



LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 488)

ANNOUNCEMENT

DISCLOSEABLE TRANSACTIONS

Pursuant to, and resulting from, discussions commenced with the Stock Exchange in respect of advances made to Hillfield in proportion to the Company's shareholding interest in such company, the Stock Exchange has exercised its discretion to aggregate each of the advances made to Hillfield since 31st March, 2004 with all advances made during the previous 12 month period of each such relevant advance. As a result of such aggregation, all advances made to Hillfield since 11th May, 2004 constituted discloseable transactions under Rule 14.06(2) of the Listing Rules on the date that the relevant advances were made to Hillfield.

The Company estimates it will make further shareholder advances to Hillfield up to an amount of approximately HK\$40,483,822 from time to time on an "as needed" basis from the date of this announcement. All such advances have been, and will be, made in proportion to the Company's shareholding in Hillfield.

No further announcement will be made by the Company in respect of the Estimated Advances after the date of this announcement pursuant to Chapter 14 of the Listing Rules unless:

- (i) future aggregate advances to Hillfield after the date of this announcement exceeds the amount of the Estimated Advances; or
- (ii) each Individual Future Advance since any previous disclosed advance(s) to Hillfield from time to time falls within the percentage ratios as a discloseable transaction itself under the Listing Rules; or
- (iii) all Individual Future Advance(s) which had not been previously disclosed by the Company from time to time within a 12-month period in aggregate falls within the percentage ratios as a discloseable transaction under the Listing Rules; or
- (iv) each Individual Future Advance when aggregated with any other advances made to Hillfield by the Company pursuant to the Shareholders Agreement within a 12 month period falls within the percentage ratios as a major transaction or any other transaction (other than a discloseable transaction) under the Listing Rules.

In the event of the occurrence of the circumstances set out in paragraphs (i) to (iv) above, the Company will comply with the relevant requirements under the Listing Rules at such time as soon as practicable.

Reference is made to the Company's announcement pursuant to Rules 13.14 and 13.15 of the Listing Rules dated 10th June, 2004 and 3rd November, 2004 in respect of previous advances made to Hillfield on 24th May, 2004 and on 30th October, 2004 in the amounts of HK\$9,650,000 and HK\$4,848,391 respectively. The Company will continue to comply with the requirements set out in Rules 13.13 to 13.16 of the Listing Rules after the date of this announcement in any event. Shareholders should also note that relevant advances to Hillfield have been detailed in the Company's annual report for the year ended 31st July, 2003 and interim report for the 6 months ended 31st January, 2004 in accordance with the then effective Listing Rules.

A circular containing, among other things, details of advances made to Hillfield since 31st March, 2004 and the Estimated Advances, as required by the Listing Rules will be sent to shareholders of the Company as soon as practicable.

This announcement is made by Lai Sun Development Company Limited (the "Company") pursuant to Rules 14.06(2), 14.33 and 14.34 of the Rules Governing the Listing of Securities (the "Listing Rules") on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

A number of shareholder advances were made by the Company to Hillfield Trading Limited ("Hillfield"), a 50%-owned associate and an affiliated company of the Company (as such terms are defined in Rule 13.11 of the Listing Rules), during the period from 31st March, 2004 (the date on which changes to the Listing Rules introduced by the Stock Exchange on 30th January, 2004 became effective and at which point in time such advances to Hillfield constituted "transactions" under Chapter 14 of the Listing Rules) to 30th October, 2004 inclusive. Reference is made to the Company's announcements pursuant to Rules 13.14 and 13.15 of the Listing Rules dated 10th June, 2004 and 3rd November, 2004 in respect of previous advances made to Hillfield on 24th May, 2004 and on 30th October, 2004 in the amounts of HK\$9,650,000 and HK\$4,848,391 respectively. The Company has advanced in total a sum of HK\$475,985,696 to Hillfield as at the date of this announcement. Shareholders should also note that relevant advances to Hillfield have been detailed in the Company's annual report for the year ended 31st July, 2003 and interim report for the 6 months ended 31st January, 2004 in accordance with the then effective Listing Rules.

All such advances to Hillfield as detailed in this announcement have been, and will be, made in proportion to the Company's shareholding in Hillfield pursuant to the terms of a shareholding agreement dated 3rd October, 1997 (as novated, varied and supplemented by a novation agreement dated 5th September, 2000 and a supplemental deed dated 19th February, 2003) entered into, inter alia, by the Company and the shareholders of Hillfield (the "Shareholders' Agreement"). The advances were provided by the Company and the other shareholder of Hillfield to Hillfield on a pro-rata basis for its on-lending to Bushell Limited, its wholly-owned subsidiary, to finance the Kimberley 26 development project (formerly known as the Furama Court development project) in Tsim Sha Tsui, Kowloon, Hong Kong (the "Project"). The balance due from Hillfield is unsecured, interest-free and has no fixed terms of repayment. The terms of such shareholders loans to Hillfield are agreed between the relevant parties as is normal commercial practice for such loans and not specified in the Shareholders' Agreement.

On the basis of the estimated remaining construction costs relating to the Project and estimated legal and professional fees and other operating expenses in connection with the Project, the Company estimates that it will make further shareholder advances to Hillfield on the same terms up to an amount of approximately HK\$40,483,822 after the date of this announcement (the "Estimated Advances") as required and notified to the Company from time to time by Hillfield from the date of this announcement. There is no actual fixed commitment sum under the Shareholders Agreement which simply sets out the method of funding by means of loans and advances for the purposes of the Project. All previous advances to Hillfield were, and the Estimated Advances are to be, funded in cash from the Company's internal resources.

Pursuant to, and resulting from, recent discussions commenced with the Stock Exchange in respect of advances made to Hillfield in proportion to the Company's shareholding interest in such company, the Stock Exchange exercised its discretion to aggregate each of the advances made to Hillfield since 31st March, 2004 with all advances made during the previous 12-month period of each such relevant advance pursuant to Rule 14.22 of the Listing Rules for the purposes of calculating the relevant percentage ratio to determine the classification of the relevant advances. Under the then effective Listing Rules, the advances made prior to 31st March, 2004 were not classified as "transactions". As a result of such aggregation, all advances made to Hillfield since 11th May, 2004 constituted discloseable transactions under Rule 14.06(2) of the Listing Rules.

The following table sets out the advances made to Hillfield since 31st March, 2004 and the aggregate of each such advance with all advances made over a previous 12-month period.

(1)	(2)	(3)	(4)	(5)
	Date of Advance	Advance	Cumulative advances in the previous 12-month period including the relevant advance set out in column (3)	Percentage of cumulative advance on the date of relevant advance set out in column (2) calculated based on the Company's market capitalisation on such date
1.	27/04/2004	HK\$2,296,591	HK\$25,161,705	4.1%
2.	28/04/2004	HK\$2,387,993	HK\$27,490,073	4.6%
3.	04/05/2004	HK\$176,000	HK\$27,721,408	4.7%
4.	11/05/2004	HK\$108,000	HK\$27,829,408	5.1%
5.	14/05/2004	HK\$3,893,501	HK\$31,722,854	5.7%
6.	24/05/2004	HK\$9,650,000	HK\$40,789,540	7.5%
7.	24/06/2004	HK\$481,217	HK\$40,679,076	8.6%

(1)	(2)	(3)	(4)	(5)
	Date of Advance	Advance	Cumulative advances in the previous 12 month period including the relevant advance set out in column (3)	Percentage of cumulative advance on the date of relevant advance set out in column (2) calculated based on the Company's market capitalisation on such date
8.	29/06/2004	HK\$447,000	HK\$41,151,390	8.6%
9.	09/07/2004	HK\$38,950	HK\$41,182,980	8.0%
10.	23/07/2004	HK\$419,352	HK\$41,602,227	9.9%
11.	26/07/2004	HK\$2,659,600	HK\$43,697,352	10.4%
12.	15/09/2004	HK\$9,667,787	HK\$51,610,817	10.5%
13.	30/10/2004	HK\$4,848,391	HK\$50,354,751	9.1%

Save for the percentage ratio (as defined in the Listing Rules) calculated by reference to the market capitalisation of the Company at the relevant time, none of the remaining percentage ratios (as defined in the Listing Rules) in respect of the advances to Hillfield since 31st March, 2004 exceeds 0.7%. Save for the details set out in this announcement pursuant to Chapter 14 of the Listing Rules, the Company is not aware of any circumstances requiring disclosure in this announcement under Rules 13.13 to 13.16 of the Listing Rules.

No further announcement will be made by the Company in respect of the Estimated Advances pursuant to Chapter 14 of the Listing Rules after the date of this announcement unless:

- (i) future aggregate advances to Hillfield after the date of this announcement exceeds the amount of the Estimated Advances; or
- (ii) each individual future advance to Hillfield falling within the Estimated Advances ("Individual Future Advance") since any previous disclosed advance(s) to Hillfield from time to time falls within the percentage ratios as a discloseable transaction itself under the Listing Rules; or
- (iii) all Individual Future Advance(s) which had not been previously disclosed by the Company from time to time within a 12-month period in aggregate falls within the percentage ratios as a discloseable transaction under the Listing Rules; or
- (iv) each Individual Future Advance when aggregated with any other advances made to Hillfield by the Company pursuant to the Shareholders Agreement within a 12-month period falls within the percentage ratios as a major transaction or any other transaction (other than a discloseable transaction) under the Listing Rules.

In the event of the occurrence of any of the circumstances set out in paragraphs (i) to (iv) above, the Company will comply with the relevant requirements under the Listing Rules at such time as soon as practicable. The Company will continue to comply with the requirements set out in Rules 13.13 to 13.16 of the Listing Rules after the date of this announcement in any event.

To the best of the directors of the Company's knowledge, information and belief and having made all reasonable enquiries, Hillfield (save for being an associated and affiliated company of the Company), the holder of the remaining 50% shareholding interest in Hillfield and the ultimate beneficial owner of such other 50% shareholder of Hillfield are third parties independent of the Company and connected persons of the Company.

The Company is a holding company with interests in subsidiaries and associates. The principal business activities of the Company and its subsidiaries include property investment, property development for sale, investment in and operation of hotels and restaurants and investment holding. The principal business activities of the associates of the Company include media, entertainment, internet and technology-oriented businesses, satellite television operations, investment in and operation of hotel, property development for sale and investment holding.

A circular containing, among other things, details of all advances to Hillfield after 31st March, 2004 and the Estimated Advances, as required by the Listing Rules will be sent to shareholders of the Company as soon as practicable.

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

Hong Kong, 12th November, 2004

The executive directors of the Company are Mr. Lim Por Yen, Mr. Lam Kin Ngok, Peter, Mr. Lau Shu Yan, Julius and Mr. Wu Shiu Kee, Keith, the non-executive directors are Mr. Lam Kin Ming, Madam U Po Chu, Mr. Chiu Wai and Mr. Shiu Kai Wah and the independent non-executive directors are Mr. David Tang, Mr. Lam Bing Kwan and Mr. Leung Shu Yin, William.