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## LAI SUN DEVELOPMENT

Lai Sun Development Company Limited  
(Incorporated in Hong Kong with limited liability)

(Stock Code: 488)

### ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2024

#### RESULTS

The board of directors (the “Board”) of Lai Sun Development Company Limited (the “Company”) announces the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 January 2024 together with the comparative figures of the last corresponding period as follows:

#### Condensed Consolidated Income Statement

For the six months ended 31 January 2024

	Notes	Six months ended 31 January	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
TURNOVER	4	3,038,925	2,467,443
Cost of sales		<u>(1,967,346)</u>	<u>(1,549,187)</u>
Gross profit		1,071,579	918,256
Other revenue and gains		211,130	225,546
Selling and marketing expenses		(133,947)	(127,299)
Administrative expenses		(427,558)	(474,769)
Other operating expenses		(583,050)	(599,922)
Fair value losses on investment properties, net		<u>(1,038,597)</u>	<u>(825,102)</u>
LOSS FROM OPERATING ACTIVITIES	5	(900,443)	(883,290)
Finance costs	6	(679,337)	(560,889)
Share of profits and losses of associates		7,531	(780)
Share of profits and losses of joint ventures		<u>(341,390)</u>	<u>(30,711)</u>
LOSS BEFORE TAX		(1,913,639)	(1,475,670)
Tax	7	<u>(109,011)</u>	<u>(50,199)</u>
LOSS FOR THE PERIOD		<u><u>(2,022,650)</u></u>	<u><u>(1,525,869)</u></u>
Attributable to:			
Owners of the Company		(1,853,019)	(1,360,823)
Non-controlling interests		<u>(169,631)</u>	<u>(165,046)</u>
		<u><u>(2,022,650)</u></u>	<u><u>(1,525,869)</u></u>
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic and diluted		<u><u>(HK\$1.275)</u></u>	<u><u>(HK\$1.397)</u></u>

## Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2024

	Six months ended	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	<u>(2,022,650)</u>	<u>(1,525,869)</u>
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
<i>Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:</i>		
Exchange realignments	(110,426)	(79,130)
Share of other comprehensive (expense)/income of associates	(1,509)	7,625
Share of other comprehensive (expense)/income of joint ventures	(944)	605
Release of exchange reserve upon deregistration of a subsidiary	—	(10,274)
Reclassification of reserve upon return of capital from a subsidiary	—	(13,511)
	<u>(112,879)</u>	<u>(94,685)</u>
<i>Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods:</i>		
Changes in fair values of financial assets at fair value through other comprehensive income	<u>(40,478)</u>	<u>(8,587)</u>
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD	<u>(153,357)</u>	<u>(103,272)</u>
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	<u><u>(2,176,007)</u></u>	<u><u>(1,629,141)</u></u>
Attributable to:		
Owners of the Company	(1,982,544)	(1,398,022)
Non-controlling interests	<u>(193,463)</u>	<u>(231,119)</u>
	<u><u>(2,176,007)</u></u>	<u><u>(1,629,141)</u></u>

## Condensed Consolidated Statement of Financial Position

As at 31 January 2024

	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
	<i>Notes</i>	
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	5,950,659	5,987,057
Right-of-use assets	4,347,581	4,501,872
Investment properties	34,807,048	35,751,721
Film rights	23,317	24,366
Film and TV program products	60,899	61,059
Music catalogs	—	—
Goodwill	218,305	221,977
Other intangible assets	107,654	109,630
Investments in associates	338,985	323,694
Investments in joint ventures	6,497,934	6,807,047
Financial assets at fair value through other comprehensive income	1,650,182	1,690,582
Financial assets at fair value through profit or loss	865,824	895,902
Debtors	9 482,585	477,974
Deposits, prepayments, other receivables and other assets	531,158	595,936
Deferred tax assets	1,786	1,858
Pledged and restricted bank balances and time deposits	114,870	109,247
	<hr/>	<hr/>
Total non-current assets	55,998,787	57,559,922
<b>CURRENT ASSETS</b>		
Properties under development	5,734,576	5,377,100
Completed properties for sale	3,586,574	4,351,917
Films and TV programs under production and film investments	421,454	306,142
Inventories	65,313	66,614
Financial assets at fair value through profit or loss	123,761	95,258
Derivative financial instruments	766	748
Debtors	9 334,969	349,699
Deposits, prepayments, other receivables and other assets	787,249	785,310
Prepaid tax	138,577	162,381
Pledged and restricted bank balances and time deposits	1,325,762	1,234,210
Cash and cash equivalents	2,973,401	3,678,957
	<hr/>	<hr/>
Assets classified as held for sale	15,492,402 1,754	16,408,336 1,758
	<hr/>	<hr/>
Total current assets	15,494,156	16,410,094

**Condensed Consolidated Statement of Financial Position** (continued)

As at 31 January 2024

		<b>31 January 2024 (Unaudited) HK\$'000</b>	31 July 2023 (Audited) HK\$'000
	<i>Notes</i>		
<b>CURRENT LIABILITIES</b>			
Creditors, other payables and accruals	<i>10</i>	<b>2,683,580</b>	3,058,397
Deposits received, deferred income and contract liabilities		<b>767,440</b>	1,285,548
Lease liabilities		<b>251,276</b>	245,039
Tax payable		<b>652,260</b>	496,557
Bank borrowings		<b>2,359,705</b>	6,000,821
Other borrowings		<b>34,502</b>	34,412
		<hr/>	<hr/>
Total current liabilities		<b>6,748,763</b>	11,120,774
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>8,745,393</b>	5,289,320
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>64,744,180</b>	62,849,242
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>734,986</b>	838,618
Bank borrowings		<b>19,681,227</b>	15,343,543
Other borrowings		<b>287,199</b>	284,006
Guaranteed notes		<b>4,276,568</b>	4,263,654
Deferred tax liabilities		<b>3,954,702</b>	4,152,881
Other payables and accruals	<i>10</i>	<b>906,399</b>	909,044
Long-term deposits received		<b>213,554</b>	195,670
		<hr/>	<hr/>
Total non-current liabilities		<b>30,054,635</b>	25,987,416
		<hr/>	<hr/>
		<b>34,689,545</b>	36,861,826
		<hr/>	<hr/>
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital		<b>6,240,082</b>	6,240,082
Reserves		<b>21,561,184</b>	23,543,512
		<hr/>	<hr/>
		<b>27,801,266</b>	29,783,594
Non-controlling interests		<b>6,888,279</b>	7,078,232
		<hr/>	<hr/>
		<b>34,689,545</b>	36,861,826
		<hr/>	<hr/>

## NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2024 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the year ended 31 July 2023 that is included in the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2024 as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 July 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to the Hong Kong Companies Ordinance.

The Company’s independent auditor has reported on those financial statements. The independent auditor’s report was unqualified; did not include a reference to any matters to which the independent auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under sections 406(2), 407(2) or (3) of the Hong Kong Companies Ordinance.

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

### 2. MATERIAL ACCOUNTING POLICIES

The material accounting policies and basis of presentation used in the preparation of these interim financial statements are the same as those used in the Group’s audited consolidated financial statements for the year ended 31 July 2023.

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 financial performance or financial position of the Group.

### 3. SEGMENT INFORMATION

#### Segment revenue and results

The following table presents revenue and results for the Group's reportable segments:

	Six months ended 31 January (Unaudited)																			
	Property development and sales		Property investment		Hotel operation		Restaurant and F&B product sales operations		Media and entertainment		Film and TV program		Cinema operation		Theme park operation		Others		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue:																				
Sales to external customers	924,597	600,158	623,938	562,177	622,996	421,473	285,840	262,619	179,298	176,048	125,164	72,927	188,896	263,127	9,878	8,781	78,318	100,133	3,038,925	2,467,443
Intersegment sales	—	—	20,465	23,298	446	242	1,546	1,278	—	—	8,456	3,741	2,683	3,366	—	—	12,960	13,227	46,556	45,152
Other revenue and gains	14,606	15,246	9,800	16,820	57	1,233	1,262	2,020	3,880	1,989	933	1,519	9,120	9,686	1,486	319	59,745	42,790	100,889	91,622
Total	<u>939,203</u>	<u>615,404</u>	<u>654,203</u>	<u>602,295</u>	<u>623,499</u>	<u>422,948</u>	<u>288,648</u>	<u>265,917</u>	<u>183,178</u>	<u>178,037</u>	<u>134,553</u>	<u>78,187</u>	<u>200,699</u>	<u>276,179</u>	<u>11,364</u>	<u>9,100</u>	<u>151,023</u>	<u>156,150</u>	<u>3,186,370</u>	<u>2,604,217</u>
Elimination of intersegment sales																			(46,556)	(45,152)
Total																			<u>3,139,814</u>	<u>2,559,065</u>
Segment results	<u>84,974</u>	<u>79,744</u>	<u>341,758</u>	<u>274,862</u>	<u>(40,701)</u>	<u>(134,474)</u>	<u>(54,547)</u>	<u>(66,990)</u>	<u>25,004</u>	<u>17,359</u>	<u>(1,254)</u>	<u>(12,193)</u>	<u>(55,853)</u>	<u>(35,247)</u>	<u>(24,328)</u>	<u>(62,363)</u>	<u>11,633</u>	<u>3,707</u>	<u>286,686</u>	<u>64,405</u>
Unallocated other revenue and gains																			110,241	133,924
Fair value losses on investment properties, net	—	—	(1,038,597)	(825,102)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,038,597)	(825,102)
Unallocated expenses																			(258,773)	(256,517)
Loss from operating activities																			(900,443)	(883,290)
Finance costs																			(679,337)	(560,889)
Share of profits and losses of associates	46	319	(8)	(6)	(313)	(356)	6,595	—	—	—	—	—	—	—	—	—	1,595	(570)	7,915	(613)
Share of profits and losses of associates — unallocated																			(384)	(167)
Share of profits and losses of joint ventures	(129,191)	33,413	(187,220)	(55,184)	(12,271)	(6,576)	—	—	(11)	(255)	(68)	1	(11,566)	(2,089)	—	—	(1,063)	(21)	(341,390)	(30,711)
Loss before tax																			(1,913,639)	(1,475,670)
Tax																			(109,011)	(50,199)
Loss for the period																			<u>(2,022,650)</u>	<u>(1,525,869)</u>

### 3. SEGMENT INFORMATION (continued)

#### Segment assets and liabilities

The following table presents the total assets and liabilities for the Group's reportable segments:

	Property development and sales		Property investment		Hotel operation		Restaurant and F&B product sales operations		Media and entertainment		Film and TV program		Cinema operation		Theme park operation		Others		Consolidated	
	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
	Segment assets	10,312,519	10,748,451	35,460,128	36,390,311	8,125,868	8,334,600	702,038	705,612	239,645	235,392	788,022	773,501	948,533	1,088,189	851,924	852,827	898,584	1,025,364	58,327,261
Investments in associates	2,288	2,242	91	99	160,477	166,442	8,059	1,003	—	—	—	—	—	—	—	—	5,648	4,221	176,563	174,007
Investments in associates — unallocated																			162,422	149,687
Investments in joint ventures	1,812,582	1,931,531	4,372,490	4,584,710	60,266	73,474	—	—	9,748	8,957	38	106	46,042	25,999	—	—	196,768	182,270	6,497,934	6,807,047
Unallocated assets																			6,327,009	6,683,270
Assets classified as held for sale	1,754	1,758	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,754	1,758
Total assets																			71,492,943	73,970,016
Segment liabilities	549,215	1,222,994	1,168,242	1,208,957	322,090	353,423	196,790	177,675	165,926	138,987	427,880	432,776	922,426	1,026,379	32,413	95,128	397,085	453,977	4,182,067	5,110,296
Bank borrowings																			22,040,932	21,344,364
Guaranteed notes																			4,276,568	4,263,654
Other borrowings																			321,701	318,418
Unallocated liabilities																			5,982,130	6,071,458
Total liabilities																			36,803,398	37,108,190

#### 4. TURNOVER

An analysis of turnover is as follows:

	<b>Six months ended</b>	
	<b>31 January</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b><u>Turnover from contracts with customers:</u></b>		
Sale of properties	924,597	600,158
Building management fee income	112,809	97,664
Income from hotel operation	622,996	421,473
Income from restaurant and F&B product sales operations	285,840	262,619
Distribution commission income, licence income from and sale of film and TV program products and film rights	121,615	68,416
Box-office takings, concessionary income and related income from cinemas	188,896	263,127
Entertainment event income	101,830	98,869
Sale of game products	36,905	42,055
Album sales, licence income and distribution commission income from music publishing and licensing	27,433	27,208
Artiste management fee income	13,130	7,916
Advertising income	3,549	4,511
Income from theme park operation	9,878	8,781
Others	78,318	100,133
	<u>2,527,796</u>	<u>2,002,930</u>
<b><u>Turnover from other source:</u></b>		
Rental income	<u>511,129</u>	<u>464,513</u>
Total turnover	<u><u>3,038,925</u></u>	<u><u>2,467,443</u></u>
<b><u>Timing of recognition of turnover from contracts with customers:</u></b>		
At a point in time	2,084,664	1,664,061
Over time	443,132	338,869
	<u><u>2,527,796</u></u>	<u><u>2,002,930</u></u>

## 5. LOSS FROM OPERATING ACTIVITIES

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

	<b>Six months ended</b>	
	<b>31 January</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Depreciation of property, plant and equipment <sup>^</sup>	178,230	206,305
Depreciation of right-of-use assets <sup>^</sup>	186,169	192,151
Foreign exchange differences, net	26,026*	(50,473) <sup>@</sup>
Amortisation of film rights <sup>#</sup>	1,049	2,474
Amortisation of film and TV program products <sup>#</sup>	9,153	24,565
Amortisation of other intangible assets*	188	992
Fair value losses on financial assets at fair value through profit or loss, net*	8,878	18,315
Fair value losses on cross currency swaps <sup>@</sup>	—	26,873
Gain on modification of leases <sup>@</sup>	<b>(28,959)</b>	<b>—</b>

<sup>^</sup> Depreciation charge of approximately HK\$330,782,000 (Six months ended 31 January 2023: HK\$364,154,000) is included in “other operating expenses” on the face of the unaudited condensed consolidated income statement.

<sup>@</sup> These items are included in “other revenue and gains” on the face of the unaudited condensed consolidated income statement.

<sup>#</sup> These items are included in “cost of sales” on the face of the unaudited condensed consolidated income statement.

\* These items are included in “other operating expenses” on the face of the unaudited condensed consolidated income statement.

## 6. FINANCE COSTS

	<b>Six months ended</b>	
	<b>31 January</b>	
	<b>2024</b>	<b>2023</b>
	<b>(Unaudited)</b>	<b>(Unaudited)</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Interest on bank borrowings	744,082	476,753
Interest on guaranteed notes	111,184	212,920
Interest on other borrowings	3,343	3,003
Interest on lease liabilities	21,454	20,554
Interest on put option liabilities	2,252	2,323
Bank financing charges	<b>57,814</b>	<b>48,282</b>
	<b>940,129</b>	<b>763,835</b>
Less: Amount capitalised in construction in progress	<b>(19,279)</b>	<b>(11,795)</b>
Amount capitalised in properties under development	<b>(227,732)</b>	<b>(154,217)</b>
Amount capitalised in investment properties under construction	<b>(13,781)</b>	<b>(36,934)</b>
	<b>679,337</b>	<b>560,889</b>

## 7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (Six months ended 31 January 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the places in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	<b>Six months ended</b>	
	<b>31 January</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
Current tax		
— Hong Kong		
Charge for the period	<b>9,968</b>	6,924
Underprovision/(overprovision) in prior periods	<b>42</b>	(592)
	<b>10,010</b>	6,332
— Mainland China		
Corporate income tax		
Charge for the period	<b>76,719</b>	63,742
Land appreciation tax		
Charge for the period	<b>170,679</b>	101,376
	<b>247,398</b>	165,118
— Elsewhere		
Charge for the period	<b>14,862</b>	5,982
Overprovision in prior periods	<b>(700)</b>	—
	<b>14,162</b>	5,982
	<b>271,570</b>	177,432
Deferred tax	<b>(162,559)</b>	(127,233)
Tax charge for the period	<b>109,011</b>	50,199

## 8. 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\$1,853,019,000 (Six months ended 31 January 2023: HK\$1,360,823,000), and the weighted average number of ordinary shares of 1,453,329,000 (Six months ended 31 January 2023: 974,152,000) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 31 January 2024 and 2023 in respect of a dilution as the impact of the share options of the Company, eSun Holdings Limited (“eSun”) and Lai Fung Holdings Limited had an anti-dilutive effect on the basic loss per share amounts presented.

## 9. DEBTORS

The Group (other than eSun and its subsidiaries (the “eSun 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 restaurant charges are mainly settled by customers on a cash basis except for those corporate clients who maintain credit accounts with the respective subsidiaries, the settlement of which is in accordance with the respective agreements. The Group’s trade receivables related to a large number of diversified customers and there is no significant concentration of credit risk. Trade receivables of the Group are non-interest-bearing. The Group’s finance lease receivables related to a creditworthy third party.

The trading terms of the eSun Group with its customers are mainly on credit. Invoices are normally payable within 30 to 90 days of issuance, except for certain well-established customers, where the terms are extended to 120 days. Each customer has a maximum credit limit. The eSun Group seeks to maintain strict control over its outstanding receivables and has a credit control policy to minimise its credit risk. Overdue balances are regularly reviewed by senior management. Since the eSun Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty, by geographical region and by industry sector. There are no significant concentrations of credit risk within the eSun Group as the customer bases of the eSun Group’s trade receivables are widely dispersed in different sectors and industries. The eSun Group’s trade receivables are non-interest-bearing.

Other than rental deposits received, the Group does not hold any collateral or other credit enhancements over these balances.

An ageing analysis of the debtors, net of loss allowance, based on the payment due date, as at the end of the reporting period, is as follows:

	<b>31 January 2024 (Unaudited) HK\$’000</b>	31 July 2023 (Audited) HK\$’000
Trade receivables:		
Not yet due or less than 30 days past due	<b>238,908</b>	243,298
31 — 60 days past due	<b>28,926</b>	40,409
61 — 90 days past due	<b>12,892</b>	9,531
Over 90 days past due	<b>49,697</b>	52,336
	<b>330,423</b>	345,574
Finance lease receivables, not yet due	<b>487,131</b>	482,099
	<b>817,554</b>	827,673
Less: Portion classified as current	<b>(334,969)</b>	(349,699)
Non-current portion	<b>482,585</b>	477,974

## 10. CREDITORS, OTHER PAYABLES AND ACCRUALS

An ageing analysis of the creditors, based on the date of receipt of the goods and services purchased/ payment due date, as at the end of the reporting period, is as follows:

	<b>31 January 2024 (Unaudited) HK\$'000</b>	31 July 2023 (Audited) HK\$'000
Creditors:		
Not yet due or less than 30 days past due	<b>243,399</b>	254,171
31 — 60 days past due	<b>12,932</b>	27,623
61 — 90 days past due	<b>8,462</b>	6,415
Over 90 days past due	<b>67,749</b>	105,752
	<b>332,542</b>	393,961
Other payables and accruals	<b>2,145,441</b>	2,459,400
Put option liabilities	<b>1,111,996</b>	1,114,080
	<b>3,589,979</b>	3,967,441
Less: Portion classified as current	<b>(2,683,580)</b>	(3,058,397)
	<b>906,399</b>	909,044

## 11. EVENT AFTER THE REPORTING PERIOD

On 15 March 2024, the Group entered into a provisional sale and purchase agreement with an independent third party in relation to a disposal of a non-residential property and three car parking spaces in Hong Kong for a consideration of HK\$80 million. The respective properties are held by the Group as property, plant and equipment for self-use. Further details are set out in the joint announcement of the Company and Lai Sun Garment (International) Limited dated 15 March 2024.

## **INTERIM DIVIDEND**

The Board of the Company has resolved not to declare the payment of an interim dividend for the financial year ending 31 July 2024. No interim dividend was declared in respect of the last corresponding period.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW AND OUTLOOK**

Global economy encountered persistent challenges of inflation and subdued growth prospects during the period under review. Despite a stronger-than-anticipated global GDP growth in 2023 largely due to post COVID-19 recovery, global GDP growth gradually slowed down due to geopolitical tensions, tighter financial conditions, weaker trade growth, and declining business and consumer confidence. The near-term outlook was unfavorable given heightened geopolitical tensions such as the ongoing Russia-Ukraine conflict, the recent conflict between Israel and Palestine, and significant tensions between major economies. These challenges, coupled with persistently high interest rates presented substantial obstacles to global recovery. The stronger than expected economic data in the United States, which led to a slower than expected interest rate cut surprised the market, implies a high interest rate environment is likely to persist for some time. Although China experienced limited direct impact, the enduring tensions with the United States, along with trade restrictions, resulted in the reduction of investor confidence and external demand. China sought to address this decline by implementing domestic initiatives and engaging in the belt and road initiative. Nevertheless, the repercussions of these challenges were felt across China, highlighting the widespread consequences on its economy.

### **Hong Kong and Overseas Property Market**

Hong Kong continues to chart its course through challenging waters: geopolitical tensions, sustained high interest rates, underperforming stock market returns, and below-expectation GDP growth during the period under review. These factors had a detrimental effect on investment sentiment and business confidence, leading to a fragile economic environment. Looking ahead, Hong Kong anticipates even greater volatility and geopolitical uncertainties. The government expects the GDP growth for 2024 to fall within the range of 2.5% to 3.5%. The weak consumption figure can be attributed to both high interest rates and subdued fundamental economic recovery.

Due to the uncertain economic recovery, tenants have remained cautious and delayed their relocation or expansion plans. The deteriorating business sentiment and reduced demand from multinational and Chinese enterprises have contributed to a subdued office leasing market. Consequently, the office leasing market is expected to experience ongoing challenges, including higher vacancy rates and suppressed rents in the near term. The reopening of borders and the return of tourists have provided some benefit to the retail segment, but domestic consumption remains the primary driving force. The poor economic outlook, interest rate hike cycle and underperforming stock market are expected to continue weighing on local consumption sentiment, therefore downward pressure on retail rents is expect to remain. Market activities have also slowed down in both the primary and secondary residential markets, amid the rising mortgage rates and weak purchase sentiment, resulting in softening home prices across different residential market segments during the period under review. However, the removal of residential properties purchase restrictions after the end of the interim report period has provided a much needed boost to the residential market and we are hopeful that the momentum will carry through to the rest of 2024.

The office and retail leasing business in Hong Kong was challenging during the period under review. The Group have been coping with changing market trends and the evolving operating environment by continuing to optimise the tenant mix. Additionally, certain renovation and space optimisation works have been completed during the period under review to improve the competitiveness of major rental properties of the Group. As a result, the Group achieved notable growth in the office and retail leasing business in Hong Kong during the period under review.

With the planning consent approved by the City of London's Planning and Transportation Committee, the Group keeps monitoring the market conditions in London closely for the potential redevelopment of the three properties on Leadenhall Street in London, comprising 100, 106 and 107 Leadenhall Street ("**Leadenhall Properties**"). A revised proposal was submitted to the City of London's Planning and Transportation Committee in August 2022 for improving on the original design and repositioning the building to provide higher sustainability standards and enhanced amenities within the building. The revised proposal has been approved by the City of London Authority in May 2023. The Group is currently considering options and timing for the redevelopment of the Leadenhall Properties.

Construction work of Bal Residence in Kwun Tong was completed in October 2023, while fitting-out work is currently in progress and is expected to be completed in late March 2024. Construction work of the Tai Kei Leng Project in Yuen Long is on schedule, with completion expected in the second quarter of 2024. Upon completion, these two residential projects are expected to add a total gross floor area ("**GFA**") of approximately 71,800 square feet and 42,200 square feet, respectively, to the development portfolio of the Group. Presale of Bal Residence was launched in February 2023, followed by the official sale launch in late November 2023. Up to 22 March 2024, the Group has sold 47 units in Bal Residence with saleable area of approximately 16,024 square feet at an average selling price of approximately HK\$15,454 per square foot. The Tai Kei Leng Project is expected to be launched for pre-sale in the second quarter of 2024.

The pre-construction works of two residential projects secured by the Group in the past few years, namely the 116 Waterloo Road project and the 1&1A Kotewall Road project, are in progress. The Group intends to redevelop the 116 Waterloo Road project, which was acquired in September 2021 with vacant possession in March 2022, into a residential project offering around 85 residential units with total GFA of approximately 46,600 square feet. The Group also acquired the 1&1A Kotewall Road project in Mid-Levels, Hong Kong Island and the transaction was completed with vacant possession in March 2022. The Group plans to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 27 medium-large sized residential units. Construction work of the residential project at the Wong Chuk Hang Station Package Five Property Development is in progress and is expected to be completed in the fourth quarter of 2025. The 79 Broadcast Drive project in Kowloon Tong will be developed into a high-quality luxury residential property with the maximum permissible GFA of approximately 71,600 square feet, offering around 46 medium-large sized units, including 2 houses. Project design and foundation works are in progress and the construction is expected to be completed in the first half of 2026.

All 605 units, including 23 houses in Alto Residences have been sold and 110 car parking spaces of Alto Residences have been released for sale. Up to 22 March 2024, 75 car parking spaces have been sold and the total sales proceeds amounted to approximately HK\$204.1 million.

All 209 residential units and 7 commercial units of 93 Pau Chung Street have been sold. The sale of car parking spaces of 93 Pau Chung Street is in progress. Up to 22 March 2024, 7 out of 20 car parking spaces and 4 out of 5 motor-parking spaces have been sold and the total sales proceeds amounted to approximately HK\$10.2 million.

All 144 residential units in Monti have been sold. The sale of car parking spaces of Monti is in progress. Up to 22 March 2024, 6 car parking spaces remained unsold.

The Group will continue its prudent and flexible approach and be prepared to capture new development opportunities.

## Mainland China Property Market

China announced GDP growth target this year of around 5.0% at the National People's Congress held in March 2024, indicating the challenges posed by the economic slowdown. Despite the stimulus and support measures rolled out by the Chinese government to bolster economic growth, China has experienced a deceleration in economic conditions due to the weakened trade and a deepening downturn in the real estate sector. We believe that the Chinese government will continue to forge ahead and demonstrate more commitment to stimulate consumers activities. These can be seen through reducing initial down payments, extending mortgage duration, and lowering mortgage rates. We remain cautiously 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 operates, 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.

Lai Fung Holdings Limited (“**Lai Fung**”) and its subsidiaries (together, “**Lai Fung Group**”), the PRC property arm of the Group, has adopted a regional focus and rental-led strategy. The rental portfolio, comprising approximately 5.9 million square feet in Shanghai, Guangzhou, Zhongshan and Hengqin, all of which are Tier 1 cities in China and cities within the Greater Bay Area, has delivered an improved performance in rental income for the period under review. Notably, the completion of two new grade A office towers, Shanghai Skyline Tower and Guangzhou Lai Fung International Center, in September and November 2022 respectively, has significantly expanded Lai Fung Group's rental portfolio. These new properties have made a significant contribution to Lai Fung Group's rental operations during the period, surpassing the revenue generated in the same period last year. Nonetheless, Lai Fung Group has faced a challenging business environment in China due to the economic slowdown. This has resulted in a dampening effect on office leasing activities and therefore suppressed rental rates and some increase in vacancy levels. Consequently, these factors have slightly offset the increment in rental income for the period under review.

Construction of Phase II (“**Novotown Phase II**”) of the Novotown project in Hengqin (“**Novotown**”) is in progress. This mixed-used development project is expected to provide 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. As at the date of this results announcement, leasing of the commercial area of Phase I of Novotown (“**Novotown Phase I**”) is underway with approximately 83% 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, Pokiddo Trampoline Park, Kunpeng Go-Kart Sports Centre, Snow Alarm, Da Yin Restaurant, Oyster King, Zhen Qi Ji, Ai Shang Niu Ding Ji, Vanguard Life Superstore and ULSC Hengqin. Lai Fung 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 position Hengqin as a prominent piece 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 Lai Fung Group's results in the long run.

The sale of remaining phases of Zhongshan Palm Spring, the cultural studios and cultural workshop units of Hengqin Novotown Phase I are in progress. The residential units in Zhongshan Palm Spring, the cultural studios, cultural workshops and office of Hengqin Novotown Phase I, as well as elements of Hengqin Novotown Phase II are expected to contribute to the income of Lai Fung Group in coming financial years.

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

## **Cinema Operation/Media and Entertainment/Film Production and Distribution**

Although there has been a revival of social and economic activities since the reopening of borders and the return of tourists, consumer sentiment dampened by Hong Kong's worse-than-expected economic outlook and the deterioration of global economic prospects. The Hong Kong box office has experienced a decline due to factors such as citizens traveling abroad, unfavorable economic situation and a shift in consumer behavior towards streaming platforms. These challenges have contributed to the weakened performance of eSun Holdings Limited (“**eSun**”) and its subsidiaries (together, “**eSun Group**”) cinema operation. Moreover, in view of the challenging market condition and economic uncertainty in Mainland China, the Zhongshan Mayflower Cinema City was closed in February 2024. eSun Group remains committed to creating best in class media and entertainment content.

During the six months ended 31 January 2024, eSun Group added two new cinemas in Hong Kong, namely The ONE in Tsim Sha Tsui, Kowloon and AIRSIDE in Kai Tak, Kowloon, both of which commenced operations in September 2023. These new cinemas further enhance eSun Group's cinema network and strengthen eSun Group's market presence. eSun Group is closely monitoring the market conditions and will continue to improve its overall operating efficiency, including but not limited to, negotiating with existing landlords for rental concession/reduction. eSun Group will take a prudent approach in evaluating opportunities for further expansion of its footprint.

Media Asia Group Holdings Limited (an indirect wholly-owned subsidiary of eSun), being the media and entertainment arm of eSun Group, will continue to produce high quality and commercially viable products.

eSun Group continues to invest in original productions of quality films with Chinese themes. The current production pipeline includes “*Twilight of the Warriors: Walled In*”, an action film directed by Cheng Poi-Shui, featuring Louis Koo, Sammo Hung, Richie Jen and Raymond Lam.

During the Hong Kong Filmart in March 2024, eSun Group has announced its strategic alliance with Alibaba Digital Media & Entertainment Group including Youku and Alibaba Pictures. The co-operation includes co-production and investment in film and TV drama and artiste management. The alliance enables eSun Group access to valuable channels securing investment and distribution of our production projects.

Project under production includes “*Heir to the Throne*”, a 30-episode modern-drama series tailor-made for Alibaba's Youku streaming platform. eSun Group is also in discussion with various Chinese partners for new project development in TV drama production.

The distribution licence of music products with Tencent Music Entertainment (Shenzhen) Co., Ltd. and Warner Music continue to provide stable income to eSun Group.

The recent “*Leon Lai Concert 2023 in Hong Kong*” and “*On Chan Live after Life Concert 2024*” have earned good reputation and public praises. eSun Group will continue to work with prominent local and Asian artistes for concert promotion and the upcoming events include concerts of Tsai Chin and Sammi Cheng.

Looking ahead, we believe that eSun Group’s integrated media platform comprising movies, TV programs, music, artiste management and live entertainment put us in a strong position to capture the opportunities of entertainment market by a balanced and synergetic approach and we will continue to explore cooperation and investment opportunities to enrich our portfolio, broaden our income stream and maximise value for our shareholders.

### **Other Business Updates**

On 15 March 2024 (after trading hours), the Group had entered into a provisional sale and purchase agreement with independent third parties of the Group, in relation to the disposal of a non-residential property and car parking spaces situated at Wyler Centre Phase II (the “**Disposal**”), for the consideration of HK\$80 million. The Disposal enables the Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the Group.

As at 31 January 2024, the Group’s consolidated cash and bank deposits amounted to HK\$4,414.0 million (HK\$1,819.3 million excluding eSun Group and Lai Fung Group) with undrawn facilities of HK\$5,213.0 million (HK\$2,121.2 million excluding eSun Group and Lai Fung Group). The net debt to equity ratio as at 31 January 2024 was approximately 80% (31 July 2023: 70%). The Group’s gearing excluding the net debt of eSun Group and Lai Fung Group was approximately 53%. The Group will continue its prudent and flexible approach in growing the landbank and managing its financial position.

### **OVERVIEW OF INTERIM RESULTS**

For the six months ended 31 January 2024, the Group recorded turnover of HK\$3,038.9 million (2023: HK\$2,467.4 million) and a gross profit of HK\$1,071.6 million (2023: HK\$918.3 million). The increase was primarily due to (i) higher turnover from the Group’s rental operation; (ii) increase in property sales in Lai Fung Group; (iii) growth in the Group’s hotel operation, restaurant and F&B product sales operations, which were mainly driven by the relaxation of COVID-19 restrictions; and (iv) the increase in revenue derived from eSun Group’s film and TV program. Nonetheless, this increase was partially offset by the Group’s weaker than expected performance in cinema operation during the period under review, as compared to the same period last year.

Set out below is the turnover by segment:

	Six months ended 31 January		Difference (HK\$ million)	% change
	2024 (HK\$ million)	2023 (HK\$ million)		
Property investment	623.9	562.2	+61.7	+11.0
Property development and sales	924.6	600.2	+324.4	+54.0
Restaurant and F&B product sales operations	285.8	262.6	+23.2	+8.8
Hotel operation	623.0	421.5	+201.5	+47.8
Media and entertainment	179.3	176.0	+3.3	+1.9
Film and TV program	125.2	72.9	+52.3	+71.7
Cinema operation	188.9	263.1	-74.2	-28.2
Theme park operation	9.9	8.8	+1.1	+12.5
Others	78.3	100.1	-21.8	-21.8
<b>Total</b>	<b>3,038.9</b>	<b>2,467.4</b>	<b>+571.5</b>	<b>+23.2</b>

For the six months ended 31 January 2024, net loss attributable to owners of the Company was approximately HK\$1,853.0 million (2023: HK\$1,360.8 million). The increased loss, partially offset by the increase in revenue, was primarily due to the decrease in fair values of investment properties owned by the Group, during the period under review as compared to the same period last year. Net loss per share was HK\$1.275 (2023: HK\$1.397).

Excluding the effect of property revaluations, net loss attributable to owners of the Company was approximately HK\$533.2 million (2023: HK\$515.7 million). Net loss per share excluding the effect of property revaluations during the period under review was HK\$0.367 (2023: HK\$0.529).

	Six months ended 31 January	
	2024 HK\$ million	2023 HK\$ million
<b>Loss attributable to owners of the Company</b>		
Reported	(1,853.0)	(1,360.8)
Less: Adjustments in respect of revaluation of investment properties held by		
– the Company and subsidiaries	994.3	793.5
– joint ventures	341.0	77.4
Deferred tax on investment properties	(15.5)	(25.8)
<b>Net loss after tax excluding revaluation of investment properties</b>	<b>(533.2)</b>	<b>(515.7)</b>

Equity attributable to owners of the Company as at 31 January 2024 amounted to HK\$27,801.3 million, as compared to HK\$29,783.6 million as at 31 July 2023. Net asset value per share attributable to owners of the Company slightly dropped to HK\$19.129 per share as at 31 January 2024 from HK\$20.493 per share as at 31 July 2023.

## PROPERTY PORTFOLIO COMPOSITION

The Group maintained a property portfolio with attributable GFA of approximately 8.4 million square feet as at 31 January 2024. All major properties of the Group in Mainland China are held through Lai Fung Group, except Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by the Group, and all major properties in Hong Kong and overseas are held by the Group excluding eSun Group and Lai Fung Group.

Approximate attributable GFA (in '000 square feet) of the Group's major properties and number of car parking spaces as at 31 January 2024 are set out as follows:

	Commercial/ Retail	Office	Hotel/ Serviced Apartments	Residential	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces
<b>GFA of major properties and number of car parking spaces of Lai Fung Group (on attributable basis<sup>1</sup>)</b>							
Completed Properties Held for Rental <sup>2</sup>	1,472	1,216	—	—	—	2,688	1,643
Completed Hotel Properties and Serviced Apartments <sup>2</sup>	—	—	545	—	—	545	—
Properties under Development <sup>3</sup>	288	873	319	—	—	1,480	745
Completed Properties Held for Sale	91	232	115	162	—	600	1,885
<b>Subtotal</b>	<b>1,851</b>	<b>2,321</b>	<b>979</b>	<b>162</b>	<b>—</b>	<b>5,313</b>	<b>4,273</b>
<b>GFA of major properties and number of car parking spaces of the Group excluding Lai Fung Group (on attributable basis)</b>							
Completed Properties Held for Rental <sup>2</sup>	739	1,030	—	—	16	1,785	1,431
Completed Hotel Properties and Serviced Apartments <sup>2</sup>	—	—	725	—	—	725	92
Properties under Development <sup>3</sup>	8	—	—	375	—	383	148
Completed Properties Held for Sale	33	105	53	24	—	215	51
<b>Subtotal</b>	<b>780</b>	<b>1,135</b>	<b>778</b>	<b>399</b>	<b>16</b>	<b>3,108</b>	<b>1,722</b>
<b>Total GFA attributable to the Group</b>	<b>2,631</b>	<b>3,456</b>	<b>1,757</b>	<b>561</b>	<b>16</b>	<b>8,421</b>	<b>5,995</b>

### Notes:

1. As at 31 January 2024, Lai Fung is a 55.08%-owned subsidiary of the Company.
2. Completed and rental generating properties.
3. All properties under construction.

## PROPERTY INVESTMENT

### Rental Income

During the period under review, the Group's rental operations recorded a turnover of HK\$623.9 million (2023: HK\$562.2 million) comprising turnover of HK\$239.6 million, HK\$34.1 million and HK\$350.2 million from rental properties in Hong Kong, London and Mainland China, respectively.

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

	Six months ended 31 January			Period end occupancy	
	2024 HK\$ million	2023 HK\$ million	% Change	2024 %	2023 %
<b>Hong Kong</b>					
Cheung Sha Wan Plaza	143.2	131.1	+9.2	97.3	92.7
Causeway Bay Plaza 2	67.9	60.7	+11.9	94.9	88.4
Lai Sun Commercial Centre	25.7	21.8	+17.9	97.9	89.6
Others	2.8	2.6	+7.7		
<b>Subtotal:</b>	<b>239.6</b>	<b>216.2</b>	<b>+10.8</b>		
<b>London, United Kingdom</b>					
107 Leadenhall Street	6.7	10.3	-35.0	45.9	88.2
100 Leadenhall Street	26.7	23.2	+15.1	100.0	100.0
106 Leadenhall Street	0.7	2.9	-75.9	0.0	100.0
<b>Subtotal:</b>	<b>34.1</b>	<b>36.4</b>	<b>-6.3</b>		
<b>Mainland China</b>					
<u>Shanghai</u>					
Shanghai Hong Kong Plaza	134.7	134.4	+0.2	Retail: 96.2 Office: 89.7	Retail: 90.3 Office: 87.1
Shanghai May Flower Plaza	20.3	20.9	-2.9	Retail: 100.0	Retail: 97.0
Shanghai Regents Park	8.8	9.8	-10.2	100.0	100.0
Shanghai Skyline Tower <sup>1</sup>	23.1	0.1	+23,000.0	Retail: 83.9 Office: 32.8	22.8
<u>Guangzhou</u>					
Guangzhou May Flower Plaza	49.6	46.0	+7.8	90.0	91.0
Guangzhou West Point	11.1	11.2	-0.9	91.0	83.5
Guangzhou Lai Fung Tower	60.7	67.3	-9.8	Retail: 100.0 Office: 86.5 <sup>2</sup>	Retail: 100.0 Office: 90.9 <sup>2</sup>
Guangzhou Lai Fung International Center <sup>1</sup>	17.3	1.4	+1,135.7	Retail: 71.0 Office: 40.3	31.6
<u>Zhongshan</u>					
Zhongshan Palm Spring Rainbow Mall	2.6	2.7	-3.7	Retail: 68.5 <sup>2</sup>	Retail: 66.2 <sup>2</sup>
<u>Hengqin</u>					
Hengqin Novotown Phase I	3.4	2.3	+47.8	Retail: 83.2 <sup>3</sup>	Retail: 77.7 <sup>3</sup>
Others	18.6	13.5	+37.8		
<b>Subtotal:</b>	<b>350.2</b>	<b>309.6</b>	<b>+13.1</b>		
<b>Total:</b>	<b>623.9</b>	<b>562.2</b>	<b>+11.0</b>		

	Six months ended 31 January		% Change	Period end occupancy	
	2024 HK\$ million	2023 HK\$ million		2024 %	2023 %
<b>Rental proceeds from joint venture projects</b>					
<b>Hong Kong</b>					
CCB Tower <sup>4</sup> (50% basis)	<b>57.3</b>	55.9	+2.5	<b>97.7</b>	95.7
Alto Residences <sup>5</sup> (50% basis)	<b>11.7</b>	11.9	-1.7	<b>86.8</b>	93.5
<b>Total:</b>	<b>69.0</b>	67.8	+1.8		

*Notes:*

- Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*
- Excluding self-use area.*
- Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*
- CCB Tower is a joint venture project with China Construction Bank Corporation (“CCB”) in which each of the Group and CCB has an effective 50% interest. For the six months ended 31 January 2024, the joint venture recorded rental proceeds of approximately HK\$114.6 million (2023: HK\$111.8 million).*
- Alto Residences is a joint venture project with Empire Group Holdings Limited (“Empire Group”) in which each of the Group and Empire Group has an effective 50% interest. For the six months ended 31 January 2024, the joint venture recorded rental proceeds of approximately HK\$23.4 million (2023: HK\$23.9 million).*

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

	Six months ended 31 January 2024			Six months ended 31 January 2023		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
<b>Hong Kong</b>						
Cheung Sha Wan Plaza	100%			100%		
Commercial		67.1	233,807		58.1	233,807
Office		66.4	409,896		63.7	409,896
Car Parking Spaces		9.7	N/A		9.3	N/A
<b>Subtotal:</b>		143.2	643,703		131.1	643,703
Causeway Bay Plaza 2	100%			100%		
Commercial		42.6	109,770		36.2	109,770
Office		22.7	96,268		21.9	96,268
Car Parking Spaces		2.6	N/A		2.6	N/A
<b>Subtotal:</b>		67.9	206,038		60.7	206,038
Lai Sun Commercial Centre	100%			100%		
Commercial		11.7	95,063		8.6	95,063
Office		2.8	74,181		2.7	74,181
Car Parking Spaces		11.2	N/A		10.5	N/A
<b>Subtotal:</b>		25.7	169,244		21.8	169,244
Others		2.8	15,951 <sup>1</sup>		2.6	15,951 <sup>1</sup>
<b>Subtotal:</b>		239.6	1,034,936 <sup>1</sup>		216.2	1,034,936 <sup>1</sup>
<b>London, United Kingdom</b>						
107 Leadenhall Street	100%			100%		
Commercial		2.0	48,182		1.3	48,182
Office		4.7	98,424		9.0	98,424
<b>Subtotal:</b>		6.7	146,606		10.3	146,606
100 Leadenhall Street	100%			100%		
Office		26.7	177,700		23.2	177,700
106 Leadenhall Street	100%			100%		
Commercial		0.1	3,540		0.3	3,540
Office		0.6	16,384		2.6	16,384
<b>Subtotal:</b>		0.7	19,924		2.9	19,924
<b>Subtotal:</b>		34.1	344,230		36.4	344,230
<b>Mainland China</b>						
<b>Shanghai</b>						
Shanghai Hong Kong Plaza	55.08%			55.08%		
Retail		83.4	468,434		79.0	468,434
Office		48.2	362,096		52.4	362,096
Car Parking Spaces		3.1	N/A		3.0	N/A
<b>Subtotal:</b>		134.7	830,530		134.4	830,530
Shanghai May Flower Plaza	55.08%			55.08%		
Retail		18.1	320,314		18.8	320,314
Car Parking Spaces		2.2	N/A		2.1	N/A
<b>Subtotal:</b>		20.3	320,314		20.9	320,314
Shanghai Regents Park	52.33%			52.33%		
Retail		8.5	82,062		8.7	82,062
Car Parking Spaces		0.3	N/A		1.1	N/A
<b>Subtotal:</b>		8.8	82,062		9.8	82,062
Shanghai Skyline Tower <sup>2</sup>	55.08%			55.08%		
Retail		2.7	92,226		—	92,226
Office		19.4	634,839		0.1	634,839
Car Parking Spaces		1.0	N/A		—	N/A
<b>Subtotal:</b>		23.1	727,065		0.1	727,065

	Six months ended 31 January 2024			Six months ended 31 January 2023		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
<b>Guangzhou</b>						
Guangzhou May Flower Plaza	55.08%			55.08%		
Retail		43.0	357,424		39.2	357,424
Office		4.9	79,431		5.7	79,431
Car Parking Spaces		1.7	N/A		1.1	N/A
<b>Subtotal:</b>		49.6	436,855		46.0	436,855
Guangzhou West Point	55.08%			55.08%		
Retail		11.1	182,344		11.2	182,344
Guangzhou Lai Fung Tower	55.08%			55.08%		
Retail		8.5	112,292		8.1	112,292
Office		49.0	625,821		56.0	625,821
Car Parking Spaces		3.2	N/A		3.2	N/A
<b>Subtotal:</b>		60.7	738,113		67.3	738,113
Guangzhou Lai Fung International Center <sup>2</sup>	55.08%			55.08%		
Retail		3.6	109,320		—	109,320
Office		12.4	505,301		1.4	505,301
Car Parking Spaces		1.3	N/A		—	N/A
<b>Subtotal:</b>		17.3	614,621		1.4	614,621
<b>Zhongshan</b>						
Zhongshan Palm Spring Rainbow Mall	55.08%			55.08%		
Retail <sup>3</sup>		2.6	148,106		2.7	148,106
<b>Hengqin</b>						
Novotown Phase I	64.06% <sup>4</sup>			64.06% <sup>4</sup>		
Commercial <sup>5</sup>		3.4	1,006,091 <sup>5</sup>		2.3	995,717 <sup>5</sup>
<b>Others</b>		18.6	N/A		13.5	N/A
<b>Subtotal:</b>		350.2	5,086,101		309.6	5,075,727
<b>Total:</b>		623.9	6,465,267 <sup>1</sup>		562.2	6,454,893 <sup>1</sup>
<b>Rental proceeds from joint venture projects</b>						
<b>Hong Kong</b>						
CCB Tower <sup>6</sup> (50% basis)	50%			50%		
Office		57.0	114,603 <sup>7</sup>		55.6	114,603 <sup>7</sup>
Car Parking Spaces		0.3	N/A		0.3	N/A
<b>Subtotal:</b>		57.3	114,603 <sup>7</sup>		55.9	114,603 <sup>7</sup>
Alto Residences <sup>8</sup> (50% basis)	50%			50%		
Commercial		7.5	47,067 <sup>9</sup>		7.3	47,067 <sup>9</sup>
Residential units <sup>10</sup>		2.5	11,038 <sup>11</sup>		3.1	15,262 <sup>11</sup>
Car Parking Spaces		1.7	N/A		1.5	N/A
<b>Subtotal:</b>		11.7	58,105		11.9	62,329
<b>Total:</b>		69.0	172,708		67.8	176,932

Notes:

1. Excluding 10% interest in AIA Central.
2. Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.
3. Excluding self-use area.
4. Including the Company's 20% direct interest in Novotown Phase I and 44.06% attributable interest through Lai Fung. As at 31 January 2024, Novotown Phase I is 80% owned by Lai Fung and Lai Fung is a 55.08%-owned subsidiary of the Company.
5. Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin (self-use area), the total GFA of which was approximately 384,759 square feet as at 31 January 2024. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of the Group.
6. CCB Tower is a joint venture project with CCB in which each of the Group and CCB has an effective 50% interest. For the six months ended 31 January 2024, the joint venture recorded rental proceeds of approximately HK\$114.6 million (2023: HK\$111.8 million).
7. GFA attributable to the Group. The total GFA is 229,206 square feet.
8. Alto Residences is a joint venture project with Empire Group in which each of the Group and Empire Group has an effective 50% interest. For the six months ended 31 January 2024, the joint venture recorded rental proceeds of approximately HK\$23.4 million (2023: HK\$23.9 million).
9. GFA attributable to the Group. The total GFA is 94,133 square feet.
10. Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.
11. Saleable area attributable to the Group. The total saleable area is 22,076 (2023: 30,524) square feet.

The average Sterling exchange rate for the period under review appreciated by approximately 5.9% compared with the same period last year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties decreased by 11.6% during the period under review. Breakdown of rental turnover of London portfolio for the six months ended 31 January 2024 is as follows:

	2024 HK\$'000	2023 HK\$'000	% Change	2024 GBP'000	2023 GBP'000	% Change
107 Leadenhall Street	6,674	10,344	-35.5	678	1,113	-39.1
100 Leadenhall Street	26,733	23,161	+15.4	2,717	2,493	+9.0
106 Leadenhall Street	648	2,887	-77.6	66	311	-78.8
<b>Total:</b>	<b>34,055</b>	<b>36,392</b>	<b>-6.4</b>	<b>3,461</b>	<b>3,917</b>	<b>-11.6</b>

## Review of major investment properties

### Hong Kong Properties

#### *Cheung Sha Wan Plaza*

The asset comprises an 8-storey and a 7-storey office towers erected on top of a retail podium which was completed in 1989. It is located on top of the Lai Chi Kok MTR station with a total GFA of 643,703 square feet (excluding car parking spaces). The arcade is positioned to serve the local communities nearby with major banks and recognised restaurants chains as the key tenants.

The Group owns 100% of this property.

### *Causeway Bay Plaza 2*

The asset comprises a 28-storey commercial/office building with car parking facilities at basement levels which was completed in 1992. It is located at the heart of Causeway Bay with a total GFA of 206,038 square feet (excluding car parking spaces). Key tenants include a HSBC branch and commercial offices and major restaurants.

The Group owns 100% of this property.

### *Lai Sun Commercial Centre*

The asset comprises a 13-storey commercial/carpark complex completed in 1987. It is located near the Lai Chi Kok MTR station with a total GFA of 169,244 square feet (excluding car parking spaces).

The Group owns 100% of this property.

### *CCB Tower*

This is a 50:50 joint venture between the Group and CCB involving the redevelopment of the former Ritz-Carlton Hotel in Central. This 27-storey office tower is a landmark property in Central featuring underground access to the Central MTR station. The property has a total GFA of 229,206 square feet (excluding car parking spaces). 19 floors of the office floors and 1 banking hall floor of CCB Tower are leased to CCB for its Hong Kong operations.

### *AIA Central*

The Group has 10% interest in AIA Central which is situated in the central business district of Hong Kong and commands spectacular views over Victoria Harbour, to Kowloon Peninsula to the north, and across Charter Garden and The Peak to the south. This 38-storey office tower provides prime office space with a total GFA of approximately 428,962 square feet (excluding car parking spaces).

## Overseas Properties

### *107 Leadenhall Street, London EC3, United Kingdom*

In April 2014, the Group acquired a property located at the core of the insurance district in the City of London, surrounded by 30 St Mary Axe (commonly known as the Gherkin), Lloyd's of London and the Willis Building at 51 Lime Street. It is a freehold commercial property housing commercial, offices and retail space. The building comprises 146,606 square feet gross internal area of office accommodation extending over basement, ground, mezzanine and seven upper floors. The occupancy at the end of January 2024 was approximately 45.9%.

The Group owns 100% of this property.

### *100 Leadenhall Street, London EC3, United Kingdom*

Following the acquisition of 107 Leadenhall Street in April 2014, the Group completed the acquisition of 100 Leadenhall Street in January 2015. This property comprises a basement, a lower ground floor, ground floor and nine upper floors and provides 177,700 square feet gross internal area of offices and ancillary accommodation. The property is currently fully let to Chubb Market Company Limited.

The Group owns 100% of this property.

*106 Leadenhall Street, London EC3, United Kingdom*

In December 2015, the Group acquired the property located adjacent to 100 and 107 Leadenhall Street, namely 106 Leadenhall Street, which is a multi-tenanted asset with approximately 19,924 square feet gross internal area of commercial and offices including ancillary space. The property is currently vacant.

The Group owns 100% of this property.

The City of London's Planning and Transportation Committee has approved a resolution to grant Planning Consent to the Group to redevelop the Leadenhall Properties. The Leadenhall Properties currently have a combined GFA of approximately 344,230 square feet. The Group will continue to monitor the market conditions in London closely. The Planning Consent would allow the Group to redevelop the Leadenhall Properties into a 57 storey tower with i) approximately 1,059,525 square feet gross internal area of office space as well as new retail space of approximately 57,827 square feet including two restaurant floors at levels 53 and 54; ii) a free, public viewing gallery of approximately 25,190 square feet at levels 56 and 57 of the building which offers 360 degree views across London; and iii) new pedestrian routes between Leadenhall Street, Bury Street and St Mary Axe, and new public spaces around the base of the building. Including ancillary facilities of approximately 153,487 square feet, the total gross internal area of the proposed tower is expected to be approximately 1,296,029 square feet upon completion. This mixed-use development is targeting a carbon net zero strategy. Knight Frank and CBRE have been appointed as Office Leasing and Development advisers. A revised scheme was submitted to the City of London's Planning and Transportation Committee in August 2022 for improving on the original design and repositioning the building to provide higher sustainability standards and enhanced amenities within the building. The revised proposal has been approved by the City of London Authority in May 2023. The Group is currently considering options and timing for the redevelopment of the Leadenhall Properties.

#### Mainland China Properties

Except for the Group's 20% interest in Novotown Phase I in Hengqin, all major rental properties of the Group in Mainland China are held through Lai Fung Group.

#### *Shanghai Hong Kong Plaza*

Being Lai Fung 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 results announcement, include The Apple Store, Tiffany, Genesis Motor, Tasaki, Swarovski etc.

Lai Fung 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.

Lai Fung 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. Lai Fung Group retains a 95% interest in the commercial portion which has a total GFA of approximately 82,100 square feet (GFA attributable to Lai Fung 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 been awarded the Leadership in Energy and Environmental Design ("LEED") v4 Gold Certification in October 2023. The construction was completed in September 2022 and leasing is underway. As at the date of this results announcement, approximately 84% of commercial and 33% of office areas have been secured, respectively.

Lai Fung 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.

Lai Fung Group owns 100% of this property.

### *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 Lai Fung Group has sold all the residential and office units.

Lai Fung Group owns 100% in the commercial podium with GFA of approximately 182,300 square feet. Tenants of the retail podium include renowned restaurants and local retail brands.

### *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.

Lai Fung Group owns 100% of this property.

### *Guangzhou Lai Fung International Center*

Guangzhou Lai Fung International Center, formerly 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. As at the date of this results announcement, approximately 95% of commercial and 42% of office areas have been secured, respectively.

Lai Fung 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.

Lai Fung Group owns 100% of this property.

### *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.

As at the date of this results announcement, leasing of the commercial area of Novotown Phase I is underway with approximately 83% of the leasable area. Except for the two themed indoor experience centers, namely Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin, key tenants include Zhuhai Duty Free, Pokiddo Trampoline Park, Kumpeng Go-Kart Sports Centre, Snow Alarm, Da Yin Restaurant, Oyster King, Zhen Qi Ji, Ai Shang Niu Ding Ji, Vanguard Life Superstore and ULSC Hengqin.

Lai Fung Group owns 80% of Novotown Phase I. The remaining 20% is owned by the Group.

PROPERTY DEVELOPMENT

**Recognised Sales**

For the six months ended 31 January 2024, recognised turnover from sales of properties was HK\$924.6 million (2023: HK\$600.2 million). Breakdown of turnover for the six months ended 31 January 2024 from sales of properties is as follows:

<b>Hong Kong</b>				
<b>Recognised basis</b>	<b>No. of Units</b>	<b>Approximate Saleable Area (Square feet)</b>	<b>Average Selling Price<sup>1</sup> (HK\$/square foot)</b>	<b>Turnover (HK\$ million)</b>
Ki Lung Street Retail Units	2	2,400	11,117	26.7
<b>Mainland China</b>				
<b>Recognised basis</b>	<b>No. of Units</b>	<b>Approximate GFA (Square feet)</b>	<b>Average Selling Price<sup>2</sup> (HK\$/square foot)</b>	<b>Turnover<sup>3</sup> (HK\$ million)</b>
Hengqin Novotown Phase I Cultural Studios	10	35,784	4,512	152.4
Cultural Workshop Units	64	46,107	2,220	93.9
Zhongshan Palm Spring Residential High-rise Units	351	423,352	1,633	634.3
Shanghai Regents Park Car Parking Spaces	9			5.6
Guangzhou West Point Car Parking Spaces	27			10.9
Zhongshan Palm Spring Car Parking Spaces	5			0.8
<b>Subtotal</b>				<b>897.9</b>
<b>Total</b>				<b>924.6</b>
<b>Recognised sales from joint venture project</b>				
<b>Hong Kong</b>				
<b>Recognised basis</b>	<b>No. of Units</b>	<b>Approximate Saleable Area (Square feet)</b>	<b>Average Selling Price<sup>1</sup> (HK\$/square foot)</b>	<b>Turnover (HK\$ million)</b>
Alto Residences (50% basis) House	1 <sup>4</sup>	1,759 <sup>4</sup>	23,381	41.1 <sup>5</sup>
<b>Total</b>				<b>41.1</b>

*Notes:*

- 1. Excluding the financing component for sale of completed properties in accordance with Hong Kong Financial Reporting Standard 15 “Revenue from Contracts with Customers”.*
- 2. Value-added tax inclusive.*
- 3. Value-added tax exclusive.*
- 4. No. of house and saleable area attributable to the Group. The total no. of house recognised and total saleable area are 1 and 3,518 square feet, respectively.*
- 5. Representing property sales proceeds of HK\$75.9 million and rental proceeds of HK\$6.3 million in relation to certain house offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

## Contracted Sales

As at 31 January 2024, the Group's property development operation has contracted but not yet recognised sales of HK\$492.5 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 January 2024 amounted to HK\$747.4 million. Breakdown of contracted but not yet recognised sales as at 31 January 2024 is as follows:

<b>Hong Kong</b>				
<b>Contracted basis</b>	<b>No. of Units</b>	<b>Approximate Saleable Area (Square feet)</b>	<b>Average Selling Price (HK\$/square foot)</b>	<b>Turnover (HK\$ million)</b>
Bal Residence Residential Units	32	10,907	15,639	170.6
<b>Mainland China</b>				
<b>Contracted basis</b>	<b>No. of Units</b>	<b>Approximate GFA (Square feet)</b>	<b>Average Selling Price<sup>1</sup> (HK\$/square foot)</b>	<b>Turnover<sup>1</sup> (HK\$ million)</b>
Zhongshan Palm Spring Residential High-rise Units	58	72,763	1,748	127.2
Hengqin Novotown Phase I Cultural Studios	2	6,367	4,319	27.5
Hengqin Novotown Phase I Cultural Workshop Units	3	2,235	2,819	6.3
Hengqin Novotown Phase II Harrow ILA Hengqin Buildings <sup>2</sup>	N/A	149,078	1,075	160.3
Shanghai Regents Park Car Parking Space	1			0.6
<b>Subtotal</b>				<b>321.9</b>
<b>Total</b>				<b>492.5</b>
<b>Contracted sales from joint venture project</b>				
<b>Hong Kong</b>				
<b>Contracted basis</b>	<b>No. of Units</b>	<b>Approximate Saleable Area (Square feet)</b>	<b>Average Selling Price (HK\$/square foot)</b>	<b>Turnover (HK\$ million)</b>
Alto Residences (50% basis) Houses	3 <sup>3</sup>	7,482 <sup>3</sup>	22,974	171.9 <sup>4</sup>
Alto Residences (50% basis) Residential Units	3 <sup>5</sup>	2,932 <sup>5</sup>	25,926	76.0 <sup>6</sup>
Alto Residences (50% basis) Car Parking Spaces	3 <sup>7</sup>			7.0
<b>Total</b>				<b>254.9</b>

### Notes:

- Value-added tax inclusive.
- Will be recognised as income from finance lease under turnover.
- No. of houses and saleable area attributable to the Group. The total no. of houses contracted and total saleable area are 5 and 14,964 square feet, respectively.
- Representing property sales proceeds of HK\$318.5 million and rental proceeds of HK\$25.3 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.
- No. of residential units and saleable area attributable to the Group. The total no. of residential units contracted and total saleable area are 5 and 5,864 square feet, respectively.
- Representing property sales proceeds of HK\$144.4 million and rental proceeds of HK\$7.6 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.
- No. of car parking spaces attributable to the Group. The total no. of car parking spaces contracted is 5.

## **Review of major projects for sale and under development**

Hong Kong Properties

### *Alto Residences*

In November 2012, the Group successfully tendered for and secured a site located at No. 29 Tong Yin Street, Tseung Kwan O, New Territories, through a 50:50 joint venture vehicle.

This project providing 605 flats, including 23 houses was named “Alto Residences” and the construction was completed in September 2018. 605 units, including 23 houses in Alto Residences have been sold, with saleable area of approximately 405,831 square feet at an average selling price of approximately HK\$18,000 per square foot. Total 110 car parking spaces of Alto Residences have been released for sale. Up to 22 March 2024, 75 car parking spaces have been sold and the total sales proceeds amounted to approximately HK\$204.1 million.

### *93 Pau Chung Street*

In April 2014, the Group was successful in its bid for the development right to the San Shan Road/ Pau Chung Street project from the Urban Renewal Authority in Ma Tau Kok, Kowloon, Hong Kong. The site has an area of 12,599 square feet with a total GFA of 111,354 square feet split into 94,486 square feet for residential use and 16,868 square feet for commercial use.

This project was named “93 Pau Chung Street” and the construction was completed in November 2018. All 209 residential units and 7 commercial units have been sold, achieving an average selling price of approximately HK\$16,400 per square foot and HK\$23,500 per square foot, respectively. Up to 22 March 2024, 7 out of 20 car parking spaces and 4 out of 5 motor-parking spaces have been sold and the total sales proceeds amounted to approximately HK\$10.2 million.

The Group owns 100% of this project.

### *Novi*

The site comprises Nos. 48-56 on Ki Lung Street and has a combined site area of 5,054 square feet. The construction works of this commercial/residential development was completed in July 2019.

This project was named “Novi” and the sale of all 138 flats, including studios and one bedroom unit with total saleable area of approximately 28,800 square feet have been completed. Up to 22 March 2024, 4 commercial units of Novi are fully leased.

The Group owns 100% of this project.

### *Monti*

In September 2015, the Group was successful in its bid for the development rights to the Sai Wan Ho Street project from the Urban Renewal Authority in Shau Kei Wan, Hong Kong. The project covers a site area of 7,642 square feet and provides 144 residential units with a total saleable area of approximately 45,822 square feet. Construction work was completed in March 2020.

This project was named “Monti” and launched for pre-sale in August 2018. The Group has sold all 144 units in Monti with saleable area of approximately 45,822 square feet at an average selling price of approximately HK\$21,300 per square foot. Up to 22 March 2024, 6 car parking spaces remained unsold.

The Group owns 100% of this project.

### *Tai Kei Leng project*

In March 2019, the Group successfully tendered for and secured a site located at No. 266 Tai Kei Leng, Lot No. 5382 in Demarcation District No. 116, Tai Kei Leng, Yuen Long, Hong Kong. This site is designated for private residential purposes adding a total GFA of approximately 42,200 square feet to the development portfolio of the Group, offering 112 residential units. Construction work is in progress and is expected to be completed in the second quarter of 2024. Pre-sale of residential units is expected to be launched in the second quarter of 2024.

The Group owns 100% of this project.

### *Bal Residence*

In April 2019, the Group successfully secured the Urban Renewal Authority project covering a site area of approximately 8,500 square feet at No. 18 Hang On Street, Kwun Tong, Hong Kong which will be developed into a total GFA of approximately 71,800 square feet, including 8,100 square feet of commercial facilities and 63,700 square feet of residential spaces, offering 156 residential units. The project has been officially named as “Bal Residence”. Pre-sale of residential units was launched in February 2023, followed by the official sale launch in late November 2023. Up to 22 March 2024, the Group has sold 47 units in Bal Residence with saleable area of approximately 16,024 square feet at an average selling price of approximately HK\$15,454 per square foot. Fitting-out work is in progress and is expected to be completed in late March 2024.

The Group owns 100% of this project.

### *Wong Chuk Hang project*

In January 2021, the consortium formed by the Group together with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and CSI Properties Limited successfully won the tender for the Wong Chuk Hang Station Package Five Property Development. This luxury residential development project sitting on top of the Wong Chuk Hang MTR station and “THE SOUTHSIDE”, the largest shopping mall in the prominent Southern district of Hong Kong, covers a site area of approximately 95,600 square feet, with a total GFA of approximately 636,200 square feet and is expected to deliver two residential towers, offering around 825 residential units, with a total investment of approximately HK\$18.0 billion. Construction work is in progress and is expected to be completed in the fourth quarter of 2025.

The Group owns 15% interest in this project.

### *116 Waterloo Road project*

In September 2021, the Group acquired the 3-storey building at No. 116 Waterloo Road in Ho Man Tin, Kowloon, Hong Kong for redevelopment purpose and the transaction was completed with vacant possession in March 2022. The Group intends to redevelop the site into residential units with a total GFA of approximately 46,600 square feet, offering around 85 residential units, with a total investment of approximately HK\$1.1 billion. Project design work is in progress and the construction is expected to be completed in the third quarter of 2028.

The Group owns 100% of this project.

### *79 Broadcast Drive project*

In October 2021, the Group successfully tendered for and secured a site at No. 79 Broadcast Drive, Kowloon Tong, Hong Kong. The site with a site area of approximately 23,900 square feet used to be the Educational Television Centre of Radio Television Hong Kong and maximum permissible GFA is around 71,600 square feet. The Group plans to develop a high-quality luxury residential project offering around 46 medium-large sized units including 2 houses, with a total investment of approximately HK\$2.3 billion. Project design and foundation works are in progress and the construction is expected to be completed in the first half of 2026.

The Group owns 100% of this project.

### *1&1A Kotewall Road project*

In January 2022, the Group acquired two adjacent buildings at Nos. 1&1A Kotewall Road in Mid-Levels, Hong Kong Island for redevelopment purpose and the transaction was completed with vacant possession in March 2022. The Group intends to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 27 medium-large sized residential units upon completion. The total investment of the project will be approximately HK\$1.9 billion. Project design and preparation of foundation works are in progress and the construction is expected to be completed in the fourth quarter of 2028.

The Group owns 100% of this project.

### Mainland China Properties

All major properties for sale and under development in Mainland China of the Group are held through Lai Fung Group except Hengqin Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by the Group.

### *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. As at 31 January 2024, all residential units and 30 car parking spaces have been sold. 13 car parking spaces of this development remained unsold.

Lai Fung 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 2024, 458 car parking spaces of this development remained unsold.

Lai Fung 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 nine car parking spaces contributed HK\$5.6 million to the turnover. As at 31 January 2024, the contracted but not yet recognised sales of one car parking space amounted to approximately HK\$0.6 million and a total of 191 car parking spaces of this development remained unsold.

Lai Fung 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. As at 31 January 2024, two car parking spaces remained unsold.

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

### *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, 423,352 square feet of high-rise residential units were recognised at an average selling price of HK\$1,633 per square foot, which contributed a total of HK\$634.3 million to the sales turnover. As at 31 January 2024, contracted but not yet recognised sales for high-rise residential units amounted to HK\$127.2 million, at an average selling price of HK\$1,748 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 Lai Fung 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 Lai Fung Group. As at 31 January 2024, a serviced apartment unit remained unsold.

As at 31 January 2024, completed units held for sale in this development, including residential units and commercial units, amounted to approximately 396,700 square feet and 2,672 car parking spaces of this development remained unsold.

Lai Fung Group owns 100% interest in this project.

## *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 35,784 square feet of cultural studios and 46,107 square feet of cultural workshop units were recognised at an average selling price of HK\$4,512 per square foot and HK\$2,220 per square foot, respectively, which contributed a total of HK\$246.3 million to Lai Fung Group's turnover. As at 31 January 2024, contracted but not yet recognised sales for cultural studios and cultural workshop units amounted to HK\$27.5 million and HK\$6.3 million, at an average selling price of HK\$4,319 per square foot and HK\$2,819 per square foot, respectively. As at 31 January 2024, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshop units and office units, amounted to approximately 823,700 square feet.

Lai Fung Group owns 80% of Novotown Phase I. The remaining 20% is owned the Group.

### *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. Lai Fung 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. 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. Properties in Novotown Phase II occupied by Harrow ILA Hengqin have been sold to the school operator, which enabled Lai Fung Group to crystallise the value of its investment in Novotown Phase II and gradually recoup funding to improve the project's working capital position.

Lai Fung Group remains confident that the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will position Hengqin as a prominent piece 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 Lai Fung Group's results in the long run.

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

## RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the six months ended 31 January 2024, restaurant and F&B product sales operations contributed HK\$285.8 million to the Group's turnover, representing an increase of approximately 8.8% from that of HK\$262.6 million for the same period last year. The increase was mainly driven by the relaxation of COVID-19 restrictions. The Group has 2 new restaurants in operation under the period under review, namely Plaisance by Mauro Colagreco and KiKi Noodle Bar Hysan Place.

Up to the date of this results announcement, restaurant operations include the Group's interests in 27 restaurants in Hong Kong and Mainland China and 1 restaurant in Macau under management. Details of each existing restaurant of the Group are as follows:

Cuisine	Restaurant	Location	Attributable interest to the Group	Award
<b>Owned restaurants</b>				
Western/ International Cuisine	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012-2024)
	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017-2024)
	Opera BOMBANA	Beijing	20%	One Michelin star (2023-2024)
	CIAK – In The Kitchen	Hong Kong	63%	One Michelin star (2015-2017)
	CIAK – All Day Italian	Hong Kong	68%	Michelin Bib Gourmand (2017-2021)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2024)
	Takumi by Daisuke Mori	Hong Kong	65%	One Michelin star (2018-2024)
	Prohibition <sup>(Note)</sup>	Hong Kong	100%	
	ZEST by Konishi	Hong Kong	68%	One Michelin star (2020-2024)
	Cipriani	Hong Kong	44%	
	Plaisance by Mauro Colagreco	Hong Kong	70%	
Asian Cuisine	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019-2021)
	China Tang Beijing	Beijing	68%	
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Canton Bistro <sup>(Note)</sup>	Hong Kong	100%	
	Old Bazaar Kitchen	Hong Kong	85%	
	KiKi Noodle Bar IFC	Hong Kong	85%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	85%	
	KiKi Noodle Bar OP Mall	Hong Kong	85%	
	KiKi Lu Wei	Hong Kong	85%	
	KiKi Noodle Bar Hysan Place	Hong Kong	85%	
	MOSU Hong Kong	Hong Kong	68%	
	SĒP	Hong Kong	68%	
	China Club	Hong Kong	17%	
Japanese Cuisine	Kanesaka Hong Kong	Hong Kong	68%	
	Yamato	Hong Kong	60%	
<b>Managed restaurant</b>				
Western Cuisine	8½ Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016-2024)

*Note: Performance of these two restaurants in Ocean Park Marriott Hotel has been included in the hotel operation segment for segment reporting purposes.*

## HOTEL AND SERVICED APARTMENT OPERATIONS

The hotel and serviced apartment operation segment of the Group includes the Group's operation of the Ocean Park Marriott Hotel in Hong Kong and the Caravelle Hotel in Ho Chi Minh City, Vietnam, as well as Lai Fung Group's hotel and serviced apartment operation in Shanghai and Hengqin, Mainland China. Since December 2019, the Group further expanded its hotel portfolio with the acquisition of a 50% interest in Fairmont St. Andrews resort in Fife, Scotland, United Kingdom. Performance of the 50:50 joint venture of Fairmont St. Andrews resort is recognised as "Share of profits and losses of joint ventures" in the consolidated income statement of the Group. The hotel project in Phuket, Thailand that the Group invested in June 2017 is still at the planning stage. The Group is closely monitoring the tourism market in Thailand and will provide updates on this project as and when there is material progress.

For the six months ended 31 January 2024, the hotel and serviced apartment operations contributed HK\$623.0 million to the Group's turnover (2023: HK\$421.5 million), representing a significant increase of approximately 47.8%. The noticeable recovery in the Group's hotel business was mainly driven by (i) the relaxation of COVID-19 restrictions in Hong Kong and Mainland China; (ii) the reopening of the border with Mainland China in Hong Kong; and (iii) the upward trend of the tourism industry in Vietnam. As a result, a robust growth was recorded for the Group's hotels, particularly the Hong Kong Ocean Park Marriott Hotel, Hyatt Regency Hengqin and Caravelle Hotel in Ho Chi Minh City, during the period under review compared to the same period last year.

Breakdown of turnover from hotel and serviced apartment operations for the six months ended 31 January 2024 is as follows:

	Location	Attributable interest to the Group	No. of Rooms <sup>1</sup>	Total GFA (square feet)	Turnover (HK\$ million)	Period end occupancy rate (%)
Hotel and serviced apartment						
Ocean Park Marriott Hotel	Hong Kong	100%	471	365,974	226.7	67.2
Ascott Huaihai Road Shanghai	Shanghai	55.08%	310	358,009	52.8	85.8
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	14.5	61.3
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	82.0	78.3
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	246.3	86.0
<b>Subtotal:</b>			<b>1,848</b>	<b>1,856,594</b>	<b>622.3</b>	
Hotel management fee					0.7	
<b>Total:</b>					<b>623.0</b>	
<b>Joint Venture Project</b>						
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106 <sup>2</sup>	138,241 <sup>2</sup>	45.4	5.7

### Notes:

1. On 100% basis.
2. No. of rooms and GFA attributable to the Group. The total number of rooms and total GFA are 211 and 276,482 square feet, respectively.

Ocean Park Marriott Hotel officially commenced its operations on 19 February 2019, adding a total of 471 rooms and approximately 365,974 square feet of attributable rental space to the rental portfolio of the Group. Ocean Park Marriott Hotel has achieved “Gold” rating in BEAM Plus Final Assessment. The Group remains cautiously optimistic about the prospects of the Ocean Park Marriott Hotel given the popularity of Ocean Park, as well as Asia’s first all-season water park, Water World, grand opened in September 2021. The Group owns 100% interest in Ocean Park Marriott Hotel.

Caravelle Hotel is a leading international 5-star hotel in the centre of the business, shopping and entertainment district in Ho Chi Minh City, Vietnam. It is an elegant 24-storey tower with a mixture of French colonial and traditional Vietnamese style and has 335 superbly appointed rooms, suites, exclusive Signature Floors, Signature Lounge and a specially equipped room for the disabled. Total GFA of Caravelle Hotel is approximately 378,225 square feet. The Group owns a 26.01% interest in Caravelle Hotel.

The hotel operation team of the Group has extensive experience in providing consultancy and management services to hotels in Mainland China, Hong Kong and other Asian countries. The division’s key strategy going forward will continue to focus on providing management services, particularly to capture opportunities arising from the developments of Lai Fung Group in Shanghai, Guangzhou, Zhongshan and Hengqin. The hotel division of the Group manages Lai Fung’s serviced apartments in Shanghai under the “STARR” brand.

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 attributable to Lai Fung Group.

Ascott Huaihai Road in Shanghai Hong Kong Plaza which 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 Lai Fung Group has 310 contemporary apartments of various sizes: studios (640-750 square feet), one-bedroom apartments (915-1,180 square feet), two-bedroom apartments (1,720 square feet), three-bedroom apartments (2,370 square feet) and two luxurious penthouses on the highest two floors (4,520 square feet).

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 total GFA of approximately 610,500 square feet and approximately 488,400 square feet attributable to Lai Fung Group has 493 guest rooms including 55 suites ranging in size from 430 square feet to 2,580 square feet, a wide range of dining options, as well as banqueting and conference facilities of over 40,000 square feet. Lai Fung Group owns 80% interest in Hyatt Regency Hengqin and the remaining 20% is owned by the Group.

## CINEMA OPERATION

The cinema operation is managed by eSun Group. For the six months ended 31 January 2024, this segment recorded a turnover of HK\$188.9 million (2023: HK\$263.1 million) and segment results of a loss of HK\$55.9 million (2023: a loss of HK\$35.2 million). As at the date of this results announcement, eSun Group operates seventeen cinemas in Hong Kong (including one joint venture project) and one cinema in Mainland China and details on the number of screens and seats of each existing cinema are disclosed in below table. Besides, eSun Group has extended its cinema network through a 50% joint venture with Emperor Cinemas Group, namely the Emperor Cinemas Plus+ (Tai Wai), which is managed by Emperor Cinemas Group and opened in July 2023.

<b>Cinema (managed by eSun Group)</b>	<b>Attributable interest to eSun Group (%)</b>	<b>No. of screens <i>(Note)</i></b>	<b>No. of seats <i>(Note)</i></b>
<b>Mainland China</b>			
Suzhou Grand Cinema City	100	10	1,440
<b>Subtotal</b>		<b>10</b>	<b>1,440</b>
<b>Hong Kong</b>			
K11 Art House	100	12	1,708
Movie Town (including MX4D theatre)	100	7	1,702
MCL AIRSIDE Cinema	100	7	944
MCL The ONE Cinema	100	6	831
MCL Cyberport Cinema	100	4	818
MCL Citygate Cinema	100	4	673
MCL Amoy Cinema	100	3	603
Festival Grand Cinema	95	8	1,196
MCL Telford Cinema (including MX4D theatre)	95	6	789
MCL Metro City Cinema	95	6	690
STAR Cinema	95	6	622
Grand Kornhill Cinema (including MX4D theatre)	95	5	706
MCL Cheung Sha Wan Cinema	95	4	418
MCL South Horizons Cinema	95	3	555
MCL Green Code Cinema	95	3	285
Grand Windsor Cinema	95	3	246
MCL Cinemas Plus+ Plaza Hollywood	50	6	1,595
<b>Subtotal</b>		<b>93</b>	<b>14,381</b>
<b>Total</b>		<b>103</b>	<b>15,821</b>

*Note: On 100% basis.*

## MEDIA AND ENTERTAINMENT

The media and entertainment businesses are operated by eSun Group. For the six months ended 31 January 2024, this segment recorded a turnover of HK\$179.3 million (2023: HK\$176.0 million) and segment results of an increased profit to HK\$25.0 million from that of HK\$17.4 million in the same period of last year.

### *Events Management*

During the period under review, eSun Group organised and invested in 27 (2023: 47) shows by popular local and Asian renowned artistes, including Leon Lai, Dear Jane, Grasshopper, Jan Lamb, Yoga Lin, YEAHS, Waa Wei and Tsai Chin.

### *Music Production, Distribution and Publishing*

During the period under review, eSun Group released 5 (2023: 5) albums, including titles by Jay Fung, Richie Jen, On Chan and Andy Leung. eSun Group is expected to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

### *Artiste Management*

eSun Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing TV drama production and film production businesses. eSun Group currently has 22 artistes under its management.

## FILM AND TV PROGRAM PRODUCTION AND DISTRIBUTION

The film and TV program production and distribution businesses are operated by eSun Group. For the six months ended 31 January 2024, this segment recorded a turnover of HK\$125.2 million (2023: HK\$72.9 million) and segment results of a loss of HK\$1.3 million (2023: loss of HK\$12.2 million).

During the period under review, a total of 1 (2023: 2) film(s) and 1 (2023: Nil) TV program produced/invested by eSun Group were theatrically released, namely “*Love at First Lie*” and “*Dead Ringer*”. eSun Group also distributed 26 (2023: 17) films with high profile titles including “*Lost in the Stars*”, “*No More Bets*”, “*In Broad Daylight*”, “*Killers of The Flower Moon*” and “*The Boy and the Heron*”.

## INTERESTS IN JOINT VENTURES

For the six months ended 31 January 2024, losses from joint ventures amounted to losses of HK\$341.4 million, as compared to losses of HK\$30.7 million for the same period last year. The increased loss was primarily due to the increase in fair value losses of Alto Residences and CCB Tower, as well as the decrease in operating profits of Alto Residences during the period under review.

	Six months ended 31 January	
	2024 (HK\$ million)	2023 (HK\$ million)
Revaluation losses	(341.0)	(77.4)
Operating (losses)/profits	(0.4)	46.7
Losses from joint ventures	(341.4)	(30.7)

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 January 2024, cash and bank balances and undrawn facilities held by the Group amounted to approximately HK\$4,414.0 million and approximately HK\$5,213.0 million, respectively. Cash and bank balances held by the Group of which about 49% was denominated in Hong Kong dollars and United States dollars, and about 39% was denominated in Renminbi. Excluding eSun Group and Lai Fung Group, cash and bank balances and undrawn facilities held by the Group as at 31 January 2024 were approximately HK\$1,819.3 million and approximately HK\$2,121.2 million, respectively.

The Group's sources of funding comprise mainly internal funds generated from the Group's business operations, loan facilities provided by banks and guaranteed notes issued to investors.

As at 31 January 2024, the Group had bank borrowings of approximately HK\$22,040.9 million, guaranteed notes of approximately HK\$4,276.6 million and other borrowings of approximately HK\$321.7 million. As at 31 January 2024, the maturity profile of the bank borrowings of HK\$22,040.9 million is spread with HK\$2,359.7 million repayable within one year, HK\$6,552.6 million repayable in the second year, HK\$11,195.8 million repayable in the third to fifth years, and HK\$1,932.8 million repayable beyond the fifth year.

The Group issued guaranteed notes in an aggregate principal amount of US\$500 million and HK\$385 million. The guaranteed notes have terms ranging from five years to seven years and three months, and bear fixed interest rates ranging from 4.9% to 5.25% per annum. Certain guaranteed notes are listed on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") and were issued for refinancing the previous notes and for general corporate purposes.

Approximately 83% and 16% of the Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 1% of the Group's borrowings were interest-free.

The gearing ratio, expressed as a percentage of the total outstanding net debt (being the total borrowings less cash and bank balances) to consolidated net assets attributable to owners of the Company, was approximately 80%. Excluding the net debt of eSun Group and Lai Fung Group, the Group's gearing ratio was approximately 53%.

As at 31 January 2024, certain investment properties with carrying amounts of approximately HK\$32,389.2 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK\$8,169.5 million, certain completed properties for sale with carrying amounts of approximately HK\$435.6 million, certain properties under development with carrying amounts of approximately HK\$5,063.3 million, and certain bank balances and time deposits with banks of approximately HK\$954.5 million were pledged to banks to secure banking facilities granted to the Group. In addition, shares in certain subsidiaries were pledged to banks to secure banking facilities granted to the Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Group. The Group's secured bank borrowings were also secured by floating charges over certain assets held by the Group.

The Group's major assets and liabilities and transactions were denominated in Hong Kong dollars, United States dollars, Pound Sterling and Renminbi. Considering that Hong Kong dollars are pegged against United States dollars, the Group believes that the corresponding exposure to exchange rate risk arising from United States dollars is not material. The Group has investments in United Kingdom with the assets and liabilities denominated in Pound Sterling. These investments were primarily financed by bank borrowings denominated in Pound Sterling in order to minimise the net foreign exchange exposure. Lai Fung Group has a net exchange exposure to Renminbi as their assets are principally located in Mainland China and the revenues are predominantly in Renminbi. Other than the abovementioned, the remaining monetary assets and liabilities of the Group were denominated in Euro, Malaysian Ringgit and Vietnamese Dong which were insignificant as compared with the Group's total assets and liabilities. The Group manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and considers hedging significant foreign currency exposure should the additional need arise.

## **CONTINGENT LIABILITIES**

There has been no material change in contingent liabilities of the Group since 31 July 2023.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES**

During the six months ended 31 January 2024, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **CORPORATE GOVERNANCE**

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange during the six months ended 31 January 2024 save for the deviation from code provision F.2.2.

*Under code provision F.2.2, the chairman of the board should attend the annual general meeting.*

Due to other pre-arranged business commitments which must be attended to by Dr. Lam Kin Ngok, Peter, the Chairman, he was not present at the annual general meeting of the Company ("AGM") held on 15 December 2023. However, Mr. Cheung Sum, Sam, an executive director of the Company ("**Executive Director**") and the Group Chief Financial Officer was present at that AGM and was elected chairman of that AGM pursuant to Article 71 of the Articles of Association of the Company to ensure an effective communication with the shareholders of the Company thereat.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 31 January 2024, the Group employed a total of approximately 4,000 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 regularly.

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 range of stakeholders via physical/online meetings and conference calls.

The Company is keen on promoting investor relations and enhancing communication with its 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 6106, by fax at (852) 2853 6651 or by e-mail at [ir@laisun.com](mailto:ir@laisun.com).

## REVIEW OF INTERIM RESULTS

The audit committee of the Company (“**Audit Committee**”) currently comprises three Independent Non-Executive Directors, namely Mr. Leung Shu Yin, William, Mr. Lam Bing Kwan and Mr. Ip Shu Kwan, Stephen. The Audit Committee has reviewed the unaudited interim results (including the unaudited condensed consolidated financial statements) of the Company for the six months ended 31 January 2024.

By Order of the Board  
**Lam Kin Ngok, Peter**  
*Chairman*

Hong Kong, 22 March 2024

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

<i>Executive Directors:</i>	<i>Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Lau Shu Yan, Julius (Chief Executive Officer), Cheung Sum, Sam (Group Chief Financial Officer), Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Lee Tze Yan, Ernest;</i>
<i>Non-Executive Director:</i>	<i>Madam U Po Chu; and</i>
<i>Independent Non-Executive Directors:</i>	<i>Messrs. Lam Bing Kwan, Leung Shu Yin, William, Ip Shu Kwan, Stephen and Luk Hon Man.</i>