD

**Long positions in the ordinary shares of Lai Fung (“Lai Fung Shares”)
and the underlying Lai Fung Shares**

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate
							% of total interests to total issued Lai Fung Shares (Note 1)
Dr. Peter Lam	Beneficial owner/ Owner of controlled corporations	Nil	Nil	182,318,266 (Note 2)	321,918 (Note 3)	182,640,184	55.17%
Mr. Lester Lam	Beneficial owner	Nil	Nil	Nil	3,219,182 (Note 3)	3,219,182	0.97%

Notes:

1. The percentage has been compiled based on the total number of issued Lai Fung Shares as at the Latest Practicable Date (i.e. 331,033,443 Lai Fung Shares).
2. As at the Latest Practicable Date, LSD was interested or deemed to be interested in 182,318,266 Lai Fung Shares, of which 180,600,756 Lai Fung Shares were beneficially owned by Holy Unicorn Limited, a wholly-owned subsidiary of LSD and 1,717,510 Lai Fung Shares were beneficially owned by Transtrend, representing approximately 55.08% of the issued share capital of Lai Fung. As such, Dr. Peter Lam was deemed to be interested in the same 182,318,266 Lai Fung Shares (representing approximately 55.08% of the issued share capital of Lai Fung) by virtue of, in aggregate, his approximate 41.93% and 53.26% personal (excluding underlying shares) and deemed interests in the issued share capital of the Company and LSD, respectively.
3. Share options were granted by Lai Fung to each of Dr. Peter Lam and Mr. Lester Lam, the particulars of which are set out below:

Name of Director	Date of grant	Number of underlying Lai Fung Shares comprised in the Lai Fung share options	Exercise period of Lai Fung share options	Exercise price of Lai Fung share options HK\$ per share
Dr. Peter Lam	18/01/2013	321,918	18/01/2013-17/01/2023	11.400
Mr. Lester Lam	18/01/2013	3,219,182	18/01/2013-17/01/2023	11.400

(iv) **MAGHL — a subsidiary of eSun**

Long position in the ordinary shares of MAGHL (“MAGHL Shares”) and the underlying MAGHL Shares

Name of Director	Capacity	Number of MAGHL Shares held	Number of underlying MAGHL Shares held	Total number of MAGHL Shares and underlying MAGHL Shares held	Approximate % of total interests to total issued MAGHL Shares (Note 1)
Dr. Peter Lam	Owner of controlled corporations	2,021,848,647 (Note 2)	Nil	2,021,848,647	67.70%

Notes:

1. *The percentage has been compiled based on the total number of issued MAGHL Shares as at the Latest Practicable Date (i.e. 2,986,314,015 MAGHL Shares).*
2. *As at the Latest Practicable Date, these interests in MAGHL were beneficially owned by Perfect Sky Holdings Limited, a wholly-owned subsidiary of eSun, representing approximately 67.70% of the issued share capital of MAGHL. eSun was owned as to approximately 74.62% by LSD which was in turn owned as to approximately 53.19% by the Company. As the Company was approximately 12.70% (excluding share options) owned by Dr. Peter Lam and approximately 29.23% owned by Wisdoman which was in turn 100% beneficially owned by Dr. Peter Lam, he was deemed to be interested in the same 2,021,848,647 MAGHL Shares.*

(v) Lai Sun MTN Limited — a subsidiary of LSD**Long positions in the 5% guaranteed medium term notes due 2026**

Name of Director	Capacity	Nature of Interests	Principal amount
Dr. Peter Lam	Beneficial owner	Personal	USD10,000,000

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company and their respective close associates was interested, or was deemed to be interested in the long and short positions in the shares, underlying shares and/or debentures of the Company or any of its associated corporations, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or recorded in the Register of Directors and Chief Executive pursuant to section 352 of the SFO, or notified to the Company and the Stock Exchange under the Securities Code or otherwise known by the Directors.

Substantial shareholders' interests and short positions in the Shares and the underlying Shares

As at the Latest Practicable Date, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals who had 5% or more interests in the following long positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept under section 336 of the SFO (“**Register of Shareholders**”) or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (“**Voting Entitlements**”) (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

Long positions in the Shares and the underlying Shares

Name	Capacity	Nature of interests	Number of Shares and underlying Shares	Approximate % of Shares in issue (Note 1)
Dr. Peter Lam (Note 2)	Beneficial owner/ Owner of controlled corporations	Personal and corporate	248,656,816 (Note 3)	42.22%
Wisdoman (Note 2)	Beneficial owner	Corporate	172,112,124 (Note 3)	29.23%
Yu Cheuk Yi	Beneficial owner	Personal	115,472,280 (Note 4)	29.41% (Note 4)
Yu Siu Yuk	Beneficial owner	Personal	115,472,280 (Note 4)	29.41% (Note 4)

Notes:

1. The percentage has been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 588,915,934 Shares).
2. Dr. Peter Lam, a Director of the Company, is also a director of Wisdoman.
3. Dr. Peter Lam was deemed to be interested in 172,112,124 Shares owned by Wisdoman by virtue of his 100% interest in the issued share capital of Wisdoman.

4. *Based on the information received by the Company from Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk, which the Company is unable to separately verify, as at 5 May 2020, Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 115,472,280 Shares.*

In 2021, the Company conducted a rights issue as detailed in its listing document dated 9 July 2021. Based on the publicly available information, no disclosure of interests filing has been submitted to reflect the dilution effect (if any) on the interests of Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk in the Company after completion of the 2021 Rights Issue.

For reference and illustrative purpose only, the number of issued Shares and the approximate percentage of total issued Shares held jointly by Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk was increased to 173,208,420 Shares (29.41%) after the completion of the 2021 Rights Issue were arrived at on the assumption that they have taken up their full entitlement of rights shares under the provisional allotment letter(s) based on 115,472,280 Shares held by them before the 2021 Rights Issue.

Save as disclosed above, the Directors are not aware of any other corporation or individual (other than a Director or the chief executive of the Company) who, as at the Latest Practicable Date, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

Particulars of share options**(a) The Company**

Details of the Share Options held by certain Directors of the Group and other employees under the Existing Share Option Scheme and Former Share Option Scheme as at the Latest Practicable Date are set out below:

	Number of Share Options* outstanding at the Latest Practicable Date	Date of grant of Share Options	Exercise period of Share Options	Exercise price of Share Options* <i>HK\$ per Share</i>
Directors				
Dr. Peter Lam	425,033	19/06/2017	19/06/2017 - 18/06/2027	11.763
Dr. Peter Lam	1,312,300	25/01/2022	25/01/2022 - 24/01/2032	3.874
Mr. FA Chew	4,869,867	19/06/2017	19/06/2017 - 18/06/2027	11.763
Mr. Lester Lam	4,869,867	19/06/2017	19/06/2017 - 18/06/2027	11.763
Mr. Lester Lam	1,312,300	25/01/2022	25/01/2022 - 24/01/2032	3.874
Other employees				
In aggregate	59,165	18/01/2013	18/01/2013 - 17/01/2023	4.744
In aggregate	147,912	26/07/2013	26/07/2013 - 25/07/2023	5.019
In aggregate	4,870,459	28/07/2017	28/07/2017 - 27/07/2027	12.893
In aggregate	2,874,600	25/01/2022	25/01/2022 - 24/01/2032	3.874
	<u>20,741,503</u>			

* The number and the exercise price of the share options are subject to adjustment in case of rights or bonus issues, share consolidation or other relevant changes in the share capital of the Company.

(b) Associated Corporations**(i) LSD — a subsidiary of the Company**

Details of the share options held by certain directors of LSD Group and other employees under the share option schemes adopted by LSD on 22 December 2006 and 11 December 2015 as at the Latest Practicable Date are set out below:

	Number of LSD share options* outstanding at the Latest Practicable Date	Date of grant of LSD share options	Exercise period of LSD share options	Exercise price of LSD share options* <i>HK\$ per share</i>
Directors				
Dr. Peter Lam	486,452	18/01/2013	18/01/2013 - 17/01/2023	13.811
Mr. Lau Shu Yan, Julius	2,432,259	18/01/2013	18/01/2013 - 17/01/2023	13.811
Mr. Lester Lam	4,864,519	18/01/2013	18/01/2013 - 17/01/2023	13.811
Mr. Lee Tze Yan, Ernest	969,854	18/01/2013	18/01/2013 - 17/01/2023	13.811
Other employees				
In aggregate	1,212,318	18/01/2013	18/01/2013 - 17/01/2023	13.811
In aggregate	96,985	26/07/2013	26/07/2013 - 25/07/2023	9.650
In aggregate	193,971	21/01/2015	21/01/2015 - 20/01/2025	7.163
In aggregate	69,940	22/01/2016	22/01/2016 - 21/01/2026	4.032
In aggregate	69,940	20/01/2017	20/01/2017 - 19/01/2027	6.991
In aggregate	256,449	26/01/2021	26/01/2021 - 25/01/2031	5.455
In aggregate	310,000	25/01/2022	25/01/2022 - 24/01/2032	4.380
	<u>10,962,687</u>			

* *The number and the exercise price of the share options are subject to adjustment in case of rights or bonus issues, share consolidation or other relevant changes in the share capital of LSD.*

(ii) eSun — a subsidiary of LSD

Details of the share options held by employees and other eligible participants under the share option scheme adopted by eSun on 11 December 2015 as at the Latest Practicable Date are set out below:

	Number of eSun share options* outstanding at the Latest Practicable Date	Date of grant of eSun share options	Exercise period of eSun share options	Exercise price of eSun share options* <i>HK\$ per share</i>
Employees and other eligible participants				
In aggregate	1,500,000	21/01/2022	21/01/2022 - 20/01/2032	0.50
	<u>1,500,000</u>			

* *The number and the exercise price of the share options are subject to adjustment in case of rights or bonus issues, share consolidation or other relevant changes in the share capital of eSun.*

(iii) Lai Fung — a subsidiary of LSD

Details of the share options held by certain directors of Lai Fung Group and other employees under the share option scheme adopted by Lai Fung on 18 December 2012 as at the Latest Practicable Date are set out below:

	Number of Lai Fung Share Options* outstanding at the Latest Practicable Date	Date of grant of Lai Fung share options	Exercise period of Lai Fung share options	Exercise price of Lai Fung share options* <i>HK\$ per share</i>
Directors				
Mr. Lester Lam	3,219,182	18/01/2013	18/01/2013 - 17/01/2023	11.40
Mr. Cheng Shin How	643,836	18/01/2013	18/01/2013 - 17/01/2023	11.40
Mr. Lee Tze Yan, Ernest	640,000	18/01/2013	18/01/2013 - 17/01/2023	11.40
Other employees				
In aggregate	2,707,672 [#]	18/01/2013	18/01/2013 - 17/01/2023	11.40
In aggregate	160,000	26/07/2013	26/07/2013 - 25/07/2023	9.50
In aggregate	120,000	16/01/2015	16/01/2015 - 15/01/2025	8.00
In aggregate	190,000	19/01/2018	19/01/2018 - 18/01/2028	13.52
In aggregate	260,000	22/01/2019	22/01/2019 - 21/01/2029	10.18
In aggregate	60,000	22/01/2021	22/01/2021 - 21/01/2031	7.364
In aggregate	440,000	21/01/2022	21/01/2021 - 20/01/2032	5.75
	8,440,690			

[#] *Dr. Peter Lam (a substantial shareholder of Lai Fung within the meaning of Part XV of the SFO) was granted a share option to subscribe for a total of 321,918 Lai Fung Shares on 18 January 2013.*

* *The number and the exercise price of the share options are subject to adjustment in case of rights or bonus issues, share consolidation or other relevant changes in the share capital of Lai Fung.*

(iv) MAGHL — a subsidiary of eSun

As at the Latest Practicable Date, there were no outstanding share options granted under the share option scheme adopted by MAGHL.

6. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the relevant member of the Group within one year without payment of compensation other than statutory compensation.

7. DIRECTORS' INTERESTS IN COMPETING BUSINESSES

As at the Latest Practicable Date, the following Directors are considered to have interests in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them was a controlling shareholder of the Company):

Dr. Peter Lam, Mr. FA Chew, Mr. Lam Kin Hong, Matthew, Madam U and Mr. Lester Lam (together, "**Interested Directors**") held shareholding or other interests and/or directorships in companies/entities engaged in the businesses of property investment and development in Hong Kong and the PRC, including LSD, Lai Fung and CGL.

Dr. Peter Lam held shareholding or other interests and/or directorships in companies or entities engaged in the business of investment in and operation of hotels and restaurants, media and entertainment, film production and distribution and cinema operation.

The Directors do not consider the interests held by the Interested Directors to be competing in practice with the relevant business of the Group in view of:

- (1) different locations and different uses of the properties owned by the above companies and those of the Group; and
- (2) different target customers of the restaurant operations, the concerts and albums of the above companies and those of the Group.

In addition, the Board is independent from the boards of directors/governing committees of the aforesaid companies/entities and none of the Interested Directors can personally control the Board. Further, each of the Interested Directors is fully aware of, and has been discharging his/her fiduciary duty to the Company and has acted and will continue to act in the best interest of the Company and the Shareholders as a whole. Therefore, the Group is capable of carrying on its businesses independently of, and at arm's length from, the businesses of such companies/entities.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in a business which competes or may compete with the businesses of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules as if each of them was a controlling shareholder of the Company).

8. DIRECTORS' INTERESTS IN THE GROUP'S ASSETS OR CONTRACTS OR ARRANGEMENTS SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which have been, since 31 July 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

As at the Latest Practicable Date, none of the Directors was materially interested in any contract or arrangement entered into by any member of the Group, subsisting at such date and which was significant in relation to the business of the Group.

9. QUALIFICATION AND CONSENT OF EXPERT

The following is the qualification of the expert who has given statement or opinion or advice for inclusion in this prospectus:

Name	Qualification
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor

Ernst & Young has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letter, report and/or references to its name in the form and context in which they appear herein.

As at the Latest Practicable Date, Ernst & Young did not have any direct or indirect interest in any securities of any member of the Company and the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did they have any interest, either directly or indirectly, in any assets which had been, since 31 July 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

10. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered office/ Principal office	:	11th Floor Lai Sun Commercial Centre 680 Cheung Sha Wan Road Kowloon Hong Kong
Authorised representatives	:	Dr. Lam Kin Ngok, Peter 11th Floor Lai Sun Commercial Centre 680 Cheung Sha Wan Road Kowloon Hong Kong Mr. Chew Fook Aun 11th Floor Lai Sun Commercial Centre 680 Cheung Sha Wan Road Kowloon Hong Kong
Company secretary	:	Ms. Tse Pik Ha <i>(an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators) in the United Kingdom)</i>
Legal advisers to the Company as to Hong Kong law in relation to the Rights Issue	:	Robertsons 57th Floor The Center 99 Queen's Road Central Hong Kong
Underwriter	:	Haitong International Securities Company Limited 22nd Floor, Li Po Chun Chambers 189 Des Voeux Road Central Hong Kong

Legal advisers to the Underwriter as to Hong Kong law in relation to the Rights Issue	: King & Wood Mallesons 13/F., Gloucester Tower The Landmark 15 Queen's Road Central Central, Hong Kong
Auditor and reporting accountant	: Ernst & Young <i>Certified Public Accountants</i> <i>Registered Public Interest Entity Auditor</i> 27/F., One Taikoo Place 979 King's Road, Quarry Bay Hong Kong
Principal bankers	: Agricultural Bank of China Limited 25/F., Agricultural Bank of China Tower 50 Connaught Road Central Hong Kong Bank of Communications Co., Ltd. Hong Kong Branch 20 Pedder Street Central Hong Kong Bank of China (Hong Kong) Limited Bank of China Tower 1 Garden Road Central Hong Kong The Bank of East Asia, Limited 10 Des Voeux Road Central Hong Kong China Construction Bank (Asia) Corporation Limited 28/F., CCB Tower 3 Connaught Road Central Central Hong Kong Chong Hing Bank Limited Ground Floor, Chong Hing Bank Centre 24 Des Voeux Road Central Hong Kong

DBS Bank Ltd.
18/F., The Center
99 Queen's Road Central
Hong Kong

Hang Seng Bank Limited
83 Des Voeux Road Central
Hong Kong

The Hongkong and Shanghai Banking
Corporation Limited
1 Queen's Road Central
Hong Kong

Industrial and Commercial Bank of China (Asia) Limited
33/F., ICBC Tower
3 Garden Road
Central
Hong Kong

Oversea-Chinese Banking Corporation Limited
9th Floor,
9 Queen's Road Central
Hong Kong

Shanghai Pudong Development Bank Co., Ltd.
30/F., SPD Bank Tower
One Hennessy
1 Hennessy Road
Hong Kong

Standard Chartered Bank (Hong Kong) Limited
32/F., 4-4A Des Voeux Road Central
Hong Kong

United Overseas Bank Limited
28/F., Champion Tower
3 Garden Road
Central
Hong Kong

Share registrar and
transfer office

: Tricor Tengis Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

11. MATERIAL CONTRACTS

As at the Latest Practicable Date, the following contracts (not being contracts in the ordinary course of business of the Company) have been entered into by members of the Group within two years immediately preceding the date of this prospectus which are or may be material:

- (a) a share subscription agreement dated 4 June 2021 entered into between MAGHL as the issuer and THL G Limited (“**THL**”) as the subscriber in relation to THL’s subscription of an aggregate of 83,333,333 subscription shares at a consideration of HK\$1.20 per share;
- (b) the irrevocable undertaking dated 11 June 2021 given by Dr. Peter Lam and Wisdoman in favour of the Company and Haitong International Securities Company Limited in relation to the 2021 Rights Issue;
- (c) the underwriting agreement dated 11 June 2021 entered into between the Company and Haitong International Securities Company Limited in relation to the 2021 Rights Issue;
- (d) the subscription agreement dated 12 August 2021 entered into among LSD, Jinlong Road Limited and Argyle Street Management Limited in relation to the subscription of 33,834,900 LSD shares (as supplemented by a deed of variation dated 27 August 2021 and entered into between the same parties);
- (e) the irrevocable undertaking dated 12 August 2021 given by Dr. Peter Lam and the Company in favour of LSD and Haitong International Securities Company Limited in relation to the rights issue of LSD in 2021;
- (f) the underwriting agreement dated 12 August 2021 entered into between LSD and Haitong International Securities Company Limited in relation to the rights issue of LSD in 2021 (as supplemented by a supplemental agreement dated 7 September 2021 and entered into between the same parties);
- (g) the financial assistance framework agreement dated 9 September 2022 and entered into between the Company and LSD in relation to the provision of financial assistance in the form of unsecured bilateral loans by member(s) of the Group (as lender) to member(s) of the LSD Group (as borrower) from time to time during the term thereof;
- (h) the financial assistance framework agreement dated 9 September 2022 and entered into between the Company and eSun in relation to the provision of financial assistance in the form of unsecured bilateral loans by member(s) of the Group (as lender) to member(s) of the eSun Group (as borrower) from time to time during the term thereof;

- (i) the financial assistance framework agreement dated 9 September 2022 and entered into between the Company and Lai Fung in relation to the provision of financial assistance in the form of unsecured bilateral loans by member(s) of the Group (as lender) to member(s) of the Lai Fung Group (as borrower) from time to time during the term thereof;
- (j) the financial assistance framework agreement dated 9 September 2022 and entered into between LSD and eSun in relation to the provision of financial assistance in the form of unsecured bilateral loans by member(s) of the LSD Group (as lender) to member(s) of the eSun Group (as borrower) from time to time during the term thereof;
- (k) the financial assistance framework agreement dated 9 September 2022 and entered into between LSD and Lai Fung in relation to the provision of financial assistance in the form of unsecured bilateral loans by member(s) of the LSD Group (as lender) to member(s) of the Lai Fung Group (as borrower) from time to time during the term thereof;
- (l) the irrevocable undertaking dated 10 November 2022 given by Dr. Peter Lam and the Company in favour of LSD and Haitong International Securities Company Limited in relation to the rights issue of LSD;
- (m) the placing agreement dated 10 November 2022 entered into between LSD and Haitong International Securities Company Limited in relation to the placing of a maximum of 231,660,994 unsubscribed rights shares by Haitong International Securities Company Limited and/or its sub-placing agent(s) to the placees in relation to the rights issue of LSD;
- (n) the underwriting agreement dated 10 November 2022 entered into between LSD and Haitong International Securities Company Limited in relation to the rights issue of LSD;
- (o) the Irrevocable Undertaking;
- (p) the Placing Agreement; and
- (q) the Underwriting Agreement.

12. LITIGATION

As at the Latest Practicable Date, no member of the Group was engaged in any litigation, arbitration or claims of material importance and no litigation, arbitration or claims of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

13. EXPENSES

The expenses in connection with the Rights Issue and the application for listing, including underwriting commission, printing, registration, translation, legal and accounting charges are estimated to amount to approximately HK\$19.2 million and will be payable by the Company.

14. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent referred to in the paragraph headed “9. Qualification and Consent of Expert” in this appendix have been delivered to the Registrar of Companies in Hong Kong for registration as required by section 38D of the Companies (WUMP) Ordinance.

15. LEGAL EFFECT

The Prospectus Documents and all acceptances of any offer or application contained in such documents are governed by and shall be construed in accordance with the laws of Hong Kong. Where an application is made in pursuance of any such documents, the relevant document(s) shall have the effect of rendering all persons concerned bound by the provisions, other than the penal provisions, of sections 44A and 44B of the Companies (WUMP) Ordinance, so far as applicable.

16. DOCUMENTS ON DISPLAY

Copies of the following documents are available on the websites of the HKEX (www.hkex.com.hk) and the Company (www.laisun.com) for a period of 14 days from the date of this prospectus:

- (a) the articles of association of the Company;
- (b) the annual reports of the Company for the three years ended 31 July 2020, 2021 and 2022;
- (c) the report on the unaudited pro forma financial information of the Group issued by Ernst & Young, the text of which is set out in Appendix II to this prospectus;
- (d) the written consent as referred to in the paragraph headed “9. Qualification and Consent of Expert” in this appendix;
- (e) the material contracts of the Group listed in the paragraph headed “11. Material Contracts” in this appendix; and
- (f) this prospectus.

17. MISCELLANEOUS

- (a) This prospectus is prepared in both English and Chinese. In the event of inconsistency, the English text of this prospectus shall prevail over the Chinese text unless otherwise specified.

- (b) The Company's legal advisers in relation to the Rights Issue are (i) as to Hong Kong law, Robertsons of 57th Floor, The Center, 99 Queen's Road Central, Hong Kong; (ii) as to Canadian law, DLA Piper (Canada) LLP of Suite 2800, Park Place, 666 Burrard St, Vancouver BC, V6C 2Z7; (iii) as to Danish law, DLA Piper Denmark Law Firm P/S of Oslo Plads 2, 2100 Copenhagen, Denmark; (iv) as to Irish law, DLA Piper Ireland LLP of 40 Molesworth Street, Dublin 2, Ireland, D02 YV57; (v) as to Malaysian law, Ben & Partners Advocates & Solicitors of 7-2, Level 2, Block D2, Dataran Prima, Jalan PJU 1/39, 47301 Petaling Jaya, Selangor, Malaysia; (vi) as to New Zealand law, Minter Ellison Rudd Watts of PwC Tower, 15 Customs Street, West Auckland, 1010, PO Box 105, 249 Auckland City, 1143 New Zealand; (vii) as to Singaporean law, Rajah & Tann Singapore LLP of 9 Straits View, Marina One West Tower, #06-07, Singapore 018937; (viii) as to Taiwanese law, Tsar & Tsai Law Firm of 11F., No. 100, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan, R.O.C.; and (ix) as to US law, King & Wood Mallesons LLP of 535 Middlefield Road, Suite 245, Menlo Park, California 94025, the United States.