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Lai Group Holding Company Limited

禮建德集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8455)

DISCLOSEABLE TRANSACTION SUBSCRIPTION OF KEY MAN INSURANCE POLICY

SUBSCRIPTION OF INSURANCE POLICY

The Board announces that Faith Flying Limited, an indirect wholly-owned subsidiary of the Company, took out the Hang Seng Life Insurance on 18 August 2022 and placed an initial single premium of US\$950,000 (equivalent to approximately HK\$7,469,000) thereunder with Hang Seng Insurance, which became effective on 28 September 2022.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Subscription are more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

SUBSCRIPTION OF INSURANCE POLICY

Faith Flying Limited, an indirect wholly-owned subsidiary of the Company, took out the Hang Seng Life Insurance on 18 August 2022 and placed an initial single premium of US\$950,000 (equivalent to approximately HK\$7,469,000) thereunder with Hang Seng Insurance, which became effective on 28 September 2022. The Hang Seng Life Insurance is a life insurance of Dr. Chan as the insured person and the beneficiary is Faith Flying Limited.

The major terms of the Hang Seng Life Insurance are as follows:

Policy effective date	: 28 September 2022
Policyholder/beneficiary	: Faith Flying Limited
Insured person	: Dr. Chan, aged 58
Policy term	: Whole of life

- Premium payment term : An initial single premium of US\$950,000 (equivalent to approximately HK\$7,469,000), reflecting a 5% discount from the premium payable, has been paid by the Policyholder upon taking out of the Hang Seng Life Insurance in the following manner:
- (i) approximately US\$243,000 (equivalent to approximately HK\$1,912,000) by way of cash from the Policyholder; and
 - (ii) the remaining balance of approximately US\$707,000 (equivalent to approximately HK\$5,557,000) financed by way of loan by Hang Seng Bank to the Policyholder at the interest rate of HIBOR+1.0% per annum. The interest shall be payable at the end of each interest period and the principal shall be payable in one lump sum on the final maturity day (“**Hang Seng Loan**”).

The amount of premium was agreed between the Policyholder and Hang Seng Insurance after arm’s length negotiation with reference to, amongst other things, the insured person’s age, sex and the sum at risk and amount of death benefit payable to the Policyholder in the event of death of Dr. Chan.

The particulars of the guaranteed insured sum and guaranteed cash value of Hang Seng Life Insurance:

End of policy year	Premium <i>(US\$)</i>	Death of insured person: Guaranteed insured sum <i>(US\$)</i>	Surrender rights: Guaranteed cash value <i>(US\$)</i>
1	1,000,000	1,000,000	830,000
2	1,000,000	1,000,000	836,150
3	1,000,000	1,050,000	842,300
4	1,000,000	1,100,000	848,450
5	1,000,000	1,150,000	854,600
6	1,000,000	1,200,000	856,730
7	1,000,000	1,250,000	858,640
8	1,000,000	1,400,000	860,330
9	1,000,000	1,650,000	866,300
10	1,000,000	2,000,000	876,700
11	1,000,000	2,000,000	887,110
12	1,000,000	2,000,000	899,370
13	1,000,000	2,000,000	919,200
14	1,000,000	2,000,000	951,620

End of policy year	Premium (US\$)	Death of insured person: Guaranteed insured sum (US\$)	Surrender rights: Guaranteed cash value (US\$)
15	1,000,000	2,000,000	1,000,500
16	1,000,000	2,000,000	1,003,500
17	1,000,000	2,000,000	1,006,510
18	1,000,000	2,000,000	1,009,530
19	1,000,000	2,000,000	1,013,560
20	1,000,000	2,000,000	1,015,600
21	1,000,000	2,000,000	1,018,650
22	1,000,000	2,000,000	1,021,710
23	1,000,000	2,000,000	1,024,780
24	1,000,000	2,000,000	1,027,710
25	1,000,000	2,000,000	1,030,930
26	1,000,000	2,000,000	1,034,350
27	1,000,000	2,000,000	1,037,120
28	1,000,000	2,000,000	1,040,230
29	1,000,000	2,000,000	1,043,350
30	1,000,000	2,000,000	1,046,480
31	1,000,000	2,000,000	1,050,670
32	1,000,000	2,000,000	1,054,870
33	1,000,000	2,000,000	1,059,090
34	1,000,000	2,000,000	1,063,330
35	1,000,000	2,000,000	1,067,580
36	1,000,000	2,000,000	1,071,850
37	1,000,000	2,000,000	1,076,140
38	1,000,000	2,000,000	1,080,140
39	1,000,000	2,000,000	1,084,440
40	1,000,000	2,000,000	1,089,100
41	1,000,000	2,000,000	1,093,460
42	1,000,000	2,000,000	1,097,830

In the event that Dr. Chan resigns from his office as the chairman of the Board and an executive Director and is otherwise no longer employed or engaged with the Group in future, the Policyholder may apply for a change of the insured person under the Hang Seng Life Insurance to, including without limitation, such person of comparable importance to the management of the Group, subject to Hang Seng Insurance's discretion.

REASONS FOR THE SUBSCRIPTION

The Board considers that it is currently appropriate to purchase the Hang Seng Life Insurance in terms of (i) timing to insure against the risk of death of Dr. Chan which pursuant to his position in the Group as the chairman of the Board and an executive Director, may have substantial impact to the management of the Group; and (ii) value as the amount of death benefit receivable by the Policyholder in the event of the insured person's death under the Hang Seng Life Insurance is substantially higher than the premium paid by it. The Board expects that the Hang Seng Life Insurance may offer timely financial benefit and security to the Group and confidence to the Group's stakeholders and business partners in the Group's prospect in the unfortunate event of death of the insured person as a key person to the Group's management. In light of the foregoing, the Directors (including the independent non-executive Directors) are of the view that the terms of the Hang Seng Life Insurance and the transaction contemplated thereunder are fair and reasonable and the entering into of the Hang Seng Life Insurance is in the interests of the Company and its Shareholders as a whole.

INFORMATION ABOUT THE GROUP

The Group is principally engaged in the provision of interior design and fit-out services in Hong Kong.

INFORMATION ABOUT HANG SENG INSURANCE

Hang Seng Insurance, a company incorporated in Hong Kong with limited liability, is a wholly-owned subsidiary of Hang Seng Bank, a company listed on the Stock Exchange (Stock Code: 0011), principally engaged in commercial and retail banking business and offers a comprehensive range of financial products and services to its customers in Hong Kong, mainland China, Macau and Singapore.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hang Seng Insurance and its ultimate beneficial owners are Independent Third Parties.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the Subscription are more than 5% but all applicable percentage ratios are less than 25%, the Subscription constitutes a discloseable transaction for the Company under Chapter 19 of the GEM Listing Rules and is therefore subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the meanings set out below:

“Board”	board of Directors
“China”	People’s Republic of China, which for the purpose of this announcement excludes Hong Kong, Macau and Taiwan
“Company”	Lai Group Holding Company Limited (禮建德集團控股有限公司), a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“Dr. Chan”	Dr. Chan Lai Sin, the chairman of the Board and an executive Director
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hang Seng Bank”	Hang Seng Bank Limited, a company incorporated in Hong Kong with limited liability
“Hang Seng Insurance”	Hang Seng Insurance Company Limited, a company incorporated in Hong Kong with limited liability
“Hang Seng Life Insurance”	a life insurance policy taken out with Hang Seng Insurance on 18 August 2022, which became effective on 28 September 2022
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HIBOR”	Hong Kong Inter-bank Offered Rate offered by Hang Seng Bank from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	an individual or a company who or which is independent of and not connected with (within the meaning of the GEM Listing Rules) any Directors, chief executive or substantial shareholders of the Company, its subsidiaries or any of their respective associates

“Macau”	the Macau Special Administrative Region of the PRC
“percentage ratio(s)”	has the same meaning ascribed to it under the GEM Listing Rules
“Policyholder”	Faith Flying Limited (信揚有限公司), an indirect wholly-owned subsidiary of the Company
“Shareholder(s)”	holder(s) of Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the issued capital of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	subscription of the Hang Seng Life Insurance by the Policyholder
“US\$”	United States dollar(s), the lawful currency of the United States of America
“%”	per cent

By order of the Board
Lai Group Holding Company Limited
Chan Lai Sin
Chairman and Executive Director

Hong Kong, 21 October 2022

As at the date of this announcement, the Board comprises Dr. Chan Lai Sin and Ms. Wan Pui Chi as executive Directors; Ms. Lui Lai Chun, Dr. Chung Siu Kuen and Dr. Chu Kwan Siu Candace as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange 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 announcement 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 announcement misleading.

This announcement will remain on the website of the Stock Exchange at www.hkexnews.hk on the “Latest Listed Company Information” page for at least 7 days from the date of its posting and will be published on the Company’s website at www.dic.hk.