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LAI FUNG HOLDINGS

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

ANNOUNCEMENT

The directors of the Company wish to announce that they have been informed that Mr. Lim Por Yen, LSG and LSD had, on 7th December, 2001, entered into an agreement pursuant to which, among other things, LSD agreed to sell, and LSG agreed to purchase, 779,958,912 shares in the capital of the Company, representing approximately 25.40 per cent. of the existing issued share capital of the Company and LSD's entire shareholding interest in the Company.

Trading in the securities of the Company on the Stock Exchange was suspended from 10:00 a.m. on 10th December, 2001 pending the release of this announcement. Application has been made to the Stock Exchange for trading in the securities of the Company to resume with effect from 10:00 a.m. on 12th December, 2001.

This announcement is made pursuant to paragraph 2 of the Listing Agreement between Lai Fung Holdings Limited (the "Company") and The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

The directors of the Company wish to announce that they have been informed that Mr. Lim Por Yen, Lai Sun Garment (International) Limited ("LSG") and Lai Sun Development Company Limited ("LSD") had, on 7th December, 2001, entered into an agreement pursuant to which, among other things, LSD agreed to sell, and LSG agreed to purchase, 779,958,912 shares in the capital of the Company, representing approximately 25.40 per cent. of the existing issued share capital of the Company and LSD's entire shareholding interest in the Company. The board of directors of the Company has also been informed by LSG that LSG does not anticipate that there will be major changes to the board of the Company as a result of the transaction. Full details of the transaction are set out in the joint announcement dated 11th December, 2001 made by LSG and LSD.

On completion of the transaction, LSG will hold an approximately 46.04 per cent. shareholding interest in the Company.

Trading in the securities of the Company on the Stock Exchange was suspended from 10:00 a.m. on 10th December, 2001 pending the release of this announcement. Application has been made to the Stock Exchange for trading in the securities of the Company to resume with effect from 10:00 a.m. on 12th December, 2001.

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

Hong Kong, 11th December, 2001