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L A I S U N G A R M E N T

Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 191)

POSITIVE PROFIT ALERT

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

The unaudited interim results of the Group for the six months ended 31 January 2011 are expected to improve significantly as compared to those for the last corresponding period.

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

This announcement is made by Lai Sun Garment (International) 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 include property investment, property development and investment holding. Based on the preliminary unaudited consolidated management accounts of the Group, the board of directors of the Company (the “Board”) wishes to inform shareholders of the Company (the “Shareholders”) and potential investors that the unaudited interim results of the Group for the six months ended 31 January 2011 are expected to improve significantly as compared to the unaudited profit attributable to equity holders of the Company of HK\$380.0 million for the six months ended 31 January 2010.

The significant results improvement is mainly attributable to gains arising from the Reorganisation involving the issued shares of LSD and Lai Fung as disclosed in the Company’s circular dated 30 August 2010 (the “Circular”). Except for those defined herein, capitalised terms used in this announcement shall have the same respective meanings as given to them in the Circular.

On 26 July 2010, the Company entered into a conditional Shares Swap Agreement with eSun in relation to the Reorganisation. All the conditions precedent under the Shares Swap Agreement were fulfilled and completion of the Reorganisation took place on 30 September 2010. Upon completion of the Reorganisation, Lai Fung ceased to be an associate of the Group and LSD became a 47.97%-owned associate of the Group. As disclosed in the Circular, significant gains arising from the Reorganisation would be recognised by the Group upon completion of the Reorganisation and such gains would be recorded in the consolidated results of the Group for the six months ended 31 January 2011. As explained in the Circular, the actual amounts of the gains arising from the Reorganisation recorded in the consolidated results of the Group for the six months ended 31 January 2011 would be different from the amounts disclosed in the Circular. The amounts of such gains are, however, subject to review by the Company's independent auditor.

Following completion of the Reorganisation, the actual amounts of the gains arising from the Reorganisation are re-calculated based on the actual relevant information of both LSD and Lai Fung as at 30 September 2010. Because of the recognition of these gains, it is expected that the unaudited interim results of the Group for the six months ended 31 January 2011 will improve significantly.

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 unaudited interim results for the six months ended 31 January 2011 have not yet been finalised, the information contained in this announcement is only based on the information currently available to the Company and the preliminary unaudited consolidated management accounts of the Group which have not been reviewed by the Company's independent auditor or audit committee. The unaudited interim results of the Group for the six months ended 31 January 2011 are expected to be published by the end of March 2011.

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 Garment (International) Limited
Kwok Siu Man
Company Secretary

Hong Kong, 16 March 2011

As at the date of this announcement, the executive directors of the Company are Dr. Lam Kin Ming, Mr. Lam Kin Ngok, Peter, Mr. Shiu Kai Wah, Mr. Lam Kin Hong, Matthew, Mr. Tam Kin Man, Kraven, Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Mr. Lui Siu Tsuen, Richard; the non-executive directors are Madam U Po Chu, Mr. Chiu Wai, Miss Leung Churk Yin, Jeanny and Mr. Wan Yee Hwa, Edward; and the independent non-executive directors are Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu.