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L A I S U N D E V E L O P M E N T

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

PROFIT WARNING

This announcement is made by the Company pursuant to Rule 13.09 of the Listing Rules. The Board wishes to inform that the unaudited interim results of the Group for the six months ended 31 January 2012 are expected to decrease significantly as compared to those for the corresponding period last year.

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 “Stock Exchange” and the “Listing Rules” respectively).

The principal activities of the Group include property development, property investment, investment in and operation of hotels and restaurants 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 profit attributable to the equity holders of the Company for the six months ended 31 January 2012 (the “Period”) are expected to record a significant decrease from that of HK\$940.8 million for the six months ended 31 January 2011.

The decrease in the Group's results for the Period is mainly attributable to:

- (i) a significant decrease in the fair value gain on the Group's investment properties for the Period due to a slower rate of growth in the property market as compared to the reported fair value gain on investment properties (before deferred tax impact) of HK\$587.6 million for the previous corresponding period; and
- (ii) a decrease in the Group's share of profits and losses of associates for the Period due to less favourable results of eSun Holdings Limited ("eSun"), a 37.93%-owned associate of the Group, the issued shares of which are listed and traded on the Stock Exchange (Stock Code: 571). A profit warning announcement was issued by eSun on 6 March 2012. Shareholders and potential investors may refer to such announcement for further details.

The above mentioned items 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 Period have not yet been finalised, the information contained in this announcement is based on information that is currently available and the preliminary unaudited consolidated management accounts of the Group which have not yet been reviewed by the Company's audit committee. The unaudited interim results of the Group for the Period are expected to be published in late March 2012.

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
Kwok Siu Man
Company Secretary

Hong Kong, 7 March 2012

As at the date of this announcement, the Board comprises the following members:

Executive Directors: Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Lau Shu Yan, Julius (Chief Executive Officer), Tam Kin Man, Kraven, Lui Siu Tsuen, Richard and Cheung Sum, Sam;

Non-Executive Directors: Dr. Lam Kin Ming, Madam U Po Chu and Mr. Wan Yee Hwa, Edward; and

Independent Non-Executive Directors: Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.