
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 Development Company 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 DEVELOPMENT

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

(Stock Code: 488)

**(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**

Sole Global Coordinator and Underwriter



The latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares is 4:00 p.m. on Monday, 27 September 2021. The procedures for application of Excess Rights Shares are set out in the paragraph headed “Application for Excess Rights Shares” on pages 24 to 25 of this prospectus.

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 10 to 11 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 Tuesday, 31 August 2021. The nil-paid Rights Shares will be dealt in from Tuesday, 14 September 2021 to Tuesday, 21 September 2021 (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, 14 September 2021 to Tuesday, 21 September 2021 (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.

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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 Tuesday, 31 August 2021. The Rights Shares in their nil-paid form are expected to be dealt in from Tuesday, 14 September 2021 to Tuesday, 21 September 2021 (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.

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, the PAL and the EAF 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, the PAL and the EAF will qualify for distribution under

NOTICES

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.

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 joint announcement dated 12 August 2021 issued by the Company and LSG in relation to, among others, the Rights Issue
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day on which banks in Hong Kong are generally open for business (other than a Saturday, Sunday, public holiday and any day on which a tropical cyclone warning signal No. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which “extreme conditions” caused by a super typhoon or a “black” rainstorm warning signal is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon)
“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 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)
“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 a controlling shareholder of the Company
“Dr. Peter Lam’s Share Options”	the Share Options held by Dr. Peter Lam as at the Latest Practicable Date, comprising a total of 417,308 underlying Shares, for which he has undertaken not to exercise from the date of the Irrevocable Undertaking to the Record Date
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for the Excess Rights Shares
“eSun”	eSun Holdings Limited (豐德麗控股有限公司), an exempted company incorporated in Bermuda with limited liability 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
“Excess Rights Shares”	any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance, any entitlements of the Non-Qualifying Shareholders provisionally allotted to a nominee of the Company which are left unsold, the Scaled-down PAL Shares (if any), the Scaled-down EAF Shares (if any) and shall (for avoidance of any doubt) include any of the Rights Shares created from the aggregation of fractions of the Rights Shares which are left unsold
“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 23 December 2015
“GO obligation”	the obligation to make a general offer under Rule 26 of the Takeovers Code
“Group”	the Company and its subsidiaries

DEFINITIONS

“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
“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 12 August 2021 given by Dr. Peter Lam and LSG in favour of the Company and the Underwriter
“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
“Latest Practicable Date”	7 September 2021, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained in this prospectus
“Last Trading Day”	12 August 2021, being the last trading day for the Shares on the Stock Exchange immediately before the publication of the Announcement
“Latest Time for Acceptance”	4:00 p.m. on 27 September 2021, 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 and application for and payment for Excess Rights Shares as described in the Prospectus Documents
“Latest Time for Termination”	4:00 p.m. on 28 September 2021, 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

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“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“LSG”	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 LSG Shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 191) and is the ultimate holding company of the Company
“LSG Group”	LSG and its subsidiaries (excluding, for the avoidance of doubt, the Group)
“LSG Shareholder(s)”	holder(s) of the LSG Share(s)
“LSG Share(s)”	ordinary share(s) in the share capital of LSG
“LSG Subsidiaries”	Joy Mind Limited, a company incorporated in Hong Kong with limited liability, and Zimba International Limited, a company incorporated in the British Virgin Islands with limited liability, both being wholly-owned subsidiaries of LSG and together with LSG beneficially owned an aggregate of 343,593,021 Shares as at the Latest Practicable Date
“Madam U”	Madam U Po Chu, a non-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)
“Manager”	Argyle Street Management Limited, a company incorporated in the British Virgin Islands and a registered non-Hong Kong company under the Companies Ordinance, being the fund manager of funds that own the Subscriber and an Independent Third Party
“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

DEFINITIONS

“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
“Posting Date”	Friday, 10 September 2021, 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
“Prospectus Documents”	this prospectus, the PAL and the EAF to be 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”	Tuesday, 7 September 2021, or such other date as the Company and the Underwriter may agree in writing, for determining entitlements to participate in the Rights Issue
“Registrar”	Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen’s Road East, Hong Kong, the Company’s share registrar and transfer office
“Rights Issue”	the issue by way of rights of the Rights Shares to the Qualifying Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares held 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
“Rights Share(s)”	not less than 322,961,962 new Shares and not more than 328,917,213 new Shares proposed to be offered to the Qualifying Shareholders for subscription by way of the Rights Issue

DEFINITIONS

“Scaled-down EAF Shares”	such number of Rights Shares applied for as excess application under the EAF(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 further non-compliance with the Public Float Requirement on the part of the Company since the date of the Subscription Announcement
“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 further non-compliance with the Public Float Requirement on the part of the Company since the date of the Subscription Announcement
“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 12,327,810 outstanding share options to subscribe for 12,327,810 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
“Subscriber”	Jinlong Road Limited, a company incorporated in the Cayman Islands and an Independent Third Party
“Subscription”	the subscription for the Subscription Shares. For further details please refer to the joint announcements of the Company and LSG dated 12 August 2021 and 27 August 2021 pertaining to the details of the Subscription Agreement
“Subscription Agreement”	the subscription agreement dated 12 August 2021 as supplemented by a deed of variation dated 27 August 2021 entered into among the Company, the Subscriber and the Manager in relation to the Subscription

DEFINITIONS

“Subscription Announcement”	the joint announcement of the Company and LSG dated 27 August 2021 regarding the entering into of the supplemental agreement to the Subscription Agreement for revising certain terms thereto
“Subscription Completion”	completion of the Subscription. For further details please refer to the joint announcements of the Company and LSG dated 12 August 2021 and 27 August 2021 pertaining to the details of the Subscription Agreement
“Subscription Price”	the subscription price of HK\$3.43 for each Rights Share under the Rights Issue
“Subscription Shares”	33,834,900 Shares, representing approximately 5.24% of the total number of issued Shares immediately after the Subscription Completion and issued to the Subscriber by the Company under the Subscription Agreement. For further details please refer to the joint announcements of the Company and LSG dated 12 August 2021 and 27 August 2021 pertaining to details of the Subscription Agreement
“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”	172,013,378 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 LSG
“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 12 August 2021 entered into between the Company and the Underwriter in relation to the Rights Issue (as supplemented by a supplemental agreement dated 7 September 2021 and entered into between the same parties), as revised, supplemented or amended from time to time in accordance with its terms

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“Underwritten Shares”	up to 150,948,584 Rights Shares, being the minimum total number of Rights Shares issuable (assuming no Shares being issued or bought back by the Company on or after the date of the Underwriting Agreement and on or before the Record Date, or up to 156,903,835 Rights Shares, being the maximum total number of Rights Shares issuable (assuming new Shares are allotted and issued on or before the Record Date upon 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 Underwriting Agreement and 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)
“Untaken Shares”	such number of Rights Shares in respect of which duly completed PAL(s) or EAF(s) have not been lodged for acceptance or not fully paid or otherwise rejected by the Latest Time for Acceptance, including any Rights Shares to which the Non-Qualifying Shareholders would otherwise have been entitled under the Rights Issue if they were to be Qualifying Shareholders, together with the Scaled-down PAL Shares and the Scaled-down EAF Shares not being applied (whether validly or otherwise) and/or fully paid for under the EAFs, and unsold aggregation of fractions of Rights Shares
“US\$”	United States dollars, the lawful currency of the United States
“US Person(s)”	any person(s) or entity(ies) deemed to be a US Person for the purposes of Regulation S under the US Securities Act of 1933, as amended
“%”	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\$3.43 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	645,923,925 Shares
Number of Shares in issue as enlarged by the Shares to be allotted and issued upon full exercise of the outstanding Share Options (except for Dr. Peter Lam's Share Options) on or before the Record Date:	657,834,427 Shares
Number of Rights Shares to be issued under the Rights Issue:	Not less than 322,961,962 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) and not more than 328,917,213 Rights Shares (assuming no change in the number of Shares in issue 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 968,885,887 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 986,751,640 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\$1,107.8 million and not more than approximately HK\$1,128.2 million
Rights of excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

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.

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:

Event

Last day of dealings in the Shares on a cum-rights basis.....	Monday, 30 August 2021
Commencement of dealings in the Shares on an ex-rights basis.....	Tuesday, 31 August 2021
Latest time for lodging transfer documents of the Shares in order to be qualified for the Rights Issue.....	4:30 p.m. on Wednesday, 1 September 2021
Closure of the register of members of the Company for determining entitlements under the Rights Issue	Thursday, 2 September 2021 to Tuesday, 7 September 2021 (both days inclusive)
Record Date for determining entitlements under the Rights Issue	Tuesday, 7 September 2021
Re-opening of the register of members of the Company.....	Wednesday, 8 September 2021
Despatch of the Prospectus Documents (in the case of the Non-Qualifying Shareholders, this Prospectus only)	Friday, 10 September 2021
First day for dealings in nil-paid Rights Shares	Tuesday, 14 September 2021
Latest time for splitting of nil-paid Rights Shares.....	4:30 p.m. on Thursday, 16 September 2021
Last day for dealings in nil-paid Rights Shares	Tuesday, 21 September 2021
Latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares.....	4:00 p.m. on Monday, 27 September 2021
Latest time for terminating the Underwriting Agreement and for the Rights Issue to become unconditional	4:00 p.m. on Tuesday, 28 September 2021

EXPECTED TIMETABLE

Announcement of results of the Rights Issue to be published on the respective websites of the Stock Exchange and the Company	Tuesday, 5 October 2021
Despatch of Share certificates for fully-paid Rights Shares	Wednesday, 6 October 2021
Despatch of refund cheques, if any, for wholly or partially unsuccessful excess applications or if the Rights Issue is terminated	Wednesday, 6 October 2021
Commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 7 October 2021

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.

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

The latest time for acceptance of and payment for Rights Shares and application and payment for Excess 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 Monday, 27 September 2021. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Monday, 27 September 2021. Instead, the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for Excess Rights Shares does not take place on Monday, 27 September 2021, 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 DEVELOPMENT

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

(Stock Code: 488)

Executive Directors:

Dr. Lam Kin Ngok, Peter (*Chairman*)
Mr. Chew Fook Aun (*Deputy Chairman*)
Mr. Lau Shu Yan, Julius
Mr. Lam Hau Yin, Lester
(*also alternate to Madam U Po Chu*)
Mr. Tham Seng Yum, Ronald

Registered Office/Principal Office:

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

Non-executive Director:

Madam U Po Chu

Independent Non-executive Directors:

Mr. Lam Bing Kwan
Mr. Leung Shu Yin, William
Mr. Ip Shu Kwan, Stephen
Mr. Leung Wang Ching, Clarence

10 September 2021

*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, and the joint announcements of the Company and LSG dated 12 August 2021 and 27 August 2021 in relation to the Subscription Agreement.

LETTER FROM THE BOARD

On Friday, 12 August 2021, the Company entered into the Underwriting Agreement with the Underwriter (as supplemented by a supplemental agreement dated 7 September 2021 and entered into between the same parties), pursuant to which it is proposed that the Company will raise gross proceeds of up to (i) approximately HK\$1,107.8 million by way of the issue of 322,961,962 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$1,128.2 million by way of the issue of 328,917,213 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date other than the allotment and issue of new Shares pursuant to the full exercise of outstanding Share Options (except for Dr. Peter Lam's Share Options)), at the Subscription Price of HK\$3.43 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 and application for excess Rights Shares, 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\$3.43 per Rights Share
Number of Shares in issue as at the Latest Practicable Date:	645,923,925 Shares
Number of Shares in issue as enlarged by the Shares to be allotted and issued upon full exercise of the outstanding Share Options (except for Dr. Peter Lam's Share Options) on or before the Record Date:	657,834,427 Shares
Number of Rights Shares to be issued under the Rights Issue:	Not less than 322,961,962 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date) and not more than 328,917,213 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))

LETTER FROM THE BOARD

Number of issued Shares upon completion of the Rights Issue (assuming the Rights Issue is fully subscribed):	Not less than 968,885,887 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 986,751,640 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\$1,107.8 million and not more than approximately HK\$1,128.2 million
Rights of excess applications:	Qualifying Shareholders may apply for Rights Shares in excess of their provisional allotment

As at the Latest Practicable Date, there are 12,327,810 outstanding Share Options granted by the Company exercisable into 12,327,810 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 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, the 322,961,962 Rights Shares proposed to be issued pursuant to the Rights Issue represent approximately 33.3% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

Save for the Subscription 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 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) and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 328,917,213 Rights Shares proposed to be issued pursuant to the Rights Issue represents approximately 33.3% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

LETTER FROM THE BOARD

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 or EAF 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.

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 one 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 (together with the relevant share certificates) must be lodged for registration with the Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:30 p.m. on Wednesday, 1 September 2021. The last day for dealing in the Shares on a cum-rights basis is Monday, 30 August 2021.

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 or any part 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 Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong on or before the Latest Time for Acceptance.

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
Canada	5	11,311	0.0018
The United Kingdom	4	625,480	0.0968
Japan	1	80	0.000012
Macau	2	220	0.000034
Malaysia	1	40	0.00006
Netherlands	1	1,600	0.0002
Singapore	2	616	0.0001
Switzerland	1	104	0.000016
Taiwan	1	2,212,335	0.3425
The United States	2	13	0.00002

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 be ineligible 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 the United Kingdom, Japan, Macau, the Netherlands, Singapore, Switzerland, and Taiwan, 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) making the Rights Issue to those Overseas Shareholders detailed above 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 the United Kingdom, Japan, Macau, the Netherlands, Singapore, Switzerland, and Taiwan and such Overseas Shareholders are Qualifying Shareholders.

LETTER FROM THE BOARD

The Company has also obtained advice from legal advisers in Canada, Malaysia, and the United States. 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 Canada, Malaysia, and the United States 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 Canada, Malaysia, and the United States and/or additional steps the Company and/or Overseas Shareholders need to take to comply with the relevant legal or regulatory requirements in Canada, Malaysia, and the United States.

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 Canada, Malaysia, and the United States.

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 or EAF 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 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 made available for excess application by the Qualifying Shareholders under the EAF(s). Should there be no excess application by the Qualifying Shareholders or such excess applications are for less than the total number of Underwritten Shares, those Rights Shares will be fully underwritten by the Underwriter.

Closure of register of members of the Company

The register of members of the Company will be closed from Thursday, 2 September 2021 to Tuesday, 7 September 2021 (both days inclusive) for determining the entitlements to the Rights Issue during which period no transfer of Shares will be registered.

LETTER FROM THE BOARD

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\$3.43 per Rights Share, payable in full by a Qualifying Shareholder upon acceptance of the relevant provisional allotment of the Rights Shares and, where applicable, application for Excess Rights Shares under the Rights Issue, or 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\$6.86 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 49.6% to the average closing price of approximately HK\$6.80 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 48.6% to the average closing price of approximately HK\$6.67 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 40.0% to the theoretical ex-rights price of approximately HK\$5.72 per Share, based on the closing price of HK\$6.86 per Share as quoted on the Stock Exchange on the Last Trading Day and number of Shares in issue as at the Latest Practicable Date;
- (v) a discount of approximately 94.0% to the latest published unaudited consolidated net asset value per Share as at 31 January 2021 of approximately HK\$57.037 (as shown in the interim report of the Company for the six months ended 31 January 2021);
- (vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 16.6%, represented by the theoretical diluted price of approximately HK\$5.72 per Share to the benchmarked price (as defined under Rule 7.27B of the Listing Rules, taking into account the closing price on the Last Trading Day of HK\$6.86 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\$6.80 per Share) of approximately HK\$6.86 per Share; and
- (vii) a discount of approximately 35.6% to the closing of HK\$5.33 price per Share as quoted on the Stock Exchange on the Latest Practicable Date.

LETTER FROM THE BOARD

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\$3.39 (assuming no change in the number of Shares in issue on or before the Record Date) and approximately HK\$3.39 (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 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, (i) the recent closing prices of the Shares; (ii) prevailing market conditions and financial position of the Group; and (iii) the amount of funds the Company intends to raise under the Rights Issue.

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

1. *Recent market prices of the Shares*

The closing price of the Shares was on a general downward trend during the twelve months up to and including the Last Trading Day. After reaching a high of HK\$7.017 on 12 August 2020, being the commencement date of the twelve months period preceding the Last Trading Day, the closing price of the Shares fell to HK\$4.51 in November 2020, then rose to HK\$6.25 on 2 March 2021, then hit the lowest of HK\$3.87 on 27 May 2021. In addition, the trading volume of Shares had been low. In view of the forementioned general downward trend of the closing price of the Shares and low volume, and in order to enhance the attractiveness of the Rights Issue to Shareholders, the Directors set the Subscription Price at a material discount to the then market prices of the Shares as mentioned above. It is also noted that the Rights Issue is fully underwritten by the Underwriter, hence the Subscription Price would have to be attractive enough to Shareholders and investors, in order for the Underwriter to conclude that the proposed rights issue is commercially feasible to underwrite. Setting the Subscription Price materially higher might not have been commercially agreeable by the Underwriter, and the underwriting commission rate could also have been higher if the Underwriter was to factor in the likelihood of lower acceptance rate by Shareholders (other than the Undertaking Covenants) if the Subscription Price was not attractive enough to Shareholders and potential investors.

Moreover, the Rights Issue is subject to a scaling-down mechanism which would not benefit the controlling shareholders over other shareholders by having a low Subscription Price as they are already capped in the number of Rights Shares they may take up. Essentially, the attractive Subscription Price is to benefit and encourage minority shareholders to take up their rights.

LETTER FROM THE BOARD

2. *Prevailing market conditions and financial position of the Group*

The Directors have also considered the prevailing market conditions, in particular the recent volatility of the capital market in Hong Kong. During the three months up to and including the Last Trading Day, the Hang Seng Index fluctuated between a high of approximately 29,288 at closing on 25 June 2021 and approximately 24,850 at closing on 20 August 2021 and closed at approximately 26,518 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.

The net debt to equity ratio as at 31 January 2021 of the Company was approximately 45%. Given that the net debt to equity ratio of the Company as at 31 January 2021 already reached approximately 45%, fund-raising activities in the form of equity are preferred over that of debt. For further details of the reasons of the Rights Issue, please refer to the Reasons for the Rights Issue and use of proceeds of the Rights Issue" below.

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\$ 1,094.7 million (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$ 1,115.1 million (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 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.

The Directors consider that the discount of the Subscription Price would encourage Shareholders to participate in the Rights Issue and accordingly 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 (v) 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\$57.037 as at 31 January 2021 over the 3-month period from 15 June 2021 up to and including the Last Trading Day ranging from approximately 91.19% to 89.67%; (ii) the average share price of the Company for the period of three months ended on the Last Trading Day of approximately HK\$5.36, also represents a material discount of approximately 90.60% to the net assets value per Share of approximately HK\$57.037 as at 31 January 2021; (iii) each Qualifying Shareholder is entitled to subscribe for the Rights Shares at the same Subscription Price in proportion

LETTER FROM THE BOARD

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, including the Subscription Price, 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 section headed “The Underwriting Agreement – Conditions of the Rights Issue and the Underwriting Agreement” in this prospectus, share certificates for all fully-paid Rights Shares are expected to be posted on or about Wednesday, 6 October 2021 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 Wednesday, 6 October 2021 by ordinary post to the respective Shareholders, at their own risk, to their registered addresses. Refund cheques in respect of wholly or partially unsuccessful applications for Excess Rights Shares (if any) are expected to be posted on or before Wednesday, 6 October 2021, by ordinary post to the applicants, at their own risk, to their registered addresses.

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. Any unsold fractions of Rights Shares will be made available for excess application by the

LETTER FROM THE BOARD

Qualifying Shareholders under the EAF(s). Should there be no excess application by the Qualifying Shareholders or such excess applications are for less than the total number of Underwritten Shares, those Rights Shares created from the aggregation of fraction of the Rights Shares will be fully underwritten by the Underwriter. No odd lot matching services will be provided.

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.

Application for Excess Rights Shares

Subject always to the scaling-down mechanism as described in the paragraph headed “Scale-down of subscriptions to avoid triggering the GO Obligation and the further non-compliance with Public Float Requirement” below, the Company shall make the Excess Rights Shares available for subscription by the Qualifying Shareholders by means of EAFs, and the Excess Rights Shares represent:

- (i) any Rights Shares provisionally allotted but not accepted by any of the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares prior to the Latest Time for Acceptance;
- (ii) any entitlements of the Non-Qualifying Shareholders provisionally allotted to a nominee of the Company which are left unsold;
- (iii) any of the Rights Shares created from the aggregation of fractions of the Rights Shares which are left unsold; and
- (iv) the Scaled-down PAL Shares (if any) and the Scaled-down EAF Shares (if any).

Subject to the requirements of Rule 7.21(3)(b) of the Listing Rules, the Company will, upon consultation with the Underwriter, allocate the Excess Rights Shares (if any) at their discretion on a fair and equitable basis on the following principles:

- (i) Excess Rights Shares will be allocated to the Qualifying Shareholders who have applied for excess application on a pro rata basis by reference to their respective shareholdings in the Company held by the Qualifying Shareholders as at the Record Date; and
- (ii) subject to availability of Excess Rights Shares after allocation under principle under (i) above, any remaining Excess Rights Shares not taken up will be underwritten by the Underwriter in accordance with the terms and conditions of the Underwriting Agreement.

LETTER FROM THE BOARD

Should there be no excess application by the Qualifying Shareholders or such excess applications are for less than the total number of Underwritten Shares, the Excess Rights Shares will be fully underwritten by the Underwriter. Application for Excess Rights Shares can be made only by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the Excess Rights Shares being applied for with the Registrar, Tricor Tengis Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong by not later than 4:00 p.m. on Monday, 27 September 2021 or such later date as may be agreed by the Company and the Underwriter in writing.

The Directors consider that the allotment of Excess Rights Shares to applicants with reference to their respective shareholdings in the Company as at the Record Date is a measure for the Shareholders who subscribe for Excess Rights Shares to largely maintain their respective shareholdings after completion of the Rights Issue. Such allocation basis is intended to provide fair opportunities for all existing Shareholders to apply for Excess Rights Shares. This is also intended to mitigate the effect of any existing Shareholder with shareholdings in the Company abusing the Excess Rights Shares mechanism by applying for large portion of Rights Shares not taken by other minority Shareholders if reference is made only to number of Excess Rights Shares applied for, as this would affect the existing shareholding mix. The Directors consider that the allocation basis is fair and equitable and in the interests of the Shareholders as a whole as all Qualifying Shareholders are entitled to apply for Excess Rights Shares and the two references represent fair and objective basis.

Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) should note that the Board will regard such nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Accordingly, Shareholders should note that the aforesaid arrangement in relation to the allocation of the Excess Rights Shares will not be extended to beneficial owners individually save and except for the beneficial owner(s) which the Company may permit in its absolute discretion. Shareholders with their Shares held by a nominee company (or which are deposited in CCASS) are advised to consider whether they would like to arrange for the registration of the relevant Shares in their own names on or prior to the Record Date for the purpose of the Rights Issue. Shareholders should consult their professional advisors if they are in any doubt as to their status. Shareholders who would like to have their names registered on the register of members of the Company on the Record Date, must lodge all necessary documents with the Registrar for registration by no later than 4:30 p.m. on Wednesday, 1 September 2021.

Irrevocable Undertaking by the Undertaking Covenantors

As at the Latest Practicable Date, LSG and Dr. Peter Lam held 343,593,021 Shares and 433,737 Shares, respectively, representing approximately 53.19% and 0.07% of the total number of issued Shares, respectively.

LETTER FROM THE BOARD

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

- (i) to subscribe for 171,796,510 Rights Shares and 216,868 Rights Shares to be provisionally allotted to LSG and Dr. Peter Lam, 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.

Further, pursuant to the Irrevocable Undertaking, each of LSG and Dr. Peter Lam has irrevocably undertaken to the Company and the Underwriter that in the event it/he applies for Excess Rights Shares, it/he will observe the scale-down mechanism as mentioned in the paragraph headed “Scale-down of subscriptions to avoid triggering the GO Obligation and further non-compliance with Public Float Requirement” in this prospectus so that it/he will not trigger any GO Obligation or cause the public float of the Company to fall below the level stated in the section headed “Effect of the new subscription completion on shareholdings in the Company” of the Subscription Announcement.

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.

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

To avoid the unwitting triggering of any GO Obligation and/or the Company’s further non-compliance with the Public Float Requirement since the date of the Subscription Announcement, all applications for the Rights Shares by the Qualifying Shareholders whether under the PAL(s) or the EAF(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 further non-compliance with the Public Float Requirement since the date of the Subscription Announcement. Any subscription monies for the Scaled-down PAL Shares or the Scaled-down EAF Shares will be refunded to the affected applicants, and the Scaled-down PAL Shares and the Scaled-down EAF Shares will be made available for subscription by other Qualifying Shareholders through the EAF(s). Should there be no excess application by the Qualifying Shareholders or such excess applications are for less than the total number of Underwritten Shares, the Scaled-down PAL Shares and the Scaled-down EAF Shares not being applied (whether validly or otherwise) and/or fully paid for under the EAFs will be fully underwritten by the Underwriter.

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Such scaling-down of applications of Rights Shares shall operate on a fair and equitable basis under the following principles: (a) EAF(s) should be scaled down before PAL(s); (b) 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 EAF(s) and 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 (c) the allocations of EAF(s) and 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. 300 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.

THE UNDERWRITING AGREEMENT

On 12 August 2021 (after trading hours), the Company and the Underwriter entered into the Underwriting Agreement (as supplemented by a supplemental agreement dated 7 September 2021 and entered into between the same parties) in relation to the underwriting and respective arrangements in respect of the Rights Issue. Further details of the Underwriting Agreement (as supplemented) are set out below:

Underwriting Agreement (as supplemented)

Date: 12 August 2021 (after trading hours)

Issuer: The Company

LETTER FROM THE BOARD

Underwriter:	<p>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.</p> <p>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.</p>
Number of Rights Shares underwritten by the Underwriter:	<p>Up to 150,948,584 Rights Shares, being the minimum total number of Rights Shares issuable (assuming no Shares being issued or bought back by the Company on or after the date of the Underwriting Agreement and on or before the Record Date), or up to 156,903,835 Rights Shares, being the maximum total number of Rights Shares issuable (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 Underwriting Agreement and on or before the Record Date), excluding the Undertaken Shares to be taken up by the Undertaking Covenantors.</p>
Underwriting commission:	<p>2% of the aggregate Subscription Price in respect of the number of the Underwritten Shares (i.e., 150,948,584 Underwritten Shares (assuming no Shares being issued or bought back by the Company on or after the date of the Underwriting Agreement and on or before the Record Date) or 156,903,835 Underwritten 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 Underwriting Agreement and on or before the Record Date) committed to be underwritten, subscribed for or procured to be subscribed for by the Underwriter in accordance with the Underwriting Agreement (regardless of whether or not the Rights Shares are taken up by the Qualifying Shareholders).</p>

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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 being a core connected person of the Company; and (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.

The terms of the Underwriting Agreement (including the commission rate) were determined after arm's length negotiation between the Company and the Underwriter by reference to the market practice. The commission rate of the Underwriting Agreement was determined after arm's length negotiations between the Company and the Underwriter with reference to, among other things, the size of the Rights Issue and the prevailing market rate for the underwriting commission of other rights issue of comparable size. The Company did not approach other underwriters as the terms offered by the Underwriter were on par with those in the market, and the Underwriter had underwritten a rights issue for LSG earlier in 2021 and was familiar with the financial conditions of the Group. 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.

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;

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- (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;
- (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.

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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 and Subscription 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**”):

Immediately after completion of the Rights Issue

	As at the Latest Practicable Date (Note 1)		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 Untaken Shares were subscribed for by or through the Underwriter	
	No. of issued Shares	Approx. %	No. of issued Shares	Approx. %	No. of issued Shares	Approx. %
Non-public Shareholders						
LSG (Note 2)	343,593,021	53.19	515,389,531	53.19	515,389,531	53.19
Dr. Peter Lam (Note 2)	433,737	0.07	650,605	0.07	650,605	0.07
Mr. Chew Fook Aun (Note 3)	1,221,000	0.19	1,831,500	0.19	1,221,000	0.13
Mr. Lau Shu Yan, Julius (Note 4)	263,500	0.04	395,250	0.04	263,500	0.03
Madam U (Note 5)	26,919	0.004	40,378	0.004	26,919	0.003
Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk (Note 6)	167,009,100	25.86	250,513,650	25.86	167,009,100	17.24
Public Shareholders						
The Subscriber	34,094,400	5.28	51,141,600	5.28	34,094,400	3.52
Others	99,282,248	15.37	148,923,372	15.37	99,282,248	10.25
Underwriter	—	—	—	—	150,948,584	15.58
Total	645,923,925	100.00	968,885,887	100.00	968,885,887	100.00

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Notes:

- (1) The percentage has been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 645,923,925 Shares).*
- (2) Among the 344,026,758 Shares, 343,593,021 Shares were directly held by LSG and LSG Subsidiaries and 433,737 Shares were held personally by Dr. Peter Lam. Dr. Peter Lam was deemed to be interested in the 343,593,021 Shares by virtue of, in aggregate, his personal and deemed interests of approximately 41.89% (excluding share options) in the issued share capital of LSG. LSG is approximately 12.66% (excluding share options) owned by Dr. Peter Lam and is approximately 29.23% owned by Wisdoman Limited which in turn is 100% beneficially owned by Dr. Peter Lam.*
- (3) The 1,221,000 Shares were owned by The Orchid Growers Association Limited. By virtue of his 100% interest in the issued share capital of The Orchid Growers Association Limited, Mr. Chew Fook Aun was deemed to be interested in these 1,221,000 Shares. Mr. Chew Fook Aun is an executive Director.*
- (4) Mr. Lau Shu Yan, Julius is an executive Director.*
- (5) Madam U is the widow of the late Mr. Lim Por Yen whose estate includes an interest of 3,957,189 Shares, representing approximately 0.61% of the total number of issued Shares.*
- (6) Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 167,009,100 Shares (representing approximately 25.86% of the total number of issued Shares) according to the Individual Substantial Shareholder Notice (Form 1) filed with the Stock Exchange on 20 August 2021.*

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 (Note 1)		Upon full exercise of the outstanding Share Options on or before the Record Date		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 Covenants pursuant to the Irrevocable Undertaking and all Untaken Shares were subscribed for by or through the Underwriter	
					Assuming all Qualifying Shareholders have taken up their respective entitlements of the Rights Shares in full			
	No. of issued Shares	Approx. %	No. of issued Shares	Approx. %	No. of issued Shares	Approx. %	No. of issued Shares	Approx. %
Non-public Shareholders								
LSG (Note 2)	343,593,021	53.19	343,593,021	52.23	515,389,531	52.33	515,389,531	52.33
Dr. Peter Lam (Note 2)	433,737	0.07	433,737	0.07	650,605	0.07	650,605	0.07
Mr. Chew Fook Aun (Note 3)	1,221,000	0.19	3,173,081	0.48	4,759,621	0.48	3,173,081	0.32
Mr. Lau Shu Yan, Julius (Note 4)	263,500	0.04	2,350,040	0.36	3,525,060	0.36	2,350,040	0.24
Madam U (Note 5)	26,919	0.004	26,919	0.004	40,378	0.004	26,919	0.003
Mr. Lam Hau Yin, Lester (Note 6)	–	–	4,173,081	0.634	6,259,621	0.634	4,173,081	0.423
Mr. Tham Seng Yum, Ronald (Note 7)	–	–	800,000	0.122	1,200,000	0.122	800,000	0.081
Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk (Note 8)	167,009,100	25.86	167,009,100	25.39	250,513,650	25.39	167,009,100	16.93
Other core connected persons of the Company	–	–	786,800	0.12	1,180,200	0.12	786,800	0.08
Public Shareholders								
The Subscriber	34,094,400	5.28	34,094,400	5.18	51,141,600	5.18	34,094,000	3.46
Holders of outstanding Share Options (other than the Directors)	–	–	2,112,000	0.32	3,168,000	0.32	2,112,000	0.21
Others	99,282,248	15.37	99,282,248	15.09	148,923,372	15.09	99,282,248	10.06
Underwriter	–	–	–	–	–	–	156,903,835	15.90
Total	645,923,925	100.00	657,834,427	100.00	986,751,640	100.00	986,751,640	100.00

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Notes:

- (1) The percentage has been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 645,923,925 Shares).*
- (2) Among the 344,026,758 Shares, 343,593,021 Shares were directly held by LSG and LSG Subsidiaries and 433,737 Shares were held personally by Dr. Peter Lam. Dr. Peter Lam was deemed to be interested in the 343,593,021 Shares by virtue of, in aggregate, his personal and deemed interests of approximately 41.89% (excluding share options) in the issued share capital of LSG. LSG is approximately 12.66% (excluding share options) owned by Dr. Peter Lam and is approximately 29.23% owned by Wisdoman Limited which in turn is 100% beneficially owned by Dr. Peter Lam. 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.*
- (3) The 1,221,000 Shares were owned by The Orchid Growers Association Limited. By virtue of his 100% interest in the issued share capital of The Orchid Growers Association Limited, Mr. Chew Fook Aun was deemed to be interested in these 1,221,000 Shares. Mr. Chew Fook Aun is an executive Director.*
- (4) Mr. Lau Shu Yan, Julius is an executive Director.*
- (5) Madam U is the widow of the late Mr. Lim Por Yen whose estate includes an interest of 3,957,189 Shares, representing approximately 0.61% of the total number of issued Shares.*
- (6) Mr. Lam Hau Yin, Lester, an executive Director, held 4,173,081 underlying Shares comprised in the Share Options.*
- (7) Mr. Tham Seng Yum, Ronald, an executive Director, held 800,000 underlying Shares comprised in the Share Options.*
- (8) Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 167,009,100 Shares (representing approximately 25.86% of the total number of issued Shares) according to the Individual Substantial Shareholder Notice (Form 1) filed with the Stock Exchange on 20 August 2021.*

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 20.65% as at the Latest Practicable Date to (i) approximately 13.77% under Scenario I; and (ii) approximately 13.73% 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 6.92%.

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

The Group is principally engaged in property investment, property development, 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. Upon completion of the voluntary general cash offer of the Lai Fung Group in May 2020, the property businesses of the Group are carried out directly by the Group and indirectly through Lai Fung Group, being the PRC property arm of the Group, and eSun Group has been transformed into a pure-play cinema and media and entertainment group.

The Company has always been identifying suitable investment opportunities for its property investment and development businesses. The most recent project is the Wong Chuk Hang Station Package Five Property Development successfully won by the consortium formed by the Group together with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and CSI Properties Limited in January 2021. As at 31 January 2021, the Group's consolidated cash and bank deposits amounted to approximately HK\$7,435.0 million. Excluding eSun Group and Lai Fung Group, the standalone consolidated cash and bank balance of the Group amounted to approximately HK\$1,305.5 million, of which approximately HK\$343.7 million was pledged deposit. The net debt to equity ratio as at 31 January 2021 of the Company was approximately 45%. Whilst the Group has successfully completed the issuance of a US\$250 million guaranteed notes in July 2021 and has steady access to funds, the management has 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.

Due to the fact that the net debt to equity ratio of the Company as at 31 January 2021 already reached approximately 45%, fund-raising activities in the form of equity are preferred over that of debt. Amongst the equity financing methods, the Company has already conducted the Subscription, pursuant to which the Subscription Shares had been issued under the general mandate ("**General Mandate**") granted to the Directors by a resolution of the Shareholders passed at the annual general meeting ("**AGM**") held on 18 December 2020 to, among other things, issue, allot and deal with additional Shares not exceeding 20% of the total number of issued Shares as at the date of the AGM. As at the Latest Practicable Date, the General Mandate has been utilised as to approximately 27.6% already. It is likely that any further placement or subscription of new Shares raising gross proceeds of a size comparable to the Rights Issue will be subject to Shareholders' approval, and may potentially dilute the shareholding of the existing Shareholders without giving the chance to the existing Shareholders to participate. On the contrary, it is considered that the Rights Issue would give the Qualifying Shareholders an equal opportunity to participate in the growth of the Group. Given it is pre-emptive in nature, it allows Qualifying Shareholders to maintain their proportional shareholdings in the Company through participation in the Rights Issue. The Rights Issue also

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allows, to a certain extent, 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) and through excess applications; 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). 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 can mobilise funds immediately when an investment opportunity arises. Accordingly, the Board considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

The net proceeds from the Rights Issue after deducting the expenses are estimated to be (i) approximately HK\$1,094.7 million (assuming no change in the number of Shares in issue on or before the Record Date); or (ii) approximately HK\$1,115.1 million (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 outstanding Share Options (except for Dr. Peter Lam's Share Options)). The Company intends to apply the net proceeds from the Rights Issue (i) as to approximately HK\$600.0 million for repayment of bank borrowings under existing loan facilities secured by Cheung Sha Wan Plaza and Causeway Bay Plaza 2 of the Group subject to the Group's operating needs; and (ii) the remaining to finance future investments in property investments and/or development projects. The Group has been continuing to source and evaluate suitable land acquisition opportunities to grow the pipeline, including but not limited to public tenders and auctions by the government, joint project development or acquisition of land use rights by forming joint ventures or associated companies with third parties, and participation in redevelopment projects from Urban Renewal Authority. All these opportunities require significant cash outlay. For instance, the Group will be required to pay an initial deposit for each tender of the government land sale. The successful tenderer is also required to pay the part payment within days after the date of the tender award have been issued by The Lands Department of Hong Kong. In this connection, the Group requires substantial cash reserve to act swiftly when it identifies any suitable opportunities. Further, property developments and re-developments are capital intensive in nature and typically require substantial capital outlay during the construction period and may take months or years before positive cash flows can be generated by pre-sales or sales of property developments. The Group needs to have sufficient cash reserve from time to time to meet its payment obligations when they fall due. Given there is no guarantee for the Group to secure any investment in property or development projects within any specific timeframe, if the Group is unable to obtain land use rights or to acquire investment properties in coming 12 months, the unused net proceeds from the Rights issue will be applied for general corporate purposes of the Group should the need arise. The Company will give updates on the use of proceeds raised from the Rights Issue in its annual report and interim report going forward. 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 for any investment in property or development projects made.

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POSSIBLE ADJUSTMENT TO THE SHARE OPTIONS UNDER THE SHARE OPTION SCHEMES

As at the Latest Practicable Date, there are 12,327,810 outstanding Share Options granted by the Company exercisable into 12,327,810 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

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

Date of announcement	Fund raising activity	Net proceeds	Intended use of net proceeds	Actual use of proceeds
12 August 2021 and 27 August 2021	Issue of 33,834,900 new Shares pursuant to the Subscription Agreement at a price of HK\$6.95 per Share under general mandate	HK\$234.9 million	Repayment of certain bank borrowings subject to the Group's operating needs.	Yet to be utilised

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 FOR THE COMPANY

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.

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Save for the Subscription, 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.

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 sections headed “The Underwriting Agreement – Conditions of the Rights Issue and the Underwriting Agreement” and “The Underwriting Agreement – 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.

LETTER FROM THE BOARD

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 Development Company 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 2018, 2019 and 2020 and the six months ended 31 January 2021 are disclosed in the following documents which have been published on the website of the Stock Exchange (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 unaudited financial information of the Group for the six months ended 31 January 2021 is disclosed in the interim report of the Company for the six months ended 31 January 2021 published on 22 April 2021, from pages 2 to 25:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/0422/2021042201011.pdf>
- (ii) 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 130 to 308:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2020/1118/2020111800728.pdf>
- (iii) The audited financial information of the Group for the year ended 31 July 2019 is disclosed in the annual report of the Company for the year ended 31 July 2019 published on 20 November 2019, from pages 126 to 299:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/1120/2019112000434.pdf>
- (iv) The audited financial information of the Group for the year ended 31 July 2018 is disclosed in the annual report of the Company for the year ended 31 July 2018 published on 21 November 2018, from pages 94 to 195:
<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/1121/1tn20181121515.pdf>

2. INDEBTEDNESS STATEMENT

As at 31 July 2021, 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\$26,781 million, comprising secured bank borrowings of approximately HK\$15,580 million, unsecured and guaranteed bank borrowings of approximately HK\$3,191 million, unsecured guaranteed notes of approximately HK\$7,692 million, unsecured and unguaranteed other borrowings of approximately HK\$318 million.

As at 31 July 2021, the Group, as lessees, had lease liabilities of approximately HK\$1,396 million.

As at 31 July 2021, 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 had 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 July 2021, in respect of these guarantees, the contingent liabilities of the Group are estimated to be approximately HK\$1,072 million.

As at 31 July 2021, the Group also had provided corporate guarantees to banks in connection with facilities granted to and utilised by a joint venture and an associate of HK\$792 million.

As at 31 July 2021, a time deposit was pledged to a bank to secure banking facilities of the Group which were utilised to the extent of approximately HK\$2 million.

Save as aforesaid and apart from intra-group liabilities, the Group did not, as at 31 July 2021, 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 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.

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 2020 (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 novel coronavirus (COVID-19) pandemic has led to severe disruptions to the global economy triggering the largest global recession since the Great Depression. While we are starting to see rollouts of COVID-19 mass vaccination programs in different countries around the world, and stimulus packages continued to be implemented by governments, it remains uncertain as to when the state of the global economy will be fully restored to pre-pandemic levels. The Group continued to operate with caution to minimise the impacts caused by such pandemic-induced disruptions, and stepped up its efforts in identifying and pursuing opportunities to prepare itself to be in a position to benefit from the post-pandemic recovery.

Hong Kong and Overseas Property Market

Prolonged social distancing measures and travel restrictions continued to cripple many businesses. Nevertheless, the Group’s Hong Kong investment properties contributed a relatively steady recurrent income stream of approximately HK\$315.8 million in turnover during the six months ended 31 January 2021, as compared to HK\$345.8 million for the same period last year. Particularly in unprecedented challenging times like now, the Group worked even more closely with its stakeholders, including its tenants, to progress through the darkest hours. During the six months ended 31 January 2021, the Group provided rental relief arrangements in the form of rental deferrals or rental concessions with certain tenants on a case-by-case basis. The Group is of the view that Hong Kong, as a sophisticated financial hub strategically located at the heart of Asia with no capital control, will continue to attract quality multinational corporations and experienced talent. The growing trend of companies seeking their initial public offerings or secondary-listings in Hong Kong should provide ample demand for office space in the city. In London, despite the pandemic challenges and the complexity of the UK-EU relations, which may be the near-term uncertainties around the UK economy, the Group is of the view that the City of London’s positioning as a major financial and business centre should remain unchanged and will continue to monitor the market conditions in London for the potential redevelopment of the three properties on Leadenhall Street, comprising 100, 106 and 107 Leadenhall Street (together, “**Leadenhall Properties**”).

Despite the uncertain economic outlook brought by the prolonged pandemic, the residential property market in Hong Kong has demonstrated resilience and robustness primarily due to limited supply, solid pent-up demand driven by local end-users and the prevailing low interest rate environment. During the six months ended 31 January 2021, the Group continued to source and evaluate suitable land acquisition opportunities to grow the pipeline. In January 2021, the consortium formed by the Group together with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and CSI Properties Limited successfully won the tender for the Wong Chuk Hang Station Package Five Property Development. This residential development project sitting on top of the Wong Chuk Hang MTR station in the prominent Southern district of Hong Kong covers a site area of approximately 95,600 square feet, with a gross floor area (“GFA”) of approximately 636,200 square feet and is expected to deliver two residential towers, offering around 1,050 residential units.

Construction works for the sites located at No. 18 Hang On Street, Kwun Tong, Hong Kong and No. 266 Tai Kei Leng, Lot No. 5382 in Demarcation District No. 116, Tai Kei Leng, Yuen Long, Hong Kong are on track. Upon completion, these two residential projects are expected to add a total GFA of approximately 64,000 square feet and 42,200 square feet, respectively, to the development portfolio of the Group.

Up to 14 March 2021, 603 units in Alto Residences have been sold, achieving an average selling price of approximately HK\$18,000 per square foot. The Group has released in total 86 car-parking spaces of Alto Residences for sale since March 2019. Up to 14 March 2021, 73 car-parking spaces have been sold and the total sales proceeds amounted to approximately HK\$190.1 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 March 2021, 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.

The sale and handover of all 138 residential units of Novi, the Ki Lung Street project in Sham Shui Po, Kowloon, Hong Kong have been completed. As at the date of this prospectus, 4 commercial units of Novi remained unsold.

Construction of Monti, the Sai Wan Ho Street project has been completed. Up to 14 March 2021, 121 out of 144 units in Monti has been sold with saleable area of approximately 37,984 square feet and the average selling price amounted to approximately HK\$21,100 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 the development opportunities as soon as the economy is on track for a recovery.

Mainland China Property Market

Based on data released by the National Bureau of Statistics of the People's Republic of China ("**China**"), the Chinese economy has seen a recovery from the COVID-19 pandemic more quickly compared to the rest of world, concluding the year of 2020 with a strong gross domestic product growth in the final quarter primarily fueled by manufacturing and export activities. With the Chinese government's proactive approach towards testing and tracing and its effective implementation of containment measures from time to time, we believe the probability of a resurgence of the COVID-19 will be relatively remote. Yet, in the near term, the Chinese economy is expected to continue to be impacted by the COVID-19 hit, as travel and consumption activities have yet to restore to pre-pandemic levels. 2021 is expected to be a monumental year for China as it marks the start of the country's 14th Five-Year Plan and celebrates the 100th anniversary of the founding of the Communist Party of China. The Group remains optimistic about the long-term prospects and sustainability of the business environment in China in light of the dual circulation development model by the Chinese government, which emphasises on the rebalancing of domestic and overseas demand.

The regional focus and rental-led strategy of Lai Fung Holdings Limited ("**Lai Fung**") and its subsidiaries (together, "**Lai Fung 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. Top tier cities and the Greater Bay Area will remain as the primary drivers for Lai Fung Group's rental growth in the coming years. Upon completion of the construction works of the existing projects on hand, which include the combined redevelopment of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, the development of Guangzhou Haizhu Plaza 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.

Leasing of the commercial area of Phase I of Novotown ("**Novotown Phase I**") is underway with approximately 66% of the leasable area having been leased by end of January 2021 and key tenants include two themed indoor experience centres, namely "Lionsgate Entertainment World[®]" and "National Geographic Ultimate Explorer Hengqin", Pokiddo Trampoline Park, Adidas Outlet, Decathlon, Paulaner Wirtshaus Hengqin, Oyster King, Starbucks and McDonald's. In February 2021, a new interactive attraction — "Wonders of Kung Fu" — was launched in the outdoor garden space of Novotown Phase I, which includes light shows providing immersive experience and interactive games with Chinese Kungfu and cuisine being the key underlying theme. This attraction in the 5,000 square meters outdoor garden offers more than 10 interactive points, aiming not only to bring new experiences to visitors in terms of advanced visual/media technologies and cultural enlightenment, but also with an objective to boost the night economy at Novotown.

Construction of Novotown Phase II is in progress. This mixed-used development project is expected to complete in phases by 2024, providing commercial and experiential entertainment facilities, office and serviced apartment spaces of 387,700 square feet, 1,599,300 square feet and 586,800 square feet, respectively. Real Madrid World and Ducati Experience Centre are expected to be the key experiential entertainment facilities in Novotown Phase II. Part of office and serviced apartment spaces have been designated as for-sale properties. Properties in Novotown Phase II occupied by Harrow Innovation Leadership Academy Hengqin (“**Harrow ILA Hengqin**”) were sold to the school operator during the period under review, which enabled Lai Fung Group to crystallise the value of its investment in Novotown Phase II and gradually recoup funding to improve the project’s working capital position. Lai Fung Group remains confident that the growing commitment from corporations amongst Guangdong, Hong Kong and Macau in the development of the Greater Bay Area will make Novotown a new contributor to Lai Fung Group’s results in the long run.

Construction of Shanghai Wuli Bridge Project, the high-end luxury residential project located by the Huangpu River in Huangpu District has been completed. The project 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. Sales of 15 residential units and 15 car-parking spaces have been completed during the six months ended 31 January 2021, contributing a total turnover of approximately HK\$529.5 million and the contracted sales for 8 residential units and 7 car-parking spaces of this development as at 31 January 2021 amounted to approximately HK\$300.9 million. Up to 28 February 2021, the remaining 5 residential units with 6 car-parking spaces have been sold subject to contract, contributing RMB162.0 million in total, which are expected to be turned into contracted property sales in coming months. Construction of Phase III of Zhongshan Palm Spring was completed in November 2020 and handover of pre-sold units is in progress. Development of Phase IV of Zhongshan Palm Spring is on track and expected to be completed in the third quarter of 2021. The residential units in Shanghai Wuli Bridge Project, serviced apartment units and residential units in Zhongshan Palm Spring as well as the cultural studios, cultural workshops and office of Hengqin Novotown Phase I are expected to contribute to the income of Lai Fung Group in the 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

2020 has been one of the toughest years in the history of the entertainment industry marked by the global COVID-19 pandemic. Although vaccination programs have been launched on massive scales by various governments, mass immunisation will take time. Therefore, it is anticipated that the COVID-19 containment measures will continue in the near term.

The disruption of cinema operation of eSun Holdings Limited (“**eSun**”) and its subsidiaries (together, “**eSun Group**”) continued in 2021. The latest mandatory closure when the fourth wave of COVID-19 emerged from 2 December 2020 to 17 February 2021 throughout the holiday seasons has inevitably impacted eSun Group’s box office performance for the six months ended 31 January 2021. Cinemas in Mainland China re-opened in late July 2020 after being closed for over 5 months and the box office has shown a signal of recovery. However, business performance of cinema operation in Hong Kong and Mainland China are still suffering from the delay in releases of blockbuster movies and the social distancing measures such as restrictions on the seating capacity and food and beverages consumption within the cinema houses. Despite the challenging operating environment under the COVID-19 pandemic, eSun Group remains cautiously optimistic about the fundamental demand for entertainment in long run and continues to evaluate opportunities to maintain and enhance its market positioning as a leading multiplex cinema operator in Hong Kong. In March 2021, eSun Group took over the site in K11 MUSEA in Tsim Sha Tsui, Kowloon that was previously operated by U A Cinema Circuit Limited and the cinema named K11 Art House started the business on 6 March 2021. eSun Group also secured the cinema site at The ONE, 100 Nathan Road in Tsim Sha Tsui, Kowloon and the operation is expected to commence in April 2023. The newest MCL cinema in Citygate, Tung Chung opened on 17 June 2021, providing 4 houses with 673 seats in total. eSun Group is closely monitoring the market conditions in Hong Kong and Mainland China and will continue to improve its overall operating efficiency and take a prudent approach in evaluating opportunities for further expansion of its footprint.

The outbreak of novel COVID-19 also posted unprecedented challenges to the media and entertainment industry, with entertainment spending affected severely by the accompanying economic recession and social distancing measures. In light of the unstable business environment in the near term, 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, is focusing on producing high quality projects with proven track record as well as commercial viability and tightening the cost control procedures. As the consumption of online content has substantially increased in areas of streaming platforms and e-commerce as a result of pandemic lockdown measures and social distancing policies, it is believed that there are opportunities in online e-commerce and influencer market which MAGHL Group has been directing its resources towards development of related businesses.

MAGHL Group continues to invest in original production of quality films with Chinese themes. The current production pipeline include “*Septet: the Story of Hong Kong*”, an omnibus film produced by seven Hong Kong film masters including Johnnie To, Tsui Hark, Ann Hui, Patrick Tam, Sammo Hung, Yuen Woo-Ping and the memorable Ringo Lam, and “*Tales from the Occult*”, a psychological thriller made up of three short stories produced by John Chong and Mathew Tang, and directed by Wesley Hoi, Fung Chih Chiang and Fruit Chan. A 52 episode romance drama series “*New Horizon*” starring Zheng Kai and Chen Chiao-en, is in the post-production stage. Projects under production include “*Modern Dynasty*”, a 30 episode modern-day drama series tailor-made for Alibaba’s Youku platforms. MAGHL Group is in discussion with various Chinese portals and video web sites for new project development in TV drama production.

The exclusive distribution licence of MAGHL Group’s music products with Tencent Music Entertainment (Shenzhen) Co., Ltd and Warner Music continues to provide it with stable income contribution. During the six months ended 31 January 2021, MAGHL Group set up a joint venture namely “Cool Style Talent Management Limited” with One Cool Group to expand its artiste management business. Other shareholders of Cool Style Talent Management Limited include model and actress Angelababy Yeung Wing and film director Stephen Fung Tak Lun. 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 MAGHL Group. Several concerts of MAGHL Group have been postponed due to the public health concerns. MAGHL Group will continue to work with prominent local and Asian artistes for concert promotion and upcoming events including concerts of Eman Lam.

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 China entertainment market with a balanced and synergistic approach. eSun Group is monitoring market conditions closely and will take a prudent approach to explore strategic alliances as well as investment opportunities to enrich its portfolio and broaden its income stream.

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 January 2021.

The Unaudited Pro Forma Financial Information of the Group is prepared based on the unaudited consolidated net assets of the Group as at 31 January 2021, as extracted from the published interim report of the Group for the six months ended 31 January 2021, 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.

	Unaudited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 January 2021 <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 January 2021 <i>HK\$'000</i>
Consolidated net tangible assets	34,463,555	1,094,653	35,558,208
Unaudited consolidated net tangible assets per Share attributable to owners of the Company, prior to the completion of the Rights Issue <i>(Note 3)</i>	HK\$56.305		
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>			HK\$36.700

Notes:

- (1) The unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 January 2021 is extracted from the published interim report of the Group for the six months ended 31 January 2021 and calculated as follows:

	<i>HK\$ '000</i>	<i>HK\$ '000</i>
Unaudited consolidated net assets of the Group attributable to owners of the Company as at 31 January 2021		34,911,558
Less: Intangible assets attributable to owners of the Company		
Film rights	(4,256)	
Film and TV program products	(65,241)	
Music catalogs	(8,659)	
Goodwill	(279,177)	
Other intangible assets	(153,896)	
	<u>(511,229)</u>	
Less: Attributable to non-controlling interests	<u>63,226</u>	
		<u>(448,003)</u>
		<u><u>34,463,555</u></u>

- (2) The estimated net proceeds from the Rights Issue of approximately HK\$1,094.7 million are based on 322,961,962 Rights Shares to be issued (in the proportion of 1 Rights Share for every 2 existing Shares held on the Record Date which is 645,923,925 Shares at the subscription price of HK\$3.43 per Rights Share) and after the deduction of estimated related expenses of approximately HK\$13.1 million.
- (3) The calculation of unaudited consolidated net tangible assets per Share attributable to owners of the Company prior to the completion of the Rights Issue is based on 612,089,025 Shares in issue as at 31 January 2021.
- (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 968,885,887 Shares which comprise of 645,923,925 Shares in issue on the Record Date and 322,961,962 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 January 2021.

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

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To the Directors of Lai Sun Development Company Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Lai Sun Development Company 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 January 2021, and related notes as set out in Appendix II of the prospectus dated 10 September 2021 (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 January 2021 as if the Proposed Rights Issue had taken place at 31 January 2021. As part of this process, information about the Group’s consolidated net tangible assets has been extracted by the Directors from the unaudited consolidated statement of financial position of the Group as at 31 January 2021, on which an interim 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.

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.

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.

Certified Public Accountants
Hong Kong

10 September 2021

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:

645,923,925 Shares	(as at the Latest Practicable Date)
657,834,427 Shares	(as enlarged by the Shares to be allotted and issued upon full exercise of the outstanding Share Options (except for Dr. Peter Lam's Share Options) on or before the Record Date)

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

322,961,962 Shares	(assuming no change in the number of Shares in issue on or before the Record Date)
328,917,213 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:

968,885,887 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)
986,751,640 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)

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 12,327,810 outstanding Share Options granted by the Company exercisable into 12,327,810 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 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 LSG, eSun Holdings Limited ("**eSun**"), Lai Fung Holdings Limited ("**Lai Fung**") and Media Asia Group Holdings Limited ("**MAGHL**"). The issued shares of LSG, 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 Limited ("**Wisdoman**") is the controlling shareholder of LSG, LSG is the ultimate holding company of the Company 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. Peter Lam, aged 64, has been an Executive Director since June 1977 and is the Chairman of the Board and a member of the Executive Committee of the Company. Dr. Peter Lam is also a director of Wisdoman, the chairman and an executive director of LSG and MAGHL as well as an executive director of Crocodile Garments Limited (“CGL”). Dr. Peter Lam was an executive director of eSun from 15 October 1996 to 13 February 2014. Dr. Peter Lam was the chairman and an executive director of Lai Fung from 25 November 1993 to 31 October 2012. Dr. Peter Lam has extensive experience in the property development and investment business, hospitality as well as media and entertainment business. Dr. Peter Lam was conferred an Honorary Doctorate from the Hong Kong Academy for Performing Arts in June 2011. Dr. Peter Lam received the Gold Bauhinia Star awarded from the Government of the Hong Kong Special Administrative Region on 1 July 2015.

Currently, Dr. Peter 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. Peter Lam is the chairman of Hong Kong Chamber of Films Limited, the 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 and a member 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 and the father of Mr. Lester Lam.

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

Mr. Chew, aged 59, was appointed as the Deputy Chairman and an Executive Director on 5 June 2012 and is a member of the Executive Committee and Remuneration Committee of the Company. Mr. Chew is also the deputy chairman and an executive director of LSG, 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, an executive director and the chief financial officer of The Link Management Limited (currently known as Link Asset Management Limited), acting as manager of The Link Real Estate Investment Trust (currently 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 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 fellow member of both the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and The Institute of Chartered Accountants in England and Wales. He was also a council member of the HKICPA and its vice president in 2010. Mr. Chew is currently a member of the Investigation and Compliance Committee of the Financial Reporting Council (“**FRC**”). He is also a board member of the Hong Kong Sports Institute Limited and has been appointed as a vice chairman for a term of two years with effect from 1 April 2021. In addition, he was re-appointed a member of the Barristers Disciplinary Tribunal Panel for a further term of five years with effect from 1 September 2020. He was a member of the Advisory Committee of the Securities and Futures Commission, the Operations Review Committee and Corruption Prevention Advisory Committee of the Independent Commission Against Corruption, the Standing Committee on Company Law Reform of the Companies Registry and a council member of the FRC.

Mr. Lau Shu Yan, Julius*Executive Director and Chief Executive Officer*

Mr. Lau Shu Yan, Julius, aged 65, joined the Company as an Executive Director in July 1991 and is a member of the Executive Committee of the Company. Mr. Lau was an executive director of Lai Fung from 22 April 2005 to 16 January 2015. Prior to joining the Lai Sun Group, he was a director of Jones Lang Wootton Limited and subsequently Jardine Fleming Broking Limited. Mr. Lau is a director and a member of the executive committee of The Real Estate Developers Association of Hong Kong. Mr. Lau graduated with an honour degree of Bachelor of Social Science from the University of Hong Kong in 1980.

Mr. Lam Hau Yin, Lester*Executive Director (also alternate to Madam U)*

Mr. Lester Lam, aged 40, was appointed as an Executive Director and a member of the Executive Committee of the Company with effect from in November 2012. He is also the alternate director to Madam U in her capacity as a non-executive director of the Company. Mr. Lester Lam is an executive director of LSG and eSun as well as an executive director and the chief executive officer of Lai Fung. Further, Mr. Lam is an alternate director to Madam U in her capacity as an executive director of LSG and Lai Fung as well as non-executive director of eSun. 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.

Mr. Lester Lam is a son of Dr. Peter Lam and a grandson of Madam U.

Mr. Tham Seng Yum, Ronald*Executive Director*

Mr. Tham Seng Yum, Ronald, aged 52, was appointed as an Executive Director in August 2019 and a member of Executive Committee of the Company. He is also an executive director of Lai Fung.

Mr. Tham has approximately 30 years of experience in banking, accounting and finance and management gained mainly in Greater China, Asia Pacific and UK. Mr. Tham was awarded a Master of Engineering degree in Chemical Engineering from Imperial College, University of London, UK in 1991. Mr. Tham is a fellow member of both the Institute of Chartered Accountants in England and Wales and HKICPA. He is also a member of the Hong Kong Securities and Investment Institute. Mr. Tham is currently a member of the finance committee of the Council of The Hong Kong University of Science and Technology and the chairman of the registration and practicing committee of the HKICPA.

Prior to joining the Company, Mr. Tham was general manager, corporate banking of Sumitomo Mitsui Banking Corporation, Hong Kong Branch since June 2018. He worked for the Swire Group from July 2012 to May 2018 where he held the positions of finance director of Swire Pacific Offshore based in Singapore and director of corporate finance of Swire Pacific Limited based in Hong Kong. He was managing director, head of family office and coverage, Hong Kong at HSBC Global Banking from January 2011 to June 2012. He worked for Macquarie Capital Asia based in Hong Kong from August 2004 to December 2010 where his last position was senior managing director, head of real estate, Asia. He worked for HSBC Investment Banking, Asia based in Hong Kong from November 1994 to July 2004 where his last position was director, corporate finance. He worked for Price Waterhouse, in London, UK and Hong Kong as an auditor from August 1991 to October 1994.

Madam U Po Chu*Non-executive Director*

Madam U, aged 96, has been a Director since December 1993. She is also a non-executive director of eSun, as well as an executive director of LSG and 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. Lam Bing Kwan*Independent Non-executive Director*

Mr. Lam Bing Kwan, aged 71, was appointed as an Independent Non-executive Director in July 2002 and is a member of both the Audit Committee and the Remuneration Committee of the Company. Mr. Lam is also an independent non-executive director of LSG 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 Shu Yin, William, aged 72, was appointed as an Independent Non-executive Director in September 2004 and is the chairman of both the Remuneration Committee and the Audit Committee of the Company. Mr. Leung is also an independent non-executive director of LSG 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.

Mr. Ip Shu Kwan, Stephen*Independent Non-executive Director*

Mr. Ip Shu Kwan, Stephen, aged 70, was appointed as an Independent Non-executive Director in December 2009. Mr. Ip graduated from the University of Hong Kong with a Bachelor degree in Social Sciences in 1973. He joined the Hong Kong Government in November 1973 and was promoted to the rank of Director of Bureau in April 1997. He worked in the Government of the HKSAR as a principal official from July 1997 to June 2007. Senior positions held by Mr. Ip in the past included Commissioner of Insurance, Commissioner for Labour, Secretary for Economic Services and Secretary for Financial Services. Mr. Ip took up the position of Secretary for Economic Development and Labour on 1 July 2002. His portfolio in respect of economic development covered air and sea transport, logistics development, tourism, energy, postal services, meteorological services, competition and consumer protection. He was also responsible for labour policies including matters relating to employment services, labour relations and employees' rights. Mr. Ip retired from the Government of the HKSAR in July 2007. He received the Gold Bauhinia Star award from the Government of the HKSAR in 2001 and is an unofficial Justice of the Peace.

Mr. Ip is currently an independent non-executive director of six other publicly-listed companies, namely China Resources Cement Holdings Limited, Kingboard Laminates Holdings Limited, Luk Fook Holdings (International) Limited, Nameson Holdings Limited, Million Cities Holdings Limited and C-Mer Eye Care Holdings Limited. The issued shares of all the aforesaid companies are listed and traded on the Main Board of the Stock Exchange. He was formerly an independent non-executive director of Goldpoly New Energy Holdings Limited (now known as United Photovoltaics Group Limited), Milan Station Holdings Limited, PICC Property and Casualty Company Limited, Viva China Holdings Limited, Yangtze China Investment Limited and Synergis Holdings Limited.

Mr. Leung Wang Ching, Clarence*Independent Non-executive Director*

Mr. Leung Wang Ching, Clarence, aged 42, was appointed as an Independent Non-executive Director in August 2018. He is a member of the Audit Committee of the Company.

Mr. Leung graduated from the University of Cambridge in the United Kingdom with a Bachelor of Arts degree and a Master of Arts degree in Economics in June 1999 and March 2003, respectively. Mr. Leung has nearly 20 years of experience in the textile and apparel industry. He is a director of Sun Hing Knitting Factory Limited and an independent non-executive director of Hingtex Holdings Limited, a company listed on the Main Board of the Stock Exchange.

Mr. Leung participates in several government committees of the HKSAR. Mr. Leung is vice chairman of Community Care Fund Task Force. He is member of the Tourism Strategy Group, the Hong Kong Tourism Board, the Youth Development Commission and board member of the Vocational Training Council. He also served as member of the Town Planning Board, Textiles Advisory Board, the HKSAR SME Committee, the Trade and Industry Advisory Board, the Legal Aid Services Council, the Commission on Poverty and non-full-time member of the Central Policy Unit.

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.

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	Beneficial owner/ Owner of controlled corporations	650,605 (Note 6)	Nil	515,389,531 (Notes 2 and 6)	417,308 (Note 5)	516,457,444	79.96%
Mr. Chew Fook Aun ("Mr. FA Chew")	Beneficial owner/ Owner of controlled corporations	Nil	Nil	1,221,000 (Note 4)	1,952,081 (Note 5)	3,173,081	0.49%
Lau Shu Yan, Julius	Beneficial owner	263,500	Nil	Nil	2,086,540 (Note 5)	2,350,040	0.36%
Lam Hau Yin, Lester ("Mr. Lester Lam")	Beneficial owner	Nil	Nil	Nil	4,173,081 (Note 5)	4,173,081	0.65%
Tham Seng Yum, Ronald	Beneficial owner	Nil	Nil	Nil	800,000 (Note 5)	800,000	0.12%
Madam U (Note 3)	Beneficial owner	26,919 (Note 3)	Nil	Nil	Nil	26,919	0.004%

Notes:

1. The percentage has been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 645,923,925 Shares).

2. LSG and two of its wholly-owned subsidiaries, namely Zimba International Limited (“**Zimba International**”) and Joy Mind Limited (“**Joy Mind**”), beneficially owned 343,593,021 Shares, representing approximately 53.19% of the issued share capital of the Company. Dr. Peter Lam was deemed to be interested in the same 343,593,021 Shares by virtue of, in aggregate, his personal (including underlying shares) and deemed interests of approximately 41.96% in the issued share capital of LSG. LSG is approximately 12.66% owned by Dr. Peter Lam (excluding share options), and is approximately 29.23% owned by Wisdoman which in turn is 100% beneficially owned by Dr. Peter Lam.

LSG pledged approximately 208,513,987 Shares held by LSG, Zimba International and Joy Mind as security pursuant to its 7.70% secured guaranteed notes due 2018 under a share charge dated 24 July 2014. The amount has been repaid in full.

3. Madam U is the widow of the late Mr. Lim Por Yen whose estate includes an interest of 3,957,189 Shares, representing approximately 0.61% of the issued share capital of the Company.
4. The 1,221,000 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 1,221,000 Shares.
5. A share option was granted by the Company to each of Dr. Peter Lam, Mr. FA Chew, Mr. Lau Shu Yan, Julius, Mr. Lester Lam and Mr. Tham Seng Yum, Ronald, the particulars of which are set out below:

Name of Director	Date of grant	Number of underlying Shares comprised in the share options	Exercise period of share options	Exercise price of share options HK\$ per Share
Dr. Peter Lam	18/01/2013	417,308	18/01/2013-17/01/2023	16.100
Mr. FA Chew	05/06/2012	1,952,081*	05/06/2012-04/06/2022	5.350
Lau Shu Yan, Julius	18/01/2013	2,086,540	18/01/2013-17/01/2023	16.100
Mr. Lester Lam	18/01/2013	4,173,081	18/01/2013-17/01/2023	16.100
Tham Seng Yum, Ronald	19/08/2019	800,000	19/08/2019-18/08/2029	9.920

* On 7 August 2020, Mr. FA Chew exercised his options to subscribe for 915,000 Shares.

6. These Shares include the Rights Shares that have been provisionally allotted to each of LSG and Dr. Peter Lam under the Rights Issue and which are to be accepted by LSG and Dr. Peter Lam respectively under the Irrevocable Undertaking.

(b) Associated Corporations**(i) LSG – the ultimate holding company of the Company****Long positions in the ordinary shares of LSG (“LSG Shares”) and the underlying LSG Shares**

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued LSG Shares (Note 1)
Dr. Peter Lam (Note 5)	Beneficial owner/ Owner of controlled corporations	74,557,359	Nil	172,112,124 (Note 2)	425,033 (Note 4)	247,094,516	41.96%
Mr. FA Chew	Beneficial owner	Nil	Nil	Nil	4,869,867 (Note 4)	4,869,867	0.83%
Madam U (Note 5)	Beneficial owner	1,238,287	Nil	Nil	Nil	1,238,287	0.21%
Mr. Lester Lam (Note 5)	Beneficial owner	18,688,812	Nil	Nil	4,869,867 (Note 4)	23,558,679	4.00%

Notes:

1. The percentage has been compiled based on the total number of issued LSG Shares as at the Latest Practicable Date (i.e. 588,915,934 LSG Shares).
2. As at the Latest Practicable Date, Dr. Peter Lam was deemed to be interested in 172,112,124 LSG Shares by virtue of his 100% interest in the issued share capital of Wisdoman.
3. The late Dr. Lam Kin Ming whose estate includes an interest of 1,532,164 LSG Shares, representing approximately 0.26% of LSG’s issued share capital.

4. A share option was granted by LSG to each of Dr. Peter Lam, Mr. FA Chew and Mr. Lester Lam, the particulars of which are set out below:

Name of Director	Date of grant	Number of underlying LSG Shares comprised in the LSG share options	Exercise period of LSG share options	Exercise price of LSG share options HK\$ per LSG Share
Dr. Peter Lam	19/06/2017	425,033	19/06/2017-18/06/2027	11.763
Mr. FA Chew	19/06/2017	4,869,867	19/06/2017-18/06/2027	11.763
Mr. Lester Lam	19/06/2017	4,869,867	19/06/2017-18/06/2027	11.763

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

(ii) eSun – a subsidiary of the Company

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 (Note 3)	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:

- 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).
- As at the Latest Practicable Date, LSG Subsidiaries were interested in 343,593,021 Shares, representing approximately 53.19% of the issued share capital of the Company. Transtrend Holdings Limited (“Transtrend”), a wholly-owned subsidiary of the Company, 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 (including underlying shares) and deemed interests of approximately 41.96% and 79.96% in the issued share capital of the LSG and the Company, respectively.
- Dr. Peter Lam resigned as an executive director of eSun with effect from 14 February 2014.

(iii) *Lai Fung – a subsidiary of the Company*

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 (Note 4)	Beneficial owner/Owner of controlled corporations	Nil	Nil	182,318,266 (Note 2)	321,918 (Note 3)	182,640,184	55.17%
Lau Shu Yan, Julius	Beneficial owner	Nil	Nil	Nil	965,754 (Note 3)	965,754	0.29%
Mr. Lester Lam (Note 3)	Beneficial owner	Nil	Nil	Nil	3,219,182	3,219,182	0.97%
Tham Seng Yum, Ronald	Beneficial owner	Nil	Nil	Nil	500,000 (Note 3)	500,000	0.15%

Notes:

- 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).*
- The Company purchased 1,700,000 Lai Fung Shares through Transtrend on 15 April 2021.*

As at the Latest Practicable Date, the Company 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 (“HUL”), a wholly-owned subsidiary of the Company and 1,717,510 Lai Fung Shares were beneficially owned by Transtrend. 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 41.96% and 79.96% personal (including underlying shares) and deemed interests in the issued share capital of LSG and the Company, respectively.

3. *A share option was granted by Lai Fung to each of Dr. Peter Lam, Mr. Lau Shu Yan, Julius, Mr. Lester Lam and Mr. Tham Seng Yum, Ronald, the particulars of which are set out below:*

<i>Name of Director</i>	<i>Date of grant</i>	<i>Number of underlying Lai Fung Shares comprised in the Lai Fung share options</i>	<i>Exercise period of Lai Fung share options</i>	<i>Exercise price of Lai Fung share options HK\$ per Lai Fung Share</i>
<i>Dr. Peter Lam</i>	<i>18/01/2013</i>	<i>321,918</i>	<i>18/01/2013-17/01/2023</i>	<i>11.400</i>
<i>Lau Shu Yan, Julius</i>	<i>18/01/2013</i>	<i>965,754</i>	<i>18/01/2013-17/01/2023</i>	<i>11.400</i>
<i>Mr. Lester Lam</i>	<i>18/01/2013</i>	<i>3,219,182</i>	<i>18/01/2013-17/01/2023</i>	<i>11.400</i>
<i>Tham Seng Yum, Ronald</i>	<i>19/08/2019</i>	<i>500,000</i>	<i>19/08/2019-18/08/2029</i>	<i>6.784</i>

4. *Dr. Peter Lam, stepped down as the chairman of the board of directors and an executive director of Lai Fung with effect from 1 November 2012.*

(iv) *MAGHL – a subsidiary of eSun*

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

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

Notes:

1. *As a result of the share consolidation of MAGHL becoming effective on 22 December 2020 and the completion of the loan capitalisation of MAGHL on 18 January 2021, the total issued shares of MAGHL became 2,901,105,682 MAGHL Shares. On 17 March 2021, 1,875,000 fee MAGHL Shares were issued, increasing the total issued shares of MAGHL to 2,902,980,682. On 28 June 2021, MAGHL issued a total of 42,721,136 new MAGHL Shares to THL G Limited at the subscription price of HK\$1.20 per MAGHL Share, thus increasing the total issued shares in MAGHL from 2,902,980,682 to 2,945,701,818. On 3 August 2021, MAGHL issued an aggregate of 40,612,197 subscription shares at the subscription price of HK\$1.20 per MAGHL Share, thus increasing the total issued shares in MAGHL from 2,945,701,818 to 2,986,314,015. 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 represented the MAGHL Shares 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 the Company which was in turn owned as to approximately 53.19% by LSG. As LSG was approximately 12.66% (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 said 2,021,848,647 MAGHL Shares.*

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)
LSG	Beneficial owner	Corporate	515,389,531 (Notes 2 and 4)	79.79%
Dr. Peter Lam	Beneficial owner/ Owner of controlled corporations	Personal and corporate	516,457,444 (Note 2 and 4)	79.96%
Yu Cheuk Yi	Beneficial owner	Personal	167,009,100 (Note 3)	25.86%
Yu Siu Yuk	Beneficial owner	Personal	167,009,100 (Note 3)	25.86%
The Subscriber	Beneficial owner	Corporate	34,094,400 (Note 5)	5.28%
Tanah Abang Limited	Interest of a controlled corporation	Corporate	34,094,400 (Note 6)	5.28%
ASM Connaught House (Master) Fund III LP	Interest of a controlled corporation	Corporate	34,094,400 (Note 6)	5.28%
ASM Connaught House General Partner III Limited	Investment Manager	Corporate	34,094,400 (Note 7)	5.28%
The Manager	Investment Manager	Corporate	34,094,400 (Note 8)	5.28%
Argyle Street Management Holdings Limited	Interest of a controlled corporation	Corporate	34,094,400 (Note 9)	5.28%
Mr. Chan Kin	Interest of a controlled corporation	Corporate	34,094,400 (Note 10)	5.28%

Notes:

1. *The percentage has been compiled based on the total number of issued Shares as at the Latest Practicable Date (i.e. 645,923,925 Shares).*
2. *LSG and two of its wholly-owned subsidiaries, namely Zimba International Limited (“**Zimba International**”) and Joy Mind Limited, (“**Joy Mind**”) beneficially owned 343,593,021 Shares, representing approximately 53.19% of the issued share capital of the Company. Dr. Peter Lam was deemed to be interested in the same 343,593,021 Shares by virtue of, in aggregate, his personal and deemed interests of approximately 41.89% (excluding share options) in the issued share capital of LSG.*
3. *Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 167,009,100 Shares (25.86%) according to shareholding shown in last Individual Substantial Shareholder Notice (Form 1) filed for an event on 20 August 2021.*
4. *These Shares include the Rights Shares that have been provisionally allotted to each of LSG and Dr. Peter Lam under the Rights Issue and which are to be accepted by LSG and Dr. Peter Lam respectively under the Irrevocable Undertaking.*
5. *On 12 August 2021, the Subscriber entered into the Subscription Agreement with the Company pursuant to which the Subscriber has conditionally agreed to subscribe for, and the Company has conditionally agreed to issue to the Subscriber, an aggregate of 33,834,900 Shares at the subscription price of HK\$6.95 per Share. The Subscriber is owned as to 98.35% by Tanah Abang Limited and as to 1.65% by Sabangau Limited.*
6. *Tanah Abang Limited is wholly owned by Cantonment Road Limited which in turn is wholly-owned by ASM Connaught House (Master) Fund III LP.*
7. *ASM Connaught House General Partner III Limited is the general partner of ASM Connaught House (Master) Fund III LP.*
8. *The Manager by virtue of its position as an investment manager controls each of ASM Connaught House General Partner III Limited, ASM Connaught House (Master) Fund III LP, ASM Co-Investment Term Trust I, which owns 100% of Cotton Drive Limited, which owns 100% of Sabangau Limited, which owns 1.65% of the Subscriber.*
9. *Argyle Street Management Holdings Limited owns 100% of the Manager.*
10. *Mr. Chan Kin owns 50.43% of Argyle Street Management Holdings Limited.*

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	417,308	18/01/2013	18/01/2013 – 17/01/2023	16.100
Mr. Lau Shu Yan, Julius	2,086,540	18/01/2013	18/01/2013 – 17/01/2023	16.100
Mr. FA Chew	1,952,081	05/06/2012	05/06/2012 – 04/06/2022	5.350
Mr. Lester Lam	4,173,081	18/01/2013	18/01/2013 – 17/01/2023	16.100
Mr. Tham Seng Yum, Ronald	800,000	19/08/2019	19/08/2019 – 18/08/2029	9.920
Other employees				
In aggregate	2,059,200	18/01/2013	18/01/2013 – 17/01/2023	16.100
In aggregate	83,200	26/07/2013	26/07/2013 – 25/07/2023	11.250
In aggregate	166,400	21/01/2015	21/01/2015 – 20/01/2025	8.350
In aggregate	60,000	22/01/2016	22/01/2016 – 21/01/2026	4.700
In aggregate	60,000	20/01/2017	20/01/2017 – 19/01/2027	8.150
In aggregate	470,000	26/01/2021	26/01/2021 – 25/01/2031	6.360
	<u>12,327,810</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) eSun – a subsidiary of the Company**

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

(ii) Lai Fung – a subsidiary of the Company

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 (Note 1)	Exercise period of Lai Fung share options	Exercise price of share options* HK\$ per Lai Fung Share (Note 2)
Directors				
Dr. Peter Lam	321,918	18/01/2013	18/01/2013 – 17/01/2023	11.40
Lau Shu Yan, Julius	965,754	18/01/2013	18/01/2013 – 17/01/2023	11.40
Mr. Lester Lam	3,219,182	18/01/2013	18/01/2013 – 17/01/2023	11.40
Mr. Tham Seng Yum, Ronald	500,000	19/08/2019	19/08/2019 – 18/08/2029	6.784
Other employees				
In aggregate	2,763,836	18/01/2013	18/01/2013 – 17/01/2023	11.40
In aggregate	220,000	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	120,000	22/01/2021	22/01/2021 – 21/01/2031	7.364
	<u>8,680,690</u>			

* The number and the exercise price of the Lai Fung 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.

(iii) *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, 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 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 restaurants in Hong Kong.

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 2020 (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 2020 (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	:	Mr. Chew Fook Aun 11th Floor Lai Sun Commercial Centre 680 Cheung Sha Wan Road Kowloon Hong Kong Mr. Chow Kwok Wor 11th Floor Lai Sun Commercial Centre 680 Cheung Sha Wan Road Kowloon Hong Kong
Company secretary	:	Mr. Chow Kwok Wor <i>(a fellow member of The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and Hong Kong Institute of Certified Public Accountants)</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 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

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
Level 54, Hopewell Centre
183 Queen's Road East
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 loan agreement entered into between eSun (as lender) and MAGHL (as borrower) on 1 November 2019 in respect of a term loan facility in the principal amount of HK\$50,000,000 provided by eSun to MAGHL (“**eSun 1st Shareholder’s Loan**”);
- (b) the agreement dated 19 January 2020 entered into between 珠海大橫琴置業有限公司 (Zhuhai Da Hengqin Real Estate Co., Ltd.*) (“**Investor**”), 珠海橫琴麗新文創天地有限公司 (Zhuhai Hengqin Laisun Creative Culture City Co., Ltd.*) (“**Laisun Creative Culture**”) and Winfield Concept Limited (永輝基業有限公司) (“**Winfield Concept**”, an indirect non-wholly-owned subsidiary of Lai Fung) in relation to, among other things, the subscription of approximately 16.68% equity interest in Laisun Creative Culture by the Investor, the capital injection made by the Investor in cash to Laisun Creative Culture, the grant of the put option to the Investor to require Laisun Creative Culture or Winfield Concept (as the case may be) to acquire all equity interest held by the Investor in Laisun Creative Culture, and the grant of the call option to Winfield Concept and Laisun Creative Culture to acquire the Investor’s equity interest in Laisun Creative Culture;
- (c) a loan agreement entered into between eSun (as lender) and MAGHL (as borrower) on 11 June 2020 in respect of the term loan facility in the principal amount of HK\$300,000,000 provided by eSun to MAGHL (“**eSun 2nd Shareholder’s Loan**”);
- (d) a loan agreement entered into between eSun (as lender) and MAGHL (as borrower) on 20 October 2020 in respect of the term loan facility in the principal amount of HK\$80,000,000 provided by eSun to MAGHL (“**eSun 3rd Shareholder’s Loan**”);
- (e) a loan capitalisation agreement dated 6 November 2020 (“**Loan Capitalisation Agreement**”) entered into between eSun and MAGHL in relation to the capitalisation of the outstanding principal amount of HK\$430 million under the eSun 1st Shareholder’s Loan, the eSun 2nd Shareholder’s Loan and the eSun 3rd Shareholder’s Loan which is to be capitalised and cancelled by the allotment and issue of a maximum of 2,687,500,000 new consolidated shares in MAGHL (“**Capitalisation Shares**”);
- (f) the placing agreement dated 6 November 2020 entered into among eSun, MAGHL and Get Nice Securities Limited (as the placing agent) in relation to the placing of up to an aggregate of 937,500,000 Capitalisation Shares (being a portion of the Capitalisation Shares which would otherwise be allotted and issued to eSun under the Loan Capitalisation Agreement) on a best effort basis to at least six (6) places;

- (g) 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;
- (h) the Subscription Agreement (as supplemented); and
- (i) the Underwriting Agreement (as supplemented).

* *All the English translations of certain Chinese names or words in this paragraph are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

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\$13.1 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 AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the registered office of the Company at 11th Floor, Lai Sun Commercial Centre, 680 Cheung Sha Wan Road, Kowloon, Hong Kong during the following business hours (i.e. from 9:30 a.m. to 12:30 p.m. and from 2:30 p.m. to 5:30 p.m.) on any Business Day 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 two years ended 31 July 2019 and 2020;
- (c) the interim report of the Company for the six months ended 31 January 2021;
- (d) 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;
- (e) the written consent as referred to in the paragraph headed “9. Qualification and Consent of Expert” in this appendix;
- (f) the material contracts of the Group listed in the paragraph headed “11. Material Contracts” in this appendix; and
- (g) 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 English law, Norton Rose Fulbright LLP of 3 More London Riverside, London, SE1 2AQ, United Kingdom; (iv) as to Japanese law, Anderson Mori & Tomotsune of Otemachi Park Building, 1-1-1 Otemachi, Chiyoda-Ku, Tokyo 100-8136, Japan; (v) as to Macau law, Rato Ling Lei & Cortes Advogados E Notarios of Avenida da Amizade n.o 555, Macau Landmark, Office Tower 23°, Macau; (vi) 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; (vii) as to Netherlands law, Norton Rose Fulbright LLP of Rembrandt Tower, 24th Floor, Amstelplein 1, Amsterdam, 1096 HA The Netherlands; (viii) as to Singaporean law, Rajah & Tann Singapore LLP of 9 Straits View, Marina One West Tower, #06-07, Singapore 018937; (ix) as to Swiss law, Lex Partners Advokaten & Notare of Kirchplatz 16, Postfach 916, CH-4132 MuttENZ 1; (x) as to Taiwanese law, Tsar & Tsai Law Firm of 11F., No. 100, Songren Rd., Xinyi Dist., Taipei City 11073, Taiwan; and (xi) as to US law, King & Wood Mallesons LLP of 535 Middlefield Road, Suite 245, Menlo Park, California 94025, the United States.