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LAI SUN DEVELOPMENT

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

(Stock Code: 488)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the “AGM”) of the members (the “Members”) of Lai Sun Development Company Limited (the “Company”) will be held at Salon 1-3, JW Marriott Ballroom, Level 3, JW Marriott Hotel Hong Kong, Pacific Place, 88 Queensway, Hong Kong on Wednesday, 21 December 2011 at 11:00 a.m. for the following purposes:

1. To consider and adopt the audited financial statements and the reports of the directors and of the independent auditors of the Company for the year ended 31 July 2011;
2. To re-elect the retiring directors of the Company (the “Directors”) and to authorise the board of Directors (the “Board”) to fix the Directors’ remuneration;
3. To re-appoint Ernst & Young as the independent auditors of the Company and to authorise the Board to fix their remuneration; and
4. As special business, to consider and, if thought fit, pass with or without amendments, the following resolution as an Ordinary Resolution:

“THAT:

- (a) subject to paragraph (c) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to issue, allot and deal with additional shares in the Company and to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into shares in the Company) which would or might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into shares in the Company) which would or might require the exercise of such power after the end of the Relevant Period;

- (c) the aggregate nominal amount of the share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
- (i) a Rights Issue (as hereinafter defined); or
 - (ii) an issue of shares in the Company upon the exercise of rights of subscription, exchange or conversion under the terms of any of the options (including warrants, bonds, debentures, notes and any securities which carry rights to subscribe for or are exchangeable or convertible into shares in the Company); or
 - (iii) an issue of shares in the Company as scrip dividends pursuant to the Articles of Association of the Company from time to time; or
 - (iv) an issue of shares in the Company under any award or option scheme or similar arrangement for the grant or issue to eligible participants under such scheme or arrangement of shares in the Company or rights to acquire shares in the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of this Resolution, and the said approval shall be limited accordingly; and

- (d) for the purposes of this Resolution:

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:

- (i) the conclusion of the next Annual General Meeting of the Company;
- (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Members of the Company in general meeting; or
- (iii) the expiration of the period within which the next Annual General Meeting of the Company is required by law or the Articles of Association of the Company to be held; and

“Rights Issue” means an offer of shares of the Company open for a period fixed by the Directors to the holders of shares, whose names appear on the Register of Members of the Company on a fixed record date in proportion to their then holdings of such shares as at that date (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

By Order of the Board
Lai Sun Development Company Limited
Kwok Siu Man
Company Secretary

Hong Kong, 22 November 2011

Notes:

1. A Member entitled to attend and vote at the AGM convened by the above notice (the "Notice") is entitled to appoint one (or if he/she/it holds two or more shares, more than one) proxy to attend and, on a poll, vote on his/her/its behalf in accordance with the Articles of Association of the Company (the "Articles of Association"). A proxy need not be a Member.
2. A form of proxy for use at the AGM is enclosed with this Notice.
3. To be valid, a form of proxy, together with the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the Company's share registrars, Tricor Tengis Limited (the "Registrars"), at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong, not less than 48 hours before the time appointed for holding the AGM or its adjourned meeting (as the case may be) and in default, the proxy shall not be treated as valid. Completion and return of the form of proxy shall not preclude Members from attending in person and voting at the AGM or at its adjourned meeting should they so wish. In such case, the said form(s) of proxy shall be deemed to be revoked.

The contact phone and fax numbers of the Registrars are (852) 2980 1333 and (852) 2810 8185 respectively.

4. To ascertain the entitlements to attend and vote at the AGM, Members must lodge the relevant transfer document(s) and share certificate(s) at the office of the Registrars not later than 4:30 p.m. on Friday, 16 December 2011 for registration.
5. Where there are joint registered holders of any share in the Company, any one of such joint holders may attend and vote at the AGM or its adjourned meeting (as the case may be), either personally or by proxy, in respect of such share as if he/she/it were solely entitled thereto; but if more than one of such joint holders are present at the AGM or its adjourned meeting personally or by proxy, that one of such holders so present whose name stands first in the Register of Members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
6. Concerning agenda item 2 of this Notice,
 - (i) in accordance with Article 93 of the Articles of Association, Mr. Cheung Sum, Sam (appointed by the Board as an executive Director on 1 March 2011) will retire at the AGM and, being eligible, offers himself for re-election;
 - (ii) in accordance with Article 102 of the Articles of Association, Dr. Lam Kin Ming and Messrs. Lau Shu Yan, Julius, Tam Kin Man, Kraven, Cheung Wing Sum, Ambrose ("Mr. ACheung"), Wan Yee Hwa, Edward, Lam Bing Kwan and Leung Shu Yin, William ("Mr. WLeung") will retire from office as Directors by rotation at the AGM. Being eligible, they (except Mr. ACheung) offer themselves for re-election. Mr. ACheung has indicated that he will not be offering himself for re-election;
 - (iii) Mr. WLeung, an independent non-executive Director, has declared in his annual confirmation of independence for 2010-2011 that he has been acting as the liquidator of True Kin Development Limited ("True Kin"), a private limited company incorporated in Hong Kong, which has proceeded to the final stage of a members' voluntary winding up, at a fee of around HK\$30,000. Madam U Po Chu, a non-executive Director, was also a director and a shareholder (23.52% interest) of True Kin. In view of the nature of the service provided by the certified public accountants' firm of which Mr. WLeung is a director and other material facts relating to this case, the Board considers that it should not affect the independence of Mr. WLeung in the exercise of his duties as an independent non-executive Director; and

- (iv) in accordance with Rule 13.74 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), details of the Directors proposed for re-election are set out in the “Biographical Details of Directors” section of the 2010-2011 Annual Report of the Company.
7. Concerning agenda item 3 of this Notice, the Board (which concurs with the Audit Committee) has recommended that subject to the approval of Members at the AGM, Ernst & Young will be re-appointed independent auditors of the Company for 2011-2012. Members should note that in practice, independent auditors’ remuneration for 2011-2012 cannot be fixed at the AGM because such remuneration varies by reference to the scope and extent of audit and other works which the independent auditors are being called upon to undertake in any given year. To enable the Company to charge the amount of such independent auditors’ remuneration as operating expenses for the year ending 31 July 2012, Members’ approval to delegate the authority to the Board to fix the independent auditors’ remuneration for the financial year 2011-2012 is required, and is hereby sought, at the AGM.
8. The proposed Ordinary Resolution under agenda item 4 of this Notice relates to the granting of a general mandate to the Directors to issue new shares of up to a maximum of 20% of the aggregate nominal amount of the issued share capital of the Company as at the date of passing the said Resolution. The Company has no immediate plan to issue any new shares under the general mandate.
9. In compliance with Rule 13.39(4) of the Listing Rules, voting on all resolutions proposed in this Notice will be decided by way of a poll.

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

Executive Directors: Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Lau Shu Yan, Julius (Chief Executive Officer), Tam Kin Man, Kraven, Cheung Wing Sum, Ambrose, Lui Siu Tsuen, Richard and Cheung Sum, Sam;

Non-executive Directors: Dr. Lam Kin Ming, Madam U Po Chu and Mr. Wan Yee Hwa, Edward; and Independent Non-executive Directors: Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.