



# LAI SUN DEVELOPMENT

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

## ANNOUNCEMENT

### CONVENING OF MEETINGS OF THE EXCHANGEABLE BONDHOLDERS AND THE CONVERTIBLE BONDHOLDERS AND DESPATCH OF CIRCULAR IN RESPECT OF THE ATV TRANSACTION

On 2nd December, 2002, LSD issued notices to convene meetings of the Exchangeable Bondholders and the Convertible Bondholders for the purpose of considering (1) a deferral, to 31st March, 2003, of repayment obligations of the LSD Group under the Exchangeable Bonds and the Convertible Bonds, respectively and (2) the ATV Transaction.

The Circular in respect of the ATV Transaction will be despatched to the shareholders of LSD on 4th December, 2002. The Circular contains financial information on the LSD Group which has not been previously announced and is required to be made public in this announcement.

#### NOTICES OF MEETINGS OF BONDHOLDERS

A series of discussions have taken place between LSD and an informal committee of the Exchangeable Bondholders and the Convertible Bondholders with a view to formulating a set of proposals for the restructuring of the Bonds.

Since definitive proposals aimed at achieving a longer term restructuring of the Bonds and LSD's other debt obligations have yet to be finalized and submitted to Bondholders, and given that repayment obligations under the Bonds fall due on 31st December, 2002, LSD has convened meetings of the Exchangeable Bondholders and the Convertible Bondholders to approve the deferral of repayment obligations to 31st March, 2003. During the period to 31st March, 2003, LSD would continue to work with the Bondholders and LSD's other creditors to finalise and effect longer term restructuring proposals.

Reference is also made to LSD's announcement dated 12th November, 2002 in relation to the ATV Transaction. As explained in that announcement, completion of the ATV Transaction is conditional on, among other things, the consent or approval of the Exchangeable Bondholders and the Convertible Bondholders.

The meetings of the Exchangeable Bondholders and the Convertible Bondholders referred to above will also consider resolutions to approve the ATV Transaction.

#### DESPATCH OF THE CIRCULAR

The Circular, which sets out further information on the ATV Transaction and a notice to convene an extraordinary general meeting of shareholders of LSD, together with a form of proxy, will be sent out to the shareholders of LSD on 4th December, 2002.

The Circular also contains financial information on the LSD Group which has not been previously announced and is required to be made public in this announcement as follows.

#### Proforma net tangible assets of the LSD Group

Upon completion of the ATV Transaction, the proforma net tangible assets of the LSD Group will be as follows:

	<i>HK\$m</i>
Audited net asset value of the LSD Group as at 31st July, 2002	766.4
Less: Goodwill on acquisition of associates, net of amortisation and impairment	(296.0)
Net tangible asset value as at 31st July, 2002	470.4
Less: Consideration payable to eSun in respect of acquisition of 50% shareholding interest in HKATV.com Limited	(46.1)
Add: Consideration receivable from DGI in respect of the ATV Transaction	360.0
Add: LSD's 49.99% share of eSun's gain on disposal of its 50% shareholding interest in HKATV.com Limited to LSD	23.0
Proforma adjusted net tangible assets of the LSD Group immediately after the ATV Transaction	<u>807.3</u>

Note: The entire amount of HK\$296 million was attributable to the investment in the 32.75% shareholding interest in ATV and the amount also represented the carrying value of such investment as at 31st July, 2002.

#### DEFINITIONS

"ATV"	Asia Television Limited, a company incorporated in Hong Kong;
"ATV Transaction"	the transactions contemplated under the agreement dated 8th November, 2002 between LSD and DGI relating to the sale and purchase of shares in ATV and Houseman International Limited;
"Bondholders"	the Exchangeable Bondholders and the Convertible Bondholders;
"Bonds"	the Exchangeable Bonds and the Convertible Bonds;
"Circular"	the circular to shareholders of LSD dated 4th December, 2002;
"Convertible Bondholders"	holders of the Convertible Bonds;
"Convertible Bonds"	the US\$150 million four per cent. convertible guaranteed bonds due 2002 issued by Lai Sun International Finance (1997) Limited (a wholly-owned subsidiary of LSD) and guaranteed by LSD, as constituted by the trust deed dated 4th August, 1997;
"DGI"	Dragon Goodwill International Limited, a company incorporated in the British Virgin Islands which is owned as to 80% by Mr. Chan Wing Kee, the chief executive officer of ATV;
"eSun"	eSun Holdings Limited, a company incorporated in Bermuda the issued shares of which are listed on the Stock Exchange and a company in which LSD has an approximately 49.99% shareholding interest;
"Exchangeable Bondholders"	holders of the Exchangeable Bonds;
"Exchangeable Bonds"	the US\$115 million five per cent. exchangeable guaranteed bonds due 2004 issued by Lai Sun International Finance (Cayman Islands) Limited (a wholly-owned subsidiary of LSD) and guaranteed by LSD, as constituted by the trust deed dated 28th February, 1997;
"HK\$m"	Hong Kong dollars;
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China;
"LSD"	Lai Sun Development Company Limited, a company incorporated in Hong Kong the shares of which are listed on the Stock Exchange;
"LSD Group"	LSD and its subsidiaries; and
"Stock Exchange"	The Stock Exchange of Hong Kong Limited.

By Order of the Board  
Lai Sun Development Company Limited  
Yeung Kam Hoi  
Company Secretary

Hong Kong, 3rd December, 2002