

The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, 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 announcement.



## LAI SUN DEVELOPMENT

Lai Sun Development Company Limited  
(Incorporated in Hong Kong with limited liability)

### ANNOUNCEMENT DISCLOSEABLE TRANSACTION

The Directors of the Company announce that the Company has accepted the tender by the Purchaser to purchase the Property at a cash consideration of HK\$89,500,000. The Tender was accepted by the Company on 28th July, 2003.

The Purchaser and its beneficial owner are independent third parties not connected with any of the directors, chief executive, or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates.

The Disposal constitutes a discloseable transaction under the Listing Rules. A circular containing, *inter alia*, details of the Disposal will be sent to shareholders of the Company within 21 days of the date of publication of this announcement.

The Directors have noted the recent increase in the price of the shares of the Company and wish to state that, save as disclosed above and the completion of the ATV transaction as disclosed in a separate announcement of the Company dated 28th July, 2003, the Directors are not aware of any reasons for such increase.

The Directors also confirm that, save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of, save as disclosed above, any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

#### The Tender

##### Acceptance Date

The Tender was accepted by the Company on 28th July, 2003.

##### Parties

Vendor: Lai Sun Development Company Limited

Purchaser: Ho King Worldwide Limited, which company and its beneficial owner are independent third parties not connected with any of the directors, chief executive, or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates

##### Property

The subject of the Tender is the Property. The total gross floor area of the Property (excluding car parkings) is approximately 458,080 square feet. Based on the audited financial statements of the Company as at 31st July, 2002, the book value of the Property was HK\$156,000,000.

##### Consideration

The total consideration for the Disposal is HK\$89,500,000, payable in cash. The purchase price tendered by the Purchaser in the Tender was the highest amongst the tenders received by the Company from tenderers (all being independent third parties not connected with any of the directors, chief executive, or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates) in response to an invitation made by the Company for the tender of the Property which closed on 8th July, 2003.

##### Payment Terms

An initial deposit of HK\$5,000,000 has been paid by the Purchaser in cash to the Company at the time of submitting its tender on 8th July, 2003. A further deposit of HK\$3,950,000 is payable in cash on or before 30th July, 2003. The initial and further deposit shall be forfeited to the Company if the Purchaser shall fail to complete, but shall be refunded to the Purchaser if the Company shall fail to complete. The balance of the consideration in the sum of HK\$80,550,000 shall be paid by the Purchaser in cash upon Completion.

##### Completion Date

Completion shall take place on or before 6th August, 2003.

##### Financial Effects of Disposal

The net profits before and after tax attributable to the Property for the financial year ended 31st July, 2002 were HK\$12,200,000 and HK\$10,200,000, respectively, and for the year ended 31st July, 2001 were HK\$12,900,000 and HK\$10,800,000 respectively.

The carrying value of the Property is HK\$156,000,000 as included in the consolidated audited accounts of the Group for the financial year ended 31st July, 2002. Taking into account the revaluation reserve to be released upon completion amounting to approximately HK\$58,200,000, the loss on the Disposal, calculated on a pro-forma basis, is approximately HK\$8,300,000.

##### Reasons for Disposal

The Company completed development of the Property in 1986 and has since held the Property as an investment property for rental purpose.

The Directors believe that the Disposal is fair and reasonable in the current market conditions, and that it is in the best interests of the Company and its shareholders as a whole. The Directors also consider that the Disposal represents a good opportunity for the Company to reduce its bank borrowings whilst increasing the funds available for general working capital and/or repayment of bank loans when the Directors shall deem appropriate.

##### Use of Proceeds

The Property is charged to a bank (the "Lender") under an all-monies mortgage to secure a term loan facility of originally HK\$50,000,000 (the "Term Loan Facility") and all other sums from time to time due to the Lender in respect of any other banking facilities provided by the Lender. The net proceeds of the Disposal will be used for full repayment of the outstanding loan balance of the Term Loan Facility amounting to HK\$41,000,000 and, as demanded by the Lender, a further HK\$28,900,000 will be applied in partial repayment of the outstanding balance of another term loan facility secured over Causeway Bay Plaza 2 (the "Causeway Bay Plaza 2 Loan Facility"). The Lender has in principle agreed to extend the principal repayment date of the Causeway Bay Plaza 2 Loan Facility to 31st December, 2003. The balance of the proceeds of HK\$19,600,000 will be used for general working capital purposes.

##### General

The Disposal constitutes a discloseable transaction under the Listing Rules. A circular containing, *inter alia*, details of the Disposal will be sent to shareholders of the Company within 21 days of the date of publication of this announcement.

The Company is principally engaged in property development, property investment, hotel ownership and management in Hong Kong.

The Directors have noted the recent increase in the price of the shares of the Company and wish to state that, save as disclosed above and the completion of the ATV transaction as disclosed in a separate announcement of the Company dated 28th July, 2003, the Directors are not aware of any reasons for such increase.

The Directors also confirm that, save as disclosed above, there are no negotiations or agreements relating to intended acquisitions or realizations which are discloseable under paragraph 3 of the Listing Agreement, neither is the Board aware of, save as disclosed above, any matter discloseable under the general obligation imposed by paragraph 2 of the Listing Agreement, which is or may be of a price-sensitive nature.

##### Definitions

In this announcement, the following terms have the following meanings:-

"associates"	has the meaning ascribed to it in the Listing Rules;
"Company"	Lai Sun Development Company Limited;
"Completion"	completion of the Disposal pursuant to the Tender;
"Directors"	the directors of the Company;
"Disposal"	the disposal of the Property pursuant to the Tender;
"Group"	means the Company and its subsidiaries;
"Listing Agreement"	the agreement between the Company and the Stock Exchange setting out the continuing obligations which the Company undertakes to comply with as a condition of listing;
"Listing Rules"	The Rules Governing the Listing of Securities on the Stock Exchange;
"Property"	All That Lai Sun Yuen Long Centre, No.21-35 Wang Yip Street East, Yuen Long, New Territories, Hong Kong erected on All That piece or parcel of ground registered in the Yuen Long New Territories Land Registry as Yuen Long Town Lot No. 362 which is held by the Company for rental purpose;
"Purchaser"	Ho King Worldwide Limited, a company incorporated with limited liability in the British Virgin Islands, which company and its beneficial owner are independent third parties not connected with any of the directors, chief executive, or substantial shareholders of the Company or any of its subsidiaries or any of their respective associates;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Tender"	the tender for the Property made by the Purchaser.

By Order of the Board  
Lai Sun Development Company Limited  
Yeung Kam Hoi  
Company Secretary

Hong Kong, 28th July, 2003