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## LAI SUN DEVELOPMENT

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 shareholders of the Company and potential investors that the Group is expected to record a loss for the six months ended 31 January 2009 as compared to a profit for the corresponding period ended 31 January 2008.

**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 for sale, 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 and potential investors that the Group is expected to record a loss attributable to equity holders of the Company for the six months ended 31 January 2009 as compared to a profit of HK\$882.8 million for the six months ended 31 January 2008.

The negative effect on the Group’s results for the six months ended 31 January 2009 is mainly attributable to (i) a gain on disposal of partial interest in a subsidiary of HK\$404.4 million recognised in the results of the Group for the six months ended 31 January 2008 which was non-recurring; and (ii) a loss on fair value change in the Group’s investment properties for the six months ended 31 January 2009 due to the recent downturn of the property market as compared to a fair value gain on investment properties (before deferred tax impact) of HK\$472.6 million recorded in the six months ended 31 January 2008. The net fair value gain on investment properties (after deferred tax impact) for the six months ended 31 January 2008 was HK\$389.9 million. The loss on fair value change in the Group’s investment properties is a non-cash flow item and will not have direct impact on the cash flow of the Group.

In addition, the Group currently holds a 36.08% interest in eSun Holdings Limited (“eSun”), an associated company of the Company, which in turn holds a 36.72% interest in the Group. Such crossholding between the Group and eSun will lead to a further loss to the Group due to its further share of eSun’s loss arising from eSun’s share of the results of the Group.

As the Group’s unaudited interim results for the six months ended 31 January 2009 have not yet been finalised, the information contained in this announcement is only based on the information currently available and preliminary unaudited consolidated management accounts of the Group that 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 2009 are expected to be published in April 2009.

**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, 10 March 2009

*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, Mr. Cheung Sum, Sam 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 and Mr. Wan Yee Hwa, Edward.*