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LAI SUN DEVELOPMENT

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

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT an extraordinary general meeting (the “**Meeting**”) of the members of Lai Sun Development Company Limited (the “**Members**” and the “**Company**” respectively) will be held at Gloucester Room II, 3rd Floor, The Excelsior, Hong Kong, 281 Gloucester Road, Causeway Bay, Hong Kong on Saturday, 22 October 2011 at 10:45 a.m. for the purpose of considering and, if thought fit, passing, with or without modification, the following proposed resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT:**

- (A) the conditional sale and purchase agreement (the “**Acquisition Agreement**”) dated 12 July 2011 and entered into amongst (i) Luck Reach Limited, an indirect wholly-owned subsidiary of the Company, as purchaser (the “**Purchaser**”), (ii) Cypress Vine Corporation (“**Cypress**”), Focal Point Services Limited and Keyfull Investment Limited as vendors (collectively, the “**Vendors**”), (iii) the Company as the Purchaser’s guarantor, (iv) Mr. Yeung Hoi Sing, Sonny, Mr. Chien Tak Hsin, James and Mr. Cheung Hon Kit as the relevant Vendor’s guarantor, and (v) and the trustee of Cypress in respect of the shares and shareholder’s loan beneficially owned by Cypress in Best Value International Limited (the “**Target**”) in relation to:
- (i) the proposed acquisition (the “**Acquisition**”) of 50% of the entire issued share capital of the Target (together with its subsidiaries, the “**Target Group**”) and the aggregate amount of 50% of all the shareholders’ loans owing by the Target to its shareholders as at the date of the Acquisition Agreement and the date of completion of the Acquisition, at a total consideration of HK\$845,635,574 (subject to adjustment in accordance with the terms and conditions of the Acquisition Agreement), and
 - (ii) the granting of an option (the “**Option**”) by the Vendors to the Purchaser to purchase 10% of the entire issued share capital of the Target as at the date of the Acquisition Agreement (the “**Remaining Shares**”) and the aggregate amount of 1/6th of the entire amount of shareholders’ loans owing by the Target to the Vendors as at the date of the Acquisition Agreement and immediately prior to completion of the Acquisition (the “**Remaining Loans**”) for the consideration of HK\$169,127,115 (subject to adjustment in accordance with the terms and conditions of the Acquisition Agreement),

a copy of which has been produced to the Meeting marked “A” and signed by the chairman of the Meeting for the purpose of identification, be and is hereby approved, confirmed and ratified;

- (B) the board (the “**Board**”) of directors (the “**Directors**”) of the Company be and is hereby authorised to cause the Option to be exercised by the Purchaser at its discretion to purchase the Remaining Shares and the Remaining Loans in accordance with the terms and conditions of the Acquisition Agreement;
- (C) the Board be and is hereby authorised to negotiate, settle and approve the form and content of all documentation concerning the Target and the redevelopment (the “**Redevelopment**”) of the parcels of ground on which the properties owned by the Target Group are located by the Target Group, and to commit the Company and its subsidiaries (the “**Group**”) to providing financial assistance and support in respect of the Redevelopment in proportion to the Group’s shareholding in the Target, on the basis described in the circular (the “**Circular**”) of the Company dated 4 October 2011 (a copy of which has been produced to the Meeting marked “**B**” and signed by the chairman of the Meeting for the purpose of identification), of which the notice convening this extraordinary general meeting of the Company forms part, and without prejudice to the generality of the foregoing, the Board be and is hereby authorised to commit the Group to provide such additional financial assistance and support to or for the benefit of the Target Group on the basis described in the Circular in relation to any up-scaling of the Redevelopment as the Board may consider reasonable, necessary, desirable or expedient, on the basis that the same shall be so provided in proportion to the Group’s shareholding in the Target from time to time and on normal commercial terms, provided that the Company shall comply with the applicable requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) for additional financial assistance from the Group to the Target Group (including, if required, the obtaining of shareholders’ approval for additional financial assistance); and
- (D) any one of the executive Directors, or any two of the Directors where the use of the Common Seal of the Company is required, be and is/are hereby authorised to sign, execute, perfect, deliver, negotiate, agree and do all such documents, deeds, acts, matters and things, as the case may be, as he/they may in his/their opinion or discretion consider reasonable, necessary, desirable or expedient to implement and/or give effect to the Acquisition, the acquisition of the Remaining Shares and the Remaining Loans pursuant to the exercise of the Option, the financial commitment for the Redevelopment to be contributed by the Group and all the transactions contemplated under the Acquisition Agreement and the Redevelopment with any changes as such Director(s) may consider reasonable, necessary, desirable or expedient.”

By order of the Board
Lai Sun Development Company Limited
Kwok Siu Man
Company Secretary

Hong Kong, 4 October 2011

Notes:

- (a) Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Members at a general meeting must be taken by poll.
- (b) A Member entitled to attend and vote at the Meeting is entitled to appoint another person as his proxy to attend and vote in his stead in accordance with the Company's articles of association. On a poll, votes may be given either personally or by proxy. A proxy need not be a Member. A Member may appoint more than one proxy to attend on the same occasion.
- (c) Where there are joint registered holders of any share in the Company, any one of such 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 is present at the Meeting personally or by proxy, that one of such holders so present whose name stands first in the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (d) A form of proxy for use at the Meeting is enclosed with this notice.
- (e) The 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 such power or authority, must be deposited with the Company's share registrar, Tricor Tengis Limited (the "**Registrar**"), at 26th Floor, Tesbury Centre, 28 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the Meeting or adjourned meeting or poll (as the case may be) and in default, the proxy shall not be treated as valid. Delivery of the form of proxy shall not preclude Members from attending and voting in person at the Meeting or at any adjourned meeting or poll.
- (f) To ascertain the entitlements to attend and vote at the Meeting, Members must lodge the relevant transfer document(s) and share certificates with the Registrar no later than 4:30 p.m. on Thursday, 20 October 2011 for registration.
- (g) If a tropical cyclone warning signal No. 8 or above is expected to be hoisted or a black rainstorm warning signal is expected to be in force at any time between 9:00 a.m. and 5:00 p.m. on the date of the Meeting, then the Meeting will be postponed and Members will be informed of the date, time and venue of the postponed Meeting by a supplementary notice, posted on the respective websites of the Company and Hong Kong Exchanges and Clearing Limited.

If a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is lowered or cancelled at or before 9:00 a.m. on the date of the Meeting, and where conditions permit, the Meeting will be held as scheduled.

The Meeting will be held as scheduled when an amber or red rainstorm warning signal is in force.

Members should decide on their own whether they would attend the Meeting under any bad weather condition bearing in mind their own situations and if they do so, they are advised to exercise care and caution.

As at the date of this announcement, the executive Directors are Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Lau Shu Yan, Julius (Chief Executive Officer), Tam Kin Man, Kraven, Cheung Wing Sum, Ambrose, Lui Siu Tsuen, Richard and Cheung Sum, Sam; the non-executive Directors are Dr. Lam Kin Ming, Madam U Po Chu and Mr. Wan Yee Hwa, Edward; and the independent non-executive Directors are Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.