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LAI SUN DEVELOPMENT

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

**ANNOUNCEMENT
DISCLOSURE PURSUANT TO RULE 13.13 OF THE LISTING RULES
GUARANTEE COMMITMENT AND FINANCIAL ASSISTANCE IN
RESPECT OF THE REDEVELOPMENT OF A PROPERTY**

Reference is made to the announcement of LSD dated 22 September 2009 and the circular dated 13 October 2009 in which it was disclosed that LSD and CCBIGHL, as the shareholders, through their respective subsidiaries, of Diamond String, were required to provide, on a several basis and in proportion to their respective shareholdings in Diamond String, certain corporate guarantees in relation to the underwriting of a syndicated term loan facility up to HK\$1,530 million sought by Diamond String for the purposes of financing the re-development of the Property, and also to make good any cost over-runs on the Project. At the EGM of LSD held on 2 November 2009, the resolution to approve, inter alia, the Corporate Guarantee was duly passed by way of poll, the results of which were announced in an announcement of LSD dated 2 November 2009.

The Directors wish to announce that certain documentation involving the Corporate Guarantee was signed on 10 December 2009 and that the Corporate Guarantee, together with the existing shareholder's loan advanced by LSD to Diamond String constitute advances to an entity, namely Diamond String, which exceeded 8% of the audited consolidated total assets of the Group as at 31 July 2009 for the purposes of rule 13.13 of the Listing Rules.

Reference is made to the announcement of LSD dated 22 September 2009 and the circular dated 13 October 2009 (the "Circular") in which it was disclosed that LSD and CCBIGHL, as the shareholders, through their respective subsidiaries, of Diamond String, were required to provide, on a several basis and in proportion to their respective shareholdings in Diamond String, certain corporate guarantees in relation to the underwriting of a syndicated term loan facility up to HK\$1,530 million sought by Diamond String for the purposes of financing the re-development of the Property, and also to make good any cost over-runs on the Project. At the EGM of LSD held on 2 November 2009, the resolution to approve, inter alia, the Corporate Guarantee was duly passed by way of poll, the results of which were announced in an announcement of LSD dated 2 November 2009.

The Circular disclosed details of the Corporate Guarantee, including details of the balances, the nature of the transaction giving rise to the relevant amounts, and the material terms of the transaction. Terms defined in the Circular shall have the same meanings when used herein unless the context otherwise requires.

The Directors wish to announce that the documentation involving the Corporate Guarantee was signed on 10 December 2009 and that the Corporate Guarantee, together with the existing shareholder's loan advanced by LSD to Diamond String in the amount of approximately HK\$393,500,000 constitute advances to an entity, namely Diamond String, which exceeded 8% of the audited consolidated total assets of the Group as at 31 July 2009 for the purposes of rule 13.13 of the Listing Rules. The shareholder's loan advanced by LSD to Diamond String is unsecured, interest free and has no fixed terms of repayment. As previously announced, the Corporate Guarantee also constitutes financial assistance to an affiliated company, namely Diamond String, for the purposes of rule 13.16 of the Listing Rules.

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

Hong Kong, 11 December 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 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.