



LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1125)

RESULT OF RIGHTS ISSUE OF 1,174,591,295 RIGHTS SHARES AT HK\$0.10 PER RIGHTS SHARE IN THE PROPORTION OF ONE RIGHTS SHARE FOR EVERY FOUR EXISTING SHARES HELD ON THE RECORD DATE PAYABLE IN FULL ON ACCEPTANCE

The Directors of Lai Fung Holdings Limited are pleased to announce that the Rights Issue closed and became unconditional at 5:00 p.m. on Monday, 12th July, 2004. The Directors also announce that 241 valid acceptances have been received for a total of 1,147,783,292 Rights Shares provisionally allotted under the Rights Issue and 336 valid applications have been received for a total of 3,929,635,768 excess Rights Shares. Accordingly, the Rights Issue was approximately 432.27% subscribed, of which approximately 97.72% were subscribed under the provisional allotments of Rights Shares and approximately 334.55% were subscribed under the excess applications for the Rights Shares. Such acceptances include 553,168,806 Rights Shares accepted and paid for by the Major Shareholders, which represents approximately 47.09% of the total Rights Shares available for subscription. As a result of the over-subscription of the Rights Shares, the Underwriter's obligations under the Underwriting Agreement have ceased.

Reference is made to the prospectus in relation to the Rights Issue issued by the Company on 23rd June, 2004. Terms used in this announcement shall have the same meanings as those set out in the aforesaid prospectus unless otherwise defined herein.

RESULTS OF THE RIGHTS ISSUE

The Directors announce that all the conditions set out in the Underwriting Agreement have been fulfilled and the Underwriting Agreement has not been terminated in accordance with its terms or otherwise. The Rights Issue closed and became unconditional at 5:00 p.m. on Monday, 12th July, 2004. 241 valid acceptances of Right Shares provisionally allotted under the Rights Issue have been received for a total of 1,147,783,292 Rights Shares and 336 valid applications for excess Rights Shares have been received for a total of 3,929,635,768 Rights Shares. Such acceptances and applications include:

- 594,614,486 Rights Shares accepted and paid for and 3,929,635,768 excess Rights Shares applied for by the Qualifying Shareholders (other than the Major Shareholders);
- 553,168,806 Rights Shares accepted and paid for by the Major Shareholders.

The Rights Shares accepted and paid for by the Major Shareholders represent the number of Shares which they had irrevocably undertaken to accept in accordance with their letters of undertaking accepted pursuant to the Underwriting Agreement.

Based on the subscription results of the Rights Issue as referred to above, the aggregate number of the Rights Shares accepted and applied for represents approximately 432.27% of the total number of Rights Shares available under the Rights Issue. The aggregate number of Rights Shares accepted and applied for by the Major Shareholders represents approximately 47.09% of the total Rights Shares available for subscription. The Major Shareholders have confirmed that neither they nor any of their subsidiaries nor any of their respective associates have applied for any excess Rights Shares. Accordingly, the aggregate shareholding of the Major Shareholders in the Company remain unchanged at approximately 47.09% of the issued share capital of the Company as enlarged by the Rights Issue.

As a result of the over-subscription of the Rights Shares, the Underwriter's obligations under the Underwriting Agreement ceased at 4:00 p.m. on Thursday, 8th July, 2004.

EXCESS APPLICATION

Regarding the 336 valid applications for 3,929,635,768 Rights Shares applied for by way of excess application, the Directors have resolved to allot, from among the Rights Shares allotted provisionally but not accepted, to the applicants such number of Rights Shares in the following manner:

Excess Rights Shares applied for	Number of valid applications	Total number of Shares allotted	Approximate percentage of allocation based on the total number of Rights Shares applied for in this category
1-999	3	2,748	100.00%
1,000-29,999	14	18,500	12.37%
30,000-99,999	69	204,415	4.66%
100,000-199,999	31	112,636	2.34%
200,000-349,999	16	71,575	1.68%
350,000-399,999	4	22,250	1.41%
400,000-599,999	34	213,174	1.28%
600,000-799,999	6	44,741	1.04%
800,000-5,999,999	94	2,383,786	1.00%
6,000,000-8,999,999	9	560,750	0.90%
9,000,000-12,999,999	15	1,215,249	0.80%
13,000,000-139,999,999	37	9,984,702	0.70%
140,000,000-499,999,999	3	4,655,000	0.60%
1,243,323,242	1	7,318,477	0.58%
TOTALS:	336	26,808,003	

SHAREHOLDING STRUCTURE OF THE COMPANY

The shareholding structure of the Company immediately before and immediately after completion of the Rights Issue is as follows:

Major Shareholders	Immediately before completion of the Rights Issue	Immediately after completion of the Rights Issue
Lai Sun Garment (International) Limited	1,455,365,090	1,819,206,362
Silver Glory Securities Limited (Note 1)	665,185,341	831,481,675
Lim Por Yen (Note 2)	92,124,800	115,156,000
Public	2,485,689,952	3,107,112,441
Total:	4,698,365,183	5,872,956,478

Note 1: Silver Glory Securities Limited is a wholly-owned subsidiary of Lai Sun Garment (International) Limited.

Note 2: Mr. Lim Por Yen is a controlling shareholder of Lai Sun Garment (International) Limited and a shareholder of the Company. Mr. Lim Por Yen is also an executive director of both the Company and Lai Sun Garment (International) Limited.

GENERAL

All conditions to which the Rights Issue is subject have been fulfilled. As at the date of this announcement, the Directors are not aware of there being any subscribers under the Rights Issue whose shareholdings result in them becoming substantial shareholders (as defined under the Listing Rules) of the Company. As the Major Shareholders will be holding approximately 47.09% of the enlarged issued share capital of the Company after the Rights Issue, the number of Shares in the hands of the public does not fall below the prescribed minimum of 25%. The percentage of the Shares held in the hands of the public is approximately 52.91% of the issued share capital of the Company.

It is expected that certificates in respect of the Rights Shares will be despatched to those entitled thereto at their own risk by ordinary post to their registered addresses on Wednesday, 14th July, 2004. Dealing in the fully-paid Rights Shares is expected to commence on Friday, 16th July, 2004.

By order of the Board
Lai Fung Holdings Limited
Yeung Kam Hoi
Company Secretary

Hong Kong, 12th July, 2004

As at the date hereof, the executive directors of the Company are Mr. Lim Por Yen, Mr. Lam Kin Ming (Mr. Lam Kin Ming is also an alternate director to Mr. Ho Wing Tim, Mr. Lam Kin Ko, Stewart, Mr. Chiu Wai, Mr. Shiu Kai Wah, Mr. Siu Fai Wing and Ms. Yu Po Kwan), Mr. Lam Kin Hong, Matthew, Mr. Ho Wing Tim, Mr. Lam Kin Ngok, Peter, Mr. Lee Po On, Madam U Po Chu and Mr. Yew Yat Ming, the non-executive directors are Mr. Lam Kin Ko, Stewart, Mr. Chiu Wai, Mr. Shiu Kai Wah, Mr. Siu Fai Wing and Ms. Yu Po Kwan and the independent non-executive directors are Mr. Wong Yee Sui, Andrew and Mr. Lam Bing Kwan.