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LAI FUNG HOLDINGS

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

The adoption of the Share Option Scheme, the grant of the Repurchase Mandate, the General Issue Mandate and the General Extension Mandate and the amendments to the articles of association of the Company were duly passed by the Shareholders at the EGM held on 21st August 2003.

Reference is made to the circular dated 28th July 2003 of the Company (the "Circular") regarding, inter alia, the adoption of a share option scheme, the grant of general mandates to repurchase and to issue shares by the Company and amendments to the articles of association of the Company. Unless otherwise defined, terms used herein shall have the same meanings as in the Circular.

The Board is pleased to announce that at the EGM held on 21st August 2003, the ordinary resolutions for approving the adoption of the Share Option Scheme, the grant to the Directors of the Repurchase Mandate, the General Issue Mandate and the General Extension Mandate and the special resolution for approving the amendments to the articles of association of the Company were duly passed by the Shareholders. The Share Option Scheme is conditional on the Listing Committee 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. Application has been made to the Stock Exchange for the granting of such approval. The directors of the Company confirm that the Share Option Scheme complies with Chapter 17 of the Listing Rules.

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

Hong Kong, 21st August 2003