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LAI SUN DEVELOPMENT

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

ANNOUNCEMENT DISCLOSEABLE TRANSACTION

The Directors of the Company announce that the Company has entered into the Agreement with the Purchasers to sell its entire shareholding and loan in Omicron for HK\$35,000,000.

Omicron indirectly owns a one-third interest in Mutual Luck. The Purchasers are other shareholders of Omicron and/or Mutual Luck or their subsidiaries. None of the Purchasers and their beneficial owners is connected with any of the directors, chief executive, or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

The Transaction constitutes a discloseable transaction under the Listing Rules. A circular containing, inter alia, details of the Transaction will be sent to shareholders of the Company within 21 days of the date of publication of this announcement.

The Transaction

Agreement Date

The Agreement was executed by the Parties on 8th August, 2003.

Parties

Vendor: Lai Sun Development Company Limited
Purchasers: (1) Far East Consortium Limited ("FEC")
(2) E-Cash Ventures Limited ("E-Cash")
(3) Zeal Goal International Limited ("Zeal Goal")
(4) Hosar Investment Limited ("Hosar")

Subject of Transaction

The Agreement is for the sale and purchase of the Shares and the Shareholder Loan.

The Shares represent 43.5% of the entire issued share capital of Omicron. Omicron is the owner of the entire share capital of Stalybridge. Stalybridge owns a one-third interest in Mutual Luck. Mutual Luck is the owner of the Property.

FEC is an Omicron shareholder. Zeal Goal is related to another Omicron shareholder, Sun Hung Kai & Co. Limited. E-Cash is a Mutual Luck shareholder. Hosar is related to another Mutual Luck shareholder, Cheung Kong (Holdings) Limited. Therefore, the Transaction represents the disposal by the Company of its effective interest in the Property to the other beneficial owners.

None of the Purchasers and their beneficial owners is connected with any of the directors, chief executive, or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates (as defined in the Listing Rules).

Consideration

The total consideration for the Disposal is HK\$35,000,000. This has been arrived at after arm's length negotiations between the Parties and the Directors consider the terms of the Agreement to be normal commercial terms that are fair and reasonable and in the best interests of the Company, taking into consideration the current market value of comparable land in Hong Kong.

Payment Terms

The Purchasers shall pay the entire consideration in cash upon completion of the Transaction.

Completion Date

Completion shall take place on or before 14th August, 2003. If completion cannot take place as agreed, the Company will be entitled to enforce its rights under the Agreement. Save for certain procedural matters, there is no condition precedent for completion of the Transaction.

Financial Effects of Disposal

The net loss before and after tax attributable to the Company's interest in Omicron for the financial year ended 31st July, 2002 and 31st July, 2001 were HK\$0.01 million and HK\$0.04 million, respectively.

The carrying value of the Company's interest in Omicron is approximately HK\$65.1 million. The loss on the disposal, calculated on a pro-forma basis, is approximately HK\$30.1 million.

Reasons for Disposal

The Directors believe that the Transaction is fair and reasonable in the current market conditions, and that it is in the best interests of the Company and its shareholders as a whole. The Directors also consider that the Transaction also provides additional cash flow towards the Company's general working capital.

Use of Proceeds

The Company will use the entire proceeds of HK\$35,000,000 for general working capital purposes.

General

The Transaction constitutes a discloseable transaction under the Listing Rules. A circular containing, inter alia, details of the Transaction will be sent to shareholders of the Company within 21 days of the date of publication of this announcement.

The Company is principally engaged in property development, property investment, hotel ownership and management.

Definitions

In this announcement, the following terms have the following meanings:

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| "Agreement" | two documents, comprising: (1) the Agreement for Sale and Purchase between the Vendor, the Purchasers, Cheung Kong (Holdings) Limited, Far East Consortium International Limited, Sun Hung Kai & Co. Limited, Stalybridge and Omicron, and (2) a letter between the Vendor and the Purchasers together with Cheung Kong (Holdings) Limited, Far East Consortium International Limited, Sun Hung Kai & Co. Limited, Stalybridge and Omicron, both executed on 8th August, 2003; |
| "Company" | Lai Sun Development Company Limited; |
| "Directors" | the directors, including the independent non-executive directors, of the Company; |
| "Listing Rules" | The Rules Governing the Listing of Securities on the Stock Exchange; |
| "Mutual Luck" | Mutual Luck Investment Limited, a company incorporated in Hong Kong; |
| "Omicron" | Omicron International Limited, a company incorporated in the British Virgin Islands; |
| "Parties" | the Company, Far East Consortium Limited, E-Cash Ventures Limited, Zeal Goal International Limited, Hosar Investment Limited, Cheung Kong (Holdings) Limited, Far East Consortium International Limited, Sun Hung Kai & Co. Limited, Stalybridge and Omicron; |
| "Property" | All that parcel of ground registered in the District Land Office, Yuen Long as The Remaining Portion of Lot no. 1457 in Demarcation District No. 123 |
| "Shareholder Loan" | the sum of approximately HK\$132 million, representing principal and interest owing by Omicron to the Company; |
| "Shares" | 435 shares in Omicron of US\$1 each in par value; |
| "Stalybridge" | Stalybridge Investment Limited, a company incorporated in the British Virgin Islands; |
| "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, 8th August, 2003