

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim 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)

(Stock Code: 488)

GENERAL DISCLOSURE ANNOUNCEMENT

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 a significant improvement in the results of the Group for the year ended 31 July 2010 as compared to the reported loss of approximately HK\$221.0 million for the year ended 31 July 2009.

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 operations and management, and media and entertainment businesses. 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 management accounts of the Group, the Group is expected to record a significant improvement in the results of the Group for the year ended 31 July 2010 as compared to the reported loss of approximately HK\$221.0 million for the year ended 31 July 2009.

The Group announced its interim results for the six months ended 31 January 2010 on 16 April 2010. The Group recorded a consolidated net profit attributable to equity holders of the Company of approximately HK\$1,308.7 million compared to a consolidated net loss of approximately HK\$328.2 million for the six months ended 31 January 2009. The significant improvement in the Group's interim results was mainly attributable to (i) the Group booked a fair value gain of approximately HK\$782.8 million (2009: a loss of approximately HK\$356.4 million) on its completed investment properties as a result of an improvement in the macro economic conditions; and (ii) the Group's share of profits from associates of approximately HK\$671.5 million as compared to a loss from associates of approximately HK\$95.6 million. The increase in the Group's share of profits from associates was mainly attributable to the Group's 50% share of the fair value gain arising from the redevelopment project of 3 Connaught Road Central, Hong Kong, which was classified as an investment property under development, upon the Group's adoption of an amendment to Hong Kong Accounting Standard ("HKAS") 40 – Investment Property. Details of the adoption of the amendment to HKAS 40 were disclosed in the Group's Interim Report 2009-2010.

Hong Kong's economy and its property market continue to benefit from the global low interest rate environment and Mainland China's continuing efforts to stimulate its domestic economy. The Group's results for the second half of the year ended 31 July 2010 continues to benefit from further fair value gains from its completed investment properties and its interest in the investment property under development particularly the redevelopment project of 3 Connaught Road Central, Hong Kong.

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

As the Group's results for the year ended 31 July 2010 have not yet been finalised, the information contained in this announcement is for information purposes only. This information is derived from information currently available which primarily consists of the preliminary unaudited management accounts of the Group which have not been audited by the Company's auditors or reviewed by the Company's audit committee. The results of the Group for the year ended 31 July 2010 are expected to be published in November 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
Goh Soon Khian
Company Secretary

Hong Kong, 20 August 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.