
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant, or other professional advisers.

If you have sold or transferred all your shares in Lai Fung Holdings Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this circular, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



L A I F U N G H O L D I N G S

Lai Fung Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

**PROPOSAL FOR
ADOPTION OF SHARE OPTION SCHEME,
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

A notice convening the extraordinary general meeting of Lai Fung Holdings Limited to be held at The Harbour Room, 3/F., The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on Thursday, 21st August, 2003 at 10:00 a.m. is set out on pages 22 to 26 of this circular.

Whether or not you intend to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's branch share registrars in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding the meeting. Completion and return of the proxy form will not preclude you from attending and voting in person at the meeting should you so wish.

28th July, 2003

CONTENTS

	<i>Page</i>
CONTENTS	i
RESPONSIBILITY STATEMENT	ii
DEFINITIONS	1
LETTER FROM THE BOARD	
1. INTRODUCTION	5
2. SHARE OPTION SCHEME	6
3. REPURCHASE MANDATE	7
4. GENERAL MANDATE TO ISSUE SHARES	8
5. AMENDMENTS TO THE ARTICLES OF ASSOCIATION	8
6. THE EGM	9
7. DOCUMENTS AVAILABLE FOR INSPECTION	10
8. RECOMMENDATION	10
APPENDIX I — SUMMARY OF THE PRINCIPAL TERMS OF THE SHARE OPTION SCHEME	11
APPENDIX II — EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE	18
NOTICE OF THE EXTRAORDINARY GENERAL MEETING	22

RESPONSIBILITY STATEMENT

This document includes particulars given in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to Lai Fung Holdings Limited. The directors collectively and individually accept full responsibility for the accuracy of the information contained in this document and confirm, having made all reasonable enquiries, that to the best of their knowledge and belief there are no other facts the omission of which would make any statement herein misleading.

DEFINITIONS

In this circular, unless the context otherwise requires, the following words and expressions shall have the following meanings:

“Acceptance Date”	the date on which the offer to grant any Option is accepted by the relevant Eligible Employee pursuant to Rule 4 of the rules of the Share Option Scheme;
“Approval Date”	21st August, 2003 or the date on which the Share Option Scheme is adopted by a resolution of the Company, whichever is the later;
“associates”	shall have the meaning ascribed to it under the Listing Rules;
“Board”	the board of Directors of the Company;
“Companies Law”	the Companies Law (2003 Revision) of the Cayman Islands as amended from time to time;
“Companies Ordinance”	the Companies Ordinance, Chapter 32, Laws of Hong Kong;
“Company”	Lai Fung Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are currently listed on and dealt in the Stock Exchange;
“Connected Person”	shall have the meaning ascribed to it under the Listing Rules;
“Date of Grant”	the Trading Day on which the Directors resolve to make an offer of Option to an Eligible Employee subject as provided in Rule 3(B)(2) and Rule 13(C) of the rules of the Share Option Scheme;
“Director(s)”	the director(s) for the time being of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at The Harbour Room, 3/F., The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on Thursday, 21st August, 2003 at 10:00 a.m. to consider and, if thought fit, to approve: (1) the adoption of the Share Option Scheme;

DEFINITIONS

	(2) the giving of the authorisation to the Directors to grant Options under the Share Option Scheme;
	(3) the granting of the Repurchase Mandate;
	(4) the granting of the General Issue Mandate;
	(5) the granting of the General Extension Mandate; and
	(6) the amendments to the Company's articles of association
"Eligible Employees"	any employee(s) (including executive and non-executive directors) of any member of the Group;
"General Extension Mandate"	a general mandate to extend the General Issue Mandate proposed to be granted to the Directors permitting them, after the grant of the Repurchase Mandate, to add to the General Issue Mandate any Shares representing the aggregate nominal value of the Shares repurchased pursuant to the Repurchase Mandate;
"General Issue Mandate"	general mandate to allot and issue the Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of the Company in issue at the date of approval of the mandate;
"Group"	the Company and its Subsidiaries;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Latest Practicable Date"	25th July, 2003, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein;
"Listing Committee"	the listing committee of the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange;
"LSG"	Lai Sun Garment (International) Limited;

DEFINITIONS

“Option”	an option to subscribe for Shares pursuant to the Share Option Scheme;
“Option Period”	the period commencing from the Acceptance Date of an Option and expiring at the close of business on a day as determined by the Directors (both days inclusive), which period shall not be longer than eight years from the Acceptance Date of such Option;
“Option Price”	<p>the price per Share payable on the exercise of an Option as determined by the Directors and shall at least be the highest of:</p> <ol style="list-style-type: none">(1) the nominal value of the Shares;(2) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant, which shall be a Trading Day; and(3) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five Trading Days immediately preceding the Date of Grant; <p>or (where applicable) such price as from time to time adjusted pursuant to the Share Option Scheme;</p>
“Repurchase Mandate”	a general mandate to the Directors to exercise all the powers of the Company to repurchase Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal value of the share capital of the Company in issue at the date of approval of the mandate;
“SFO”	the Securities and Futures Ordinance, Chapter 571, Laws of Hong Kong;
“SGS”	Silver Glory Securities Limited;
“Share(s)”	share(s) of HK\$0.10 each (or such other amount as such shares may be divided or consolidated or converted into) in the capital of the Company;

DEFINITIONS

“Share Buy Back Rules”	provisions of the Listing Rules regulating the repurchase by companies with primary listings on the Stock Exchange of their own shares on the Stock Exchange;
“Share Option Scheme”	the new share option scheme proposed to be adopted by the Company at the EGM for the Eligible Employees;
“Shareholders”	the holders of Shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary”	a company which is for the time being and from time to time a subsidiary of the Company within the meaning of the Companies Law or the Companies Ordinance but so that for the purposes thereof a “company” shall be construed as meaning any body corporate whether incorporated in Hong Kong or elsewhere;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“Trading Day”	a day on which the Stock Exchange is open for the business of dealing in securities;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong; and
“%”	per cent.

LETTER FROM THE BOARD



LAI FUNG HOLDINGS

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

Executive Directors :

Lim Por Yen (*Chairman*)
Lam Kin Ming (*Deputy Chairman*)*
Lam Kin Hong, Matthew (*Chief Executive Officer*)
Ho Wing Tim (*Deputy Chief Executive Officer*)^o
Lam Kin Ngok, Peter
U Po Chu
Lee Po On
Yew Yat Ming

Non-executive Directors :

Lam Kin Ko, Stewart^o
Chiu Wai^o
Shiu Kai Wah^o
Siu Fai Wing^o
Yu Po Kwan^o
Wong Yee Sui, Andrew**
Lam Bing Kwan**

* *Also Alternate Director to^o*

** *Independent Non-executive Directors*

*Principal Place of Business
in Hong Kong:*

11th Floor
Lai Sun Commercial Centre
680 Cheung Sha Wan Road
Kowloon
Hong Kong

Registered Office :

Ugland House
South Church Street
P. O. Box 309
George Town
Grand Cayman
Cayman Islands
British West Indies

28th July, 2003

To the Shareholders

Dear Sir or Madam,

**PROPOSAL FOR
ADOPTION OF SHARE OPTION SCHEME,
GENERAL MANDATES TO REPURCHASE AND ISSUE SHARES
AND
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

1. INTRODUCTION

The Directors propose that, subject to fulfillment of the conditions as described below, the Share Option Scheme be adopted. The Directors also seek your approval at the EGM to grant to the Directors the Repurchase Mandate, the General Issue Mandate and the General Extension Mandate and to amend the Company's articles of association.

LETTER FROM THE BOARD

The purpose of this circular is to give you information on the adoption of the Share Option Scheme, the grant of the Repurchase Mandate, the General Issue Mandate and the General Extension Mandate, the amendments to the Company's articles of association and to give you notice of the EGM at which the necessary resolutions will be proposed to consider and, if thought fit, to approve the above-mentioned proposals and recommendation.

2. SHARE OPTION SCHEME

The Company does not have any existing share option scheme. In order to provide the Company with a flexible means of giving incentive to, rewarding, remunerating, compensating and/or providing benefits to the Eligible Employees and for such other purposes as the Directors may approve from time to time, the Directors propose that the Share Option Scheme for the Eligible Employees be approved and adopted at the EGM.

At the EGM, an ordinary resolution (ordinary resolution No. 1) will be proposed that the Share Option Scheme be approved and adopted at the EGM. Since the purpose of the Share Option Scheme is to provide the Company with a means to recognize the contributions of the Eligible Employees, the Company does not consider it necessary to impose any conditions for exercising the Option granted at the Option Price, such as a minimum period for which an Option has to be held or a performance target that a holder of Option has to achieve before the Option can be exercised. A summary of the principal terms of the Share Option Scheme is set out in the Appendix I hereto. The terms of the Share Option Scheme are in line with the provisions of Chapter 17 of the Listing Rules, which govern the terms of the share option schemes of listed companies.

The Directors consider it inappropriate to value the Options that can be granted under the Share Option Scheme as if they had been granted on the Latest Practicable Date as various factors (such as the Option Price and other terms and conditions that an Option may be subject to) crucial for valuation cannot be predicted or ascertained and may vary from case to case. The Directors believe that valuation based on assumptions would be speculative and not meaningful, and indeed might be misleading.

The Share Option Scheme will take effect upon satisfaction of the following conditions:

- (i) the approval of the adoption of the Share Option Scheme by the Shareholders at the EGM; and
- (ii) the Listing Committee granting approval for the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of the Options granted under the Share Option Scheme not exceeding 10% of the total number of Shares in issue as at the date of adoption of the Share Option Scheme.

LETTER FROM THE BOARD

Application will be made to the Listing Committee for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any Options that may be granted under the Share Option Scheme up to 10% of the Shares in issue as at 21st August, 2003 or the date on which the Share Option Scheme is adopted by a resolution of the Company, whichever is the later.

As at the Latest Practicable Date, the issued share capital of the Company comprised 4,606,240,383 Shares. Assuming that there is no change in the issued share capital between the period from the Latest Practicable Date and the date of adoption of the Share Option Scheme, the maximum number of Shares issuable pursuant to the Share Option Scheme will be 460,624,038 Shares, representing 10% of the total number of Shares in issue as at the date of approval of the Share Option Scheme. Pursuant to Rule 17.02(1)(a) of the Listing Rules, an announcement on the outcome of the EGM for the adoption of the Share Option Scheme will be published by the Company in the newspapers on the business day following the EGM.

3. REPURCHASE MANDATE

The Share Buy Back Rules regulate the repurchase by the Company of its own shares. The most important points of the Share Buy Back Rules are as follows:

(i) Shareholders' Approval

All proposed repurchases of shares on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a general mandate or by specific approval for particular transactions.

(ii) Source of Funds

Repurchases must be funded out of funds which are legally available for the purpose in accordance with the company's constitutional documents and the laws of the jurisdiction in which the company is incorporated.

(iii) Maximum Number of Shares

The shares proposed to be repurchased by a company must be fully-paid up. A maximum of 10% of the issued share capital of the company as at the date of the resolution authorising the repurchase may be repurchased on the Stock Exchange.

Ordinary resolution No. 2 to be proposed at the EGM relates to the granting of the Repurchase Mandate. You should refer to the explanatory statement contained in Appendix II to this circular which sets out further information in relation to the Repurchase Mandate.

LETTER FROM THE BOARD

4. GENERAL MANDATE TO ISSUE SHARES

Ordinary resolution No. 3(A) to be proposed at the EGM relates to the granting of the General Issue Mandate. Ordinary resolution No. 3(B) to be proposed at the EGM relates to the granting of the General Extension Mandate.

The authority conferred on the Directors by the Repurchase Mandate, the General Issue Mandate and the General Extension Mandate would continue in force until the conclusion of the next annual general meeting of the Company or the expiry date for the holding of the next annual general meeting unless it is renewed at such meeting or until revoked or varied by ordinary resolution of the Shareholders in general meeting prior to the next annual general meeting.

5. AMENDMENTS TO THE ARTICLES OF ASSOCIATION

With effect from 1st April, 2003, the Securities and Futures (Clearing Houses) Ordinance (Chapter 420 of the Laws of Hong Kong) has been repealed and replaced by the SFO. As a result, the Directors propose that the definition of “recognised clearing house” in the Company’s existing articles of association which make reference to the Securities and Futures (Clearing Houses) Ordinance be amended in the manner set out in the Special Resolution contained in the notice of the EGM on pages 22 to 26 of this circular.

The definition of “recognised clearing house” in the existing Article 2 of the Company’s articles of association reads as follows:

““recognised clearing house” shall have the meaning ascribed thereto in section 2 of the Securities and Futures (Clearing Houses) Ordinance of Hong Kong;”.

The new definition of “recognised clearing house” in the proposed Article 2 reads as follows:

““recognised clearing house” shall have the meaning ascribed to the expression “recognized clearing house” in Part I of Schedule 1 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;”.

Taking this occasion of amending the Company’s articles of association, the Directors also propose to amend the existing Article 106(vi) of the Company’s articles of association which provides that the office of a Director shall be vacated “if he shall be removed from office by notice in writing served upon him signed by not less than three-fourths in number (or, if that is not a round number, the nearest lower round number) of

LETTER FROM THE BOARD

the Directors (including himself) then in office”. The proposed Article 106(vi) of the Company’s articles of association provides that the office of a Director shall be vacated “if he shall be removed from office by notice in writing served upon him signed by all his co-directors then in office”.

The reason for such proposed amendment to the existing Article 106(vi) of the Company’s articles of association is to make it consistent with the relevant provision in the articles of association of LSG, the controlling shareholder of the Company. This would promote a more efficient management of the respective boards of directors of the Company and LSG, which are constituted by substantially the same executive directors.

All the above proposed amendments to the Company’s articles of association will be subject to the passing of a special resolution by the Shareholders at the EGM. Save as to these proposed amendments, all the other provisions in the existing articles of association of the Company will remain unchanged.

Shareholders should note that even if the special resolution to approve the proposed amendment to the existing Article 106(vi) of the Company’s articles of association was passed at the EGM, the Company’s articles of association still provides other grounds on which the office of a Director may be vacated.

6. THE EGM

You will find on pages 22 to 26 of this circular a notice of the EGM to be held at The Harbour Room, 3/F., The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on Thursday, 21st August, 2003 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the ordinary resolutions to approve (i) the adoption of the Share Option Scheme; (ii) the giving of the authorisation to the Directors to grant Options under the Share Option Scheme; (iii) the granting of the Repurchase Mandate; (iv) the granting of the General Issue Mandate; and (v) the granting of the General Extension Mandate; and the special resolution to approve the proposed amendments to the Company’s articles of association.

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you intend to be present at the EGM, you are requested to complete the form of proxy and return it to the Company’s branch share registrars in Hong Kong, Tengis Limited, at Ground Floor, Bank of East Asia Harbour View Centre, 56 Gloucester Road, Wanchai, Hong Kong in accordance with the instructions printed thereon not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM should you so wish.

LETTER FROM THE BOARD

7. DOCUMENTS AVAILABLE FOR INSPECTION

Copy of the rules of the Share Option Scheme will be available for inspection at the principal place of business of the Company during normal business hours during the 14-day period before the date of the EGM and at the venue of the EGM during the EGM.

8. RECOMMENDATION

The Directors believe that the adoption of the Share Option Scheme, the granting of the Repurchase Mandate, the General Issue Mandate and General Extension Mandate and the amendments to the Company's articles of association are all in the best interests of the Company as well as the Shareholders. Accordingly, the Directors recommend all Shareholders to vote in favour of all the resolutions to be proposed at the EGM.

Yours faithfully,
For and on behalf of the Board of
Lai Fung Holdings Limited
Lim Por Yen
Chairman

The following is a summary of the principal terms of the Share Option Scheme proposed to be adopted by the Shareholders at the EGM.

(a) Purpose

The purpose of the Share Option Scheme is to recognise the contribution of the employees of the Group by granting options under the Share Option Scheme to them as incentives or rewards.

(b) Who may join

The Directors may, at their discretion, invite any employee of any member of the Group, including any executive and non-executive director of any member of the Group, to take up options to subscribe for Shares at a price calculated in accordance with paragraph (c) below. Upon acceptance of the option, the grantee shall pay HK\$1.00 to the Company by way of consideration for the grant.

(c) Price for Shares

The subscription price for Shares under the Share Option Scheme shall be determined on the Date of Grant at the discretion of the Directors as an amount per Share which shall be at least the highest of :

- (1) the nominal value of a Share;
- (2) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Date of Grant, which must be a Trading Day; and
- (3) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Trading Days immediately preceding the Date of Grant.

(d) Acceptance of offers of options

Offers to grant an option shall be open for acceptance in writing. Such acceptance must be received by the Secretary of the Company within a period of 30 days inclusive of, and from, the Date of Grant provided that no such offer shall be open for acceptance after the expiry of the period of the Share Option Scheme or after the Share Option Scheme has been terminated. An offer shall be deemed to have been accepted on the date when the duplicate comprising acceptance of the offer is duly signed by the grantee with the number of Shares in respect of which the offer is accepted clearly stated therein, together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof.

(e) Maximum number of Shares

- (aa) The maximum number of Shares which may be issued upon the exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and all outstanding options granted and yet to be exercised under any other share option schemes of any company in the Group (the “Other Schemes”) shall not exceed 30% of the Shares in issue from time to time (the “Overall Limit”). Neither options under the Share Option Scheme nor options under the Other Schemes may be granted if this will result in the Overall Limit being exceeded.
- (bb) The total number of Shares which may be issued upon exercise of all options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and the Other Schemes) to be granted under the Share Option Scheme and the Other Schemes must not in aggregate exceed 10% of the Shares in issue as at the date of passing the Shareholders’ resolution to approve the Share Option Scheme (the “Scheme Limit”).
- (cc) Subject to (aa) above and without prejudice to (dd) below, the Company may seek approval of the Shareholders in general meeting to refresh the Scheme Limit provided that the total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and the Other Schemes under the limit as “refreshed” must not exceed 10% of the Shares in issue as at the date of approval of the limit and for the purpose of calculating the limit as “refreshed”, options (including those outstanding, cancelled, lapsed or exercised in accordance with the Share Option Scheme and the Other Schemes) previously granted under the Share Option Scheme and the Other Schemes will not be counted for the purpose of calculating the limit as “refreshed”.
- (dd) Subject to (aa) above and without prejudice to (cc) above, the Company may issue a circular to the Shareholders and seek separate Shareholders’ approval in general meeting to grant Options beyond the Scheme Limit or, if applicable, the limit referred to in (cc) above only to Eligible Employees specifically identified by the Company before such approval is sought. In such event, the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Employees, the number and terms of Options to be granted, the purpose of granting Options to the specified Eligible Employees with an explanation as to how the terms of the Options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

(f) Maximum numbers or options to any one individual

No option shall be granted to any one person such that the total number of Shares issued and to be issued upon the exercise of the options granted and to be granted to such person under the Share Option Scheme and the Other Schemes (including exercised, cancelled and outstanding options) in any 12-month period up to and including the Date of Grant exceeds 1% of the Shares in issue from time to time (the "Participant Limit"). Subject to the approval of the Shareholders in general meeting and in accordance with the requirements under the Listing Rules from time to time in force, the Directors may grant options to a person such that the Participant Limit is exceeded. Such person and his associates shall abstain from voting at such general meeting. In such event, the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Employees, the number and terms of Option to be granted, the purpose of granting Options to the specified Eligible Employees with an explanation as to how the terms of the Options serve such purpose and such other information required under Rule 17.02(2)(d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules.

The number and terms (including the Option Price) of Options to be granted to such Eligible Employees must be fixed before the date on which Shareholders' approval is sought and the date of the Directors' meeting for proposing such further grant should be taken as the Date of Grant for the purpose of calculating the Option Price.

(g) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme during such period commencing from the Acceptance Date and expiring at the close of business on a day as determined on the Date of Grant at the discretion of the Directors, which period shall not be longer than eight years from the Acceptance Date.

No performance targets are required to be achieved by any grantee before an option is capable of being exercised by the grantee except as otherwise imposed by the Directors and stated in the relevant letter of offer of the grant of an option.

(h) Rights are personal to grantees

An option may not be transferred or assigned and is personal to the grantee of the option.

(i) Rights on ceasing employment, death or dismissal

If the grantee of an option leaves the service of the Group for any reason other than death or conviction of any criminal offence or becoming bankrupt, the grantee may exercise the option up to the grantee's entitlement at the date of cessation (to the extent not already exercised) within the period of one year following the date of such cessation or such longer period as the Directors may in their absolute discretion determine.

If the grantee of an option ceases to be an employee of the Group by reason of death, his/her personal representatives, may exercise the option in full (to the extent not already exercised) within a period of six months thereafter or at the expiration of the relevant Option Period, whichever is earlier, or such longer period as the Directors may determine, failing which it will lapse.

If the grantee of any option leaves the service of the Group by reason of conviction of any criminal offence or becoming bankrupt, his or her option will thereupon lapse forthwith.

(j) Effect of alterations to share capital

In the event of any reduction, subdivision or consolidation of the share capital of the Company or any capitalisation issue or rights issue, the number or nominal amount of Shares comprised in each option and/or the Option Price may be adjusted in such manner as the Directors (having received a statement in writing from the auditors of the Company that in their opinion the adjustments proposed are fair and reasonable) may deem appropriate, provided always that no increase shall be made in the aggregate subscription price relating to any option, no Share shall be issued at less than its nominal value and the proportion of the issued share capital of the Company to which a grantee is entitled after the adjustments shall remain the same as that to which he was entitled before the adjustments.

(k) Rights on winding up

If notice is given of an extraordinary general meeting of the Company at which a resolution will be proposed for the voluntary winding-up of the Company, each grantee shall be entitled, at any time no later than two business days prior to the proposed resolution being duly passed, to exercise his outstanding options in whole or in part, but only so far as such options shall be subsisting immediately prior to the passing of such a resolution. Subject thereto, all then outstanding options shall lapse upon the proposed resolution being duly passed.

(l) Rights on a general offer

If, in consequence of any general offer made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or connection with the offeror), any person shall have obtained control of the Company, each grantee of an option shall be entitled to exercise at any time within a period of fourteen days after such control has been obtained the option in whole or in part.

(m) Rights on a compromise or arrangement

If a compromise or arrangement between the Company and its members or creditors is proposed for the purposes of or in connection with a scheme of reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to all grantees on the same date as it despatches the notice to each member or creditor of the Company to consider such a compromise or arrangement, and thereupon any grantee (or where permitted his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of the date falling two calendar months thereafter and the date on which such compromise or arrangement is sanctioned by the Court be entitled to exercise his option, but the exercise of the option shall be conditional upon such compromise or arrangement being sanctioned by the Court and becoming effective. The Company may thereafter require each grantee to transfer or otherwise deal with the Shares issued as a result of such exercise of his option so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(n) Lapse of option

An option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of :

- (1) the date of expiry of the Option Period;
- (2) the expiry of any of the periods referred to in paragraphs (i), (k), (l), (m) above; and
- (3) the date on which the option holder commits a breach of paragraph (h) above, if the Directors shall exercise the Company's right to cancel any outstanding option or part thereof granted.

(o) Cancellation of options granted but not exercised

Options granted but not exercised may not be cancelled without the consent of the relevant grantees thereof and any new options issued to the same grantee in replacement of options cancelled may only be issued under the Share Option Scheme (or the Other Schemes) to the extent unissued options (excluding the cancelled options) are available for issue, with the limits prescribed in paragraphs (e) and (f) above.

(p) Grant of options to Connected Persons

The independent non-executive directors of the Company (not being the independent non-executive director who is or whose associate is, a grantee) will be required to approve each grant of options to any director, chief executive or substantial shareholder of the Company or any of their respective associates.

If a grant of an option to a substantial shareholder or an independent non-executive director of the Company or to any of their respective associates would result in the total number of Shares issued and to be issued upon the exercise of the options granted and to be granted under the Share Option Scheme and the Other Schemes (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the Date of Grant of such option :

- (1) representing in aggregate over 0.1% of the Shares in issue from time to time; and
- (2) having an aggregate value, based on the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on each Date of Grant, in excess of HK\$5,000,000,

such further grant of options shall be approved by the Shareholders in general meeting voting by way of a poll. The Company shall send a circular to the Shareholders containing the information required by the Listing Rules. All Connected Persons of the Company shall abstain from voting at such general meeting, except that any Connected Person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular.

(q) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of 10 years commencing on the Approval Date.

(r) Amendments and termination of the Share Option Scheme

The Board may from time to time in its absolute discretion waive, modify or amend any of the provisions of the Share Option Scheme as it deems desirable, provided that, except with the prior approval of the Shareholders in general meeting, no alteration shall be made to any of the provisions of the Share Option Scheme relating to, among other things, the matters set out in Rule 17.03 of the Listing Rules to the advantage of grantees.

Save as otherwise provided in the terms of the Share Option Scheme, neither an amendment of a material nature to the Share Option Scheme nor any change to the terms of options granted may be made by the Directors without the prior approval of the Shareholders in general meeting.

The Company by resolution in general meeting may at any time terminate the operation of the Share Option Scheme before the expiry of the period referred to in paragraph (q) above and in such event no further offer shall be made but in all other respects the provisions of the Share Option Scheme shall remain in force. All options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the terms of the Share Option Scheme.

(s) Ranking of Shares

The Shares to be allotted upon the exercise of an option will be subject to all the provisions of the Articles of Association for the time being in force and will rank pari passu with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made. The Shares to be allotted upon the exercise of an option will not carry voting rights until completion of the registration of the option holder (or any other person) as the holder of those Shares.

(t) Administration

The Share Option Scheme shall be administered by the Board and the Board shall, subject to the provisions of the Share Option Scheme, so administer it in such manner as it shall in its discretion deem fit.

(u) Conditions of the Share Option Scheme

The Share Option Scheme is conditional on the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares to be issued and allotted pursuant to the exercise of the options.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

The following information is provided to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the granting of the Repurchase Mandate.

1. REASONS FOR REPURCHASES

Although the Directors have no present intention of repurchasing any Shares, they believe that the flexibility afforded by the Repurchase Mandate would be beneficial to the Company and its Shareholders. Trading conditions on the Stock Exchange have sometimes been volatile in recent years. At any time in the future when the Shares are trading at a discount to their underlying value, the ability of the Company to repurchase Shares will be beneficial to those Shareholders who retain their investment in the Company since their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company. Share repurchase will only be made when the Directors believe that such repurchase will benefit the Company and its Shareholders.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued and fully-paid up share capital of the Company comprised 4,606,240,383 Shares.

Subject to the passing of the ordinary resolution No.2, the Company would be allowed under the Repurchase Mandate to repurchase Shares up to a maximum of 460,624,038 Shares, on the basis that no further Shares are issued or repurchased prior to the date of the forthcoming EGM.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its memorandum and articles of association and the laws of the Cayman Islands.

The Directors propose that such repurchases of Shares would be appropriately financed by the Company's internal resources and/or available banking facilities. There might be material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the Company's most recent published audited accounts for the year ended 31st July, 2002) in the event that the Repurchase Mandate

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. MARKET PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange during each of the previous twelve months prior to the Latest Practicable Date were as follows:

	SHARES	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2002		
July	0.110	0.076
August	0.123	0.091
September	0.114	0.088
October	0.094	0.079
November	0.092	0.076
December	0.123	0.082
2003		
January	0.150	0.105
February	0.150	0.127
March	0.133	0.095
April	0.103	0.090
May	0.127	0.100
June	0.125	0.108

5. DISCLOSURE OF INTERESTS

So far as is known to the Directors or chief executive of the Company, as at the Latest Practicable Date, the following persons, some of whom are Directors or chief executive of the Company, had interests in the following long positions in the Shares and underlying shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly, interested in 10% or

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group :

Name	Capacity	Nature	Number of Shares	Percentage
Lai Sun Garment (International) Limited	Beneficial owner	Corporate	2,120,550,431	46.04
Lim Por Yen	Beneficial owner	Corporate	2,120,550,431 <i>(Note 1)</i>	46.04
Lai Yuen Fong	Beneficial owner	Family	2,120,550,431 <i>(Note 1)</i>	46.04
U Po Chu	Beneficial owner	Family	2,120,550,431 <i>(Note 1)</i>	46.04
Silver Glory Securities Limited	Beneficial owner	Corporate	665,185,341 <i>(Note 2)</i>	14.44
Credit Suisse First Boston (Hong Kong) Limited	Beneficial owner	Corporate	442,196,119	9.60

Note:

- (1) These interests in the Company were held by LSG and SGS, a wholly-owned subsidiary of LSG. Mr. Lim Por Yen and his spouses held an interest of approximately 33.99% in the issued share capital of LSG and were deemed to be interested in the 2,120,550,431 Shares held by LSG and SGS.

Mr. Lim Por Yen, Mr. Lam Kin Ngok, Peter, Mr. Lam Kin Ming, Madam U Po Chu and Madam Lai Yuen Fong were directors of LSG and held in aggregate an interest of approximately 42% in the issued share capital of LSG.

- (2) This relates to the same interest of LSG in the Company.

APPENDIX II EXPLANATORY STATEMENT ON THE REPURCHASE MANDATE

Save as disclosed above, the Directors or chief executive of the Company are not aware of any person who, as at the Latest Practicable Date, had an interest or short position in the shares or equity derivatives which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was interested directly or indirectly in 10% or more of the nominal value any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases under the Repurchase Mandate in accordance with the Listing Rules and the laws of the Cayman Islands. If a Shareholder's proportionate interest in the voting rights of the Company increases as a result of the Directors exercising the power to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. As at the Latest Practicable Date, LSG and SGS were interested respectively in 1,455,365,090 Shares and 665,185,341 Shares which represent approximately 31.60% and 14.44% respectively of the existing issued share capital of the Company. Assuming the shareholdings of LSG and SGS in the Company remain unchanged, full exercise by the Company of the general mandate to repurchase the Shares as mentioned herein will increase the interest of LSG and SGS in the issued share capital of the Company to approximately 35.11% and 16.04% respectively, making a total of 51.15%. In the opinion of the Directors, such increase may give rise to an obligation to make a mandatory offer under Rules 26 and 32 of the Takeovers Code. However, the Directors have no present intention to exercise the power to repurchase Shares pursuant to the Repurchase Mandate to such an extent as to result in takeover obligations.

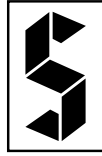
None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules) presently intend to sell any Shares to the Company under the Repurchase Mandate in the event that the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) that they have any present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

6. SHARES PURCHASES MADE BY THE COMPANY

No purchase of the Shares has been made by the Company during the six months prior to the Latest Practicable Date (whether on the Stock Exchange or otherwise).

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



LAI FUNG HOLDINGS

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

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of the shareholders of Lai Fung Holdings Limited (the “Company”) will be held at The Harbour Room, 3/F., The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on Thursday, 21st August, 2003 at 10:00 a.m. for the purpose of considering and, if thought fit, passing the following resolutions, with or without modification, as ordinary resolutions and special resolution of the Company:

ORDINARY RESOLUTIONS

1 “THAT:

subject to and conditional upon, the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting approval for the listing of, and permission to deal in, the shares in the Company to be issued and allotted pursuant to the exercise of any options to be granted under the share option scheme of the Company (the “Share Option Scheme”), the rules of which are contained in the document marked “A” produced to this meeting and by way of identification signed by the Chairman thereof and the rules of which are also summarised in the document marked “B” produced to this meeting and by way of identification signed by the Chairman thereof, the Share Option Scheme be and is hereby approved and adopted with effect from the date of this meeting and the board of directors of the Company be and is hereby authorised to:

- (a) grant options to subscribe for shares in the Company pursuant to the Share Option Scheme up to 10% of the issued share capital of the Company as at the date of this resolution;
- (b) allot, issue and deal with the shares in the Company pursuant to the exercise of subscription rights under any option granted under the Share Option Scheme; and
- (c) do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to implement the Share Option Scheme.”

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

2 “THAT:

- (a) subject to paragraph (b) of this resolution, the exercise by the directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to purchase shares of HK\$0.10 each in the share capital of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the aggregate nominal amount of the shares to be purchased pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% 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
- (c) for the purposes of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earlier 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.”

3(A) “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 of HK\$0.10 each in the share capital of 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 convertible into shares of the Company) which would or might require the exercise of such powers be and is hereby generally and unconditionally approved;

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

- (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 convertible into shares of the Company) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of 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 of the Company upon the exercise of rights of subscription or conversion under the terms of any warrants or the convertible bonds and the convertible notes of the Company; or (iii) an issue of shares of the Company as scrip dividends pursuant to the articles of association of the Company from time to time; or (iv) an issue of shares of the Company under any option scheme or similar arrangement adopted by the Company from time to time for the grant or issue to eligible persons under such scheme or arrangement of shares of the Company or rights to acquire shares of 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 purpose of this resolution,

“Relevant Period” shall have the same meaning assigned to it under paragraph (c) of the ordinary resolution No.2 in the notice convening this meeting; 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).”

3(B) “THAT:

subject to the passing of the ordinary resolutions No. 2 and 3(A) in the notice convening this meeting, the general mandate granted to the directors and for the time being in force to exercise the powers of the Company to allot shares and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby extended by addition thereto of an amount representing the aggregate nominal

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

amount of shares in the share capital of the Company which has been purchased by the Company since the granting of such general mandate pursuant to the exercise by the directors of the powers of the Company to purchase such shares, provided that such amount shall not exceed 10% of the aggregate nominal amount of the issued share capital of the Company as at the date of this resolution.”

SPECIAL RESOLUTION

“THAT:

the articles of association of the Company be and are hereby amended in the following manner :

- (a) the definition of “recognised clearing house” in Article 2 be deleted in its entirety and substituted by the following:

“recognised clearing house” shall have the meaning ascribed to the expression “recognized clearing house” in Part I of Schedule 1 of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and any amendments thereto or re-enactments thereof for the time being in force and includes every other law incorporated therewith or substituted therefor;” and

- (b) Article 106(vi) be deleted in its entirety and substituted by the following:

“if he shall be removed from office by notice in writing served upon him signed by all his co-Directors then in office; or”.”

By Order of the Board

Yeung Kam Hoi

Company Secretary

Hong Kong, 28th July, 2003

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

Notes :

- (1) Any member entitled to attend and vote at the meeting is entitled to appoint one or more proxies to attend and, on a poll, vote in his stead. A proxy need not be a member of the Company.
- (2) Where there are joint registered holders of any ordinary share, any one of such persons may vote at the meeting, either personally or by proxy, in respect of such ordinary share as if he were solely entitled thereto, but if more than one of such joint holders is present at the meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such ordinary share shall alone be entitled to vote in respect thereof.
- (3) A form of proxy for use at the meeting is enclosed.
- (4) 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 that power or authority, must be deposited at the Company's branch share registrars, 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 meeting or adjourned meeting (as the case may be). Completion and return of the form of proxy will not preclude members from attending and voting in person at the meeting or at any adjourned meeting should they so wish.

LAI FUNG HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

FORM OF PROXY FOR EXTRAORDINARY GENERAL MEETING ON THURSDAY, 21ST AUGUST, 2003 AT 10:00 A.M.

I/We ¹ _____ of _____ being the registered holder(s) of ² _____ shares of HK\$0.10 each in the capital of **Lai Fung Holdings Limited** (the “Company”), **HEREBY APPOINT** ³ _____ of _____ or failing him _____ of _____

or failing him, the Chairman of the Meeting as my/our proxy to attend for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held at The Harbour Room, 3/F., The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on Thursday, 21st August, 2003 at 10:00 a.m. and at any adjournment thereof and to vote for me/us and in my/our name(s) in respect of the resolutions as indicated below, and if no such indication is given, as my/our proxy thinks fit.

RESOLUTIONS	FOR ⁴	AGAINST ⁴
Ordinary Resolution 1 — approval of Share Option Scheme		
Ordinary Resolution 2 — granting of the Repurchase Mandate		
Ordinary Resolution 3(A) — granting of the General Issue Mandate		
Ordinary Resolution 3(B) — granting of the General Extension Mandate		
Special Resolution — amendments to Article 2 and Article 106(vi) of the Articles of Association of the Company		

Dated this _____ day of _____ 2003 Signature⁵ _____

Notes:

1. Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
2. Please insert the number of shares of HK\$0.10 each registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
3. Please insert the name and address of the proxy desired. **IF NO NAME IS INSERTED, THE CHAIRMAN OF THE MEETING WILL ACT AS YOUR PROXY.** The proxy (who must be an individual) need not be a member of the Company, but must attend the meeting in person to represent you.
4. **IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, PLEASE PLACE A “✓” IN THE RELEVANT BOX MARKED “FOR”. IF YOU WISH TO VOTE AGAINST THE RESOLUTION, PLEASE PLACE A “✓” IN THE RELEVANT BOX MARKED “AGAINST”.** Failure to complete the boxes will entitle your proxy to cast his vote at his discretion. Your proxy will also be entitled to vote at his discretion on any resolution properly put to the meeting other than those referred to in the notice convening the meeting.
5. This form of proxy must be signed by you or your attorney duly authorised in writing or, in the case of a corporation, either under the common seal or under the hand of an officer or attorney so authorised to sign the same.
6. Where there are joint registered holders of any share, any one of such joint persons may vote at the meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto, but if more than one of such joint holders are present at the meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
7. To be valid, this 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 deposited at the office of Hong Kong branch share registrars of the Company, Tengis Limited, G/F., 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 meeting or any adjournment thereof.
8. Any alteration made to this form of proxy must be initialled by the person who signs it.
9. Completion and return of this form of proxy will not preclude you from attending and voting at the meeting (and at any adjournment thereof) if you so wish.