



LAI FUNG HOLDINGS

Lai Fung Holdings Limited  
(Incorporated in the Cayman Islands with limited liability)  
(Stock Code: 1125)

## Interim Report

For the six months ended 31 January 2023



# Corporate Information

## PLACE OF INCORPORATION

Cayman Islands

## BOARD OF DIRECTORS

### *Executive Directors*

Chew Fook Aun (*Chairman*)

Lam Kin Hong, Matthew (*Executive Deputy Chairman*)

Lam Hau Yin, Lester (*Chief Executive Officer*)

(*also alternate director to U Po Chu*)

Cheng Shin How

Lee Tze Yan, Ernest

U Po Chu

### *Independent Non-executive Directors*

Ku Moon Lun

Lam Bing Kwan

Law Kin Ho

Mak Wing Sum, Alvin

Shek Lai Him, Abraham

## AUDIT COMMITTEE

Law Kin Ho (*Chairman*)

Ku Moon Lun

Lam Bing Kwan

Mak Wing Sum, Alvin

## NOMINATION COMMITTEE

Chew Fook Aun (*Chairman*)

Mak Wing Sum, Alvin

Shek Lai Him, Abraham

## REMUNERATION COMMITTEE

Lam Bing Kwan (*Chairman*)

Chew Fook Aun

Ku Moon Lun

Law Kin Ho

## AUTHORISED REPRESENTATIVES

Chew Fook Aun

Lam Hau Yin, Lester

## COMPANY SECRETARY

Yim Lai Wa

## REGISTERED OFFICE

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

## PRINCIPAL PLACE OF BUSINESS

11th Floor

Lai Sun Commercial Centre

680 Cheung Sha Wan Road

Kowloon, Hong Kong

Tel: (852) 2741 0391

Fax: (852) 2741 9763

## SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3, Building D

P.O. Box 1586

Gardenia Court, Camana Bay

Grand Cayman, KY1-1100

Cayman Islands

## BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

## INDEPENDENT AUDITOR

Ernst & Young

Certified Public Accountants

*Registered Public Interest Entity Auditor*

## PRINCIPAL BANKERS

Agricultural Bank of China Limited

Bank of China Limited

The Bank of East Asia, Limited

China CITIC Bank Corporation Limited

Chong Hing Bank Limited

Dah Sing Bank Limited

DBS Bank Ltd.

Hang Seng Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Industrial and Commercial Bank of China Limited

Oversea-Chinese Banking Corporation Limited

Shanghai Pudong Development Bank Co., Ltd.

Standard Chartered Bank (Hong Kong) Limited

United Overseas Bank Limited

## SHARES INFORMATION

### *Place of Listing*

The Main Board of The Stock Exchange of Hong Kong Limited

### *Stock Code/Board Lot*

1125/400 shares

## AMERICAN DEPOSITARY RECEIPT

CUSIP Number: 50731L104

Trading Symbol: LNGHY

ADR to Ordinary Share Ratio: 1:8

Depository Bank: The Bank of New York Mellon

## WEBSITE

[www.laifung.com](http://www.laifung.com)

## INVESTOR RELATIONS

Tel: (852) 2853 6116

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## Results

The board of directors (the “**Board**”) of Lai Fung Holdings Limited (the “**Company**”) presents the unaudited consolidated results of the Company and its subsidiaries (the “**Group**”) for the six months ended 31 January 2023 together with the comparative figures of the last corresponding period as follows:

### Condensed Consolidated Income Statement

For the six months ended 31 January 2023

	Notes	For the six months ended 31 January	
		2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
TURNOVER	3	<b>1,002,365</b>	1,281,083
Cost of sales		<b>(527,521)</b>	(661,169)
Gross profit		<b>474,844</b>	619,914
Other income and gains		<b>58,234</b>	78,102
Selling and marketing expenses		<b>(53,652)</b>	(69,571)
Administrative expenses		<b>(161,297)</b>	(121,467)
Other operating expenses, net		<b>(56,911)</b>	(150,383)
Fair value losses on investment properties		<b>(71,316)</b>	(6,911)
PROFIT FROM OPERATING ACTIVITIES	4	<b>189,902</b>	349,684
Finance costs	5	<b>(274,452)</b>	(214,424)
Share of profits/(losses) of joint ventures		<b>188</b>	(246)
Share of profits/(losses) of an associate		<b>(6)</b>	82
PROFIT/(LOSS) BEFORE TAX		<b>(84,368)</b>	135,096
Tax	6	<b>(138,210)</b>	(254,873)
LOSS FOR THE PERIOD		<b>(222,578)</b>	(119,777)
ATTRIBUTABLE TO:			
Owners of the Company		<b>(176,944)</b>	(74,853)
Non-controlling interests		<b>(45,634)</b>	(44,924)
		<b>(222,578)</b>	(119,777)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:	7		
Basic and diluted		<b>(HK\$0.535)</b>	(HK\$0.226)

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2023

	For the six months ended	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	(222,578)	(119,777)
OTHER COMPREHENSIVE INCOME/(EXPENSES) THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX		
Exchange differences:		
Exchange differences arising on translation to the presentation currency	(123,966)	375,528
Reclassification of reserve upon deregistration of a subsidiary	(10,274)	—
Reclassification of reserve upon return of capital from a subsidiary	(13,511)	29,965
	(147,751)	405,493
Share of other comprehensive income/(expenses) of an associate	(1)	2
	(147,752)	405,495
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE PERIOD	(370,330)	285,718
ATTRIBUTABLE TO:		
Owners of the Company	(322,340)	322,402
Non-controlling interests	(47,990)	(36,684)
	(370,330)	285,718

# Condensed Consolidated Statement of Financial Position

As at 31 January 2023

	Notes	31 January 2023 (Unaudited) HK\$'000	31 July 2022 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		2,688,659	2,735,738
Right-of-use assets		518,964	530,343
Investment properties		20,960,700	20,589,800
Investments in joint ventures		18,881	18,692
Investment in an associate		109	116
Debtors, deposits and prepayments	8	497,182	493,643
<b>Total non-current assets</b>		<b>24,684,495</b>	24,368,332
<b>CURRENT ASSETS</b>			
Properties under development		1,070,203	953,515
Completed properties for sale		3,385,391	3,656,243
Inventories		4,711	5,207
Derivative financial instruments		—	4,551
Debtors, deposits and prepayments	8	522,203	513,245
Prepaid tax		102,030	140,268
Pledged and restricted time deposits and bank balances		716,193	2,031,534
Cash and cash equivalents		1,599,442	2,111,091
<b>Assets classified as held for sale</b>		<b>7,400,173</b>	9,415,654
		781	783
<b>Total current assets</b>		<b>7,400,954</b>	9,416,437
<b>CURRENT LIABILITIES</b>			
Creditors, accruals and other payables	9	2,159,534	1,979,103
Contract liabilities and deposits received		293,297	651,860
Interest-bearing bank loans		1,013,817	1,065,531
Lease liabilities		4,113	4,348
Guaranteed notes		—	2,744,923
Tax payable		518,436	455,175
Other borrowings		41,511	41,578
<b>Total current liabilities</b>		<b>4,030,708</b>	6,942,518
<b>NET CURRENT ASSETS</b>		<b>3,370,246</b>	2,473,919
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>28,054,741</b>	26,842,251
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		685	2,578
Other payables	9	957,335	959,672
Long-term deposits received		144,538	138,542
Interest-bearing bank loans		9,121,249	7,501,104
Advances from a former substantial shareholder		54,155	54,288
Loans from a fellow subsidiary		583,355	532,315
Deferred tax liabilities		3,100,675	3,190,673
<b>Total non-current liabilities</b>		<b>13,961,992</b>	12,379,172
		<b>14,092,749</b>	14,463,079

# Condensed Consolidated Statement of Financial Position

(Continued)

As at 31 January 2023

	31 January 2023 (Unaudited) HK\$'000	31 July 2022 (Audited) HK\$'000
<b>EQUITY</b>		
<b>Equity attributable to owners of the Company</b>		
Issued capital	1,655,167	1,655,167
Reserves	12,628,942	12,951,282
	<b>14,284,109</b>	14,606,449
<b>Non-controlling interests</b>	<b>(191,360)</b>	(143,370)
	<b>14,092,749</b>	14,463,079

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 January 2023

	Attributable to owners of the Company							Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Issued capital HK\$'000	Share premium account HK\$'000	Share option reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Retained earnings HK\$'000			
As at 31 July 2022 and 1 August 2022 (Audited)	1,655,167	4,105,466	24,408	691,293	137,165	345,241	7,647,709	14,606,449	(143,370)	14,463,079
Loss for the period	—	—	—	—	—	—	(176,944)	(176,944)	(45,634)	(222,578)
Other comprehensive expenses for the period, net of tax:										
Exchange differences arising on translation to the presentation currency	—	—	—	(121,610)	—	—	—	(121,610)	(2,356)	(123,966)
Reclassification of reserve upon deregistration of a subsidiary	—	—	—	(10,274)	—	—	—	(10,274)	—	(10,274)
Reclassification of reserve upon return of capital from a subsidiary	—	—	—	(13,511)	—	—	—	(13,511)	—	(13,511)
Share of other comprehensive expenses of an associate	—	—	—	(1)	—	—	—	(1)	—	(1)
Total comprehensive expenses for the period, net of tax	—	—	—	(145,396)	—	—	(176,944)	(322,340)	(47,990)	(370,330)
Transfer to statutory reserve	—	—	—	—	—	39,479	(39,479)	—	—	—
Release of reserve upon lapse of share options	—	—	(20,625)	—	—	—	20,625	—	—	—
<b>As at 31 January 2023 (Unaudited)</b>	<b>1,655,167</b>	<b>4,105,466<sup>#</sup></b>	<b>3,783<sup>#</sup></b>	<b>545,897<sup>#</sup></b>	<b>137,165<sup>#</sup></b>	<b>384,720<sup>#</sup></b>	<b>7,451,911<sup>#</sup></b>	<b>14,284,109</b>	<b>(191,360)</b>	<b>14,092,749</b>

<sup>#</sup> These reserve accounts comprise the consolidated reserves of HK\$12,628,942,000 (31 July 2022: HK\$12,951,282,000) in the condensed consolidated statement of financial position.

# Condensed Consolidated Statement of Changes in Equity

(Continued)

For the six months ended 31 January 2023

	Attributable to owners of the Company							Sub-total	Non-controlling interests	Total
	Issued capital	Share premium account	Share option reserve	Exchange fluctuation reserve	Capital reserve	Statutory reserve	Retained earnings			
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 31 July 2021 and 1 August 2021 (Audited)	1,655,167	4,105,466	24,425	1,382,656	137,165	318,574	7,807,806	15,431,259	20,339	15,451,598
Loss for the period	—	—	—	—	—	—	(74,853)	(74,853)	(44,924)	(119,777)
Other comprehensive income for the period, net of tax:										
Exchange differences arising on translation to the presentation currency	—	—	—	367,288	—	—	—	367,288	8,240	375,528
Reclassification of reserve upon return of capital from a subsidiary	—	—	—	29,965	—	—	—	29,965	—	29,965
Share of other comprehensive income of an associate	—	—	—	2	—	—	—	2	—	2
Total comprehensive income/(expenses) for the period, net of tax	—	—	—	397,255	—	—	(74,853)	322,402	(36,684)	285,718
Equity-settled share option arrangements	—	—	1,076	—	—	—	—	1,076	—	1,076
Transfer to statutory reserve	—	—	—	—	—	21,585	(21,585)	—	—	—
Release of reserve upon lapse of share options	—	—	(249)	—	—	—	249	—	—	—
As at 31 January 2022 (Unaudited)	1,655,167	4,105,466 <sup>#</sup>	25,252 <sup>#</sup>	1,779,911 <sup>#</sup>	137,165 <sup>#</sup>	340,159 <sup>#</sup>	7,711,617 <sup>#</sup>	15,754,737	(16,345)	15,738,392

<sup>#</sup> These reserve accounts comprise the consolidated reserves of HK\$14,099,570,000 (31 July 2021: HK\$13,776,092,000) in the condensed consolidated statement of financial position.

# Condensed Consolidated Statement of Cash Flows

For the six months ended 31 January 2023

	For the six months ended	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	<b>(192,160)</b>	583,059
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	<b>30,196</b>	35,100
Additions to investment properties	<b>(202,650)</b>	(517,967)
Additions to property, plant and equipment	<b>(41,951)</b>	(147,584)
Investment in a joint venture	—	(1,000)
Advance to a joint venture	—	(1,500)
Decrease/(increase) in pledged and restricted time deposits and bank balances	<b>1,310,655</b>	(224,776)
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	<b>1,096,250</b>	(857,727)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans, net of direct costs	<b>3,037,382</b>	519,976
Repayment of bank loans	<b>(1,448,629)</b>	(400,156)
Redemption and repurchase of guaranteed notes	<b>(2,736,038)</b>	—
Loans from a fellow subsidiary	<b>51,040</b>	69,740
Payment of lease liabilities	<b>(2,362)</b>	(2,792)
Interest and bank financing charges paid	<b>(312,474)</b>	(278,648)
NET CASH FLOW USED IN FINANCING ACTIVITIES	<b>(1,411,081)</b>	(91,880)
NET DECREASE IN CASH AND CASH EQUIVALENTS	<b>(506,991)</b>	(366,548)
Cash and cash equivalents at beginning of period	<b>2,111,091</b>	2,819,615
Effect of foreign exchange rate changes, net	<b>(4,658)</b>	46,262
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<b>1,599,442</b>	2,499,329
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Non-pledged and non-restricted cash and bank balances	<b>914,206</b>	1,419,368
Non-pledged and non-restricted time deposits	<b>685,236</b>	1,079,961
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	<b>1,599,442</b>	2,499,329

# Notes to Condensed Consolidated Financial Statements

## 1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2023 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

The condensed consolidated interim financial statements have not been audited by the Company’s independent auditors but have been reviewed by the Company’s audit committee.

## 2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements for the period under review are consistent with those used in the Group’s audited consolidated financial statements for the year ended 31 July 2022. These unaudited condensed consolidated results should be read in conjunction with the Company’s annual report for the year ended 31 July 2022.

In addition, the Group has adopted a number of new and revised Hong Kong Financial Reporting Standards (“HKFRSs”, which also include HKASs and Interpretations) which are applicable to the Group for the first time for the current period’s unaudited condensed consolidated interim financial statements. The adoption of these new and revised HKFRSs has had no material impact on the reported results or financial position of the Group.

## 3. TURNOVER AND OPERATING SEGMENT INFORMATION

The Group’s turnover represents revenue from the sale of properties, investment properties, hotel and serviced apartment operation, building management operation and theme park operation.

An analysis of the Group’s turnover is as follows:

	For the six months ended 31 January	
	2023 (Unaudited) HK\$’000	2022 (Unaudited) HK\$’000
Turnover from contracts with customers		
Sale of properties	570,476	798,043
Hotel and serviced apartment operation	109,365	111,079
Building management operation	61,684	63,757
Theme park operation	8,781	10,251
	<b>750,306</b>	983,130
Turnover from other sources		
Rental income from investment properties	252,059	297,953
Total turnover	<b>1,002,365</b>	1,281,083
Timing of recognition of turnover from contracts with customers		
At a point in time	570,476	798,043
Over time	179,830	185,087
Total	<b>750,306</b>	983,130

# Notes to Condensed Consolidated Financial Statements (Continued)

## 3. TURNOVER AND OPERATING SEGMENT INFORMATION (CONTINUED)

	For the six months ended 31 January (Unaudited)									
	Property development		Property investment		Hotel and serviced apartment operation		Theme park operation		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<b>Segment revenue/results:</b>										
Segment revenue										
Sales to external customers	570,476	798,043	313,743	361,710	109,365	111,079	8,781	10,251	1,002,365	1,281,083
Other revenue	12,199	12,218	11,580	5,515	187	27	319	475	24,285	18,235
<b>Total</b>	<b>582,675</b>	<b>810,261</b>	<b>325,323</b>	<b>367,225</b>	<b>109,552</b>	<b>111,106</b>	<b>9,100</b>	<b>10,726</b>	<b>1,026,650</b>	<b>1,299,318</b>
<b>Segment results</b>	<b>239,328</b>	<b>362,131</b>	<b>30,590</b>	<b>143,925</b>	<b>(16,583)</b>	<b>(23,016)</b>	<b>(62,344)</b>	<b>(117,092)</b>	<b>190,991</b>	<b>365,948</b>
Interest income from bank deposits									30,196	35,100
Unallocated gains									3,753	24,767
Unallocated expenses, net									(35,038)	(76,131)
Profit from operating activities									189,902	349,684
Finance costs									(274,452)	(214,424)
Share of profits/(losses) of joint ventures	(1)	(2)	189	(244)	—	—	—	—	188	(246)
Share of profits/(losses) of an associate	—	—	(6)	82	—	—	—	—	(6)	82
Profit/(loss) before tax									(84,368)	135,096
Tax									(138,210)	(254,873)
Loss for the period									(222,578)	(119,777)
<b>Other segment information:</b>										
Fair value losses on investment properties	—	—	71,316	6,911	—	—	—	—	71,316	6,911
Gain on disposal of assets classified as held for sale	—	1,000	—	—	—	—	—	—	—	1,000
Derecognition loss on rental receivable	—	—	3,686	—	—	—	—	—	3,686	—
Loss on disposal of items of property, plant and equipment	1	1	29	17	—	—	—	53	30	71

# Notes to Condensed Consolidated Financial Statements (Continued)

## 3. TURNOVER AND OPERATING SEGMENT INFORMATION (CONTINUED)

	Property development		Property investment		Hotel and serviced apartment operation		Theme park operation		Consolidated	
	31 January 2023 (Unaudited) HK\$'000	31 July 2022 (Audited) HK\$'000								
<b>Segment assets /liabilities:</b>										
Segment assets	5,066,246	5,242,478	21,243,647	20,877,601	1,957,200	2,004,067	1,095,246	1,106,057	29,362,339	29,230,203
Investments in joint ventures	103	102	18,778	18,590	—	—	—	—	18,881	18,692
Investment in an associate	—	—	109	116	—	—	—	—	109	116
Unallocated assets									2,703,339	4,534,975
Assets classified as held for sale	781	783	—	—	—	—	—	—	781	783
Total assets									32,085,449	33,784,769
Segment liabilities	783,117	1,206,861	1,164,147	896,777	172,316	173,721	63,434	81,106	2,183,014	2,358,465
Unallocated liabilities									15,809,686	16,963,225
Total liabilities									17,992,700	19,321,690

## 4. PROFIT FROM OPERATING ACTIVITIES

The Group's profit from operating activities is arrived at after charging/(crediting):

	For the six months ended 31 January	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Depreciation of property, plant and equipment <sup>#</sup>	73,783	114,462
Depreciation of right-of-use assets <sup>#</sup>	10,365	11,062
Fair value losses/(gains) on cross currency swaps <sup>##</sup>	5,951	(1,977)
Foreign exchange differences, net <sup>##</sup>	(26,219)	36,861
Gain on disposal of assets classified as held for sale <sup>##</sup>	—	(1,000)
Loss on disposal of items of property, plant and equipment <sup>##</sup>	30	71
Derecognition loss on rental receivable <sup>##</sup>	3,686	—

<sup>#</sup> The depreciation charge for hotels and serviced apartments and related leasehold improvements is HK\$42,335,000 (six months ended 31 January 2022: HK\$46,364,000). The depreciation charge for theme parks is HK\$32,716,000 (six months ended 31 January 2022: HK\$69,263,000). These items are included in "Other operating expenses, net" on the face of the condensed consolidated income statement.

<sup>##</sup> These items of expenses/(income) are included in "Other operating expenses, net" on the face of the condensed consolidated income statement.

# Notes to Condensed Consolidated Financial Statements

(Continued)

## 5. FINANCE COSTS

	For the six months ended	
	31 January 2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Interest on:		
Bank loans	245,026	195,970
Guaranteed notes	68,320	74,126
Amortisation of transaction fees for:		
Bank loans	17,383	13,696
Guaranteed notes	2,577	2,623
Bank financing charges and direct costs	13,425	10,433
Interest on lease liabilities	164	92
Interest on put option liabilities	2,323	2,525
	<b>349,218</b>	299,465
Less: Capitalised in properties under development	(26,037)	(28,880)
Capitalised in investment properties under construction	(36,934)	(48,678)
Capitalised in construction in progress	(11,795)	(7,483)
	<b>(74,766)</b>	(85,041)
Total finance costs	<b>274,452</b>	214,424

## 6. TAX

The statutory rate of Hong Kong profits tax is 16.5% (six months ended 31 January 2022: 16.5%). No provision for Hong Kong profits tax had been made as the Group had no estimated assessable profits arising in Hong Kong during the period (six months ended 31 January 2022: Nil). Taxes on profits assessable elsewhere had been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

	For the six months ended	
	31 January 2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Current — Mainland China		
Corporate income tax	63,036	82,589
Land appreciation tax	101,376	148,827
Deferred	(26,202)	23,457
Total tax charge for the period	<b>138,210</b>	254,873

# Notes to Condensed Consolidated Financial Statements

(Continued)

## 7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount was based on the loss for the period attributable to owners of the Company of HK\$176,944,000 (six months ended 31 January 2022: HK\$74,853,000), and the weighted average number of ordinary shares of 331,033,443 (six months ended 31 January 2022: 331,033,443) in issue during the period.

As anti-dilutive effect is resulted following the losses sustained by the Group, no adjustment has been made to the calculation of the dilutive loss per share.

## 8. DEBTORS, DEPOSITS AND PREPAYMENTS

The Group maintains various credit policies for different business operations in accordance with business practices and market conditions in which the respective subsidiaries operate. Sales proceeds receivable from the sale of properties are settled in accordance with the terms of the respective contracts. Rent and related charges in respect of the leasing of properties are receivable from tenants, and are normally payable in advance with rental deposits received in accordance with the terms of the tenancy agreements. Hotel and serviced apartment charges are mainly settled by customers on a cash basis except for those corporate clients who maintain credit accounts with the Group, the settlement of which is in accordance with the respective agreements. The Group's trade receivables relate to a large number of diversified customers and there is no significant concentration of credit risk. Trade receivables of the Group were interest-free. The Group's finance lease receivables related to a creditworthy third party.

An ageing analysis of the trade receivables as at the end of the reporting period, based on payment due date, is as follows:

	<b>31 January 2023 (Unaudited) HK\$'000</b>	31 July 2022 (Audited) HK\$'000
Trade receivables, net:		
Within one month	<b>117,958</b>	119,699
One to three months	<b>17,814</b>	22,070
Over three months	<b>21,017</b>	20,335
	<b>156,789</b>	162,104
Finance lease receivables, not yet due	<b>502,342</b>	497,168
Other receivables, deposits and prepayments	<b>360,254</b>	347,616
	<b>1,019,385</b>	1,006,888
Amounts classified as current assets	<b>(522,203)</b>	(513,245)
Non-current portion	<b>497,182</b>	493,643

# Notes to Condensed Consolidated Financial Statements

(Continued)

## 9. CREDITORS, ACCRUALS AND OTHER PAYABLES

An ageing analysis of the trade payables as at the end of the reporting period, based on payment due date, is as follows:

	<b>31 January 2023 (Unaudited) HK\$'000</b>	31 July 2022 (Audited) HK\$'000
Trade payables:		
Within one month	<b>168,861</b>	368,995
One to three months	<b>58,561</b>	8,999
Over three months	<b>53,415</b>	109,830
	<b>280,837</b>	487,824
Accruals and other payables	<b>1,598,501</b>	1,210,629
Put option liabilities	<b>1,237,531</b>	1,240,322
	<b>3,116,869</b>	2,938,775
Amounts classified as current liabilities	<b>(2,159,534)</b>	(1,979,103)
Non-current portion	<b>957,335</b>	959,672

## 10. COMMITMENTS

The Group had the following capital commitments as at the end of the reporting period:

	<b>31 January 2023 (Unaudited) HK\$'000</b>	31 July 2022 (Audited) HK\$'000
Contracted, but not provided for:		
Construction, development and resettlement costs	<b>251,225</b>	756,308

# Notes to Condensed Consolidated Financial Statements

(Continued)

## 11. RELATED PARTY TRANSACTIONS

### (a) Transactions with related parties

	Notes	For the six months ended	
		31 January 2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Lai Sun Garment (International) Limited ("LSG") and its subsidiaries excluding the Group:			
Rental and management fee expenses paid or payable	(i)	254	246
Rental and management fee income received or receivable	(ii)	4,161	6,979
Advance of loans received	(iii)	51,040	69,740
Sharing of corporate salaries on a cost basis allocated from		10,175	11,059
Sharing of administrative expenses on a cost basis allocated from		3,537	2,942
Sharing of corporate salaries on a cost basis allocated to		3,724	3,099
Sharing of administrative expenses on a cost basis allocated to		82	37
A joint venture of the Group:			
Advance of a loan	(iv)	—	1,500

# Notes to Condensed Consolidated Financial Statements (Continued)

## 11. RELATED PARTY TRANSACTIONS (CONTINUED)

### (a) Transactions with related parties (Continued)

Notes:

- (i) The related company is Lai Sun Development Company Limited (“LSD”) which is a subsidiary of LSG (the ultimate holding company of the Company). The terms of the rental and management fee were determined based on the agreements entered into between the Group and the related company.

The Group leased properties from the related company for office and warehouse use. The monthly lease payables were charged with reference to market rates. As at 31 January 2023, right-of-use assets and lease liabilities relating to such leases recognised in condensed consolidated statement of financial position amounting to HK\$1,532,000 and HK\$1,583,000 (31 July 2022: HK\$2,577,000 and HK\$2,626,000), respectively. During the period ended 31 January 2023, depreciation of right-of-use assets of HK\$1,045,000 (six months ended 31 January 2022: HK\$1,018,000) and finance costs on lease liabilities of HK\$57,000 (six months ended 31 January 2022: HK\$46,000) were recognised in condensed consolidated income statement.

- (ii) The related companies are subsidiaries of LSD where the Company does not hold, directly or indirectly, any equity interest in the related companies. The terms of the rental and management fee were determined based on the agreements entered into between the Group and the related companies.

- (iii) The related company is a subsidiary of LSD where the Company does not hold, directly or indirectly, any equity interest in the related company. The related company is a non-controlling shareholder of a subsidiary of the Company (the “Subsidiary”). During the period, the related company advanced loans amounting to HK\$51,040,000 (six months ended 31 January 2022: HK\$69,740,000) according to its percentage of interest in the Subsidiary.

- (iv) The related company is a joint venture of the Group. The loan was unsecured, interest-free and repayable on the third anniversary date of the drawdown date of such loan.

### (b) Guarantees provided by a related party

LSD, which is the Company’s intermediate holding company, provided guarantees for 20% (being LSD’s equity interest in the relevant borrowers excluding the portion indirectly held through the Company) of certain bank loan facilities of up to HK\$2,600,726,000 (31 July 2022: HK\$2,780,327,000) in aggregate granted to certain subsidiaries of the Company as at 31 January 2023.

### (c) Compensation of key management personnel of the Group

	For the six months ended	
	2023 (Unaudited) HK\$’000	2022 (Unaudited) HK\$’000
Short-term employee benefits	12,275	15,564
Pension scheme contributions	65	74
<b>Total</b>	<b>12,340</b>	<b>15,638</b>

## 12. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the Board on 21 March 2023.

# Interim Dividend

The Board has resolved not to pay an interim dividend for the six months ended 31 January 2023 (six months ended 31 January 2022: Nil).

## Management Discussion and Analysis

### BUSINESS REVIEW AND OUTLOOK

The global economy experienced a gradual recovery in 2022, however, the momentum for growth, especially in most major economies, is expected to weaken in 2023 as rising interest rates and Russia's war in Ukraine continue to weigh on economic activities. While central banks across the world have been raising interest rates aggressively to tame inflation, the recession risk across the globe remains in the midst of, amongst other factors, persistently high inflation, rising borrowing costs, ongoing geopolitical instabilities and conflicts, energy price volatility, as well as lingering supply-chain disruptions.

China targeted moderate economic growth of around 5% in 2023 at the first session of the 14<sup>th</sup> National People's Congress held in March 2023 and has set stability as its top priority for economic achievement for the year, amid rising domestic constraints and uncertain global recovery. We believe that the Chinese government will forge ahead and deliver better-quality economic growth long-term through continuing efforts to improve competitiveness and innovation. We remain optimistic about the long-term prospects and sustainability of the business environment in China and are confident about future prospects of the cities in which the Group has exposure, especially the Greater Bay Area in southern China, and continue to regard Hong Kong, where our headquarters is situated, as one of the major beneficiary cities.

The Group's regional focus and rental-led strategy has demonstrated resilience in recent years. The rental portfolio of approximately 5.9 million square feet in Shanghai, Guangzhou, Zhongshan and Hengqin, being Tier 1 cities in China and cities within the Greater Bay Area delivered relatively steady performance in rental income for the period under review. Constructions of the two new grade A office towers in Shanghai and Guangzhou with green building certifications, namely Shanghai Skyline Tower and Guangzhou Lai Fung International Center, were completed in September and November 2022, respectively, adding a total rental GFA of approximately 1.3 million square feet (excluding car parking spaces) to the rental portfolio of the Group. The Group is committed to improving the environmental performance in its business operations. These two new green buildings are internationally recognised with environmentally-friendly and sustainable features. Shanghai Skyline Tower, located in Jing'an District of Shanghai near the Shanghai Railway Terminal, has obtained the Leadership in Energy and Environmental Design ("LEED") Pre-certified Gold Rating and is in the progress of preparing for application for LEED Gold Certification. Guangzhou Lai Fung International Center, located in Yuexiu District of Guangzhou along the Pearl River, has obtained the LEED v4 Gold Certification. Leasing of Shanghai Skyline Tower and Guangzhou Lai Fung International Center are in progress. As at 21 March 2023, approximately 25% leasable area of Shanghai Skyline Tower and 33% leasable area of Guangzhou Lai Fung International Center have been secured. Upon completion of construction works of Phase II ("**Novotown Phase II**") of the Novotown project in Hengqin ("**Novotown**"), the Group will have a rental portfolio of approximately 6.8 million square feet.

Construction of Novotown Phase II is in progress. This mixed-used development project is expected to be completed in phases by 2024, providing commercial and experiential entertainment facilities, office and serviced apartment spaces of 355,500 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Parts of the office units and serviced apartment units have been designated as for-sale properties. Leasing of the commercial area of Phase I of Novotown ("**Novotown Phase I**") is underway with approximately 77.7% of the leasable area being leased and key tenants include two themed indoor experience centers, namely "Lionsgate Entertainment World<sup>®</sup>" and "National Geographic Ultimate Explorer Hengqin", Zhuhai Duty Free, BaoLian Retail Commerce, Adidas Outlet, Pokiddo Trampoline Park, Starbucks, McDonald's, Paulaner Wirtshaus Hengqin, Oyster King and Vanguard Life Superstore. The Group remains confident that the deepening of cooperation between Hengqin and Macau, and the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will become an important center within the Guangdong-Hong Kong-Macau Greater Bay Area development. The integration between Macau and Hengqin will encourage more businesses and population to reside in Hengqin which will further enhance the tourism market, making Novotown a new contributor to the Group's results in the long run.

# Management Discussion and Analysis *(Continued)*

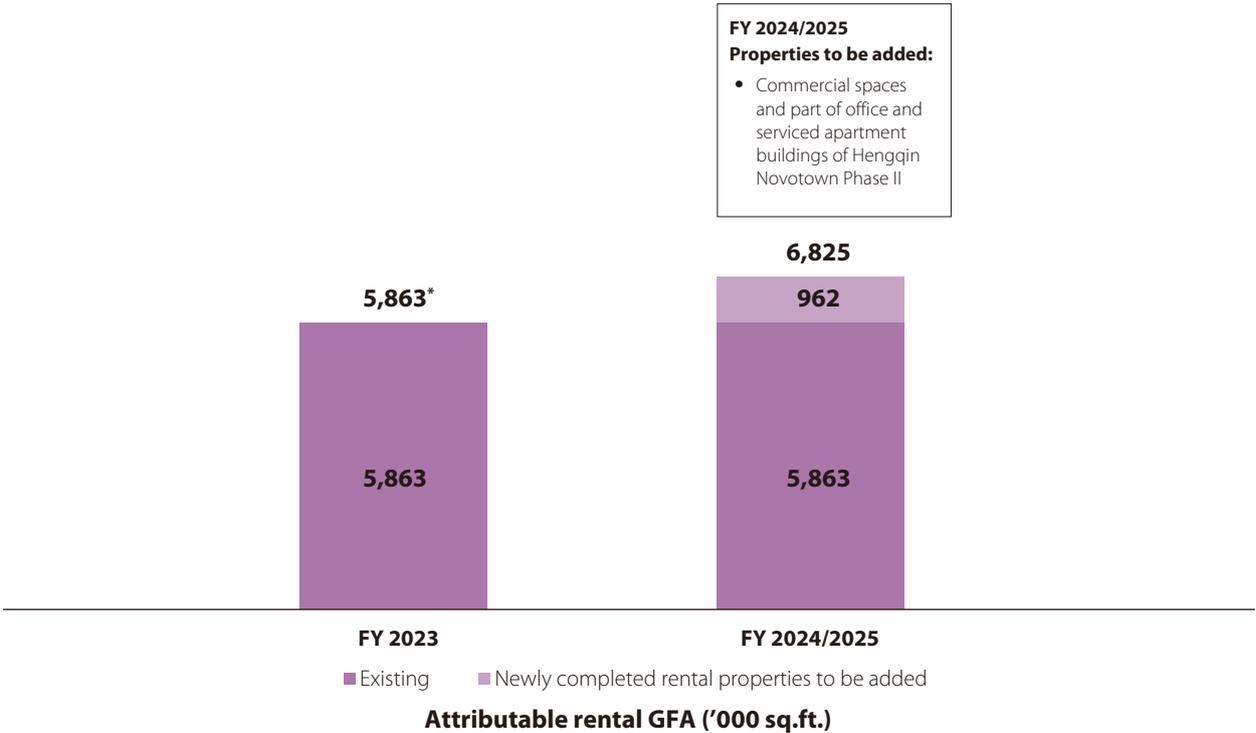
## BUSINESS REVIEW AND OUTLOOK *(CONTINUED)*

Shanghai Wuli Bridge Project, the high-end luxury residential project located by the Huangpu River in Huangpu District has received an enthusiastic response from the market. As at 31 January 2023, all residential units have been sold and 13 car parking spaces remain unsold. The sale of remaining phases of Zhongshan Palm Spring is in progress. The residential units in Zhongshan Palm Spring, the cultural studios, cultural workshops and office of Hengqin Novotown Phase I, as well as office and the serviced apartment units of Hengqin Novotown Phase II are expected to contribute to the income of the Group in coming financial years.

The Group will consider replenishing its landbank as and when opportunities arise, and will take into account, amongst other factors, overall macroeconomic conditions, the Group’s existing presence in top tier cities and the Greater Bay Area and allocation of risks etc.

Set out below is the expected growth of the rental portfolio of the Group and the pipeline of development projects of the Group as at 31 January 2023:

### Rental Portfolio

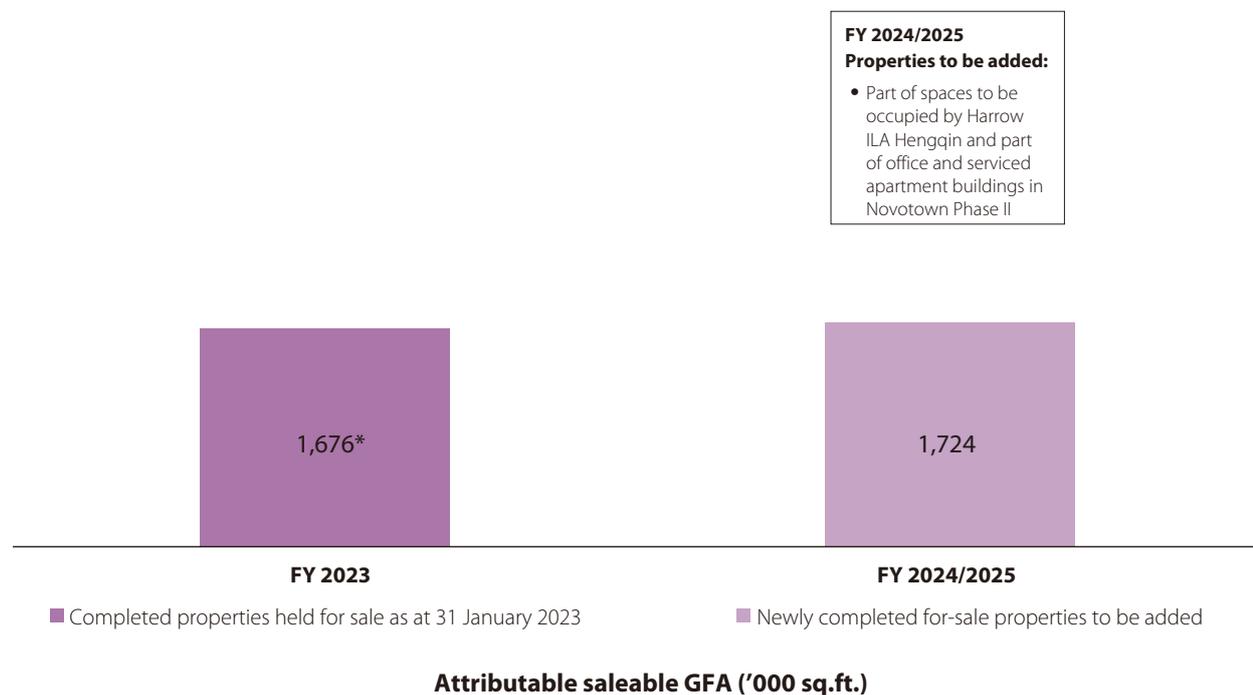


\* Including cultural attraction spaces of Novotown Phase I occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin

# Management Discussion and Analysis (Continued)

## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

### For-sale Projects



\* Excluding commercial space of the Zhongshan Palm Spring which is currently for self-use

Trading in the shares of the Company (“**Shares**”) on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) was resumed on 11 November 2022. The Board has been discussing with core connected persons of the Company to consider disposing of some of their respective holdings in the Shares (the “**Potential Sell-down**”) to restore the public float of the Company. As at the date of this Interim Report, discussions on the Potential Sell-down are still ongoing and no legally binding agreements have been entered into. Public float of the Company remains below the minimum requirement under the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”). Announcement(s) will be made by the Company on a quarterly basis until the public float of the Company is restored in accordance with the Listing Rules, so as to keep shareholders of the Company and the market informed on the progress made in carrying out the proposed public float restoration plans.

During the period under review, Lai Fung Bonds (2018) Limited, a wholly-owned subsidiary of the Company, has fully redeemed its outstanding US\$350 million guaranteed notes issued in 2018 upon maturity in January 2023. As at 31 January 2023, the Group has approximately HK\$2,315.6 million of cash on hand (31 July 2022: HK\$4,142.6 million) and undrawn facilities of HK\$2,372.7 million (31 July 2022: HK\$1,984.5 million) with a net debt to equity ratio of 59% as at 31 January 2023 (31 July 2022: 53%). The Group will continue its prudent and flexible approach in growing the landbank and managing its financial position.

# Management Discussion and Analysis (Continued)

## OVERVIEW OF INTERIM RESULTS

For the six months ended 31 January 2023, the Group recorded a turnover of HK\$1,002.4 million (2022: HK\$1,281.1 million), representing a decrease of approximately 21.8% over the same period last year. The average Renminbi (“RMB”) exchange rate depreciated by approximately 8.0% over the same period last year. Excluding the effect of currency translation, the decrease in RMB denominated turnover was approximately 14.9%. The decrease was primarily due to lower turnover from property sales during the period under review as compared to the same period last year. The gross profit decreased by 23.4% to HK\$474.8 million from that of HK\$619.9 million last period under review.

Set out below is the turnover by segment:

	For the six months ended 31 January			For the six months ended 31 January		
	2023 <sup>1</sup> (HK\$ million)	2022 <sup>1</sup> (HK\$ million)	% change	2023 (RMB million)	2022 (RMB million)	% change
Rental income <sup>2</sup>	423.1	472.8	-10.5%	379.1	389.7	-2.7%
Sale of properties	570.5	798.0	-28.5%	511.2	657.7	-22.3%
Theme park operation	8.8	10.3	-14.6%	7.9	8.5	-7.1%
<b>Total</b>	<b>1,002.4</b>	<b>1,281.1</b>	<b>-21.8%</b>	<b>898.2</b>	<b>1,055.9</b>	<b>-14.9%</b>

1. The exchange rates adopted for the six months ended 31 January 2023 and 2022 are 0.8960 and 0.8242, respectively
2. Including rental turnover of major properties of the Group, turnover from hotel and serviced apartment operation and property management income

Net loss attributable to owners of the Company was approximately HK\$176.9 million, as compared to net loss attributable to owners of the Company of HK\$74.9 million for the last corresponding period under review. The increased loss was primarily due to (i) lower property sales revenue; (ii) increased finance cost; and (iii) decrease in valuations of investment properties owned by the Group.

Net loss per share was HK\$0.535 (2022: HK\$0.226 per share).

Excluding the net effect of property revaluations, net loss attributable to owners of the Company was approximately HK\$125.2 million for the period under review (2022: HK\$72.6 million). Net loss per share excluding the effect of property revaluations was approximately HK\$0.3781 (2022: HK\$0.2191).

Loss attributable to owners of the Company (HK\$ million)	For the six months ended 31 January	
	2023	2022
Reported	(176.9)	(74.9)
Adjustments in respect of investment properties		
Revaluation losses of investment properties	71.3	6.9
Deferred tax on revaluation of investment properties	(17.8)	(1.7)
Non-controlling interests' share of revaluation movements less deferred tax	(1.8)	(2.9)
<b>Net loss after tax excluding revaluation losses of investment properties</b>	<b>(125.2)</b>	<b>(72.6)</b>

Net assets attributable to owners of the Company as at 31 January 2023 amounted to HK\$14,284.1 million (31 July 2022: HK\$14,606.4 million). Net asset value per share attributable to owners of the Company decreased slightly to HK\$43.15 per share as at 31 January 2023 from HK\$44.12 per share as at 31 July 2022.

# Management Discussion and Analysis (Continued)

## PROPERTY PORTFOLIO COMPOSITION

Approximate attributable GFA (in '000 square feet) and number of car parking spaces as at 31 January 2023:

	Commercial/ Retail	Office	Hotel and Serviced Apartment	Residential	Total (excluding car parking spaces & ancillary facilities)	No. of Car Parking Spaces
Completed Properties Held for Rental <sup>1</sup>	2,665 <sup>2</sup>	2,208	—	—	4,873 <sup>2</sup>	2,984
Completed Hotel Properties and Serviced Apartments	—	—	990	—	990	—
<b>Subtotal</b>	<b>2,665</b>	<b>2,208</b>	<b>990</b>	<b>—</b>	<b>5,863</b>	<b>2,984</b>
Properties under Development <sup>3</sup>	523	1,585	578	—	2,686	1,352
Completed Properties Held for Sale	163 <sup>4</sup>	421	275	850	1,709	3,478
<b>Total GFA of major properties of the Group</b>	<b>3,351</b>	<b>4,214</b>	<b>1,843</b>	<b>850</b>	<b>10,258</b>	<b>7,814</b>

1. Completed and rental generating properties
2. Including cultural attraction spaces in Novotown Phase I that have been occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin with approximately 258,616 square feet and 49,191 square feet attributable to the Group, respectively
3. All properties under construction
4. Including 33,001 square feet of commercial space in Zhongshan Palm Spring which is currently for self-use

## PROPERTY INVESTMENT

### Revenue from Rental Operation

The retail sales and consumer sentiment towards discretionary spending have been undermined by pandemic control measures in Mainland China until early December 2022. The moderating economy and challenging business environment also had a dampening effect on office leasing activities, leading to suppressed rental rates and increased vacancy. The revival remained sluggish in the initial phase of border reopening and COVID-19 infections peaked in the major cities in Mainland China between mid-December 2022 and January 2023, following the relaxation of restrictions since early December 2022.

For the six months ended 31 January 2023, the Group's rental operations recorded a turnover of HK\$423.1 million (2022: HK\$472.8 million). The average RMB exchange rate for the period under review depreciated by approximately 8.0% compared to the same period last year. Excluding the effect of currency translation, the RMB denominated revenue from lease of properties decreased slightly by 2.7% to RMB379.1 million.

# Management Discussion and Analysis (Continued)

## PROPERTY INVESTMENT (CONTINUED)

### Revenue from Rental Operation (Continued)

Breakdown of rental turnover by major rental properties of the Group is as follows:

	For the six months ended 31 January			For the six months ended 31 January			Period end occupancy (%)		2022
	2023 <sup>#</sup> (HK\$ million)	2022 <sup>#</sup> (HK\$ million)	% Change	2023 (RMB million)	2022 (RMB million)	% Change	2023		
<b>Shanghai</b>									
Shanghai Hong Kong Plaza	180.8	211.6	-14.6%	162.0	174.4	-7.1%	<b>Retail:</b> 90.3% <b>Office:</b> 87.1% <b>Serviced Apartments:</b> 62.8%	Retail: 95.3% Office: 91.2% Serviced Apartments: 70.4%	
Shanghai May Flower Plaza	30.2	35.5	-14.9%	27.1	29.3	-7.5%	<b>Retail:</b> 97.0% <b>Hotel:</b> 52.5%	Retail: 98.7% Hotel: 52.7%	
Shanghai Regents Park	9.8	10.1	-3.0%	8.8	8.3	+6.0%	100.0%		79.1%
Shanghai Skyline Tower	0.1	N/A	N/A	0.1	N/A	N/A	22.8%		N/A <sup>***</sup>
<b>Guangzhou</b>									
Guangzhou May Flower Plaza	47.2	64.3	-26.6%	42.3	53.0	-20.2%	91.0%		98.6%
Guangzhou West Point	11.2	14.9	-24.8%	10.0	12.3	-18.7%	83.5%		92.0%
Guangzhou Lai Fung Tower	67.3	70.4	-4.4%	60.3	58.0	+3.9%	<b>Retail:</b> 100.0% <b>Office:</b> 90.9% <sup>*</sup>	Retail: 100.0% Office: 97.9% <sup>*</sup>	
Guangzhou Lai Fung International Center	1.4	N/A	N/A	1.3	N/A	N/A	31.6%		N/A <sup>***</sup>
<b>Zhongshan</b>									
Zhongshan Palm Spring Rainbow Mall	3.4	3.9	-12.8%	3.0	3.2	-6.2%	<b>Retail:</b> 66.2% <sup>*</sup>	Retail: 67.5% <sup>*</sup>	
<b>Hengqin</b>									
Hengqin Novotown Phase I	57.5	48.4	+18.8%	51.5	39.9	+29.1%	<b>Retail:</b> 77.7% <sup>**</sup> <b>Hotel:</b> 77.7%	Retail: 72.8% <sup>**</sup> Hotel: 19.1%	
<b>Others</b>	14.2	13.7	+3.6%	12.7	11.3	+12.4%	N/A		N/A
<b>Total</b>	<b>423.1</b>	<b>472.8</b>	<b>-10.5%</b>	<b>379.1</b>	<b>389.7</b>	<b>-2.7%</b>			

<sup>#</sup> The exchange rates adopted for the six months ended 31 January 2023 and 2022 are 0.8960 and 0.8242, respectively

<sup>\*</sup> Excluding self-use area

<sup>\*\*</sup> Including the cultural attraction spaces occupied by Lionsgate Entertainment World<sup>®</sup> and National Geographic Ultimate Explorer Hengqin

<sup>\*\*\*</sup> Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively

# Management Discussion and Analysis (Continued)

## PROPERTY INVESTMENT (CONTINUED)

### Revenue from Rental Operation (Continued)

Breakdown of turnover by usage of our major rental properties is as follows:

	For the six months ended 31 January 2023			For the six months ended 31 January 2022		
	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)
<b>Shanghai</b>						
Shanghai Hong Kong Plaza	100%			100%		
Retail		80.3	468,434		100.7	468,434
Office		52.7	362,096		52.7	362,096
Serviced Apartments (room revenue and F&B)		44.8	358,009		53.9	358,009
Car Parking Spaces		3.0	N/A		4.3	N/A
		<b>180.8</b>	<b>1,188,539</b>		<b>211.6</b>	<b>1,188,539</b>
Shanghai May Flower Plaza	100%			100%		
Retail		18.8	320,314		20.8	320,314
Hotel (room revenue and F&B)		9.3	143,846		12.2	143,846
Car Parking Spaces		2.1	N/A		2.5	N/A
		<b>30.2</b>	<b>464,160</b>		<b>35.5</b>	<b>464,160</b>
Shanghai Regents Park	95%			95%		
Retail		8.7	77,959		8.9	77,959
Car Parking Spaces		1.1	N/A		1.2	N/A
		<b>9.8</b>	<b>77,959</b>		<b>10.1</b>	<b>77,959</b>
Shanghai Skyline Tower****	100%			100%		
Retail and Office		0.1	727,065		N/A	N/A
<b>Guangzhou</b>						
Guangzhou May Flower Plaza	100%			100%		
Retail		40.4	357,424		55.6	357,424
Office		5.7	79,431		7.3	79,431
Car Parking Spaces		1.1	N/A		1.4	N/A
		<b>47.2</b>	<b>436,855</b>		<b>64.3</b>	<b>436,855</b>
Guangzhou West Point	100%			100%		
Retail		11.2	182,344		14.9	182,344
Guangzhou Lai Fung Tower	100%			100%		
Retail		8.1	112,292		9.0	112,292
Office		56.0	625,821		58.0	625,821
Car Parking Spaces		3.2	N/A		3.4	N/A
		<b>67.3</b>	<b>738,113</b>		<b>70.4</b>	<b>738,113</b>
Guangzhou Lai Fung International Center****	100%			100%		
Retail and Office		1.4	614,621		N/A	N/A
<b>Zhongshan</b>						
Zhongshan Palm Spring Rainbow Mall	100%			100%		
Retail*		3.4	148,106		3.9	148,106
<b>Hengqin</b>						
Novotown Phase I	80%**			80%**		
Commercial***		2.3	796,573		3.3	780,292
Hotel (room revenue and F&B)		55.2	488,432		45.1	475,810
		<b>57.5</b>	<b>1,285,005</b>		<b>48.4</b>	<b>1,256,102</b>
<b>Others</b>		<b>14.2</b>	<b>N/A</b>		<b>13.7</b>	<b>N/A</b>
<b>Total</b>		<b>423.1</b>	<b>5,862,767</b>		<b>472.8</b>	<b>4,492,178</b>

\* Excluding self-use area

\*\* The remaining 20% interest owned by Lai Sun Development Company Limited ("LSD"), the intermediate holding company of the Company

\*\*\* Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin (self-use area), the attributable GFA of which was approximately 307,807 square feet as at 31 January 2023. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of the Group

\*\*\*\* Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively

# Management Discussion and Analysis *(Continued)*

## PROPERTY INVESTMENT *(CONTINUED)*

### Review of Major Rental Properties

#### *Shanghai Hong Kong Plaza*

Being the Group's wholly-owned flagship investment property project in Shanghai, Shanghai Hong Kong Plaza is strategically located in the prime district of the city, directly above the Huangpi South Road Metro Station at Huaihaizhong Road in Huangpu District, which is highly accessible by car and well connected to public transportation networks, as well as walking distance from Shanghai Xintiandi.

Connected by an indoor footbridge, the property comprises a 32-storey office building, a 32-storey serviced apartment (managed by the Ascott Group), a shopping mall and carpark. The property's total GFA is approximately 1,188,500 square feet excluding 350 car parking spaces, comprising approximately 362,100 square feet for office, approximately 358,000 square feet for serviced apartment, and approximately 468,400 square feet for shopping mall. Anchor tenants, as of the date of this Interim Report, include The Apple Store, Tiffany, Genesis Motor, Tasaki, Swarovski etc.

The Group owns 100% of this property.

#### *Shanghai May Flower Plaza*

Shanghai May Flower Plaza is a mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Su Jia Xiang in the Jing'an District in Shanghai. This project is situated near the Zhongshan Road North Metro Station.

The Group owns 100% in the retail podium which has a total GFA of approximately 320,300 square feet including the basement commercial area. The asset is positioned as a community retail facility.

#### *Shanghai Regents Park*

Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. The Group retains a 95% interest in the commercial portion which has a total GFA of approximately 82,100 square feet (GFA attributable to the Group is approximately 78,000 square feet).

#### *Shanghai Skyline Tower*

Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. This 30-storey office tower, erected upon a 3-level shopping mall and car-parking basement, has a total GFA of approximately 727,100 square feet excluding 443 car parking spaces. This property has obtained the LEED Pre-certified Gold Rating and is in the progress of preparing for application for LEED Gold Certification. The construction was completed in September 2022 and leasing is underway. As at 21 March 2023, approximately 25% of commercial and office areas have been secured.

The Group owns 100% of this property.

#### *Guangzhou May Flower Plaza*

Guangzhou May Flower Plaza is a prime property situated at Zhongshanwu Road, Yuexiu District directly above the Gongyuanqian Metro Station in Guangzhou, the interchange station of Guangzhou Subway Lines No. 1 and 2. This 13-storey complex has a total GFA of approximately 436,900 square feet excluding 136 car parking spaces.

The building comprises retail spaces, restaurants, office units and car parking spaces. The property is almost fully leased to tenants comprising well-known corporations, consumer brands and restaurants.

The Group owns 100% of this property.

# Management Discussion and Analysis *(Continued)*

## PROPERTY INVESTMENT *(CONTINUED)*

### Review of Major Rental Properties *(Continued)*

#### *Guangzhou West Point*

Guangzhou West Point is located on Zhongshan Qi Road and is within walking distance from the Ximenkou Subway Station. This is a mixed-use property where the Group has sold all the residential and office units and retained 100% interest in the commercial podium with GFA of approximately 182,300 square feet. Tenants of the retail podium include renowned restaurants and local retail brands.

The Group owns 100% of this property.

#### *Guangzhou Lai Fung Tower*

Guangzhou Lai Fung Tower is the 38-storey office block of Phase V of Guangzhou Eastern Place, which is a multi-phase project located on Dongfeng East Road, Yuexiu District, Guangzhou. This office building was completed in June 2016. This property with LEED 2009 Gold Certification has a total GFA of approximately 738,100 square feet excluding car parking spaces.

The Group owns 100% of this property.

#### *Guangzhou Lai Fung International Center*

Guangzhou Lai Fung International Center, formally known as Guangzhou Haizhu Plaza, is located on Chang Di Main Road in Yuexiu District, Guangzhou along the Pearl River. Guangzhou Lai Fung International Center, comprising an 18-storey office tower, erected upon a 4-level commercial facility, has a total GFA of approximately 614,600 square feet excluding 267 car parking spaces. The construction was completed in November 2022. This property has been awarded the LEED v4 Gold Certification in February 2023. The leasing work is in progress and as at 21 March 2023, approximately 33% of commercial and office areas have been leased.

The Group owns 100% of this property.

#### *Zhongshan Palm Spring Rainbow Mall*

Zhongshan Palm Spring Rainbow Mall is the commercial portion of Zhongshan Palm Spring, a multi-phases project located in Caihong Planning Area, Western District of Zhongshan. It is positioned as a community retail facility with a total GFA of approximately 181,100 square feet. The anchor tenant is Zhongshan May Flower Cinema, managed and operated by eSun Holdings Limited, a fellow subsidiary of the Company.

The Group owns 100% of this property.

# Management Discussion and Analysis *(Continued)*

## PROPERTY INVESTMENT *(CONTINUED)*

### Review of Major Rental Properties *(Continued)*

#### *Hengqin Novotown*

Novotown is an integrated cultural, entertainment, tourism and hospitality project located in the heart of Hengqin, one of the major cities in the Guangdong province within the Greater Bay Area, directly opposite Macau and 75 minutes by car from Hong Kong via the Hong Kong-Zhuhai-Macau Bridge. It became a Guangdong-Macau In-Depth Cooperation Zone on 17 September 2021.

#### *Phase I*

Novotown Phase I opened in 2019 and comprises a 493-room Hyatt Regency Hengqin hotel, multi-function hall, wedding pavilion, offices, cultural workshops and studios, a central garden for hosting outdoor performances, shopping and leisure facilities with a total GFA of approximately 2.8 million square feet, as well as 1,844 car parking spaces and ancillary facilities.

Lionsgate Entertainment World®, featuring attractions, retail, and dining experiences themed around Lionsgate's most captivating global film franchises, including The Hunger Games, The Twilight Saga, The Divergent Series, Now You See Me, Gods of Egypt and Escape Plan commenced operation on 31 July 2019. The family edutainment center, National Geographic Ultimate Explorer Hengqin, containing 18 individual attractions including rides, F&B facilities, retail premises, virtual reality and/or 4-D interactive experiences, and other types of entertainment and educational attractions commenced operations on 9 September 2019. In February 2021, a new interactive attraction "Wonders of Kung Fu" was launched in the central garden space of Novotown Phase I, which includes light shows providing immersive cultural experience and interactive games with Chinese Kungfu being the key underlying theme. This attraction in the 5,000 square meters central garden offers more than 10 interactive points, aiming not only to bring new experiences to visitors in terms of advanced visual/media technologies and cultural enlightenment, but also with an objective to boost night economy at Novotown. Leasing of the commercial area of Novotown Phase I is underway with approximately 77.7% of the leasable area. Except for the two themed indoor experience centers, key tenants include Zhuhai Duty Free, BaoLian Retail Commerce, Adidas Outlet, Pokiddo Trampoline Park, Starbucks, McDonald's, Paulaner Wirtshaus Hengqin, Oyster King and Vanguard Life Superstore.

The Group owns 80% of Novotown Phase I. The remaining 20% is owned by LSD, the intermediate holding company of the Company.

# Management Discussion and Analysis *(Continued)*

## PROPERTY INVESTMENT *(CONTINUED)*

### Hotel and Serviced Apartment

#### *Ascott Huaihai Road Shanghai*

Ascott Huaihai Road in Shanghai Hong Kong Plaza is managed by the Ascott Group and it is one of a premier collection of the Ascott Limited's serviced residences in over 70 cities in Asia Pacific, Europe and the Gulf region. The residence with a total GFA of approximately 359,700 square feet and approximately 358,000 square feet attributable to the Group has 310 contemporary apartments of various sizes: studios (640-750 sq.ft.), one-bedroom apartments (915-1,180 sq.ft.), two-bedroom apartments (1,720 sq.ft.), three-bedroom apartments (2,370 sq.ft.) and two luxurious penthouses on the highest two floors (4,520 sq.ft.). An average occupancy rate of 73.8% was achieved during the period under review and the average room tariff was approximately HK\$1,013.

#### *STARR Hotel Shanghai*

STARR Hotel Shanghai is a 17-storey hotel located in the Mayflower Lifestyle complex in Jing'an District, within walking distance to Lines 1, 3 and 4 of the Shanghai Metro Station with easy access to major motorways. There are 239 fully furnished and equipped hotel units with stylish separate living room, bedroom, fully-equipped kitchenette and luxurious bathroom amenities for short or extended stays to meet the needs of the business travelers from around the world and the total GFA is approximately 143,800 square feet. The GFA attributable to the Group is approximately 143,800 square feet. An average occupancy rate of 52.9% was achieved during the period under review and the average room tariff was approximately HK\$386.

#### *Hyatt Regency Hengqin*

Hyatt Regency Hengqin is located in Novotown Phase I in Hengqin, Zhuhai, the heart of the Greater Bay Area and is within easy reach of the Hong Kong-Zhuhai-Macau Bridge. Hyatt Regency Hengqin with a total GFA of approximately 610,500 square feet and approximately 488,400 square feet attributable to the Group has 493 guest rooms including 55 suites ranging in size from 430 sq.ft. to 2,580 sq.ft., a wide range of dining options, as well as banqueting and conference facilities of over 40,000 square feet. An average occupancy rate of 48.6% was achieved during the period under review and the average room tariff was approximately HK\$824.

The Group owns 80% interest in Hyatt Regency Hengqin. The remaining 20% is owned by LSD, the intermediate holding company of the Company.

# Management Discussion and Analysis *(Continued)*

## PROPERTY DEVELOPMENT

### Recognised Sales

For the six months ended 31 January 2023, the Group's property development operations recorded a turnover of HK\$570.5 million (2022: HK\$798.0 million) from sale of properties, representing a 28.5% decrease compared to the same period last year. The average RMB exchange rate for the period under review depreciated by approximately 8.0% compared to the same period last year. Excluding the effect of currency translation, the RMB denominated property sales revenue was RMB511.2 million (2022: RMB657.7 million). The recognised sales during the period under review was primarily driven by the sales performance of residential units of Zhongshan Palm Spring and Shanghai Wuli Bridge Project, cultural studios and cultural workshop units of Hengqin Novotown Phase I.

Breakdown of turnover for the six months ended 31 January 2023 from properties sales is as follows:

Recognised Basis	No. of Units	Approximate GFA (square feet)	Average Selling Price# (HK\$/square foot)	Turnover## (HK\$ million*)	(RMB million)
Shanghai Wuli Bridge Project Residential Unit	1	3,202	13,986	41.1	36.8
Hengqin Novotown Phase I Cultural Studios	3	9,672	4,630	42.0	37.7
Cultural Workshop Units	9	7,761	2,369	16.9	15.1
Zhongshan Palm Spring Residential High-rise Units	215	257,497	1,879	444.1	397.9
Residential House Units	3	6,208	3,409	20.1	18.1
<b>Subtotal</b>	<b>231</b>	<b>284,340</b>	<b>2,156</b>	<b>564.2</b>	<b>505.6</b>
Shanghai Regents Park Car Parking Spaces	7			4.5	4.0
Guangzhou King's Park Car Parking Spaces	2			0.9	0.8
Guangzhou West Point Car Parking Space	1			0.5	0.4
Zhongshan Palm Spring Car Parking Spaces	2			0.4	0.4
<b>Subtotal</b>	<b>12</b>			<b>6.3</b>	<b>5.6</b>
<b>Total</b>				<b>570.5</b>	<b>511.2</b>

# Value-added tax inclusive

## Value-added tax exclusive

\* The exchange rate adopted for the six months ended 31 January 2023 is 0.8960

# Management Discussion and Analysis (Continued)

## PROPERTY DEVELOPMENT (CONTINUED)

### Contracted Sales

As at 31 January 2023, the Group's property development operations has contracted but not yet recognised sales of HK\$312.7 million, primarily driven by the sale performance of residential units in Zhongshan Palm Spring and cultural studios and cultural workshop units in Hengqin Novotown Phase I, as well as the sale of properties in Novotown Phase II being occupied by Harrow Innovation Leadership Academy Hengqin ("Harrow ILA Hengqin"). Excluding the effect of currency translation, the RMB denominated contracted but not yet recognised sales of residential units, cultural studios, cultural workshop units and car parking spaces as at 31 January 2023 amounted to RMB280.1 million (31 July 2022: RMB615.0 million).

Breakdown of contracted but not yet recognised sales as at 31 January 2023 is as follows:

Contracted Basis	No. of Units	Approximate GFA (square feet)	Average Selling Price <sup>#</sup> (HK\$/square foot)	Turnover <sup>#</sup>	
				(HK\$ million <sup>##</sup> )	(RMB million)
Zhongshan Palm Spring Residential High-rise Units	43	53,704	1,772	95.2	85.3
Hengqin Novotown Phase I Cultural Studios	2	10,044	4,560	45.8	41.0
Cultural Workshop Units	2	1,612	3,102	5.0	4.5
Hengqin Novotown Phase II Harrow ILA Hengqin Buildings*	N/A	149,078	1,109	165.3	148.1
<b>Subtotal</b>	<b>47</b>	<b>214,438</b>	<b>1,451</b>	<b>311.3</b>	<b>278.9</b>
Shanghai Regents Park Car Parking Space	1			0.7	0.6
Guangzhou King's Park Car Parking Space	1			0.7	0.6
<b>Subtotal</b>	<b>2</b>			<b>1.4</b>	<b>1.2</b>
<b>Total</b>				<b>312.7</b>	<b>280.1</b>

<sup>#</sup> Value-added tax inclusive

<sup>##</sup> The exchange rate adopted for the six months ended 31 January 2023 is 0.8960

\* Will be recognised as income from finance lease under turnover

# Management Discussion and Analysis *(Continued)*

## PROPERTY DEVELOPMENT *(CONTINUED)*

### Review of Major Properties Completed for Sale and under Development

#### *Shanghai Wuli Bridge Project*

Shanghai Wuli Bridge Project is a high-end luxury residential project located by Huangpu River in Huangpu District in Shanghai. This project providing 28 residential units with an attributable GFA of approximately 77,900 square feet and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. During the period under review, sales of a residential unit with a total GFA of 3,202 square feet was recognised at an average selling price of HK\$13,986 per square foot, which contributed a total of HK\$41.1 million to the Group's turnover. As at 31 January 2023, all residential units and 30 car parking spaces have been sold. The total carrying amount of remaining 13 unsold car parking spaces of this development was approximately HK\$9.1 million as at 31 January 2023.

The Group owns 100% interest in the unsold car parking spaces of this project.

#### *Shanghai May Flower Plaza*

Shanghai May Flower Plaza is a completed mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Su Jia Xiang in the Jing'an District in Shanghai and situated near the Zhongshan Road North Metro Station. As at 31 January 2023, 458 car parking spaces of this development remained unsold with a carrying amount of approximately HK\$104.1 million.

The Group owns 100% interest in the unsold car parking spaces of this project.

#### *Shanghai Regents Park*

Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. During the period under review, the sales of seven car parking spaces contributed HK\$4.5 million to the turnover. As at 31 January 2023, the contracted but not yet recognised sales of one car parking space amounted to approximately HK\$0.7 million and a total of 213 car parking spaces of this development remained unsold with a carrying amount of approximately HK\$52.5 million.

The Group owns 95% interest in the unsold car parking spaces of this project.

#### *Guangzhou King's Park*

This is a high-end residential development located on Donghua Dong Road in Yuexiu District. The attributable GFA is approximately 98,300 square feet excluding 57 car parking spaces and ancillary facilities. During the period under review, the sales of two car parking spaces contributed HK\$0.9 million to the turnover. As at 31 January 2023, the contracted but not yet recognised sales of one car parking space amounted to approximately HK\$0.7 million and the three unsold car parking spaces have a total carrying amount of approximately HK\$1.8 million.

The Group owns 100% interest in the unsold car parking spaces of this project.

# Management Discussion and Analysis *(Continued)*

## PROPERTY DEVELOPMENT *(CONTINUED)*

### Review of Major Properties Completed for Sale and under Development *(Continued)*

#### *Zhongshan Palm Spring*

The project is located in Caihong Planning Area, Western District of Zhongshan. The overall development has a total planned GFA of approximately 6.1 million square feet. The project comprises high-rise residential towers, townhouses and commercial blocks totaling 4.5 million square feet. All construction of Zhongshan Palm Spring has been completed and the sale of remaining phases is in progress with satisfactory result.

During the period under review, 257,497 square feet of high-rise residential units and 6,208 square feet of house units were recognised at an average selling price of HK\$1,879 per square foot and HK\$3,409 per square foot, respectively, which contributed a total of HK\$464.2 million to the sales turnover. As at 31 January 2023, contracted but not yet recognised sales for high-rise residential units amounted to HK\$95.2 million, at an average selling price of HK\$1,772 per square foot.

STARR Resort Residence Zhongshan comprising two 16-storey blocks in the Palm Lifestyle complex was closed in 2019. The serviced apartment units were launched for sale in May 2019 and have been re-classified from "Property, plant and equipment" to "Assets classified as held for sale" in the consolidated statement of financial position of the Group. The sale of these serviced apartment units is recorded as disposal of assets classified as held for sale and the sales proceeds net of cost are included in "Other operating expenses, net" on the face of the consolidated income statement of the Group. As at 31 January 2023, a serviced apartment unit remained unsold.

As at 31 January 2023, completed units held for sale in this development, including residential units, a serviced apartment unit and commercial units, amounted to approximately 905,600 square feet with a total carrying amount of approximately HK\$740.7 million. The carrying amount of the 2,677 unsold car parking spaces of this development as at 31 January 2023 was approximately HK\$245.1 million.

The Group owns 100% interest in this project.

# Management Discussion and Analysis *(Continued)*

## PROPERTY DEVELOPMENT *(CONTINUED)*

### Review of Major Properties Completed for Sale and under Development *(Continued)*

#### *Hengqin Novotown*

##### *Phase I*

Sales of the cultural studios and cultural workshop units of Hengqin Novotown Phase I are in progress. During the period under review, sales of 9,672 square feet of cultural studios and 7,761 square feet of cultural workshop units were recognised at an average selling price of HK\$4,630 per square foot and HK\$2,369 per square foot, respectively, which contributed a total of HK\$58.9 million to the Group's turnover. As at 31 January 2023, contracted but not yet recognised sales for cultural studios and cultural workshop units amounted to HK\$45.8 million and HK\$5.0 million, at an average selling price of HK\$4,560 per square foot and HK\$3,102 per square foot, respectively. As at 31 January 2023, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshop units and office units, amounted to approximately 963,300 square feet with a total carrying amount of approximately HK\$2,186.0 million.

The Group owns 80% of Novotown Phase I. The remaining 20% is owned by LSD, the intermediate holding company of the Company.

##### *Phase II*

Novotown Phase II is situated adjacent to Novotown Phase I with a total site area of approximately 143,800 square meters and a maximum plot ratio of two times. The Group succeeded in bidding for the land use rights of the land offered for sale by The Land and Resources Bureau of Zhuhai through the listing-for-sale process in December 2018.

Construction work is in progress and the completion is expected to be in phases by 2024. This mixed-used development project is expected to provide commercial and experiential entertainment facilities, office space and serviced apartment space of 355,500 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Parts of the office units and serviced apartment units have been designated as for-sale properties. Properties in Novotown Phase II occupied by Harrow ILA Hengqin have been sold to the school operator, which enabled the Group to crystallise the value of its investment in Novotown Phase II and gradually recoup funding to improve the project's working capital position.

The Group entered into a licence agreement with Real Madrid Club de Fútbol in June 2017 in relation to the development and operation of the location-based entertainment center, namely Real Madrid World in Novotown. The Group is also in the process of identifying and planning for a motor-themed experience center, as well as other culturally themed tourism facilities in Novotown Phase II.

The Group remains confident that the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will become an important center within the Guangdong-Hong Kong-Macau Greater Bay Area development. The integration between Macau and Hengqin will encourage more businesses and population to reside in Hengqin which will further enhance the tourism market, making Novotown a new contributor to the Group's results in the long run.

The Group owns 100% of Novotown Phase II, except for the properties occupied by Harrow ILA Hengqin which have been sold to the school operator.

# Management Discussion and Analysis (Continued)

## CAPITAL STRUCTURE, LIQUIDITY AND DEBT MATURITY PROFILE

As at 31 January 2023, cash and bank balances held by the Group amounted to HK\$2,315.6 million and undrawn facilities of the Group was HK\$2,372.7 million.

As at 31 January 2023, the Group had total borrowings amounting to HK\$10,814.1 million (as at 31 July 2022: HK\$11,939.7 million), representing a decrease of HK\$1,125.6 million from 31 July 2022. The consolidated net assets attributable to the owners of the Company amounted to HK\$14,284.1 million (as at 31 July 2022: HK\$14,606.4 million). The gearing ratio, being net debt (total borrowings less cash and bank balances) to net assets attributable to the owners of the Company was approximately 59% (as at 31 July 2022: 53%). The maturity profile of the Group's borrowings of HK\$10,814.1 million is well spread with HK\$1,055.3 million repayable within one year, HK\$1,340.6 million repayable in the second year, HK\$6,532.2 million repayable in the third to fifth years and HK\$1,886.0 million repayable beyond the fifth year.

Approximately 94% and 6% of the Group's borrowings were interest bearing on a floating rate basis and interest-free, respectively. The Group's borrowings of HK\$10,814.4 million were 43% denominated in Renminbi ("RMB"), 54% in Hong Kong dollars ("HKD") and 3% in United States dollars ("USD").

The Group's cash and bank balances of HK\$2,315.6 million were 82% denominated in RMB, 16% in HKD and 2% in USD. The Group's monetary assets, liabilities and transactions are principally denominated in RMB, USD and HKD. The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against USD and RMB, respectively. The Group has a net exchange exposure to RMB as the Group's assets are principally located in China and the revenues are predominantly in RMB. The Group does not have any derivative financial instruments or hedging instruments outstanding.

Certain assets of the Group have been pledged to secure borrowings and bank facilities of the Group, including investment properties with a total carrying amount of approximately HK\$12,037.5 million, properties under development with a total carrying amount of approximately HK\$806.6 million, property, plant and equipment and the related right-of-use assets with a total carrying amount of approximately HK\$2,526.4 million, completed properties for sale with a total carrying amount of approximately HK\$184.6 million and time deposits and bank balances of approximately HK\$282.8 million.

Taking into account the amount of cash being held as at the end of the reporting period, the available facilities to the Group and the recurring cash flows from the Group's operating activities, the Group believes that it would have sufficient liquidity to finance its existing property development and investment projects.

## CONTINGENT LIABILITIES

There has been no material change in contingent liabilities of the Group since 31 July 2022.

# Particulars of Major Properties

## COMPLETED PROPERTIES HELD FOR RENTAL

Property Name	Location	Group Interest	Tenure	Approximate Attributable GFA (square feet)			No. of Car Parking Spaces Attributable to the Group
				Commercial/Retail	Office	Total (excluding car parking spaces & ancillary facilities)	
<b>Shanghai</b>							
Hong Kong Plaza	282 & 283 Huaihaizhong Road, Huangpu District	100%	The property is held for a term of 50 years commencing on 16 September 1992	468,434	362,096	830,530	350
May Flower Plaza	the junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	100%	The property is held for a term of 40 years for commercial use commencing on 5 February 2007	320,314	—	320,314	—
Skyline Tower	Tian Mu Road West, and Da Tong Road, Jing'an District	100%	The property is held for a term of 40 years and 50 years for commercial use and office use commencing on 30 September 2016	92,226	634,839	727,065	443
Regents Park	88 Huichuan Road, Changning District	95%	The property is held for a term of 70 years commencing on 4 May 1996	77,959	—	77,959	—
<b>Subtotal of major completed properties held for rental in Shanghai:</b>				<b>958,933</b>	<b>996,935</b>	<b>1,955,868</b>	<b>793</b>
<b>Guangzhou</b>							
May Flower Plaza	68 Zhongshanwu Road, Yuexiu District	100%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 14 October 1997	357,424	79,431	436,855	136
West Point	the junction of Zhongshan Qi Road and Guangfu Road, Liwan District	100%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 11 January 2006	182,344	—	182,344	—
Lai Fung Tower	761 Dongfeng East Road, Yuexiu District	100%	The property is held for a term of 40 years for commercial uses and 50 years for other uses commencing on 21 October 1997	112,292	625,821	738,113	313
Lai Fung International Center	Chang Di Main Road, Yuexiu District	100%	The property is held for a term of 40 years for commercial, tourism and entertainment uses and 50 years for others use commencing on 2 June 2006	109,320	505,301	614,621	267
<b>Subtotal of major completed properties held for rental in Guangzhou:</b>				<b>761,380</b>	<b>1,210,553</b>	<b>1,971,933</b>	<b>716</b>

## Particulars of Major Properties (Continued)

### COMPLETED PROPERTIES HELD FOR RENTAL (CONTINUED)

Property Name	Location	Group Interest	Tenure	Approximate Attributable GFA (square feet)			No. of Car Parking Spaces Attributable to the Group
				Commercial/Retail	Office	Total (excluding car parking spaces & ancillary facilities)	
<b>Zhongshan</b>							
Palm Spring	Caihong Planning Area, Western District	100%	The property is held for a term expiring on 30 March 2075 for commercial/residential uses	148,106	—	148,106	—
<b>Subtotal of major completed properties held for rental in Zhongshan:</b>				<b>148,106</b>	<b>—</b>	<b>148,106</b>	<b>—</b>
<b>Hengqin</b>							
Novotown Phase I	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	80%	The property is held for a term of 40 years for office, commercial and serviced apartment and hotel uses and 50 years for other uses commencing on 31 December 2013	796,574*	—	796,574	1,475
<b>Subtotal of major completed properties held for rental in Hengqin:</b>				<b>796,574</b>	<b>—</b>	<b>796,574</b>	<b>1,475</b>
<b>Total of major completed properties held for rental:</b>				<b>2,664,993</b>	<b>2,207,488</b>	<b>4,872,481</b>	<b>2,984</b>

\* Including cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer with attributable GFA of approximately 258,616 sq.ft. and 49,191 sq.ft., respectively

## Particulars of Major Properties (Continued)

### COMPLETED HOTEL PROPERTIES AND SERVICED APARTMENTS

Property Name	Location	Group Interest	Tenure	No. of Rooms	Approximate Attributable GFA (square feet)	No. of Car Parking Spaces Attributable to the Group
<b>Shanghai</b>						
Ascott Huaihai Road Shanghai	282 Huaihaizhong Road, Huangpu District	100%	The property is held for a term of 50 years commencing on 16 September 1992	302	358,009	—
STARR Hotel Shanghai	the junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	100%	The property is held for a term of 50 years for commercial use commencing on 5 February 2007	239	143,846	—
<b>Subtotal of major completed hotel properties and serviced apartments in Shanghai:</b>				<b>541</b>	<b>501,855</b>	<b>—</b>
<b>Hengqin</b>						
Hyatt Regency Hengqin	1295 Qisecai hong Road, Hengqin New Area, Zhuhai City	80%	The property is held for a term of 40 years for commencing on 31 December 2013	493	488,432	—
<b>Subtotal of major completed hotel properties and serviced apartments in Hengqin:</b>				<b>493</b>	<b>488,432</b>	<b>—</b>
<b>Total of major completed hotel properties and serviced apartments:</b>				<b>1,034</b>	<b>990,287</b>	<b>—</b>

# Particulars of Major Properties *(Continued)*

## PROPERTIES UNDER DEVELOPMENT

Property Name	Location	Group Interest	Stage of Construction	Expected Completion Date	Approximate Site Area (square feet) <i>(Note 1)</i>	Approximate Attributable GFA (square feet)				Total (excluding car parking spaces & ancillary facilities)	No. of Car Parking Spaces Attributable to the Group
						Commercial/Retail	Office	Serviced Apartments	Residential		
<b>Hengqin</b>											
Novotown Phase II	East side of Yiwener Road, south side of Xiangjiang Road, west side of Yiwenyi Road and north side of Zhishui Road, Hengqin New Area, Zhuhai City	100%	Construction work in progress	2024 (by phases)	1,547,523	522,512 <i>(Note 2)</i>	1,585,042	578,350	—	2,685,904	1,352
<b>Total of major properties under development:</b>						<b>522,512</b>	<b>1,585,042</b>	<b>578,350</b>	<b>—</b>	<b>2,685,904</b>	<b>1,352</b>

*Note 1: On project basis*

*Note 2: Including 166,988 square feet spaces to be occupied by Harrow ILA Hengqin upon completion*

## Particulars of Major Properties (Continued)

### COMPLETED PROPERTIES HELD FOR SALE

Property Name	Location	Group Interest	Approximate Attributable GFA (square feet)				Serviced Apartments	Total (excluding car parking spaces & ancillary facilities)	No. of Car Parking Spaces Attributable to the Group
			Commercial/Retail	Residential	Office				
<b>Shanghai</b>									
Wuli Bridge Project	Wuliqiao Road, 104 Jie Fang, Huangpu District	100%	—	—	—	—	—	—	13
May Flower Plaza	Sujiaxiang, Jing'an District	100%	—	—	—	—	—	—	458
Regents Park	88 Huichuan Road, Changning District	95%	—	—	—	—	—	—	202
<b>Subtotal of major completed properties held for sale in Shanghai:</b>			—	—	—	—	—	—	<b>673</b>
<b>Guangzhou</b>									
Eastern Place Phase V	787 Dongfeng East Road, Yuexiu District	100%	—	—	—	—	—	—	9
King's Park	Donghua Dong Road, Yuexiu District	100%	—	—	—	—	—	—	3
West Point	the junction of Zhongshan Qi Road and Guangfu Road, Liwan District	100%	—	—	—	—	—	—	116
<b>Subtotal of major completed properties held for sale in Guangzhou:</b>			—	—	—	—	—	—	<b>128</b>
<b>Zhongshan</b>									
Palm Spring	Caihong Planning Area, Western District	100%	164,359	774,290	—	—	938,649	—	2,677
<b>Subtotal of major completed properties held for sale in Zhongshan:</b>			<b>164,359</b>	<b>774,290</b>	—	—	<b>938,649</b>	—	<b>2,677</b>
<b>Hengqin</b>									
Novotown Phase I	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	80%	—	75,226	420,705	274,677	770,608	—	—
<b>Subtotal of major completed properties held for sale in Hengqin:</b>			—	<b>75,226</b>	<b>420,705</b>	<b>274,677</b>	<b>770,608</b>	—	—
<b>Total of major completed properties held for sale:</b>			<b>164,359</b>	<b>849,516</b>	<b>420,705</b>	<b>274,677</b>	<b>1,709,257</b>	—	<b>3,478</b>

# Corporate Governance and Other Information

## CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out from time to time in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“**Listing Rules**” and “**Stock Exchange**”, respectively) throughout the six months ended 31 January 2023.

### Board

The board of directors of the Company (“**Board**” and “**Directors**”, respectively) oversees the overall management of the Company’s business and affairs. The Board’s primary duty is to ensure the viability of the Company and to ascertain that it is managed in the best interests of its shareholders as a whole while taking into account the interests of other stakeholders.

The Board has delegated the day-to-day management of the Company’s business to the management and the Executive Committee, and focuses its attention on matters affecting the Company’s long-term objectives and plans for achieving these objectives, the Group’s overall business and commercial strategy as well as overall policies and guidelines.

The Board currently comprises 11 members, of whom six are executive Directors and the remaining five are independent non-executive Directors (“**INEDs**”). The current composition of the Board is characterised by diversity, whether considered in terms of gender, nationality, professional background and skills. The current Board comprises individuals who are professionals with real estate, investment, banking, accounting, financial, general management and legal backgrounds.

The Board meets at least four times a year with meeting dates scheduled prior to the beginning of the year. Additional board meetings will be held when warranted. Directors also participate in the consideration and approval of matters of the Company by way of written resolutions circulated to Directors together with supporting explanatory materials as and when required.

All Directors have been provided, on a monthly basis, with the Group’s management information updates, giving a balanced and understandable assessment of the Group’s performance, position, recent developments and prospects in sufficient detail to keep them abreast of the Group’s affairs and facilitate them to discharge their duties under the relevant requirements of the Listing Rules.

### Chairman and Chief Executive

During the six months ended 31 January 2023 and up to the date of this Interim Report, Mr. Chew Fook Aun was the Chairman of the Board while Mr. Lam Hau Yin, Lester acted as the Chief Executive Officer of the Company. This segregation ensures a clear distinction between the Chairman’s responsibilities to manage the Board and the Chief Executive Officer’s responsibilities to manage the Company’s business. The division of responsibilities between the Chairman and the Chief Executive Officer is defined.

## Corporate Governance and Other Information *(Continued)*

### SECURITIES TRANSACTIONS BY DIRECTORS AND DESIGNATED EMPLOYEES

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees ("**Securities Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix 10 to the Listing Rules. The Company has made specific enquiry of all Directors and they have confirmed in writing their compliance with the required standard set out in the Securities Code during the six months ended 31 January 2023.

### SHARE OPTION SCHEMES

The share option scheme adopted by the Company on 18 December 2012 ("**2012 Scheme**") had expired on 17 December 2022 ("**Expiration Date**"). The number of shares available for grant under the 2012 Scheme at the beginning of the financial period for the six months ended 31 January 2023 was 23,531,135 shares. Following the Expiration Date, no further share options shall be granted under the 2012 Scheme but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the 2012 Scheme.

At the annual general meeting of the Company held on 16 December 2022, a new share option scheme ("**2022 Scheme**") was adopted for the purpose of recognising the contribution or future contribution of the Eligible Participants (as defined in the 2022 Scheme) to the Group. Eligible Participants include but are not limited to the directors, chief executive and employees of the Group and related entities, and service providers of the Group. The 2022 Scheme has also been approved by the shareholders of Lai Sun Garment (International) Limited and Lai Sun Development Company Limited at their respective annual general meetings and became effective on 19 December 2022 ("**Effective Date**"). Unless otherwise cancelled or amended, the 2022 Scheme will remain in force for 10 years from the Effective Date. The principal terms of the 2022 Scheme are set out in the circular of the Company dated 17 November 2022. The number of shares available for grant under the 2022 Scheme as at the Effective Date and the end of the financial period for the six months ended 31 January 2023 was 33,103,344 shares (representing 10% of the Company's issued shares as at 31 January 2023). The service provider sublimit as at the Effective Date and the end of the financial period for the six months ended 31 January 2023 was 3,310,334 shares (representing 1% of the Company's issued shares as at 31 January 2023).

During the six months ended 31 January 2023, no share options had been granted under the 2012 Scheme and the 2022 Scheme. Accordingly, there were no shares of the Company that might be issued in respect of share options granted under all share option schemes of the Company during the said period.

# Corporate Governance and Other Information (Continued)

## SHARE OPTION SCHEMES (CONTINUED)

The following table sets out the movement of the share options granted under the 2012 Scheme during the six months ended 31 January 2023:

Name or category of grantees	Date of grant (Note 1)	Number of underlying shares comprised in share options					Exercise period	Exercise price per share (HK\$) (Note 2)
		As at 1 August 2022	Granted during the period	Exercised during the period	Lapsed during the period	As at 31 January 2023		
<b>Directors</b>								
Lam Hau Yin, Lester	18/01/2013	3,219,182	—	—	(3,219,182)	—	18/01/2013 - 17/01/2023	11.40
Cheng Shin How	18/01/2013	643,836	—	—	(643,836)	—	18/01/2013 - 17/01/2023	11.40
Lee Tze Yan, Ernest	18/01/2013	640,000	—	—	(640,000)	—	18/01/2013 - 17/01/2023	11.40
<b>Subtotal</b>		<b>4,503,018</b>	<b>—</b>	<b>—</b>	<b>(4,503,018)</b>	<b>—</b>		
<b>Other employee participants</b>								
	18/01/2013	1,381,918 (Note 3)	—	—	(1,381,918) (Note 3)	—	18/01/2013 - 17/01/2023	11.40
	26/07/2013	60,000	—	—	—	60,000	26/07/2013 - 25/07/2023	9.50
	16/01/2015	120,000	—	—	—	120,000	16/01/2015 - 15/01/2025	8.00
	19/01/2018	150,000	—	—	—	150,000	19/01/2018 - 18/01/2028	13.52
	22/01/2019	260,000	—	—	—	260,000	22/01/2019 - 21/01/2029	10.18
	22/01/2021	60,000	—	—	—	60,000	22/01/2021 - 21/01/2031	7.364
	21/01/2022	240,000	—	—	(60,000)	180,000	21/01/2022 - 20/01/2032	5.75
<b>Subtotal</b>		<b>2,271,918</b>	<b>—</b>	<b>—</b>	<b>(1,441,918)</b>	<b>830,000</b>		
<b>Related entity participants</b>								
	18/01/2013	1,325,754	—	—	(1,325,754)	—	18/01/2013 - 17/01/2023	11.40
	26/07/2013	100,000	—	—	—	100,000	26/07/2013 - 25/07/2023	9.50
	19/01/2018	40,000	—	—	—	40,000	19/01/2018 - 18/01/2028	13.52
	21/01/2022	200,000	—	—	—	200,000	21/01/2022 - 20/01/2032	5.75
<b>Subtotal</b>		<b>1,665,754</b>	<b>—</b>	<b>—</b>	<b>(1,325,754)</b>	<b>340,000</b>		
<b>Total</b>		<b>8,440,690</b>	<b>—</b>	<b>—</b>	<b>(7,270,690)</b>	<b>1,170,000</b>		

### Notes:

- The share options vested on the date of grant.
- The exercise price of the share options is subject to adjustment in the case of rights or bonus issues or other similar changes in the Company's share capital.
- Dr. Lam Kin Ngok, Peter (a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) was granted a share option to subscribe for a total of 321,918 shares of the Company on 18 January 2013. Such share option lapsed in accordance with the terms of the 2012 Scheme on 18 January 2023.

Save as disclosed above, no share options were granted, vested, exercised, cancelled, or lapsed in accordance with the terms of the 2012 Scheme and the 2022 Scheme during the period under review.

# Corporate Governance and Other Information (Continued)

## DIRECTORS' INTERESTS

The following Directors and chief executive of the Company who held office on 31 January 2023 and their respective close associates (as defined in the Listing Rules) were interested or were deemed to be interested in the following interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong ("SFO")) on that date (a) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO ("**Register of Directors and Chief Executive**"); or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Securities Code adopted by the Company; or (d) as known to the Directors:

### Associated corporations of the Company

#### (i) Lai Sun Garment (International) Limited ("**LSG**")

Long positions in the ordinary shares of LSG ("**LSG Shares**") and underlying LSG Shares

Name of Director	Capacity	Number of LSG Shares		Number of underlying LSG Shares	Total	Approximate percentage of total issued LSG Shares (Note 2)
		Personal interests	Corporate interests	Personal interests (Note 1)		
Chew Fook Aun	Beneficial owner	Nil	Nil	5,135,275	5,135,275	0.58%
Lam Hau Yin, Lester	Beneficial owner	28,033,218	Nil	6,519,095	34,552,313	3.91%
U Po Chu	Beneficial owner	1,857,430	Nil	Nil	1,857,430	0.21%

Notes:

- These interests in underlying LSG Shares represented interests in share options granted to the Directors under the share option schemes of LSG, particulars of which are as follows:

Name of Director	Date of grant	Number of underlying LSG Shares comprised in share options	Exercise period	Exercise price per LSG Share (HK\$)
Chew Fook Aun	19/06/2017	5,135,275	19/06/2017 - 18/06/2027	11.155
Lam Hau Yin, Lester	19/06/2017	5,135,275	19/06/2017 - 18/06/2027	11.155
Lam Hau Yin, Lester	25/01/2022	1,383,820	25/01/2022 - 24/01/2032	3.673

The number of underlying LSG Shares comprised in the share options and the exercise price per LSG Share were adjusted on 3 January 2023 following the completion of the LSG rights issues.

- The percentage has been compiled based on the total number of issued LSG Shares as at 31 January 2023 (i.e., 883,373,901 LSG Shares).

# Corporate Governance and Other Information *(Continued)*

## DIRECTORS' INTERESTS *(CONTINUED)*

### Associated corporations of the Company *(Continued)*

#### (ii) Lai Sun Development Company Limited (“LSD”)

Long positions in the ordinary shares of LSD (“LSD Shares”) and underlying LSD Shares

Name of Director	Capacity	Number of LSD Shares		Number of underlying LSD Shares	Total	Approximate percentage of total issued LSD Shares <i>(Note 1)</i>
		Personal interests	Corporate interests	Personal interests		
Chew Fook Aun	Beneficial owner/Owner of controlled corporation	Nil	1,831,500 <i>(Note 2)</i>	Nil	1,831,500	0.13%
U Po Chu	Beneficial owner	60,567	Nil	Nil	60,567	0.00%

Notes:

- The percentage has been compiled based on the total number of issued LSD Shares as at 31 January 2023 (i.e., 1,453,328,830 LSD Shares).
- These LSD Shares are held by The Orchid Growers Association Limited, the entire issued share capital of which is beneficially owned by Mr. Chew Fook Aun.

#### (iii) eSun Holdings Limited (“eSun”)

Long positions in the ordinary shares of HK\$0.50 each of eSun (“eSun Shares”)

Name of Director	Capacity	Number of eSun Shares		Approximate percentage of total issued eSun Shares <i>(Note)</i>
		Personal interests	Personal interests	
Lam Hau Yin, Lester	Beneficial owner		2,794,443	0.19%

Note: The percentage has been compiled based on the total number of issued eSun Shares as at 31 January 2023 (i.e., 1,491,854,598 eSun Shares).

Save as disclosed above, as at 31 January 2023, none of the Directors and chief executive of the Company and their respective close associates was interested or was deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations, which were required to be notified to the Company and the Stock Exchange, recorded in the Register of Directors and Chief Executive, notified under the Securities Code, or otherwise known to the Directors.

# Corporate Governance and Other Information *(Continued)*

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS

As at 31 January 2023, so far as is known or otherwise notified to any Director or the chief executive of the Company, the particulars of the corporations or individuals who had 5% or more interests in the following long positions in the ordinary shares of HK\$5.00 each of the Company (“**Shares**”) and underlying Shares as recorded, other than a Director or the chief executive of the Company, in the register required to be kept under section 336 of the SFO (“**Register of Shareholders**”) or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company (“**Voting Entitlements**”) (i.e., within the meaning of substantial shareholders of the Listing Rules) were as follows:

### Long positions in the Shares of the Company

Name	Capacity	Nature of interests	Number of Shares	Approximate percentage of total issued Shares <i>(Note 1)</i>
<b>Substantial Shareholders</b>				
Lai Sun Development Company Limited (“ <b>LSD</b> ”)	Owner of controlled corporations	Corporate	182,318,266 <i>(Note 2)</i>	55.08%
Lai Sun Garment (International) Limited (“ <b>LSG</b> ”)	Owner of controlled corporations	Corporate	182,318,266 <i>(Note 3)</i>	55.08%
Lam Kin Ngok, Peter	Owner of controlled corporations	Corporate	182,318,266 <i>(Note 4)</i>	55.08%
Holy Unicorn Limited (“ <b>Holy Unicorn</b> ”)	Beneficial owner	Corporate	180,600,756 <i>(Note 2)</i>	54.56%
Transtrend Holdings Limited (“ <b>Transtrend</b> ”)	Beneficial owner	Corporate	1,717,510 <i>(Note 2)</i>	0.52%
CapitaLand China Holdings Pte Ltd (“ <b>CapitaLand China</b> ”)	Owner of controlled corporation	Corporate	64,400,000 <i>(Note 5)</i>	19.45%
CapitaLand China Investments Limited (“ <b>CapitaLand China Investments</b> ”)	Owner of controlled corporations	Corporate	64,400,000 <i>(Note 5)</i>	19.45%
CapitaLand LF (Cayman) Holdings Co., Ltd. (“ <b>CapitaLand Cayman</b> ”)	Beneficial owner	Corporate	64,400,000	19.45%
CapitaLand Group Pte. Ltd. (“ <b>CapitaLand</b> ”)	Owner of controlled corporations	Corporate	64,400,000 <i>(Note 5)</i>	19.45%
Temasek Holdings (Private) Limited (“ <b>Temasek</b> ”)	Owner of controlled corporations	Corporate	64,400,000 <i>(Note 5)</i>	19.45%
Yu Cheuk Yi	Beneficial owner	Personal	33,161,037 <i>(Note 6)</i>	10.02%
Yu Siu Yuk	Beneficial owner	Personal	33,161,037 <i>(Note 6)</i>	10.02%
<b>Other Person</b>				
Moerus Capital Management LLC	Investment manager	Corporate	24,969,825	7.54%

# Corporate Governance and Other Information (Continued)

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS (CONTINUED)

### Long positions in the Shares of the Company (Continued)

Notes:

1. *The percentage has been compiled based on the total number of issued Shares as at 31 January 2023 (i.e., 331,033,443 Shares).*
2. *These interests in the Company represented all the Shares beneficially owned by Holy Unicorn (180,600,756 Shares or approximately 54.56% of the total issued Shares) and Transtrend (1,717,510 Shares or approximately 0.52% of the total issued Shares), both being wholly-owned subsidiaries of LSD.*
3. *LSG owned approximately 53.19% shareholding interests in LSD. As such, LSG was deemed to be interested in the same 182,318,266 Shares in which LSD had interests.*
4. *Dr. Lam Kin Ngok, Peter was deemed to be interested in 182,318,266 Shares by virtue of his personal and deemed shareholding interests in approximately 41.93% (excluding a share option) in LSG which in turn owned approximately 53.19% shareholding interests in LSD.*
5. *These interests in the Company represented the Shares beneficially owned by CapitaLand Cayman which is wholly owned by CapitaLand China which in turn is wholly owned by CapitaLand China Investments while CapitaLand China Investments is wholly owned by CapitaLand. CapitaLand is in turn a wholly-owned subsidiary of CLA Real Estate Holdings Pte. Ltd. Temasek is deemed to be interested in the same 64,400,000 Shares held by CapitaLand Cayman as CLA Real Estate Holdings Pte. Ltd. is an indirect wholly-owned subsidiary of Temasek.*
6. *Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk were both taken to be interested in the same 33,161,037 Shares which were held jointly by them.*

Save as disclosed above, the Directors are not aware of any other corporation or individual who, as at 31 January 2023, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Lai Fung Bonds (2018) Limited ("**LF Bonds**", a wholly-owned subsidiary of the Company) issued the US\$350,000,000 5.65% guaranteed notes due 2023 ("**Guaranteed Notes**") in January 2018.

On 12 August 2022, LF Bonds repurchased the Guaranteed Notes in a principal amount of US\$3,500,000, for an aggregate consideration (with accrued interest) of approximately US\$3,235,000 (equivalent to approximately HK\$25,365,000) in the open market.

On 18 January 2023, LF Bonds fully redeemed its outstanding Guaranteed Notes at principal amount upon maturity. Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 January 2023.

## DISCLOSURE PURSUANT TO PARAGRAPH 13.21 OF CHAPTER 13 OF THE LISTING RULES

On 30 October 2018, a non-wholly owned subsidiary of the Company, as borrower, entered into a facility agreement pursuant to which a 5-year term loan facility of an amount up to HK\$700,000,000 was granted to the borrower. The facility agreement was amended on 22 October 2019, pursuant to which LSD shall maintain its 20% direct or indirect holding interest (excluding the portion indirectly held through the Company) in the borrower. Upon a breach of this covenant, the lender may, inter alia, declare that the outstanding liability under the facility becomes immediately due.

# Corporate Governance and Other Information *(Continued)*

## UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the Directors' information since the disclosure made in the Company's annual report 2021-2022 are set out as follows:

- (a) Mr. Shek Lai Him, Abraham remained to serve as an independent non-executive director to Lifestyle International Holdings Limited, a company delisted from the Stock Exchange with effect from 4:00 pm on 20 December 2022. Mr. Shek was appointed a Court Member of City University of Hong Kong with effect from 1 January 2023. He ceased to be a member of the Advisory Committee on Corruption of The Independent Commission Against Corruption with effect from 1 January 2023.
- (b) Directors' remuneration for the six months ended 31 January 2023 and 2022 are as follows:

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
<b>For the six months ended 31 January 2023</b>				
<i>Executive directors:</i>				
Chew Fook Aun	—	2,053	9	2,062
Lam Kin Hong, Matthew	—	570	29	599
Lam Hau Yin, Lester	—	804	9	813
Cheng Shin How	—	3,465	9	3,474
Lee Tze Yan, Ernest	—	946	9	955
U Po Chu	—	2,128	—	2,128
	—	9,966	65	10,031
<i>Independent non-executive directors:</i>				
Ku Moon Lun	175	—	—	175
Lam Bing Kwan	175	—	—	175
Law Kin Ho	175	—	—	175
Mak Wing Sum, Alvin	175	—	—	175
Shek Lai Him, Abraham	175	—	—	175
	875	—	—	875
<b>Total</b>	<b>875</b>	<b>9,966</b>	<b>65</b>	<b>10,906</b>

# Corporate Governance and Other Information *(Continued)*

## UPDATE ON DIRECTORS' INFORMATION *(CONTINUED)*

(b) *(Continued)*

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
For the six months ended 31 January 2022				
<i>Executive directors:</i>				
Chew Fook Aun	—	2,428	9	2,437
Lam Kin Hong, Matthew	—	570	29	599
Lam Hau Yin, Lester	—	864	9	873
Cheng Shin How	—	3,975	9	3,984
Lee Tze Yan, Ernest	—	929	9	938
Tham Seng Yum, Ronald (resigned on 27 January 2022)	—	2,060	9	2,069
U Po Chu	—	2,166	—	2,166
	—	12,992	74	13,066
<i>Independent non-executive directors:</i>				
Ku Moon Lun	175	—	—	175
Lam Bing Kwan	175	—	—	175
Law Kin Ho	175	—	—	175
Mak Wing Sum, Alvin	175	—	—	175
Shek Lai Him, Abraham	175	—	—	175
	875	—	—	875
<b>Total</b>	<b>875</b>	<b>12,992</b>	<b>74</b>	<b>13,941</b>

# Corporate Governance and Other Information *(Continued)*

## EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2023, the Group employed a total of around 1,800 employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

## INVESTOR RELATIONS

To ensure our investors have a better understanding of the Company, our management engages in a proactive investor relations programme. Our Executive Directors and Investor Relations Department communicate with research analysts and institutional investors on an on-going basis and meet with research analysts and the press after our results announcements, attend major investors' conferences and participate in international non-deal roadshows to communicate the Company's financial performance and global business strategy.

Despite the pandemic, the Group maintains proactive interactions with the investment community and provides them with updates on the Group's operations, financial performance and outlook. During the period under review, the Company has been communicating with a number of research analysts and investors via online meetings and conference calls as follows:

Month	Event (Virtual)	Organiser	Investor Base
October 2022	Post results non-deal roadshow	DBS	Hong Kong
October 2022	Post results non-deal roadshow	DBS	United States
November 2022	Post results non-deal roadshow	DBS	United States
December 2022	DBS Vickers Hong Kong Property and Logistics Conference Calls	DBS	Hong Kong/ Singapore

The Company is keen on promoting investor relations and enhancing communication with the Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public who may contact the Investor Relations Department by phone on (852) 2853 6116, by fax at (852) 2853 6651 or by e-mail at [ir@laifung.com](mailto:ir@laifung.com).

## REVIEW OF INTERIM REPORT

The audit committee of the Company ("**Audit Committee**") currently comprises four INEDs, namely Messrs. Law Kin Ho, Lam Bing Kwan, Ku Moon Lun and Mak Wing Sum, Alvin. The Audit Committee has reviewed the interim report (containing the unaudited condensed consolidated financial statements) of the Company for the six months ended 31 January 2023.

By Order of the Board  
**Chew Fook Aun**  
Chairman

Hong Kong, 21 March 2023

