



LAI FUNG HOLDINGS

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

(Stock Code: 1125)

ANNOUNCEMENT DESPATCH OF NOTICE OF ANNUAL GENERAL MEETING AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board is pleased to announce that the notice of Annual General Meeting of the Company is set out in the Annual Report for the year ended 31st July, 2004 of the Company, which will be despatched on 30th November, 2004 to the shareholders of the Company. In addition, a circular which contains an explanatory statement in relation to (a) the general mandate to be granted to the Board and (b) the amendments to the Articles of Association of the Company will also be despatched on 30th November, 2004 to the shareholders of the Company. The notice and the circular are also available for viewing on the website of each of the Stock Exchange at <http://www.hkex.com.hk> and the company at <http://www.laisun.com>

The board of directors (the "Board") of Lai Fung Holdings Limited (the "Company") is pleased to announce that the notice of annual general meeting (the "Annual General Meeting") of the Company is set out in the Annual Report for the year ended 31st July, 2004 of the Company, which will be despatched on 30th November, 2004 to the shareholders of the Company. In addition, a circular which contains an explanatory statement in relation to (a) the general mandate to be granted to the Board to (i) exercise the powers of the Company to repurchase issued and fully-paid up shares of the Company; (ii) issue new shares; (iii) increase the number of shares which the Board may issue under the general mandate to issue new shares by the number of shares repurchased; and (b) the amendments to the articles of association of the Company (the "Articles") will also be despatched on 30th November, 2004 to the shareholders of the Company. The notice and the circular are also available for viewing on the website of each of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") at <http://www.hkex.com.hk> and the Company at <http://www.laisun.com>

The Annual General Meeting of the Company will be held at The Chater Room I, Function Room Level (B1), The Ritz-Carlton Hong Kong, 3 Connaught Road Central, Hong Kong on Wednesday, 29th December, 2004 at 9:30 a.m. for the following purposes:

1. To receive and consider the audited financial statements and the reports of the directors and of the auditors for the year ended 31st July, 2004;
2. To re-elect directors and to fix the directors' remuneration;
3. To appoint auditors and to authorise the directors to fix their remuneration;
4. To grant a general mandate to the directors to repurchase the shares of the Company not exceeding 10% of the issued share capital of the Company and to issue additional shares not exceeding 20% of the existing issued share capital of the Company; and
5. To amend Articles 2, 80, 81, 83, 85, 107, 120, 163(c) & (d), 167(a), 169, 172, 173, 179; and to add Article 84A and Article 158A so as to comply with the applicable laws and to reflect the amended Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") which became effective from 31st March, 2004 and to bring the Articles up to date and in line with the current practice in Hong Kong.

If the resolution regarding the proposed amendments to the Articles is passed, the Company will be able to do such acts summarized below:

- (1) To add the definition of "associate" as provided in the amended Listing Rules;
- (2) To extend the construction of expressions referring to "writing" or "printing" in the Articles to include representations made in the form of electronic display;
- (3) To add the construction regarding references to documents being executed in the Articles and references to notice or document;
- (4) To reflect the new requirement under the amended Listing Rules for taking a poll at general meetings to approve certain transactions;
- (5) To reflect the restriction on voting by those shareholders whom the Company has knowledge is restricted from voting, as required by the provisions of Appendix 3 to the amended Listing Rules;

- (6) To reflect the changes as required by the provisions of Appendix 3 to the amended Listing Rules so that subject to certain exceptions, a director shall abstain from voting at the board meeting on any contract or arrangement or proposal in which he or any of his associates has a material interest nor shall he be counted towards the quorum of the relevant board meeting;
- (7) To reflect the changes as required by the provisions of Appendix 3 to the amended Listing Rules which stipulates the minimum seven-day period for lodgment by a shareholder of the notice to nominate a person to be elected as a director and the nomination shall commence no earlier than the day after the despatch of the notice of the meeting appointed for such election and end no later than seven days before the date of such meeting;
- (8) To expand Directors' power to destroy certain documents to the extent permitted by the applicable laws;
- (9) To allow the Company to distribute summary financial reports in place of a full annual report in light of the Listing Rules and to permit the Company to send summary financial reports to shareholders using electronic means;
- (10) To permit the Company to send notice or document or otherwise make available corporate communications to shareholders in person, by post, telex or facsimile transmission, electronic communication or press advertisement;
- (11) To add provision for deemed services on notice or other document delivered by post, electronic communication or press advertisement and to add provision to allow such notice and document to be given to shareholders in either the English or Chinese language;
- (12) To add provision allowing signature to any notice or document by the Company by way of electronic signature;
- (13) To indemnify the officers of the Company against liabilities incurred in the execution of the duties of his office and to allow the Company to purchase insurance for its officers against the liabilities incurred by them to the extent permitted by the Companies Law of the Cayman Islands.

The above summary of the purposes of the Annual General Meeting is set out only for the information of the shareholders of the Company and is subject to the notice of the Annual General Meeting which will be despatched on 30th November, 2004 to the shareholders of the Company and to which the shareholders of the Company should refer.

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

Hong Kong, 30th November, 2004

As at the date of this announcement, the Board comprises sixteen directors, of which eight are executive directors, namely Mr. Lim Por Yen, Mr. Lam Kin Ming, 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; five are non-executive directors, namely Mr. Lam Kin Ko, Stewart, Mr. Chiu Wai, Mr. Shiu Kai Wah, Mr. Siu Fai Wing, Ms. U Po Kwan; and three independent non-executive directors, namely Mr. Wong Yee Sui, Andrew, Mr. Lam Bing Kwan and Mr. Mui Ying Chun, Robert.