

STRICTLY PRIVATE AND CONFIDENTIAL

10 November 2022

Lai Sun Development Company Limited
11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon, Hong Kong
Attn.: The Board of Directors

Dear Sirs,

Lai Sun Development Company Limited (Stock Code: 488) (the “Company”, together with its subsidiaries, the “Group”) Placing (the “Placing”) of new shares of HK\$1.64 each (the “Shares”) in the Company untaken in the Rights Issue

We refer to the draft announcement in relation to the proposed Rights Issue, a draft of which is attached hereto for reference. Capitalised terms used herein and not defined shall have the same meaning as in the abovementioned announcement unless the context otherwise requires.

PART 1 – THE PLACING

The Company has proposed, by way of a rights issue, to offer the Rights Shares to the Eligible Shareholders on the basis of one (1) Rights Share for every two (2) existing Shares held by the Eligible Shareholders registered as such on the Record Date.

The Company intends to appoint us, Haitong International Securities Company Limited (the “**Placing Agent**”), to place the number of Unsubscribed Rights Share(s) (the “**Placing Shares**”) during the Placing Period, being the period commencing from Friday, 30 December 2022 and ending on 4:00 p.m. on Wednesday, 4 January 2023. For the avoidance of doubt, if all the Rights Shares are already fully taken up in the Rights Issue through valid applications by PAL(s), the Placing will not proceed.

In consideration of the underwriting agreement dated 10 November 2022 entered into between the Company and us and on the terms set out in this agreement (the “**Placing Agreement**”), we agree, on a best effort basis, to place, or procure the placing of, the Placing Shares, with institutional, corporate or individual investors (the “**Placees**”), who and whose ultimate beneficial owner(s) shall not be connected persons of the Company and its associates (“**Independent Parties**”) (as we may select at the placing price (the “**Placing Price**”), of not less than the Subscription Price and the final price determination will depend on the demand for and the market conditions of the Unsubscribed Rights Shares during the process of our placement (together with the Stock Exchange trading fee, Securities and Futures Commission (the “**SFC**”) transaction levy and Central Clearing and Settlement System (“**CCASS**”) stock settlement fee and brokerage as may be payable by the Placees) in the capacity as the Company’s agent.

The Company represents, warrants and undertakes to the Placing Agent that:

- (a) the Placing Shares will, when fully paid, be allotted and issued in accordance with the articles of association of the Company and with the relevant rules and regulations applicable to the Company in Hong Kong and will, at Completion (as hereinafter defined), be free from all liens, charges, encumbrances or third party rights of whatsoever nature and together with all rights attaching thereto at Completion (as hereinafter defined) and thereafter; and
- (b) the Placing Shares will rank *pari passu* in all respects with the existing Shares in issue and the Rights Shares as at the date of allotment and issue of the Placing Shares.

The Placing Agent represents, warrants and undertakes to the Company that:

- (a) the Placing Agent will not, directly or indirectly, offer, sell or deliver any Placing Shares or distribute or publish any documents in relation to the Placing (including without limitation to the foregoing, any prospectus, form of application, offering circular, advertisement or other offering material) in any country or jurisdiction except under circumstances that will not result in the breach of any applicable laws and regulations;
- (b) the Placing Agent has not offered for subscription or sold and will not offer for subscription or sell in Hong Kong, by means of any document, any Placing Shares except in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or in contravention of any securities laws in Hong Kong;
- (c) the Placing will be completed on a best effort basis;
- (d) the Placing Agent undertakes to place the Placing Shares (i) only to institutional, corporate or individual investors who and whose ultimate beneficial owner(s) shall be the Independent Parties; and (ii) such that the Placing will not have any implications under the Takeovers Code and no shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and
- (e) by not later than 4:00 p.m. on the second business day immediately prior to Completion (as hereinafter defined), the Placing Agent shall deliver to the Company or its professional advisers a list of the Placees procured by it, the number of the Placing Shares to be subscribed by each Placee (together with the duly completed placing letters and confirmations as to their independence, as required by the Stock Exchange, to the Company and the Stock Exchange as soon as practicable and as and when known), the names and denomination (in board lots or otherwise) in which the Placing Shares are to be registered and, where relevant, the particulars of the account with the CCASS operated by Hong Kong Securities Clearing Company Limited to which Placing Shares are to be credited.

For the avoidance of doubt, notwithstanding that if there remains any Placing Shares not being placed by the Placing Agent by 4:00 p.m. on Wednesday, 4 January 2023, paragraph D(ii) shall apply accordingly.

The Placing Agent and the Company agree that they will use their best endeavours to ensure that the percentage of Shares held by the public will not be further decreased from its current percentage as at the date of this Agreement ~~Company will comply with the public float requirements under Rule 8.08(1)(a) of the Listing Rules~~ after Completion.

A. Placing Agent for the Placing

As the Placing Agent, the major areas of our involvement would be as follows:-

- to place on a best effort basis, the Unsubscribed Shares (i) to institutional, corporate or individual investor(s) who and whose ultimate beneficial owner(s) shall be the Independent Parties; and (ii) such that the Placing will not have any implications under the Takeovers Code and no shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and
- to assist the Company in coordinating and liaising with such investor(s) in relation to the Placing.

B. Proposed Placing timetable

The proposed period for the Placing shall commence on Friday, 30 December 2022 or such other dates as the Company may announce, and end at 4:00 p.m. on Wednesday, 4 January 2023 (the “**Completion Date**”) or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Placing.

C. Proposed remuneration in relation to the Placing

With respect to the services outlined above, we would propose the following fee structure:

(i) Expenses

Upon Completion, the Company shall be responsible for all costs and expenses reasonably incurred in connection with or arising out of the Placing, including without limitation, travelling, printing, postage and telecommunications costs from the proceeds of the Placing. In addition, all fees and expenses of other professional advisers involved in the Placing will be for the Company’s account.

D. Conditions of the Placing

(i) Completion of the Placing is conditional upon:-

(i) the Listing Committee of The Stock Exchange of Hong Kong Limited having granted the listing of, and permission to deal in, the Rights Shares;

(ii) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated thereunder having been obtained; and

(iii) the Placing Agreement not having been terminated in accordance with the provisions thereof, including provisions regarding the force majeure events.

In the event that the above condition precedents have not been fulfilled on or before the Latest Time for Termination, all rights, obligations and liabilities of the parties thereunder in relation to the Placing shall cease and determine and none of the parties shall have any claim against the other in respect of the Placing (save for any antecedent breaches thereof).

None of the above conditions of the Placing is capable of being waived in whole or in part by the Placing Agent or the Company.

- (ii) Completion of the Placing regardless of the number of Placing Shares placed / subscribed will take place on or before the Completion Date or such later date as may be announced by the Company (the “**Completion**”).
- (iii) The Company shall use its reasonable endeavours to procure the fulfilment of the conditions in paragraph D(i)(i) above (to the extent it is within its power to do so).
- (iv) The Placing Agent shall, in accordance with terms and conditions of this Placing Agreement, use its best endeavours to procure, and shall give all necessary assistance to the Company, in, the satisfaction of the above conditions on the respective dates stipulated in paragraph D(i) above.
- (v) If the Placing does not become unconditional, the Company shall arrange for the repayment to all investor(s) of all application moneys paid by them without interest.
- (vi) Upon Completion, the Placing Agent shall deliver to the Company the net proceeds from the Placing by way of a cheque or telegraphic transfer after deduction of the Stock Exchange trading fee, SFC transaction levy and CCASS stock settlement fee and brokerage (if any) and any other fees payable by the Company in respect of the Placing Shares placed by the Placing Agent as well as any outstanding fees and expenses payable by the Company as set out in paragraph C above from the proceeds of the Placing, and the Company shall deliver share certificates of the Placing Shares to the Placing Agent or arrange the Placing Shares to be issued in the name of HKSCC Nominees Limited and deposited into CCASS for the credit of the placees’ designated investor participants’ or CCASS participants’ stock accounts (as the case may be).

E. Termination of the Placing

- (i) Unless otherwise agreed between the Company and the Placing Agent, the Placing Agent’s appointment shall terminate upon the earlier of (a) Completion

and (b) termination of the Placing by the Placing Agent in accordance with the terms and conditions of this Placing Agreement, whereby the Company will be formally notified by the Placing Agent in writing in accordance with the terms of this Placing Agreement.

- (ii) The Placing Agent reserves its right to terminate this Placing Agreement by notice in writing prior to 4:00 p.m. on the Completion Date, if in the reasonable opinion of the Placing Agent, the success of the Placing would be materially and adversely affected by any force majeure events (as defined below).

For this purpose, a “force majeure event” refers to

- (a) the introduction of any new laws or regulations or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or
 - (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 hereof) of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the absolute opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing of the Shares by potential investor(s) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or
 - (c) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which affect the success of the Placing (such success being the placing of the Shares to potential investor(s)) or otherwise in the absolute opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing.
- (iii) If, at or prior to 4:00 p.m. on the Completion Date;
 - (a) the Company commits any material breach of or omits to observe any of the obligations or undertakings expressed or assumed under this Placing Agreement; or
 - (b) any suspension in the trading of the Shares on the Stock Exchange for more than ten consecutive trading days save for the purposes of clearing

of the announcement relating to this Placing Agreement or any announcements or circulars relating to the Placing; or

- (c) the Placing Agent shall become aware of the fact that any of the representations or warranties contained in this Placing Agreement was, when given, untrue or inaccurate or would in any respect be untrue or inaccurate if repeated the Placing Agent shall determine that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Group taken as a whole or will otherwise likely to have a material prejudicial effect on the Placing,

the Placing Agent shall be entitled (but not bound) by notice in writing to the Company to elect to treat such matter or event as releasing and discharging the Placing Agent from its obligations under this Placing Agreement.

- (iv) Upon giving of notice pursuant to the paragraph above, all obligations of the Placing Agent hereunder shall cease and determine and no party shall have any claim against any other parties in respect of any matter or thing arising out of or in connection with this Placing Agreement, save for any antecedent breaches.

PART 2 - GENERAL

A. Confidentiality

The Placing Agent confirms that all information and documents received from the Company in connection with this engagement will be regarded as strictly confidential to the Company and will be treated accordingly by the Placing Agent.

B. Representations, Warranties and Indemnities

- (i) In agreeing to the terms of this Placing Agreement, the Company hereby agrees the followings:
 - (a) The Company shall be responsible for all other professional fees, printer's charges and all disbursements and out of pocket costs incurred by the Placing Agent in relation to the Placing which will include, but not limited to, the photocopying charges, telephone/facsimile charges, postage and delivery expenses.
 - (b) The Company shall provide the Placing Agent with all such information relating to the Company, any companies controlled by the Company and the Group as the Placing Agent would reasonably require for the purpose of making an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Group or otherwise and all material facts and information which might reasonably be expected to be relevant in enabling the Placing Agent to fulfil its responsibilities in carrying out the terms of its engagements.

- (c) The Company shall inform the Placing Agent in the event of any material change in the information in respect of (b) above or in the reasonable opinion of the Company relevant to the Placing.
- (d) The Company shall accept full responsibility for the accuracy of all information and facts given by the Company to the Placing Agent in relation to the Placing and warrant that no other material information or material facts have been or will be withheld, the omission of which will make the information or facts given to the Placing Agent incorrect or misleading in any material respect, and to notify the Placing Agent should such omission or inaccuracy first come to the attention of the Company.
- (e) The Company shall provide the Placing Agent with any further information available to the Company, which would be of relevance to the Placing Agent in carrying out its duties in respect of the engagement. If, during the course of the Placing Agent's engagement, the Company subsequently discovers something which renders any such information untrue, unfair, inaccurate or misleading in any material respect, the Company undertakes to notify the Placing Agent at once.
- (f) The Placing Agent may, from time to time, disclose information regarding the Company and each of the companies controlled by the Company, its directors, shareholders, representatives and officers which may be confidential to the regulatory authorities upon their enquiries, including but not limited to the Stock Exchange and the SFC. Should such disclosure be required to be made, the Placing Agent agrees to obtain the consent from the Company or the Company's representatives prior to such disclosure.
- (g) The Company agrees to indemnify the Placing Agent and its respective officers and employees (all such companies and persons being collectively referred to as "indemnified persons") against all actions, claims, demands, proceedings or judgements (collectively "**indemnified claims**") and all losses, liabilities, damages, costs, charges and expenses of whatever nature (including costs, charges and expenses incurred in investigating or defending any indemnified claim and in complying with any request made pursuant to sub-paragraph (ii) below) (collectively "indemnified losses") made against or incurred by any indemnified person directly or indirectly relating to or arising from the Placing Agent's engagement hereunder PROVIDED THAT any indemnified claims or indemnified losses suffered or incurred by any indemnified person or persons shall not extend to any claims or losses which are attributable in any way to the fraud, gross negligence or wilful default of such indemnified person or persons.
- (h) Any indemnified person against whom an indemnified claim is made shall be entitled to defend, compromise, settle or deal with such indemnified claim as the Placing Agent may see fit after having had due regard to all reasonable requests which the Company may make.

- (i) If any amount becomes payable under this indemnity, the Company shall pay such additional amount (if any) as is required to ensure that the net amount received by the relevant indemnified person, after all deductions and withholdings required to be made from such aggregate payment and all taxation suffered in respect of its receipt, will equal the full amount which would have been received had no such deduction or withholding been made and had no such taxation been suffered.
 - (j) The benefit of this indemnity shall survive any termination of the arrangements contained in this letter and is in addition to any rights which any indemnified person may have at common law or otherwise including, but not limited to, any right of contribution.
 - (k) The Placing Agent shall have no liability to the Company in connection with the engagement of the Placing Agent other than as a result of its fraud, wilful default or negligent breach of its obligations to the Company herein.
- (ii) Furthermore, with the exception of those arising out of or as a result of any fraud, wilful default or negligence on the part of the Placing Agent, the Company undertakes by signing and returning to the Placing Agent Confirmation of Acceptance enclosed herewith that neither the Company, each of the companies controlled by the Company, its holding company, any of the subsidiary of the such company and their respective associates (the “**Member Company**”) and directors of such company and/or Member Company shall make any claim against the Placing Agent to recover any damages, losses, costs, charges, or expenses which the Company may suffer arising out of the proper performance by the Placing Agent of its obligation under this Placing Agreement and shall hold the Placing Agent harmless on all matters arising from its engagement or in connection herewith.

C. Applicable Law and Jurisdiction and Miscellaneous

- (i) The Company warrants that it shall have the legal rights, full power and authority to execute, deliver and exercise its rights and perform its obligations under this Placing Agreement. This Placing Agreement constitutes a valid and binding agreement amongst the parties enforceable in accordance with the terms and conditions. This Placing Agreement shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People’s Republic of China (“**Hong Kong**”) and the parties hereby irrevocably submit to the non-exclusive jurisdiction of the courts of the Hong Kong.
- (ii) The Placing Agent hereby warrants and represents to the Company that it is a licensed corporation under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and it and its ultimate beneficial owner(s) are the Independent Parties.
- (iii) In relation to the appointment of the Placing Agent, the Placing Agent will not provide any advice on matters relating to the Listing Rules, the Takeover Codes,

the SFO and the applicable law and/or the Companies Ordinance of Hong Kong. In addition, the Placing Agent will not be responsible for providing any specialist or technical advice which the Company would need to obtain from other advisers (such as on accounting, legal and regulatory issues).

- (iv) By signing the attached Confirmation of Acceptance, the signatory confirms that the Company's entry into this Placing Agreement will not cause any breach of the Listing Rules and the Takeover Codes by the Placing Agent in any regards.
- (v) No third party shall have any right under this Placing Agreement by virtue of the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

If the Company wishes to accept this Placing Agreement subject to the terms and conditions set out above, please duly complete and sign the attached confirmation of acceptance and return duplicate of this Placing Agreement to the Placing Agent by hand to the Placing Agent at 22/F., Li Po Chun Chambers, 189 Des Voeux Road Central, Hong Kong.

Yours faithfully,
For and on behalf of
Haitong International Securities Company
Limited



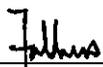
Authorised Signature

To: Haitong International Securities Company Limited

Confirmation of Acceptance

We confirm our acceptance of the terms and conditions of the agreement as set out in your letter dated 10 Nov 2022 of which this confirmation forms part.

For and on behalf of
Lai Sun Development Company Limited



Authorised Signature
Name: CHW To & Ann
Date: 10/11/2022