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LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 488)

UPDATE ON THE STATUS OF THE PUBLIC FLOAT

Reference is made to the announcements of Lai Sun Development Company Limited (the “**Company**”) dated 15 January 2026 (the “**Announcement**”), 4 February 2026, 4 March 2026, 2 April 2026, 6 May 2026 and 3 June 2026 in respect of the public float of the Company. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

Current Public Float of the Company

Based on publicly available information, as at the date of this announcement, the public float of the Company is 19.60% which remains below 25% of the total issued share capital of the Company held by the public as prescribed by the Listing Rules.

Progress Update on the Restoration of Public Float

As disclosed in the Announcement and the subsequent announcements referred to in the above, the Company has been considering options to restore the public float including but not limited to discussing with the Company’s connected persons to dispose of some of their respective holdings in the Shares with a view to restoring the public float of the Company within 6 months from the date of the Announcement.

During the relevant period, the Company took the following actions:

1. Potential sell-down by connected persons

The Company had explored the possibility of a disposal of Shares by some of its connected persons, including its controlling shareholder, Lai Sun Garment (International) Limited (the “**Parent**”), to restore the public float of the Company. Such discussions faced substantial challenges as every shareholder has its own investment agenda and the Company could not control if, when and how a shareholder wishes to sell down its Shares. Furthermore, the Company is also mindful that if the Shares are disposed of by certain shareholder who is a connected person of the Company, there is a risk that such Shares may be acquired by an existing substantial shareholder or their associates, which would not result in an effective increase in the public float. Accordingly, any potential disposal of Shares by key shareholders must be approached with caution to ensure that it would contribute meaningfully to restore the public float.

Specifically, with regard to the discussion with the Parent, we understand that the board of directors of the Parent has decided against a sell-down of its Shares on the following grounds:

- (i) the Company is a material and important subsidiary of the Parent and any meaningful sale (the “**Parent’s Sale**”) to satisfactorily address the public float issue would require a substantial reduction of their direct or indirect interests in the Company and there is no guarantee that the public float can be restored for reasons explained above;
- (ii) the disposal of Shares for the sole purpose of rectifying the public float issue would not be a long-term answer or a real solution to the public float issue given the trading volume of the Shares and the circular risk that the Shares would be sold to another connected person (or its associates) who may be accumulating the Shares on the open market;
- (iii) the Parent’s Sale would likely:
 - (a) create substantial downward pressure on the price of the Shares which is detrimental to the Company and the interests of its shareholders;
 - (b) constitute a major transaction or very substantial disposal of the Parent and therefore subject to the approval by its shareholders under the Listing Rules; and
 - (c) result in the Company ceasing to be a subsidiary of the Parent and the deconsolidation of the Company from the financial statement of the Parent; and
- (iv) the Parent is itself a Hong Kong listed company and its board of directors was of the view that, on the basis of the above, it would not be in its interests and shareholders to proceed with a sell-down of its Shares.

2. Consideration of various corporate actions

In addition to the sell-down option as discussed above, the Company had considered various corporate actions include but not limited to issuing new Shares to independent investors, rights issue and scrip dividends. However, all of these corporate actions face their own challenges (such as timing, pricing, market conditions and potential approvals from the shareholders of the Parent) and would result in the potential dilution of the Shares held by the shareholders of the Company. In particular, the current share price of the Company trades at a steep discount to its net asset value per Share. Accordingly, any placing of new Shares under current market conditions would result in severe dilution and be highly detrimental to the existing shareholders of the Company. More importantly, there is no guarantee that the consummation of such corporate actions would resolve the public float issue if the aforementioned shareholder continues to accumulate Shares from the open market.

Explanation for delay and extension of restoration period

Despite the Company’s efforts, the Company has been unable to restore its public float within the originally expected 6-month timeframe. The delay and deviation from the original restoration timeline are primarily due to the combination of factors, including (i) the possible continuous accumulation of Shares by a shareholder from the open market; (ii) the disinclination of the approached key shareholders to sell down their stakes due to their respective circumstances; and (iii) the unfeasibility of executing corporate actions, including a new share placing, given the reasons set forth above.

Consequently, additional time is required to resolve the issue. The Company expects to extend the period for the restoration of its public float to a further 6 months from the date of this announcement (i.e., by January 2027). The Company will continue to explore all available options during such time.

Announcement(s) will be made by the Company on a monthly basis until the public float of the Company is restored in accordance with the Listing Rules, so as to keep shareholders of the Company and the market informed on the progress made in carrying out the proposed public float restoration plans.

Shareholders of the Company and potential investors are advised to exercise caution when dealing in the Shares.

By order of the Board
Lai Sun Development Company Limited
Lam Kin Ngok, Peter
Chairman

Hong Kong, 6 July 2026

As at the date of this announcement, the Board comprises the following members:

Executive Directors: *Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Cheung Sum, Sam (Group Chief Financial Officer), Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Lee Tze Yan, Ernest;*

Non-Executive Director: *Madam U Po Chu; and*

Independent Non-Executive Directors: *Messrs. Lam Bing Kwan, Leung Shu Yin, William, Ip Shu Kwan, Stephen and Luk Hon Man.*