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LAI SUN DEVELOPMENT

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

(Stock Code: 488)

PRICE SENSITIVE INFORMATION

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform shareholders of the Company and potential investors that the Group is expected to record significant improvement in the results of the Group for the six months ended 31 January 2010 as compared to the loss of HK\$328.2 million for the six months ended 31 January 2009.

The results of eSun Holdings Limited, a 36.08%-owned associate of the Group, which in turn holds a 36.72% interest in the Group, have not been taken into account for the purpose of this announcement.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Lai Sun Development Company Limited (the “Company” and together with its subsidiaries, the “Group”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”).

The principal activities of the Group consist of property development and investment in Hong Kong, hotel operation and management, media and entertainment business. The board of directors of the Company (the “Board”) wishes to inform shareholders of the Company and potential investors that based on the preliminary unaudited consolidated management accounts of the Group, the Group is expected to record significant improvement in the results of the Group for the six months ended 31 January 2010 as compared to the loss of HK\$328.2 million for the six months ended 31 January 2009.

The significant improvement on the Group’s results for the six months ended 31 January 2010 is mainly due to the Group’s adoption of a new amendment to Hong Kong Accounting Standard (“HKAS”) 40 – Investment Property which became effective in the Group’s accounting period beginning 1 August 2009. Under the amendment to HKAS 40, investment property under construction could be carried at

fair value when its fair value is reliably determinable. Any difference between the fair value and the carrying book value of the property shall be recognised as gain or loss in the income statement for the period of initial adoption of this amendment. Prior to this amendment, the property under construction was carried at cost until the construction had been completed. The Group, through its 50%-owned associate, holds a property situated at 3 Connaught Road Central, Hong Kong (formerly operating as “The Ritz-Carlton Hong Kong”) which is being re-developed into a grade-A office tower for investment purpose. It is expected that a significant fair value gain arising from valuation of the above-mentioned property under construction would be recorded in the Group’s share of results of associates for the six months ended 31 January 2010, which is subject to review by the Company’s auditors.

The aforesaid significant improvement is also attributable to a fair value gain on the Group’s investment properties for the six months ended 31 January 2010 resulting from a recovery in the property market in Hong Kong as compared to a fair value loss for the corresponding previous period ended 31 January 2009.

The abovementioned gains are non-cash items and will not have a direct impact on the cash flow of the Group.

The results of eSun Holdings Limited, a 36.08%-owned associate of the Group, which in turn holds a 36.72% interest in the Group, have not been taken into account for the purpose of this announcement.

As the Group’s unaudited interim results for the six months ended 31 January 2010 have not yet been finalised, the information contained in this announcement is only based on information currently available and the preliminary unaudited consolidated management accounts of the Group which have not been reviewed by the Company’s auditors or audit committee. The interim results of the Group for the six months ended 31 January 2010 are expected to be published in April 2010.

Shareholders and potential investors are therefore advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 12 March 2010

As at the date of this announcement, the executive directors of the Company are Mr. Lam Kin Ngok, Peter, Mr. Lau Shu Yan, Julius, Mr. Tam Kin Man, Kraven, Mr. Cheung Wing Sum, Ambrose and Miss Leung Churk Yin, Jeanny; the non-executive directors are Mr. Lam Kin Ming and Madam U Po Chu; and the independent non-executive directors are Mr. Lam Bing Kwan, Mr. Leung Shu Yin, William, Mr. Wan Yee Hwa, Edward and Mr. Ip Shu Kwan, Stephen.