



LAI FUNG HOLDINGS

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

Interim Report

For the six months ended 31 January 2024



Corporate Information

PLACE OF INCORPORATION

Cayman Islands

BOARD OF DIRECTORS

Executive Directors

Lam Kin Ngok, Peter (*Chairman*)

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

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

(*also alternate director to U Po Chu*)

Cheng Shin How

Cheung Sum, Sam (*Group Chief Financial Officer*)

Lee Tze Yan, Ernest

U Po Chu

Independent Non-executive Directors

Au Hoi Fung

Ku Moon Lun

Lam Bing Kwan

Law Kin Ho

Mak Wing Sum, Alvin

Shek Lai Him, Abraham

AUDIT COMMITTEE

Law Kin Ho (*Chairman*)

Ku Moon Lun

Lam Bing Kwan

Mak Wing Sum, Alvin

NOMINATION COMMITTEE

Lam Kin Ngok, Peter (*Chairman*)

Cheng Shin How (*alternate to Lam Kin Ngok, Peter*)

Mak Wing Sum, Alvin

Shek Lai Him, Abraham

REMUNERATION COMMITTEE

Lam Bing Kwan (*Chairman*)

Cheng Shin How

Ku Moon Lun

Law Kin Ho

AUTHORISED REPRESENTATIVES

Lam Hau Yin, Lester

Cheng Shin How

COMPANY SECRETARY

Yim Lai Wa

REGISTERED OFFICE

P.O. Box 309

Ugland House

Grand Cayman, KY1-1104

Cayman Islands

PRINCIPAL PLACE OF BUSINESS

11th Floor

Lai Sun Commercial Centre

680 Cheung Sha Wan Road

Kowloon, Hong Kong

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Fax: (852) 2741 9763

SHARE REGISTRAR AND TRANSFER OFFICE IN CAYMAN ISLANDS

Suntera (Cayman) Limited

Suite 3204, Unit 2A

Block 3, Building D

P.O. Box 1586

Gardenia Court, Camana Bay

Grand Cayman, KY1-1100

Cayman Islands

BRANCH SHARE REGISTRAR AND TRANSFER OFFICE IN HONG KONG

Tricor Tengis Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

INDEPENDENT AUDITOR

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

PRINCIPAL BANKERS

Agricultural Bank of China Limited

Bank of China Limited

The Bank of East Asia, Limited

China CITIC Bank Corporation Limited

Chong Hing Bank Limited

Dah Sing Bank, Limited

DBS Bank Ltd.

Hang Seng Bank Limited

The Hongkong and Shanghai Banking Corporation Limited

Industrial and Commercial Bank of China Limited

Oversea-Chinese Banking Corporation Limited

Shanghai Pudong Development Bank Co., Ltd.

Standard Chartered Bank (Hong Kong) Limited

United Overseas Bank Limited

SHARES INFORMATION

Place of Listing

The Main Board of The Stock Exchange of Hong Kong Limited

Stock Code/Board Lot

1125/400 shares

AMERICAN DEPOSITARY RECEIPT

CUSIP Number: 50731L104

Trading Symbol: LNGHY

ADR to Ordinary Share Ratio: 1:8

Depository Bank: The Bank of New York Mellon

WEBSITE

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INVESTOR RELATIONS

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Results

The board of directors (the “Board”) of Lai Fung Holdings Limited (the “Company”) presents the unaudited consolidated results of the Company and its subsidiaries (the “Group”) for the six months ended 31 January 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	For the six months ended 31 January	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
TURNOVER	3	1,409,290	1,002,365
Cost of sales		(729,543)	(527,521)
Gross profit		679,747	474,844
Other income and gains		49,237	58,234
Selling and marketing expenses		(76,098)	(53,652)
Administrative expenses		(121,954)	(161,297)
Other operating expenses, net		(61,863)	(56,911)
Fair value losses on investment properties		(106,006)	(71,316)
PROFIT FROM OPERATING ACTIVITIES	4	363,063	189,902
Finance costs	5	(314,681)	(274,452)
Share of profits/(losses) of joint ventures		(185)	188
Share of loss of an associate		(8)	(6)
PROFIT/(LOSS) BEFORE TAX		48,189	(84,368)
Tax	6	(250,226)	(138,210)
LOSS FOR THE PERIOD		(202,037)	(222,578)
ATTRIBUTABLE TO:			
Owners of the Company		(174,530)	(176,944)
Non-controlling interests		(27,507)	(45,634)
		(202,037)	(222,578)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:	7		
Basic and diluted		(HK\$0.527)	(HK\$0.535)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2024

	For the six months ended	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
LOSS FOR THE PERIOD	(202,037)	(222,578)
OTHER COMPREHENSIVE EXPENSES THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX		
Exchange differences:		
Exchange differences arising on translation to the presentation currency	(71,102)	(123,966)
Reclassification of reserve upon deregistration of a subsidiary	-	(10,274)
Reclassification of reserve upon return of capital from a subsidiary	-	(13,511)
	(71,102)	(147,751)
Share of other comprehensive expenses of an associate	-	(1)
	(71,102)	(147,752)
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD	(273,139)	(370,330)
ATTRIBUTABLE TO:		
Owners of the Company	(226,667)	(322,340)
Non-controlling interests	(46,472)	(47,990)
	(273,139)	(370,330)

Condensed Consolidated Statement of Financial Position

As at 31 January 2024

	Notes	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		2,269,917	2,302,822
Right-of-use assets		479,753	487,714
Investment properties		19,572,500	19,720,100
Investments in joint ventures		18,293	18,478
Investment in an associate		91	99
Debtors, deposits and prepayments	8	482,585	477,974
Total non-current assets		22,823,139	23,007,187
CURRENT ASSETS			
Properties under development		1,119,214	1,063,709
Completed properties for sale		2,444,559	2,926,175
Inventories		3,213	3,905
Debtors, deposits and prepayments	8	481,287	481,967
Prepaid tax		138,553	162,357
Pledged and restricted time deposits and bank balances		957,880	822,900
Cash and cash equivalents		1,193,734	1,648,823
Assets classified as held for sale		6,338,440	7,109,836
		733	735
Total current assets		6,339,173	7,110,571
CURRENT LIABILITIES			
Creditors, accruals and other payables	9	1,343,588	1,730,450
Contract liabilities and deposits received		301,145	874,884
Interest-bearing bank loans		698,246	1,116,841
Lease liabilities		2,435	2,822
Tax payable		615,941	458,984
Other borrowings		34,502	34,412
Total current liabilities		2,995,857	4,218,393
NET CURRENT ASSETS		3,343,316	2,892,178
TOTAL ASSETS LESS CURRENT LIABILITIES		26,166,455	25,899,365
NON-CURRENT LIABILITIES			
Lease liabilities		1,501	278
Other payables	9	898,081	900,726
Long-term deposits received		142,364	129,385
Interest-bearing bank loans		9,214,894	8,805,753
Advances from a former substantial shareholder		50,803	50,953
Loans from a fellow subsidiary	10	-	610,245
Deferred tax liabilities		2,866,761	2,892,835
Total non-current liabilities		13,174,404	13,390,175
		12,992,051	12,509,190

Condensed Consolidated Statement of Financial Position

(Continued)

As at 31 January 2024

	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
EQUITY		
Equity attributable to owners of the Company		
Issued capital	1,655,167	1,655,167
Reserves	10,896,064	11,122,731
	12,551,231	12,777,898
Non-controlling interests	440,820	(268,708)
	12,992,051	12,509,190

Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 January 2024

	Attributable to owners of the Company							Sub-total HK\$'000	Non- controlling interests HK\$'000	Total HK\$'000
	Issued capital HK\$'000	Share premium account HK\$'000	Share option reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Capital reserve HK\$'000	Statutory reserve HK\$'000	Retained earnings HK\$'000			
As at 31 July 2023 and 1 August 2023 (Audited)	1,655,167	4,105,466	2,909	(552,556)	137,165	373,148	7,056,599	12,777,898	(268,708)	12,509,190
Loss for the period	—	—	—	—	—	—	(174,530)	(174,530)	(27,507)	(202,037)
Other comprehensive expenses for the period, net of tax:										
Exchange differences arising on translation to the presentation currency	—	—	—	(52,137)	—	—	—	(52,137)	(18,965)	(71,102)
Total comprehensive expenses for the period, net of tax	—	—	—	(52,137)	—	—	(174,530)	(226,667)	(46,472)	(273,139)
Capital injection to a subsidiary from a non-controlling shareholder	—	—	—	—	—	—	—	—	756,000	756,000
Transfer to statutory reserve	—	—	—	—	—	37,788	(37,788)	—	—	—
Release of reserve upon lapse of share options	—	—	(244)	—	—	—	244	—	—	—
As at 31 January 2024 (Unaudited)	1,655,167	4,105,466[#]	2,665[#]	(604,693)[#]	137,165[#]	410,936[#]	6,844,525[#]	12,551,231	440,820	12,992,051

[#] These reserve accounts comprise the consolidated reserves of HK\$10,896,064,000 (31 July 2023: HK\$11,122,731,000) in the condensed consolidated statement of financial position.

Condensed Consolidated Statement of Changes in Equity

(Continued)

For the six months ended 31 January 2024

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

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

Condensed Consolidated Statement of Cash Flows

For the six months ended 31 January 2024

	For the six months ended	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
NET CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES	167,392	(192,160)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	20,542	30,196
Additions to investment properties	(179,089)	(202,650)
Additions to property, plant and equipment	(42,361)	(41,951)
Decrease/(increase) in pledged and restricted time deposits and bank balances	(136,645)	1,310,655
NET CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES	(337,553)	1,096,250
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank loans, net of direct costs	1,134,052	3,037,382
Repayment of bank loans	(1,157,401)	(1,448,629)
Redemption and repurchase of guaranteed notes	-	(2,736,038)
Loans from a fellow subsidiary	147,265	51,040
Repayment of loans from a fellow subsidiary	(1,510)	-
Decrease in other payables	(33,315)	-
Payment of lease liabilities	(2,205)	(2,362)
Interest and bank financing charges paid	(367,406)	(312,474)
NET CASH FLOW USED IN FINANCING ACTIVITIES	(280,520)	(1,411,081)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(450,681)	(506,991)
Cash and cash equivalents at beginning of period	1,648,823	2,111,091
Effect of foreign exchange rate changes, net	(4,408)	(4,658)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	1,193,734	1,599,442
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Non-pledged and non-restricted cash and bank balances	820,269	914,206
Non-pledged and non-restricted time deposits	373,465	685,236
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	1,193,734	1,599,442

Notes to Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 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 the Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants.

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

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements for the period under review are consistent with those used in the Group’s audited consolidated financial statements for the year ended 31 July 2023. These unaudited condensed consolidated results should be read in conjunction with the Company’s annual report for the year ended 31 July 2023.

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

3. TURNOVER AND OPERATING SEGMENT INFORMATION

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

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

	For the six months ended 31 January	
	2024 (Unaudited) HK\$’000	2023 (Unaudited) HK\$’000
Turnover from contracts with customers		
Sale of properties	897,917	570,476
Hotel and serviced apartment operation	149,748	109,365
Building management operation	71,688	61,684
Theme park operation	9,878	8,781
	1,129,231	750,306
Turnover from other sources		
Rental income from investment properties	280,059	252,059
Total turnover	1,409,290	1,002,365
Timing of recognition of turnover from contracts with customers		
At a point in time	897,917	570,476
Over time	231,314	179,830
Total	1,129,231	750,306

Notes to Condensed Consolidated Financial Statements (Continued)

3. TURNOVER AND OPERATING SEGMENT INFORMATION (CONTINUED)

	For the six months ended 31 January (Unaudited)									
	Property development		Property investment		Hotel and serviced apartment operation		Theme park operation		Consolidated	
	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
Segment revenue/results:										
Segment revenue										
Sales to external customers	897,917	570,476	351,747	313,743	149,748	109,365	9,878	8,781	1,409,290	1,002,365
Other revenue	11,815	12,199	6,957	11,580	13	187	1,486	319	20,271	24,285
Total	909,732	582,675	358,704	325,323	149,761	109,552	11,364	9,100	1,429,561	1,026,650
Segment results	358,772	239,328	38,052	30,590	14,533	(16,583)	(24,310)	(62,344)	387,047	190,991
Interest income from bank deposits									20,542	30,196
Unallocated gains									8,424	3,753
Unallocated expenses, net									(52,950)	(35,038)
Profit from operating activities									363,063	189,902
Finance costs									(314,681)	(274,452)
Share of profits/(losses) of joint ventures	18	(1)	(203)	189	—	—	—	—	(185)	188
Share of loss of an associate	—	—	(8)	(6)	—	—	—	—	(8)	(6)
Profit/(loss) before tax									48,189	(84,368)
Tax									(250,226)	(138,210)
Loss for the period									(202,037)	(222,578)
Other segment information:										
Fair value losses on investment properties	—	—	106,006	71,316	—	—	—	—	106,006	71,316
Derecognition loss on rental receivable	—	—	—	3,686	—	—	—	—	—	3,686
Loss on disposal of items of property, plant and equipment	155	1	91	29	—	—	8	—	254	30

Notes to Condensed Consolidated Financial Statements (Continued)

3. TURNOVER AND OPERATING SEGMENT INFORMATION (CONTINUED)

	Property development		Property investment		Hotel and serviced apartment operation		Theme park operation		Consolidated	
	31 January	31 July	31 January	31 July	31 January	31 July	31 January	31 July	31 January	31 July
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets/liabilities:										
Segment assets	4,145,609	4,599,637	19,832,501	19,970,488	1,749,461	1,792,433	848,448	849,329	26,576,019	27,211,887
Investments in joint ventures	94	76	18,199	18,402	—	—	—	—	18,293	18,478
Investment in an associate	—	—	91	99	—	—	—	—	91	99
Unallocated assets	—	—	—	—	—	—	—	—	2,567,176	2,886,559
Assets classified as held for sale	733	735	—	—	—	—	—	—	733	735
Total assets									29,162,312	30,117,758
Segment liabilities	448,733	1,115,626	840,871	1,037,645	98,202	104,543	32,413	95,128	1,420,219	2,352,942
Unallocated liabilities	—	—	—	—	—	—	—	—	14,750,042	15,255,626
Total liabilities									16,170,261	17,608,568

4. PROFIT FROM OPERATING ACTIVITIES

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

	For the six months ended	
	31 January	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment [#]	52,072	73,783
Depreciation of right-of-use assets [#]	9,910	10,365
Fair value losses on cross currency swaps ^{##}	—	5,951
Foreign exchange differences, net ^{##}	6,584	(26,219)
Loss on disposal of items of property, plant and equipment ^{##}	254	30
Derecognition loss on rental receivable ^{##}	—	3,686

[#] The depreciation charge for hotels and serviced apartments and related leasehold improvements is HK\$40,669,000 (six months ended 31 January 2023: HK\$42,335,000). The depreciation charge for theme parks is HK\$13,421,000 (six months ended 31 January 2023: HK\$32,716,000). These items are included in "Other operating expenses, net" on the face of the condensed consolidated income statement.

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

Notes to Condensed Consolidated Financial Statements

(Continued)

5. FINANCE COSTS

	For the six months ended	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on:		
Bank loans	352,504	245,026
Guaranteed notes	—	68,320
Amortisation of transaction fees for:		
Bank loans	10,540	17,383
Guaranteed notes	—	2,577
Bank financing charges and direct costs	23,684	13,425
Interest on lease liabilities	75	164
Interest on put option liabilities	2,252	2,323
	389,055	349,218
Less: Capitalised in properties under development	(41,314)	(26,037)
Capitalised in investment properties under construction	(13,781)	(36,934)
Capitalised in construction in progress	(19,279)	(11,795)
	(74,374)	(74,766)
Total finance costs	314,681	274,452

6. TAX

The statutory rate of Hong Kong profits tax is 16.5% (six months ended 31 January 2023: 16.5%). No provision for Hong Kong profits tax had been made as the Group had no estimated assessable profits arising in Hong Kong during the period (six months ended 31 January 2023: Nil). Taxes on profits assessable elsewhere had been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

	For the six months ended	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current — Mainland China		
Corporate income tax	75,892	63,036
Land appreciation tax	170,679	101,376
Deferred	3,655	(26,202)
Total tax charge for the period	250,226	138,210

Notes to Condensed Consolidated Financial Statements

(Continued)

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount was based on the loss for the period attributable to owners of the Company of HK\$174,530,000 (six months ended 31 January 2023: HK\$176,944,000), and the weighted average number of ordinary shares of 331,033,443 (six months ended 31 January 2023: 331,033,443) in issue during the period.

As the exercise prices of the share options are higher than the average market price of the shares during the period, the Group had no potentially dilutive ordinary shares in issue during the periods ended 31 January 2024 and 31 January 2023.

8. DEBTORS, DEPOSITS AND PREPAYMENTS

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

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

	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
Trade receivables, net		
Within one month	119,767	105,627
One to three months	7,611	8,620
Over three months	17,112	19,069
	144,490	133,316
Finance lease receivables, not yet due	487,131	482,099
Other receivables, deposits and prepayments	332,251	344,526
	963,872	959,941
Amounts classified as current assets	(481,287)	(481,967)
Non-current portion	482,585	477,974

Notes to Condensed Consolidated Financial Statements

(Continued)

9. CREDITORS, ACCRUALS AND OTHER PAYABLES

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

	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
Trade payables		
Within one month	195,930	163,841
One to three months	6,479	9,089
Over three months	63,140	100,888
	265,549	273,818
Accruals and other payables	864,124	1,243,278
Put option liabilities	1,111,996	1,114,080
	2,241,669	2,631,176
Amounts classified as current liabilities	(1,343,588)	(1,730,450)
Non-current portion	898,081	900,726

10. LOANS FROM A FELLOW SUBSIDIARY

The fellow subsidiary, as a non-controlling shareholder of a subsidiary (the "**Subsidiary**") of the Company advanced loans to the Subsidiary according to its percentage of interest in the Subsidiary and the aforesaid loans have been capitalised during the period.

11. COMMITMENTS

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

	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
Contracted, but not provided for: Construction and development costs	221,945	223,938

Notes to Condensed Consolidated Financial Statements

(Continued)

12. RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

	Notes	For the six months ended	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Lai Sun Garment (International) Limited ("LSG") and its subsidiaries excluding the Group:			
Rental and management fee expenses paid or payable	(i)	238	254
Rental and management fee income received or receivable	(ii)	1,290	4,161
Advance of loans received	(iii)	147,265	51,040
Repayment of loans	(iii)	1,510	—
Sharing of corporate salaries on a cost basis allocated from		9,496	10,175
Sharing of administrative expenses on a cost basis allocated from		2,822	3,537
Sharing of corporate salaries on a cost basis allocated to		3,604	3,724
Sharing of administrative expenses on a cost basis allocated to		86	82

Notes to Condensed Consolidated Financial Statements (Continued)

12. RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Transactions with related parties (Continued)

Notes:

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

The Group leased properties from the related company for office and warehouse use. The monthly lease payables were charged with reference to market rates. As at 31 January 2024, right-of-use assets and lease liabilities relating to such leases recognised in condensed consolidated statement of financial position amounting to HK\$3,285,000 and HK\$3,299,000 (31 July 2023: HK\$1,221,000 and HK\$1,250,000), respectively. During the period ended 31 January 2024, depreciation of right-of-use assets of HK\$914,000 (six months ended 31 January 2023: HK\$1,045,000) and finance costs on lease liabilities of HK\$35,000 (six months ended 31 January 2023: HK\$57,000) were recognised in condensed consolidated income statement.

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

- (iii) The related company (referred to as a fellow subsidiary of the Company in note 10 to the condensed consolidated interim financial statements) is a subsidiary of LSD where the Company does not hold, directly or indirectly, any equity interest in the related company. The related company is a non-controlling shareholder of the Subsidiary which advanced loans to the Subsidiary according to its percentage of interest in the Subsidiary. During the period, the related company advanced loans amounting to HK\$147,265,000 and received repayment of loans amounting to HK\$1,510,000 (six months ended 31 January 2023: advanced loans amounting to HK\$51,040,000). The loans from this related company have been fully capitalised during the period.

(b) Guarantees provided by a related party

LSD, which is the Company’s intermediate holding company, provided guarantees for 20% (being LSD’s equity interest in the relevant borrowers excluding the portion indirectly held through the Company) of certain bank loan facilities of up to HK\$1,539,395,000 (31 July 2023: HK\$2,294,358,000) in aggregate granted to certain subsidiaries of the Company as at 31 January 2024.

(c) Compensation of key management personnel of the Group

	For the six months ended	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$’000	HK\$’000
Short-term employee benefits	11,248	12,275
Pension scheme contributions	66	65
Total	11,314	12,340

13. APPROVAL OF THE FINANCIAL STATEMENTS

These condensed consolidated interim financial statements were approved and authorised for issue by the Board on 19 March 2024.

Interim Dividend

The Board has resolved not to pay an interim dividend for the six months ended 31 January 2024 (six months ended 31 January 2023: Nil).

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.

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.

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 the Group's rental portfolio. These new properties have made a significant contribution to the Group's rental operations during the period, surpassing the revenue generated in the same period last year. Nonetheless, the 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 Interim Report, 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[®]" 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. The Group remains confident that the deepening of cooperation between Hengqin and Macau, and the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will 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 the Group's results in the long run.

Management Discussion and Analysis *(Continued)*

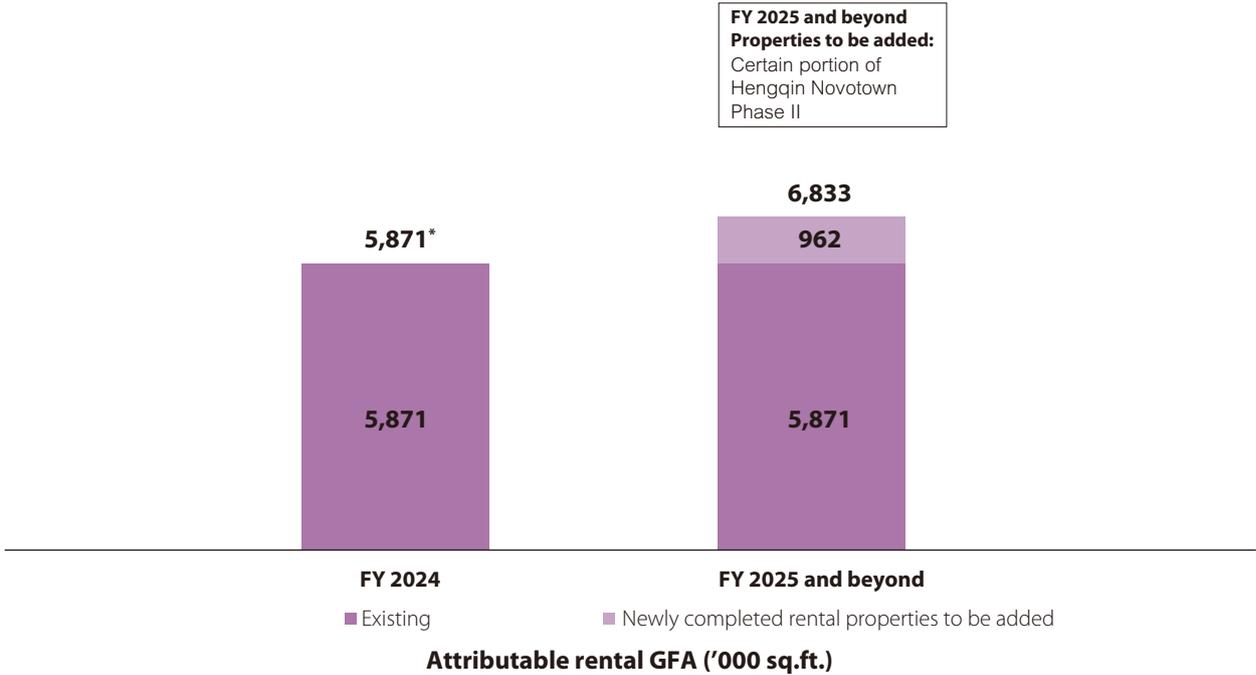
BUSINESS REVIEW AND OUTLOOK *(CONTINUED)*

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 the Group in coming financial years.

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

Set out below is the expected growth of the rental portfolio of the Group and the pipeline of development projects of the Group as at 31 January 2024:

Rental Portfolio

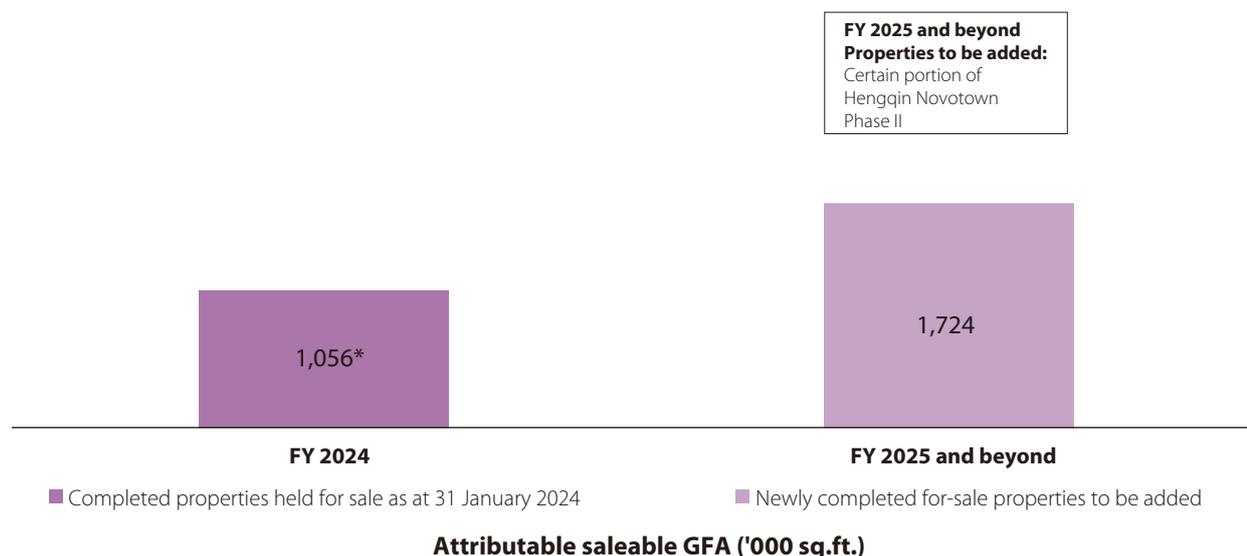


* Including cultural attraction spaces of Novotown Phase I occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin

Management Discussion and Analysis (Continued)

BUSINESS REVIEW AND OUTLOOK (CONTINUED)

For-sale Projects



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

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

Since the publication of the Company’s annual report for the year ended 31 July 2023 and up to the date of this Interim Report, there have been no other significant business updates.

As at 31 January 2024, the Group has approximately HK\$2,151.6 million of cash on hand (31 July 2023: HK\$2,471.7 million) and undrawn facilities of HK\$3,091.8 million (31 July 2023: HK\$2,013.9 million) with a net debt to equity ratio of 63% as at 31 January 2024 (31 July 2023: 64%). The Group will continue its prudent and flexible approach in growing the landbank and managing its financial position.

Management Discussion and Analysis *(Continued)*

OVERVIEW OF INTERIM RESULTS

For the six months ended 31 January 2024, the Group recorded a turnover of HK\$1,409.3 million (2023: HK\$1,002.4 million), representing a significant increase of approximately 40.6% over the same period last year. The average Renminbi (“RMB”) exchange rate depreciated by approximately 3.0% over the same period last year. Excluding the effect of currency translation, the increase in RMB denominated turnover was approximately 45.0%. The increase was primarily due to higher income from rental, property sales and theme park operation during the period under review as compared to the same period last year. The gross profit increased by 43.2% to HK\$679.7 million from that of HK\$474.8 million last period under review.

Set out below is the turnover by segment:

	For the six months ended 31 January			For the six months ended 31 January		
	2024 ¹	2023 ¹	%	2024	2023	%
	(HK\$ million)	(HK\$ million)	change	(RMB million)	(RMB million)	change
Rental income ²	501.5	423.1	+18.5%	463.4	379.1	+22.2%
Sale of properties	897.9	570.5	+57.4%	829.7	511.2	+62.3%
Theme park operation	9.9	8.8	+12.5%	9.1	7.9	+15.2%
Total	1,409.3	1,002.4	+40.6%	1,302.2	898.2	+45.0%

1. The exchange rates adopted for the six months ended 31 January 2024 and 2023 are 0.9240 and 0.8960, respectively
2. Including rental turnover of major properties of the Group, turnover from hotel and serviced apartment operation and property management income

Net loss attributable to owners of the Company was approximately HK\$174.5 million, as compared to net loss attributable to owners of the Company of HK\$176.9 million for the last corresponding period under review. The slight decreased loss, partially offset by increased fair value losses on investment properties, finance costs and tax expense, was primarily attributed to the increased revenue from rental, property sales and theme park operation during the period under review.

Net loss per share was HK\$0.527 (2023: HK\$0.535 per share).

Excluding the net effect of property revaluations, net loss attributable to owners of the Company was approximately HK\$100.5 million for the period under review (2023: HK\$125.2 million). Net loss per share excluding the effect of property revaluations was approximately HK\$0.304 (2023: HK\$0.378).

Loss attributable to owners of the Company (HK\$ million)	For the six months ended 31 January	
	2024	2023
Reported	(174.5)	(176.9)
Adjustments in respect of investment properties		
Revaluation losses of investment properties	106.0	71.3
Deferred tax on revaluation of investment properties	(26.5)	(17.8)
Non-controlling interests' share of revaluation movements less deferred tax	(5.5)	(1.8)
Net loss after tax excluding revaluation losses of investment properties	(100.5)	(125.2)

Net assets attributable to owners of the Company as at 31 January 2024 amounted to HK\$12,551.2 million (31 July 2023: HK\$12,777.9 million). Net asset value per share attributable to owners of the Company slightly decreased to HK\$37.92 per share as at 31 January 2024 from HK\$38.60 per share as at 31 July 2023.

Management Discussion and Analysis (Continued)

PROPERTY PORTFOLIO COMPOSITION

Approximate attributable GFA (in '000 square feet) and number of car parking spaces as at 31 January 2024:

	Commercial/ Retail	Office	Hotel and Serviced Apartment	Residential	Total (excluding car parking spaces & ancillary facilities)	No. of Car Parking Spaces
Completed Properties Held for Rental ¹	2,673 ²	2,208	—	—	4,881 ²	2,984
Completed Hotel Properties and Serviced Apartments	—	—	990	—	990	—
Subtotal	2,673	2,208	990	—	5,871	2,984
Properties under Development ³	523	1,585	578	—	2,686	1,352
Completed Properties Held for Sale	164 ⁴	421	210	294	1,089	3,422
Total GFA of major properties of the Group	3,360	4,214	1,778	294	9,646	7,758

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

PROPERTY INVESTMENT

Revenue from Rental Operation

The completion of two new grade A office towers in Shanghai and Guangzhou, namely Shanghai Skyline Tower and Guangzhou Lai Fung International Center in September and November 2022, respectively, has significantly expanded the Group's rental portfolio. These new properties have made a significant contribution to the Group's rental operations during the period, surpassing the revenue generated in the same period last year. Moreover, since the relaxation of COVID-19 restrictions in early December 2022, there has been a noticeable recovery in the hotel business in Mainland China compared to the same period last year. Nonetheless, China continued to experience an economic slowdown generally, coupled with oversupply in certain segment and locations, dampened office leasing activities, resulting in suppressed rental rates and increased vacancy levels.

For the six months ended 31 January 2024, the Group's rental operations recorded a turnover of HK\$501.5 million (2023: HK\$423.1 million), representing an increase of approximately 18.5% over the same period last year. The average RMB exchange rate for the period under review depreciated by approximately 3.0% compared to the same period last year. Excluding the effect of currency translation, the RMB denominated revenue from lease of properties significantly increased by 22.2% to RMB463.4 million.

Management Discussion and Analysis (Continued)

PROPERTY INVESTMENT (CONTINUED)

Revenue from Rental Operation (Continued)

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

	For the six months ended 31 January			For the six months ended 31 January			Period end occupancy (%)	
	2024 [#] (HK\$ million)	2023 [#] (HK\$ million)	% Change	2024 (RMB million)	2023 (RMB million)	% Change	2024	2023
Shanghai								
Shanghai Hong Kong Plaza	187.9	180.8	+3.9%	173.6	162.0	+7.2%	Retail: 96.2% Office: 89.7% Serviced Apartment: 85.8%	Retail: 90.3% Office: 87.1% Serviced Apartment: 62.8%
Shanghai May Flower Plaza	35.3	30.2	+16.9%	32.6	27.1	+20.3%	Retail: 100.0% Hotel: 61.3%	Retail: 97.0% Hotel: 52.5%
Shanghai Regents Park	8.8	9.8	-10.2%	8.1	8.8	-8.0%	100.0%	100.0%
Shanghai Skyline Tower	23.1	0.1	+23,000.0%	21.3	0.1	+21,200.0%	Retail: 83.9% Office: 32.8%	22.8%*
Guangzhou								
Guangzhou May Flower Plaza	49.6	47.2	+5.1%	45.8	42.3	+8.3%	90.0%	91.0%
Guangzhou West Point	11.1	11.2	-0.9%	10.3	10.0	+3.0%	91.0%	83.5%
Guangzhou Lai Fung Tower	60.7	67.3	-9.8%	56.1	60.3	-7.0%	Retail: 100.0% Office: 86.5%**	Retail: 100.0% Office: 90.9%**
Guangzhou Lai Fung International Center	17.3	1.4	+1,135.7%	16.0	1.3	+1,130.8%	Retail: 71.0% Office: 40.3%	31.6%*
Zhongshan								
Zhongshan Palm Spring Rainbow Mall	3.1	3.4	-8.8%	2.9	3.0	-3.3%	Retail: 68.5%**	Retail: 66.2%**
Hengqin								
Hengqin Novotown Phase I	85.4	57.5	+48.5%	78.9	51.5	+53.2%	Retail: 83.2%*** Hotel: 78.3%	Retail: 77.7%*** Hotel: 77.7%
Others	19.2	14.2	+35.2%	17.8	12.7	+40.2%	N/A	N/A
Total	501.5	423.1	+18.5%	463.4	379.1	+22.2%		

[#] The exchange rates adopted for the six months ended 31 January 2024 and 2023 are 0.9240 and 0.8960, respectively

* 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

Management Discussion and Analysis (Continued)

PROPERTY INVESTMENT (CONTINUED)

Revenue from Rental Operation (Continued)

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

	For the six months ended 31 January 2024			For the six months ended 31 January 2023		
	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)
Shanghai						
Shanghai Hong Kong Plaza	100%			100%		
Retail		83.4	468,434		80.3	468,434
Office		48.6	362,096		52.7	362,096
Serviced Apartment (room revenue and F&B)		52.8	358,009		44.8	358,009
Car Parking Spaces		3.1	N/A		3.0	N/A
		<u>187.9</u>	<u>1,188,539</u>		<u>180.8</u>	<u>1,188,539</u>
Shanghai May Flower Plaza	100%			100%		
Retail		18.1	320,314		18.8	320,314
Hotel (room revenue and F&B)		15.0	143,846		9.3	143,846
Car Parking Spaces		2.2	N/A		2.1	N/A
		<u>35.3</u>	<u>464,160</u>		<u>30.2</u>	<u>464,160</u>
Shanghai Regents Park	95%			95%		
Retail		8.5	77,959		8.7	77,959
Car Parking Spaces		0.3	N/A		1.1	N/A
		<u>8.8</u>	<u>77,959</u>		<u>9.8</u>	<u>77,959</u>
Shanghai Skyline Tower*	100%			100%		
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
		<u>23.1</u>	<u>727,065</u>		<u>0.1</u>	<u>727,065</u>
Guangzhou						
Guangzhou May Flower Plaza	100%			100%		
Retail		43.0	357,424		40.4	357,424
Office		4.9	79,431		5.7	79,431
Car Parking Spaces		1.7	N/A		1.1	N/A
		<u>49.6</u>	<u>436,855</u>		<u>47.2</u>	<u>436,855</u>
Guangzhou West Point	100%			100%		
Retail		11.1	182,344		11.2	182,344
Guangzhou Lai Fung Tower	100%			100%		
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
		<u>60.7</u>	<u>738,113</u>		<u>67.3</u>	<u>738,113</u>
Guangzhou Lai Fung International Center*	100%			100%		
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
		<u>17.3</u>	<u>614,621</u>		<u>1.4</u>	<u>614,621</u>
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	100%			100%		
Retail**		3.1	148,106		3.4	148,106
Hengqin						
Novotown Phase I	80%***			80%***		
Commercial****		3.4	804,873		2.3	796,573
Hotel (room revenue and F&B)		82.0	488,432		55.2	488,432
		<u>85.4</u>	<u>1,293,305</u>		<u>57.5</u>	<u>1,285,005</u>
Others		<u>19.2</u>	<u>N/A</u>		<u>14.2</u>	<u>N/A</u>
Total		<u>501.5</u>	<u>5,871,067</u>		<u>423.1</u>	<u>5,862,767</u>

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

** Excluding self-use area

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

**** Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin (self-use area), the attributable GFA of which was approximately 307,807 square feet as at 31 January 2024. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of the Group

Management Discussion and Analysis *(Continued)*

PROPERTY INVESTMENT *(CONTINUED)*

Review of Major Rental Properties

Shanghai Hong Kong Plaza

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

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

The Group owns 100% of this property.

Shanghai May Flower Plaza

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

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

Shanghai Regents Park

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

Shanghai Skyline Tower

Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. This 30-storey office tower, erected upon a 3-level shopping mall and car-parking basement, has a total GFA of approximately 727,100 square feet excluding 443 car parking spaces. This property has 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 Interim Report, approximately 84% of commercial and 33% of office areas have been secured, respectively.

The Group owns 100% of this property.

Guangzhou May Flower Plaza

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

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

The Group owns 100% of this property.

Management Discussion and Analysis *(Continued)*

PROPERTY INVESTMENT *(CONTINUED)*

Review of Major Rental Properties *(Continued)*

Guangzhou West Point

Guangzhou West Point is located on Zhongshan Qi Road and is within walking distance from the Ximenkou Subway Station. This is a mixed-use property where the Group has sold all the residential and office units.

The 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.

The 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 Interim Report, approximately 95% of commercial and 42% of office areas have been secured, respectively.

The Group owns 100% of this property.

Zhongshan Palm Spring Rainbow Mall

Zhongshan Palm Spring Rainbow Mall is the commercial portion of Zhongshan Palm Spring, a multi-phase project located in Caihong Planning Area, Western District of Zhongshan. It is positioned as a community retail facility with a total GFA of approximately 181,100 square feet.

The 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 Interim Report, leasing of the commercial area of Novotown Phase I is underway with approximately 83% of the leasable area being leased. 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.

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

Management Discussion and Analysis *(Continued)*

PROPERTY INVESTMENT *(CONTINUED)*

Hotel and Serviced Apartment

Ascott Huaihai Road Shanghai

Ascott Huaihai Road in Shanghai Hong Kong Plaza is managed by the Ascott Group and it is one of a premier collection of the Ascott Limited's serviced residences in over 70 cities in Asia Pacific, Europe and the Gulf region. The residence with a total GFA of approximately 359,700 square feet and approximately 358,000 square feet attributable to the Group has 310 contemporary apartments of various sizes: studios (640-750 sq.ft.), one-bedroom apartments (915-1,180 sq.ft.), two-bedroom apartments (1,720 sq.ft.), three-bedroom apartments (2,370 sq.ft.) and two luxurious penthouses on the highest two floors (4,520 sq.ft.). An average occupancy rate of 88.7% was achieved during the period under review and the average room tariff was approximately HK\$1,030.

STARR Hotel Shanghai

STARR Hotel Shanghai is a 17-storey hotel located in the Mayflower Lifestyle complex in Jing'an District, within walking distance to Lines 1, 3 and 4 of the Shanghai Metro Station with easy access to major motorways. There are 239 fully furnished and equipped hotel units with stylish separate living room, bedroom, fully-equipped kitchenette and luxurious bathroom amenities for short or extended stays to meet the needs of the business travelers from around the world and the total GFA is approximately 143,800 square feet. The GFA attributable to the Group is approximately 143,800 square feet. An average occupancy rate of 78.3% was achieved during the period under review and the average room tariff was approximately HK\$426.

Hyatt Regency Hengqin

Hyatt Regency Hengqin is located in Novotown Phase I in Hengqin, Zhuhai, the heart of the Greater Bay Area and is within easy reach of the Hong Kong-Zhuhai-Macau Bridge. Hyatt Regency Hengqin with a total GFA of approximately 610,500 square feet and approximately 488,400 square feet attributable to the Group has 493 guest rooms including 55 suites ranging in size from 430 sq.ft. to 2,580 sq.ft., a wide range of dining options, as well as banqueting and conference facilities of over 40,000 square feet. An average occupancy rate of 68.4% was achieved during the period under review and the average room tariff was approximately HK\$821.

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

Management Discussion and Analysis (Continued)

PROPERTY DEVELOPMENT

Recognised Sales

For the six months ended 31 January 2024, the Group's property development operations recorded a turnover of HK\$897.9 million (2023: HK\$570.5 million) from sale of properties, representing a significant increase of 57.4% compared to the same period last year. The average RMB exchange rate depreciated by approximately 3.0% compared to the same period last year. Excluding the effect of currency translation, the RMB denominated property sales revenue was RMB829.7 million (2023: RMB511.2 million). The recognised sales during the period under review was primarily driven by the sales performance of residential units of Zhongshan Palm Spring as well as cultural studios and cultural workshop units of Hengqin Novotown Phase I.

Breakdown of turnover for the six months ended 31 January 2024 from properties sales is as follows:

Recognised Basis	No. of Units	Approximate GFA (square feet)	Average Selling Price [#] (HK\$/square foot)	Turnover ^{##}	
				(HK\$ million)	(RMB million)
Hengqin Novotown Phase I					
Cultural Studios	10	35,784	4,512	152.4	140.8
Cultural Workshop Units	64	46,107	2,220	93.9	86.8
Zhongshan Palm Spring					
Residential High-rise Units	351	423,352	1,633	634.3	586.1
Subtotal	425	505,243	1,891	880.6	813.7
Shanghai Regents Park					
Car Parking Spaces	9			5.6	5.2
Guangzhou West Point					
Car Parking Spaces	27			10.9	10.1
Zhongshan Palm Spring					
Car Parking Spaces	5			0.8	0.7
Subtotal	41			17.3	16.0
Total				897.9	829.7

[#] Value-added tax inclusive

^{##} Value-added tax exclusive

^{*} The exchange rate adopted for the six months ended 31 January 2024 is 0.9240

Management Discussion and Analysis (Continued)

PROPERTY DEVELOPMENT (CONTINUED)

Contracted Sales

As at 31 January 2024, the Group's property development operations has contracted but not yet recognised sales of HK\$321.9 million, primarily driven by the sale performance of residential units in Zhongshan Palm Spring and cultural studios and cultural workshop units in Hengqin Novotown Phase I, as well as the sale of properties in Novotown Phase II being occupied by Harrow Innovation Leadership Academy Hengqin ("Harrow ILA Hengqin"). Excluding the effect of currency translation, the RMB denominated contracted but not yet recognised sales of residential units, cultural studios, cultural workshop units and car parking spaces as at 31 January 2024 amounted to RMB297.4 million (31 July 2023: RMB869.8 million).

Breakdown of contracted but not yet recognised sales as at 31 January 2024 is as follows:

Contracted Basis	No. of Units	Approximate GFA (square feet)	Average Selling Price# (HK\$/square foot)	Turnover# (HK\$ million##)	(RMB million)
Zhongshan Palm Spring Residential High-rise Units	58	72,763	1,748	127.2	117.5
Hengqin Novotown Phase I Cultural Studios	2	6,367	4,319	27.5	25.4
Cultural Workshop Units	3	2,235	2,819	6.3	5.8
Hengqin Novotown Phase II Harrow ILA Hengqin Buildings*	N/A	149,078	1,075	160.3	148.1
Subtotal	63	230,443	1,394	321.3	296.8
Shanghai Regents Park Car Parking Space	1			0.6	0.6
Subtotal	1			0.6	0.6
Total				321.9	297.4

Value-added tax inclusive

The exchange rate adopted for the six months ended 31 January 2024 is 0.9240

* Will be recognised as income from finance lease under turnover

Management Discussion and Analysis *(Continued)*

PROPERTY DEVELOPMENT *(CONTINUED)*

Review of Major Properties Completed for Sale and under Development

Shanghai Wuli Bridge Project

Shanghai Wuli Bridge Project is a high-end luxury residential project located by Huangpu River in Huangpu District in Shanghai. This project providing 28 residential units with an attributable GFA of approximately 77,900 square feet and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. As at 31 January 2024, all residential units and 30 car parking spaces have been sold. The total carrying amount of remaining 13 unsold car parking spaces of this development was approximately HK\$8.5 million as at 31 January 2024.

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

Shanghai May Flower Plaza

Shanghai May Flower Plaza is a completed mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Su Jia Xiang in the Jing'an District in Shanghai and situated near the Zhongshan Road North Metro Station. As at 31 January 2024, 458 car parking spaces of this development remained unsold with a carrying amount of approximately HK\$97.6 million.

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

Shanghai Regents Park

Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. During the period under review, the sales of 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 with a carrying amount of approximately HK\$44.1 million.

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

Guangzhou King's Park

This is a high-end residential development located on Donghua Dong Road in Yuexiu District. The attributable GFA is approximately 98,300 square feet excluding 57 car parking spaces and ancillary facilities. As at 31 January 2024, two unsold car parking spaces have a total carrying amount of approximately HK\$1.0 million.

The 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 the Group. The sale of these serviced apartment units is recorded as disposal of assets classified as held for sale and the sales proceeds net of cost are included in "Other operating expenses, net" on the face of the consolidated income statement of the Group. As at 31 January 2024, a serviced apartment unit remained unsold.

Management Discussion and Analysis *(Continued)*

PROPERTY DEVELOPMENT *(CONTINUED)*

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

Zhongshan Palm Spring (Continued)

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 with a total carrying amount of approximately HK\$277.9 million. The carrying amount of the 2,672 unsold car parking spaces of this development as at 31 January 2024 was approximately HK\$216.1 million.

The 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 the 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 with a total carrying amount of approximately HK\$1,759.2 million.

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

Phase II

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

Construction work is in progress. 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 the Group to crystallise the value of its investment in Novotown Phase II and gradually recoup funding to improve the project's working capital position.

The Group 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 the Group's results in the long run.

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

Management Discussion and Analysis *(Continued)*

CAPITAL STRUCTURE, LIQUIDITY AND DEBT MATURITY PROFILE

As at 31 January 2024, cash and bank balances held by the Group amounted to HK\$2,151.6 million and undrawn facilities of the Group was HK\$3,091.8 million.

As at 31 January 2024, the Group had total borrowings amounting to HK\$9,998.4 million (as at 31 July 2023: HK\$10,618.2 million), representing a decrease of HK\$619.8 million from 31 July 2023. The consolidated net assets attributable to the owners of the Company amounted to HK\$12,551.2 million (as at 31 July 2023: HK\$12,777.9 million). The gearing ratio, being net debt (total borrowings less cash and bank balances) to net assets attributable to the owners of the Company was approximately 63% (as at 31 July 2023: 64%). The maturity profile of the Group's borrowings of HK\$9,998.4 million is well spread with HK\$732.7 million repayable within one year, HK\$2,212.9 million repayable in the second year, HK\$5,120.0 million repayable in the third to fifth years and HK\$1,932.8 million repayable beyond the fifth year.

Approximately 99% and 1% of the Group's borrowings were interest bearing on a floating rate basis and interest-free, respectively. The Group's borrowings of HK\$9,998.4 million were 52% denominated in Renminbi ("**RMB**"), 45% in Hong Kong dollars ("**HKD**") and 3% in United States dollars ("**USD**").

The Group's cash and bank balances of HK\$2,151.6 million were 76% denominated in RMB, 23% in HKD and 1% in USD. The Group's monetary assets, liabilities and transactions are principally denominated in RMB, USD and HKD. The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against USD and RMB, respectively. The Group has a net exchange exposure to RMB as the Group's assets are principally located in China and the revenues are predominantly in RMB. The Group does not have any derivative financial instruments or hedging instruments outstanding.

Certain assets of the Group have been pledged to secure borrowings and bank facilities of the Group, including investment properties with a total carrying amount of approximately HK\$17,169.7 million, properties under development with a total carrying amount of approximately HK\$838.8 million, property, plant and equipment and the related right-of-use assets with a total carrying amount of approximately HK\$2,326.6 million, completed properties for sale with a total carrying amount of approximately HK\$179.9 million and time deposits and bank balances of approximately HK\$471.7 million.

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

CONTINGENT LIABILITIES

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

Particulars of Major Properties

COMPLETED PROPERTIES HELD FOR RENTAL

As at 31 January 2024

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

Particulars of Major Properties *(Continued)*

COMPLETED PROPERTIES HELD FOR RENTAL *(CONTINUED)*

As at 31 January 2024

Property Name	Location	Group Interest	Tenure	Approximate Attributable GFA (square feet)			No. of Car Parking Spaces Attributable to the Group
				Commercial/ Retail	Office	Total (excluding car parking spaces & ancillary facilities)	
Zhongshan							
Palm Spring Rainbow Mall	Caihong Planning Area, Western District	100%	The property is held for a term expiring on 30 March 2075 for commercial/residential uses	148,106	—	148,106	—
Subtotal of major completed properties held for rental in Zhongshan:				148,106	—	148,106	—
Hengqin							
Novotown Phase I	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	80%	The property is held for a term of 40 years for office, commercial and serviced apartment and hotel uses and 50 years for other uses commencing on 31 December 2013	804,873*	—	804,873	1,475
Subtotal of major completed properties held for rental in Hengqin:				804,873	—	804,873	1,475
Total of major completed properties held for rental:				2,673,292	2,207,488	4,880,780	2,984

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

Particulars of Major Properties *(Continued)*

COMPLETED HOTEL PROPERTIES AND SERVICED APARTMENTS

As at 31 January 2024

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

Particulars of Major Properties *(Continued)*

PROPERTIES UNDER DEVELOPMENT

As at 31 January 2024

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

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

Particulars of Major Properties (Continued)

COMPLETED PROPERTIES HELD FOR SALE

As at 31 January 2024

Property Name	Location	Group Interest	Approximate Attributable GFA (square feet)				Serviced Apartment	Total (excluding car parking spaces & ancillary facilities)	No. of Car Parking Spaces Attributable to the Group
			Commercial/Retail	Residential	Office				
Shanghai									
Wuli Bridge Project	Wulijiao Road, 104 Jie Fang, Huangpu District	100%	—	—	—	—	—	13	
May Flower Plaza	Sujiaxiang, Jing'an District	100%	—	—	—	—	—	458	
Regents Park	88 Huichuan Road, Changning District	95%	—	—	—	—	—	181	
Subtotal of major completed properties held for sale in Shanghai:			—	—	—	—	—	652	
Guangzhou									
Eastern Place Phase V	787 Dongfeng East Road, Yuexiu District	100%	—	—	—	—	—	8	
King's Park	Donghua Dong Road, Yuexiu District	100%	—	—	—	—	—	2	
West Point	The junction of Zhongshan Qi Road and Guangfu Road, Liwan District	100%	—	—	—	—	—	88	
Subtotal of major completed properties held for sale in Guangzhou:			—	—	—	—	—	98	
Zhongshan									
Palm Spring	Caihong Planning Area, Western District	100%	164,359	265,336	—	—	429,695	2,672	
Subtotal of major completed properties held for sale in Zhongshan:			164,359	265,336	—	—	429,695	2,672	
Hengqin									
Novotown Phase I	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	80%	—	28,253	420,705	210,019	658,977	—	
Subtotal of major completed properties held for sale in Hengqin:			—	28,253	420,705	210,019	658,977	—	
Total of major completed properties held for sale:			164,359	293,589	420,705	210,019	1,088,672	3,422	

Corporate Governance and Other Information

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 of Hong Kong Limited (“**Listing Rules**” and “**Stock Exchange**”, respectively) throughout the six months ended 31 January 2024 except for 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. Mr. Cheung Sum, Sam, an executive director of the Company (“**Executive Director**”) and the Group Chief Financial Officer, who was present at that AGM was elected chairman of that AGM pursuant to Article 78 of the second amended and restated articles of association of the Company to ensure an effective communication with the shareholders of the Company (“**Shareholders**”) thereat.

Board

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

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

The Board currently comprises 13 members, of whom seven are Executive Directors and the remaining six are independent non-executive Directors (“**INEDs**”). The current composition of the Board is characterised by diversity, whether considered in terms of gender, nationality, professional background and skills. The current Board comprises individuals who are professionals with real estate, investment, capital markets, banking, accounting, financial, general management and legal backgrounds.

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

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

Chairman and Chief Executive

During the six months ended 31 January 2024 and up to the date of this Interim Report, Dr. Lam Kin Ngok, Peter was the Chairman of the Board while Mr. Lam Hau Yin, Lester acted as the Chief Executive Officer of the Company. This segregation ensures a clear distinction between the Chairman’s responsibilities to manage the Board and the Chief Executive Officer’s responsibilities to manage the Company’s business. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly defined and set out in writing.

Corporate Governance and Other Information *(Continued)*

SECURITIES TRANSACTIONS BY DIRECTORS AND DESIGNATED EMPLOYEES

The Company has adopted a Code of Practice for Securities Transactions by Directors and Designated Employees ("**Securities Code**") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers contained in Appendix C3 to the Listing Rules. The Company has made specific enquiry of all Directors and they have confirmed in writing their compliance with the required standard set out in the Securities Code during the six months ended 31 January 2024.

SHARE OPTION SCHEMES

The share option scheme adopted by the Company on 18 December 2012 ("**2012 Share Option Scheme**") had expired on 17 December 2022 ("**Expiration Date**"). Following the Expiration Date, no further share options shall be granted under the 2012 Share Option Scheme but the outstanding share options granted thereunder shall continue to be valid and exercisable in accordance with the terms of the 2012 Share Option Scheme. As at 31 January 2024, share options comprising a total of 730,000 underlying shares granted under the 2012 Share Option Scheme were outstanding.

At the annual general meeting of the Company held on 16 December 2022, a new share option scheme ("**2022 Share Option Scheme**") was adopted for the purpose of recognising the contribution or future contribution of the Eligible Participants (as defined in the 2022 Share Option Scheme) to the Group by granting options to them as incentives or rewards and to attract, retain and motivate high-caliber Eligible Participants in line with performance goals of the Group and the related entities. Eligible Participants include but are not limited to the directors, chief executive and employees of the Group and related entities, and service providers of the Group. The 2022 Share Option Scheme has also been approved by the shareholders of Lai Sun Garment (International) Limited and Lai Sun Development Company Limited at their respective annual general meetings and became effective on 19 December 2022 ("**Effective Date**"). Unless otherwise cancelled or amended, the 2022 Share Option Scheme will remain in force for 10 years from the Effective Date. The principal terms of the 2022 Share Option Scheme are set out in the circular of the Company dated 17 November 2022. The number of shares available for grant under the 2022 Share Option Scheme at the beginning and the end of the financial period for the six months ended 31 January 2024 was 33,103,344 shares (representing 10% of the Company's issued shares as at 31 January 2024). The service provider sublimit at the beginning and the end of the financial period for the six months ended 31 January 2024 was 3,310,334 shares (representing 1% of the Company's issued shares as at 31 January 2024).

During the six months ended 31 January 2024, no share options had been granted under the 2022 Share Option Scheme. Accordingly, there were no shares of the Company that might be issued in respect of share options granted under the 2022 Share Option Scheme during the period under review.

Corporate Governance and Other Information *(Continued)*

SHARE OPTION SCHEMES *(CONTINUED)*

The following table sets out the movement of the share options granted under the 2012 Share Option Scheme during the six months ended 31 January 2024:

Category of grantees	Date of grant <i>(Note 1)</i>	Number of underlying shares comprised in share options					Exercise period	Exercise price per share (HK\$) <i>(Note 2)</i>
		As at 1 August 2023	Granted during the period	Exercised during the period	Lapsed during the period	As at 31 January 2024		
Employee participants								
	16/01/2015	60,000	—	—	—	60,000	16/01/2015 - 15/01/2025	8.00
	19/01/2018	150,000	—	—	—	150,000	19/01/2018 - 18/01/2028	13.52
	22/01/2019	260,000	—	—	—	260,000	22/01/2019 - 21/01/2029	10.18
	22/01/2021	60,000	—	—	—	60,000	22/01/2021 - 21/01/2031	7.364
	21/01/2022	60,000	—	—	—	60,000	21/01/2022 - 20/01/2032	5.75
Subtotal		590,000	—	—	—	590,000		
Related entity participants								
	19/01/2018	40,000	—	—	—	40,000	19/01/2018 - 18/01/2028	13.52
	21/01/2022	200,000	—	—	(100,000)	100,000	21/01/2022 - 20/01/2032	5.75
Subtotal		240,000	—	—	(100,000)	140,000		
Total		830,000	—	—	(100,000)	730,000		

Notes:

- The share options vested on the date of grant.
- The exercise price of the share options is subject to adjustment in the case of rights or bonus issues or other similar changes in the Company's share capital.

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

Corporate Governance and Other Information *(Continued)*

DIRECTORS' INTERESTS

The following Directors and chief executive of the Company who held office on 31 January 2024 and their respective close associates (as defined in the Listing Rules) were interested or were deemed to be interested in the following interests or short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (“SFO”)) on that date (a) as required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions, if any, which they were taken or deemed to have under such provisions of the SFO); or (b) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO (“**Register of Directors and Chief Executive**”); or (c) as otherwise notified to the Company and the Stock Exchange pursuant to the Securities Code adopted by the Company; or (d) as known to the Directors:

(1) The Company

Long positions in the ordinary shares of HK\$5.00 each of the Company (“**Shares**”) and underlying Shares

Name of Director	Capacity	Number of Shares		Number of underlying Shares	Total	Approximate percentage of total issued Shares <i>(Note 1)</i>
		Personal interests	Corporate interests	Personal interests		
Lam Kin Ngok, Peter	Owner of controlled corporations	Nil	182,318,266 <i>(Note 2)</i>	Nil	182,318,266	55.08%

(2) Associated corporations of the Company

(i) Lai Sun Garment (International) Limited (“**LSG**”)

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

Name of Director	Capacity	Number of LSG Shares		Number of underlying LSG Shares	Total	Approximate percentage of total issued LSG Shares <i>(Note 4)</i>
		Personal interests	Corporate interests	Personal interests <i>(Note 3)</i>		
Lam Kin Ngok, Peter	Beneficial owner/Owner of controlled corporation	112,211,038	258,168,186 <i>(Note 5)</i>	1,832,017	372,211,241	42.14%
Lam Hau Yin, Lester	Beneficial owner	28,033,218	Nil	6,519,095	34,552,313	3.91%
U Po Chu	Beneficial owner	1,857,430	Nil	Nil	1,857,430	0.21%

Corporate Governance and Other Information *(Continued)*

DIRECTORS' INTERESTS *(CONTINUED)*

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

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

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

Name of Director	Capacity	Number of LSD Shares		Number of underlying LSD Shares	Total	Approximate percentage of total issued LSD Shares <i>(Note 6)</i>
		Personal interests	Corporate interests	Personal interests		
Lam Kin Ngok, Peter	Beneficial owner/Owner of controlled corporations	975,907	808,084,296 <i>(Note 7)</i>	Nil	809,060,203	55.67%
U Po Chu	Beneficial owner	60,567	Nil	Nil	60,567	0.00%

(iii) eSun Holdings Limited (“eSun”)

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

Name of Director	Capacity	Number of eSun Shares		Number of underlying eSun Shares	Total	Approximate percentage of total issued eSun Shares <i>(Note 8)</i>
		Personal interests	Corporate interests	Personal interests		
Lam Kin Ngok, Peter	Beneficial owner/Owner of controlled corporations	2,794,443	1,113,260,072 <i>(Note 9)</i>	Nil	1,116,054,515	63.56%
Lam Hau Yin, Lester	Beneficial owner	2,794,443	Nil	Nil	2,794,443	0.16%

Corporate Governance and Other Information (Continued)

DIRECTORS' INTERESTS (CONTINUED)

(2) Associated corporations of the Company (Continued)

(iv) Lai Sun MTN Limited

Long position in the 5% guaranteed medium term notes due 2026

Name of Director	Capacity	Nature of interests	Principal amount
Lam Kin Ngok, Peter	Beneficial owner	Personal	US\$13,500,000

Notes:

- The percentage has been compiled based on the total number of issued Shares as at 31 January 2024 (i.e., 331,033,443 Shares).
- These interests in the Company represented all the Shares beneficially owned by Holy Unicorn Limited (180,600,756 Shares or approximately 54.56% of the total issued Shares) and Transtrend Holdings Limited (1,717,510 Shares or approximately 0.52% of the total issued Shares), both being wholly-owned subsidiaries of LSD. LSD was approximately 55.60% directly and indirectly owned by LSG. LSG was approximately 12.70% (excluding share options) owned by Dr. Lam Kin Ngok, Peter and approximately 29.23% owned by Wisdoman Limited ("**Wisdoman**") which was in turn 100% beneficially owned by Dr. Lam Kin Ngok, Peter. Therefore, Dr. Lam Kin Ngok, Peter was deemed to be interested in the Shares owned indirectly by LSD as shown in the section headed "Substantial Shareholders' and Other Person's Interests" below pursuant to Part XV of the SFO.
- These interests in underlying LSG Shares represented interests in share options granted to the Directors under the share option schemes of LSG, particulars of which are as follows:

Name of Director	Date of grant	Number of underlying LSG Shares comprised in share options	Exercise period	Exercise price per LSG Share (HK\$)
Lam Kin Ngok, Peter	19/06/2017	448,197	19/06/2017 - 18/06/2027	11.155
Lam Kin Ngok, Peter	25/01/2022	1,383,820	25/01/2022 - 24/01/2032	3.673
Lam Hau Yin, Lester	19/06/2017	5,135,275	19/06/2017 - 18/06/2027	11.155
Lam Hau Yin, Lester	25/01/2022	1,383,820	25/01/2022 - 24/01/2032	3.673

- The percentage has been compiled based on the total number of issued LSG Shares as at 31 January 2024 (i.e., 883,373,901 LSG Shares).
- By virtue of his interests in Wisdoman as described in Note 2 above, Dr. Lam Kin Ngok, Peter was deemed to be interested in such LSG Shares owned directly by Wisdoman.
- The percentage has been compiled based on the total number of issued LSD Shares as at 31 January 2024 (i.e., 1,453,328,830 LSD Shares).
- By virtue of his deemed controlling shareholding interests in LSG as described in Note 2 above, Dr. Lam Kin Ngok, Peter was deemed to be interested in such LSD Shares owned directly and indirectly by LSG.
- The percentage has been compiled based on the total number of issued eSun Shares as at 31 January 2024 (i.e., 1,755,876,866 eSun Shares).
- By virtue of his deemed controlling shareholding interests in LSD as described in Note 2 above, Dr. Lam Kin Ngok, Peter was deemed to be interested in such eSun Shares held by Transtrend Holdings Limited, a wholly-owned subsidiary of LSD.

Save as disclosed above, as at 31 January 2024, none of the Directors and chief executive of the Company and their respective close associates was interested or was deemed to be interested in the long and short positions in the shares, underlying shares and debentures of the Company or any of its associated corporations, which were required to be notified to the Company and the Stock Exchange, recorded in the Register of Directors and Chief Executive, notified under the Securities Code, or otherwise known to the Directors.

Corporate Governance and Other Information *(Continued)*

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSON'S INTERESTS

As at 31 January 2024, so far as is known or otherwise notified to any Director or the chief executive of the Company, the particulars of the corporations or individuals who had 5% or more interests in the following long positions in the Shares and underlying Shares as recorded, other than a Director or the chief executive of the Company, in the register required to be kept under section 336 of the SFO ("**Register of Shareholders**") or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company ("**Voting Entitlements**") (i.e., within the meaning of substantial shareholders of the Listing Rules) were as follows:

Long positions in the Shares of the Company

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

Corporate Governance and Other Information *(Continued)*

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

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

Notes:

1. *The percentage has been compiled based on the total number of issued Shares as at 31 January 2024 (i.e., 331,033,443 Shares).*
2. *These interests in the Company represented all the Shares beneficially owned by Holy Unicorn (180,600,756 Shares or approximately 54.56% of the total issued Shares) and Transtrend (1,717,510 Shares or approximately 0.52% of the total issued Shares), both being wholly-owned subsidiaries of LSD.*
3. *LSG owned approximately 55.60% shareholding interests in LSD. As such, LSG was deemed to be interested in the same 182,318,266 Shares in which LSD had interests.*
4. *Dr. Lam Kin Ngok, Peter was deemed to be interested in 182,318,266 Shares by virtue of his personal and deemed shareholding interests in approximately 41.93% (excluding share options) in LSG which in turn owned approximately 55.60% shareholding interests in LSD.*
5. *These interests in the Company represented the Shares beneficially owned by CapitaLand Cayman which is wholly owned by CapitaLand China which in turn is wholly owned by CapitaLand China Investments while CapitaLand China Investments is wholly owned by CapitaLand. CapitaLand is in turn a wholly-owned subsidiary of CLA Real Estate Holdings Pte. Ltd. Temasek is deemed to be interested in the same 64,400,000 Shares held by CapitaLand Cayman as CLA Real Estate Holdings Pte. Ltd. is an indirect wholly-owned subsidiary of Temasek.*
6. *Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk were both taken to be interested in the same 33,161,037 Shares which were held jointly by them.*

Save as disclosed above, the Directors are not aware of any other corporation or individual who, as at 31 January 2024, had the Voting Entitlements or 5% or more interests or short positions in the Shares or underlying Shares as recorded in the Register of Shareholders.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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.

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

On 30 October 2018, a non-wholly owned subsidiary of the Company, as borrower, entered into a facility agreement pursuant to which a 5-year term loan facility of an amount up to HK\$700,000,000 was granted to the borrower. The facility agreement was amended on 22 October 2019, pursuant to which LSD shall maintain its 20% direct or indirect holding interest (excluding the portion indirectly held through the Company) in the borrower. Upon a breach of this covenant, the lender may, inter alia, declare that the outstanding liability under the facility becomes immediately due. The outstanding principal and all accrued interest were fully repaid upon maturity on 30 October 2023.

Corporate Governance and Other Information *(Continued)*

UPDATE ON DIRECTORS' INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in the Directors' information since the disclosure made in the Company's annual report for the year ended 31 July 2023 and up to the date of this Interim Report are set out as follows:

- (a) Dr. Lam Kin Ngok, Peter
 - (i) ceased to be a member of the board of West Kowloon Cultural District Foundation Limited on 15 November 2023;
 - (ii) retired as an executive director of Crocodile Garments Limited (a company listed on the Main Board of the Stock Exchange) on 13 December 2023; and
 - (iii) was re-appointed a non-official member of Trade and Industry Advisory Board for a term of two years with effect from 1 January 2024.
- (b) Mr. Lam Bing Kwan
 - (i) remained to serve as a non-executive director of Sino-i Technology Limited, a company delisted from the Main Board of the Stock Exchange on 31 October 2023; and
 - (ii) remained to serve as a non-executive director of Nan Hai Corporation Limited, a company delisted from the Main Board of the Stock Exchange on 16 November 2023.
- (c) Mr. Mak Wing Sum, Alvin was appointed an independent non-executive director of K Cash Corporation Limited (a company listed on the Main Board of the Stock Exchange with effect from 5 December 2023) on 31 October 2023.
- (d) Mr. Shek Lai Him, Abraham
 - (i) was the chairman and an executive director of Goldin Financial Holdings Limited (in liquidation) whose shares were delisted from the Main Board of the Stock Exchange on 31 October 2023;
 - (ii) was appointed a court member of Hong Kong Metropolitan University on 8 December 2023; and
 - (iii) resigned as an independent non-executive director of Country Garden Holdings Company Limited (a company listed on the Main Board of the Stock Exchange) on 15 March 2024.

Corporate Governance and Other Information *(Continued)*

UPDATE ON DIRECTORS' INFORMATION *(CONTINUED)*

(e) Directors' remuneration for the six months ended 31 January 2024 and 2023 are as follows:

	Fees HK\$'000	Salaries, allowances, and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
For the six months ended 31 January 2024				
<i>Executive directors:</i>				
Lam Kin Ngok, Peter	—	1,434	—	1,434
Lam Kin Hong, Matthew	—	570	29	599
Lam Hau Yin, Lester	—	804	9	813
Cheng Shin How	—	3,466	9	3,475
Cheung Sum, Sam	—	900	10	910
Lee Tze Yan, Ernest	—	709	9	718
U Po Chu	—	2,115	—	2,115
	—	9,998	66	10,064
<i>Non-executive director:</i>				
Chew Fook Aun (resigned on 1 October 2023)	200	—	—	200
<i>Independent non-executive directors:</i>				
Au Hoi Fung	175	—	—	175
Ku Moon Lun	175	—	—	175
Lam Bing Kwan	175	—	—	175
Law Kin Ho	175	—	—	175
Mak Wing Sum, Alvin	175	—	—	175
Shek Lai Him, Abraham	175	—	—	175
	1,050	—	—	1,050
Total	1,250	9,998	66	11,314

Corporate Governance and Other Information *(Continued)*

UPDATE ON DIRECTORS' INFORMATION *(CONTINUED)*

(e) *(Continued)*

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

(f) With effect from 1 February 2024, the basic salaries of Dr. Lam Kin Ngok, Peter, Messrs. Lam Kin Hong, Matthew, Cheng Shin How and Lee Tze Yan, Ernest and Madam U Po Chu have been adjusted downward within the range from 5% to 70%.

Corporate Governance and Other Information *(Continued)*

EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2024, the Group employed a total of around 1,700 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@laifung.com.

REVIEW OF INTERIM REPORT

The audit committee of the Company ("**Audit Committee**") currently comprises four INEDs, namely Messrs. Law Kin Ho, Lam Bing Kwan, Ku Moon Lun and Mak Wing Sum, Alvin. The Audit Committee has reviewed the interim report (containing the unaudited condensed consolidated financial statements) of the Company for the six months ended 31 January 2024.

By order of the Board
Lam Kin Ngok, Peter
Chairman

Hong Kong, 19 March 2024

