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If you have sold all your shares in Lai Sun Development Company Limited (the “Company”), you should at once hand this circular to the purchaser or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser.

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L A I S U N D E V E L O P M E N T

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

(Stock Code: 0488)

Directors:

Lim Por Yen (*Honorary Chairman*)
Lam Kin Ngok, Peter (*Chairman and President*)
Lau Shu Yan, Julius
Wu Shiu Kee, Keith
Lam Kin Ming
U Po Chu
Chiu Wai
Shiu Kai Wah
David Tang*
Lam Bing Kwan*
Leung Shu Yin, William*

Registered Office:

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Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

* *Independent Non-executive Directors*

30th November, 2004

To the Shareholders

Dear Sir or Madam,

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

INTRODUCTION

The purpose of this circular is to provide you with information regarding the proposed amendments to the existing articles of association of the Company (the “Articles”) for your approval at the annual general meeting of the Company to be held on 29th December, 2004

at 10:30 a.m. at The Chater Room I, Function Room Level (B1), The Ritz-Carlton Hong Kong, 3 Connaught Road, Central, Hong Kong (the “Annual General Meeting”) in connection with, inter alia, such matter.

AMENDMENTS TO THE ARTICLES

Your attention is drawn to the special resolution to be proposed at the Annual General Meeting to approve certain amendments to the existing Articles.

The Securities and Futures Ordinance (the “SFO”) came into effect on 1st April, 2003 and the Stock Exchange has announced certain amendments to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) which is subject to certain transitional arrangements came into effect on 31st March, 2004.

In addition, after the Companies (Amendment) Ordinance 2003 became effective on 13th February, 2004, a director may be removed by an ordinary resolution instead of a special resolution notwithstanding any provision in a company’s constitution.

In the circumstances, in order to comply with the aforesaid new requirements and to bring the Articles up to date and in line with the current practice in Hong Kong, it is proposed at the forthcoming Annual General Meeting to amend the Articles by the special resolution set out in item 5 in the notice convening the Annual General Meeting (the “Notice of AGM”). A brief description to the proposed amendments to the Articles is set out as follows:

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| Article 2 | To replace the existing definition of “associate” with the one as provided in the amended Listing Rules. |
| | To add the definition of “Listing Rules”. |
| | To replace the words “the Chief Secretary” in the third and fourth lines of the definition “newspaper” with “the Chief Secretary for Administration”. |
| | To amend the existing definition of “recognised clearing house” in compliance with the SFO (Cap. 571 of the Laws of Hong Kong). |
| | To extend the construction of expressions referring to “writing” or “printing” in the Articles to include representations made in the form of electronic display. |
| | To add the construction regarding references to documents being executed in the Articles and references to notice or document. |
| Articles 73, 74 & 76 | To reflect the new requirement under the amended Listing Rules for taking a poll at general meetings to approve certain transactions. |
| Articles 79 & 90A | To reflect the restriction on voting by those shareholders whom the Company has knowledge is restricted from voting, as required by the provisions of Appendix 3 to the amended Listing Rules. |
| Articles 100 & 108 | To be consistent with the provisions of section 157B of the Companies Ordinance (as amended). |

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| Article 101 | To be consistent with the provisions of Appendix 3 to the amended Listing Rules so that subject to certain exceptions, a director shall abstain from voting at the board meeting on any contract or arrangement or proposal in which he or any of his associates has a material interest nor shall he be counted towards the quorum of the relevant board meeting. |
| Article 106 | To be consistent with the provisions of Appendix 3 to the amended Listing Rules which stipulates the minimum seven-day period for lodgment by a shareholder of the notice to nominate a person to be elected as a director and the nomination shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting. |
| Articles 123 & 124 | To allow the proceedings of board meetings to be carried out with more flexibility. |
| Article 166 (C) & (D) | To allow the Company to distribute summary financial reports in place of a full annual report in light of the Listing Rules and to permit the Company to send summary financial reports to shareholders using electronic means. |
| Articles 170 & 175 | To permit the Company to send notice or document or otherwise make available corporate communications to shareholders in person, by post, telex or facsimile transmission, electronic communication or press advertisement. |
| Article 172 | To add provision for deemed services on notice or other document delivered by post, electronic communication or press advertisement and to add provision to allow such notice and document to be given to shareholders in either the English or Chinese language. |
| Article 176 | To add provision allowing signature to any notice or document by the Company by way of electronic signature. |
| Article 178A | To expand directors' power to destroy certain documents to the extent permitted by applicable laws. |
| Article 181 | To indemnify the officers of the Company against liabilities incurred in the execution of the duties of their office and to allow the Company to purchase insurance for its officers against the liabilities incurred by them to the extent permitted by section 165 of the Companies Ordinance (as amended). |

RIGHT TO DEMAND A POLL

Pursuant to Article 73 of the existing Articles, a resolution put to the vote of a meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the results of the show of hands or on the withdrawal of any other demand for a poll) demanded:

- (i) by the Chairman of the meeting; or
- (ii) by at least three members present in person or by proxy for the time being entitled to vote at the meeting; or
- (iii) by any member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) by a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which the aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

Unless a poll be so demanded and not withdrawn, a declaration by the Chairman that a resolution has on a show of hands been carried or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against such resolution.

PROXY ARRANGEMENT

A form of proxy for use at the Annual General Meeting is enclosed with the Annual Report for the year ended 31st July, 2004. To be valid, the form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy thereof, must be lodged with the Company's Registrars in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or at any adjournment thereof.

RECOMMENDATION

The directors of the Company consider that the proposed amendments to the existing Articles are in the interests of the Company and its shareholders and accordingly recommend that all shareholders should vote in favour of the special resolution under item 5 in the Notice of AGM to be proposed at the Annual General Meeting.

Yours faithfully,
For and on behalf of the Board of
Lai Sun Development Company Limited
Lam Kin Ngok, Peter
Chairman and President