LAI FUNG HOLDINGS

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

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2014

RESULTS

The board of directors (the "**Board**") of Lai Fung Holdings Limited (the "**Company**") is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 31 January 2014 together with the comparative figures of the last corresponding period as follows:

Condensed Consolidated Income Statement
For the six months ended 31 January 2014

	Notes	**For the six months ended 31 January** **2014** **(Unaudited)** **HK$'000**	2013 (Unaudited) HK$'000
TURNOVER	3	**590,180**	812,169
Cost of sales		**(256,922)**	(392,046)
Gross profit		**333,258**	420,123
Other income and gains		**100,202**	78,976
Selling and marketing expenses		**(23,811)**	(39,281)
Administrative expenses		**(159,219)**	(159,721)
Other operating expenses, net		**(31,362)**	(59,894)
Fair value gains on investment properties		**598,714**	324,560
PROFIT FROM OPERATING ACTIVITIES	4	**817,782**	564,763
Finance costs	5	**(191,050)**	(75,041)
Share of profit of joint ventures		**75,607**	97,135
PROFIT BEFORE TAX		**702,339**	586,857
Tax	6	**(194,326)**	(224,706)
PROFIT FOR THE PERIOD		**508,013**	362,151
ATTRIBUTABLE TO:			
Owners of the Company		**501,697**	331,274
Non-controlling interests		**6,316**	30,877
		508,013	362,151

Condensed Consolidated Income Statement (continued)
For the six months ended 31 January 2014

	Note	**For the six months ended 31 January**	
		2014	2013
		(Unaudited)	(Unaudited)
		HK$'000	HK$'000
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:	7		
Basic		**HK$0.031**	HK$0.021
Diluted		**HK$0.031**	HK$0.021

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 January 2014

	For the six months ended 31 January	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
PROFIT FOR THE PERIOD	**508,013**	362,151
OTHER COMPREHENSIVE INCOME/(EXPENSES) TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS, NET OF TAX		
Reversal of impairment of investment properties under construction	**6,599**	5,308
Exchange differences arising on translation to presentation currency	**171,791**	96,680
Release of exchange fluctuation reserve upon disposal of a subsidiary	**(1,439)**	—
Share of other comprehensive income of joint ventures	**6,324**	3,291
Net gain on cash flow hedges	**63,979**	—
	247,254	105,279
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**755,267**	467,430
ATTRIBUTABLE TO:		
Owners of the Company	**745,117**	431,035
Non-controlling interests	**10,150**	36,395
	755,267	467,430

Condensed Consolidated Statement of Financial Position
As at 31 January 2014

	Notes	**31 January 2014 (Unaudited) HK$'000**	31 July 2013 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**1,506,606**	1,491,574
Prepaid land lease payments		**5,518**	5,543
Investment properties		**12,255,359**	11,377,034
Properties under development		**560,806**	513,517
Investments in joint ventures		**518,747**	436,340
Deposit for acquisition of land use rights		**333,540**	—
Derivative financial instruments		**36,414**	—
Goodwill		**697**	1,032
Total non-current assets		**15,217,687**	13,825,040
CURRENT ASSETS			
Properties under development		**525,104**	718,861
Completed properties for sale		**1,338,602**	1,094,541
Debtors, deposits and prepayments	8	**229,040**	171,326
Prepaid tax		**44,415**	46,859
Pledged and restricted time deposits and bank balances		**2,029,532**	2,057,388
Cash and cash equivalents		**2,589,824**	3,608,327
Total current assets		**6,756,517**	7,697,302
CURRENT LIABILITIES			
Creditors and accruals	9	**682,932**	668,657
Deposits received and deferred income		**210,514**	201,094
Interest-bearing bank loans, secured		**362,518**	617,470
Tax payable		**471,458**	490,502
Fixed rate senior notes	10	**1,439,238**	1,435,052
Total current liabilities		**3,166,660**	3,412,775
NET CURRENT ASSETS		**3,589,857**	4,284,527
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,807,544**	18,109,567

Condensed Consolidated Statement of Financial Position (continued)
As at 31 January 2014

	Note	**31 January 2014 (Unaudited) HK$'000**	31 July 2013 (Audited) HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**18,807,544**	18,109,567
NON-CURRENT LIABILITIES			
Long-term deposits received		**97,611**	77,021
Interest-bearing bank loans, secured		**1,898,727**	1,774,856
Advances from a former substantial shareholder		**59,397**	58,621
Loan from a non-controlling shareholder		**72,682**	—
Fixed rate senior notes	10	**2,256,748**	2,223,610
Derivative financial instruments		—	43,712
Deferred tax liabilities		**2,010,454**	1,819,897
Total non-current liabilities		**6,395,619**	5,997,717
		12,411,925	12,111,850
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**1,610,190**	1,609,591
Share premium account		**4,066,482**	4,065,862
Asset revaluation reserve		**63,458**	56,925
Share option reserve		**29,677**	30,188
Hedge reserve		**4,218**	(59,761)
Exchange fluctuation reserve		**2,168,130**	1,995,222
Capital reserve		**159,819**	25,974
Retained earnings		**4,148,753**	3,646,545
Proposed dividend		—	48,288
		12,250,727	11,418,834
Non-controlling interests		**161,198**	693,016
		12,411,925	12,111,850

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 2014 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**" and the "**Stock Exchange**") and 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 2013. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2013.

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.

Other than as further explained below regarding the impact of HKFRS 13 "Fair Value Measurement", the application of these new and revised HKFRSs in the current period has had no material impact on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these condensed consolidated financial statements.

HKFRS 13 provides a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across HKFRSs. HKFRS 13 does not change the circumstances in which the Group is required to use fair value, but rather provides guidance on how fair value should be applied where its use is already required or permitted under other HKFRSs. HKFRS 13 is applied prospectively and the adoption has had no material impact on the Group's fair value measurements. As a result of the guidance in HKFRS 13, the policies for measuring fair value have been amended.

3. OPERATING SEGMENT INFORMATION

	Property development		Property investment		Consolidated	
	For the six months ended 31 January (Unaudited)					
	2014	2013	**2014**	2013	**2014**	2013
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue/results:						
Segment revenue						
Sales to external customers	**307,006**	549,673	**283,174**	262,496	**590,180**	812,169
Other revenue	**99**	1,135	**62,925**	54,574	**63,024**	55,709
Total	**307,105**	550,808	**346,099**	317,070	**653,204**	867,878
Segment results	**89,618**	126,695	**739,291**	473,237	**828,909**	599,932
Unallocated gains					**37,178**	23,267
Unallocated expenses, net					**(48,305)**	(58,436)
Profit from operating activities					**817,782**	564,763
Finance costs					**(191,050)**	(75,041)
Share of profit of joint ventures	**75,607**	97,135	—	—	**75,607**	97,135
Profit before tax					**702,339**	586,857
Tax					**(194,326)**	(224,706)
Profit for the period					**508,013**	362,151
Other segment information:						
Fair value gains on investment properties	—	—	**598,714**	324,560	**598,714**	324,560
Reversal of impairment/ (impairment) of properties under development/investment properties under construction*	—	(42,024)	**8,799**	7,076	**8,799**	(34,948)
Loss on disposal of items of property, plant and equipment	—	—	**143**	21	**143**	21

* *Impairment of properties under development of HK$42,024,000 was recognised in profit or loss during the six months ended 31 January 2013. Reversal of impairment of investment properties under construction of HK$8,799,000 (six months ended 31 January 2013: HK$7,076,000) was recognised in other comprehensive income during the period. .*

	Property development		Property investment		Consolidated	
	31 January 2014 (Unaudited)	31 July 2013 (Audited)	**31 January 2014 (Unaudited)**	31 July 2013 (Audited)	**31 January 2014 (Unaudited)**	31 July 2013 (Audited)
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment assets/liabilities:						
Segment assets	**2,483,766**	2,375,951	**14,112,137**	12,840,651	**16,595,903**	15,216,602
Investments in joint ventures	**518,747**	436,340	—	—	**518,747**	436,340
Unallocated assets					**4,859,554**	5,869,400
Total assets					**21,974,204**	21,522,342
Segment liabilities	**456,883**	413,295	**322,696**	324,120	**779,579**	737,415
Unallocated liabilities					**8,782,700**	8,673,077
Total liabilities					**9,562,279**	9,410,492

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	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Cost of completed properties sold	**184,182**	333,090
Outgoings in respect of rental income	**72,740**	58,956
Depreciation[#]	**35,776**	30,956
Ineffective portion of the effective hedge recognised in profit or loss[##]	**13,736**	—
Foreign exchange differences, net[##]	**(8,844)**	(4,515)
Gain on disposal of a subsidiary[##]	**(6,672)**	—
Loss on disposal of items of property, plant and equipment[##]	**143**	21
Amortisation of prepaid land lease payments	**98**	96
Impairment of properties under development[##]	**—**	42,024

[#] *The depreciation charge of HK$30,460,000 (six months ended 31 January 2013: HK$22,306,000) for serviced apartments and related leasehold improvements is 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.*

5. FINANCE COSTS

	For the six months ended 31 January	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on:		
Bank loans wholly repayable within five years	**67,273**	46,851
2007 Notes (as defined and disclosed in note 10)	**65,755**	65,755
2013 Notes (as defined and disclosed in note 10)	**71,844**	—
Amortisation of:		
Bank loans	**7,358**	—
2007 Notes	**4,186**	3,806
2013 Notes	**3,255**	—
Bank financing charges and direct costs	**13,381**	3,233
	233,052	119,645
Less: Capitalised in properties under development	**(22,490)**	(36,498)
Capitalised in investment properties under construction	**(9,502)**	(8,106)
Capitalised in construction in progress	**(10,010)**	—
	(42,002)	(44,604)
Total finance costs	**191,050**	75,041

6. TAX

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 2013: Nil). Taxes on profits assessable elsewhere had been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

	For the six months ended 31 January	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Current - Mainland China		
Corporate income tax	**26,424**	47,025
Land appreciation tax	**27,978**	79,032
Deferred	**164,226**	98,649
Tax indemnity receivable	**(24,302)**	—
Total tax charge for the period	**194,326**	224,706

In connection with the listing of the Company on the Stock Exchange (currently on the Main Board), a tax indemnity deed was signed on 12 November 1997, pursuant to which Lai Sun Development Company Limited ("**LSD**") has undertaken to indemnify the Group in respect of certain potential Mainland China income tax and land appreciation tax payable or shared by the Group in consequence of the disposal of any of the property interests attributable to the Group through its subsidiaries and its joint ventures as at 31 October 1997. During the period, an amount of HK$24,302,000 (six months ended 31 January 2013: Nil) was receivable by the Company under the aforesaid indemnities.

7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share amounts was based on the profit for the period attributable to owners of the Company of HK$501,697,000 (six months ended 31 January 2013: HK$331,274,000), and the weighted average number of ordinary shares of 16,096,400,970 (six months ended 31 January 2013: 16,095,912,956) in issue during the period.

The calculation of diluted earnings per share amounts was based on the profit for the period attributable to owners of the Company as used in the basic earnings per share calculation. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	For the six months ended 31 January	
	2014	2013
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Earnings		
Profit attributable to owners of the Company used in the basic earnings per share calculation	**501,697**	331,274
	Number of shares	
Shares		
Weighted average number of ordinary shares in issue during the period used in the basic earnings per share calculation	**16,096,400,970**	16,095,912,956
Effect of dilution – weighted average number of ordinary shares:		
Share options	**25,598,790**	21,230,419
	16,121,999,760	16,117,143,375

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. Serviced apartments charges are mainly settled by customers on 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. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk.

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

	31 January 2014 (Unaudited) HK$'000	31 July 2013 (Audited) HK$'000
Trade receivables, net:		
Within one month	**60,472**	57,697
One to three months	**3,183**	2,935
Over three months	**1,770**	—
	65,425	60,632
Other receivables, deposits and prepayments	**163,615**	110,694
Total	**229,040**	171,326

Included in the Group's debtors, deposits and prepayments is an amount due from LSD in respect of the tax indemnity given to the Company (note 6).

9. CREDITORS AND ACCRUALS

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

	31 January 2014 (Unaudited) HK$'000	31 July 2013 (Audited) HK$'000
Trade payables:		
Within one month	**62,662**	31,489
One to three months	**20,412**	1,110
Over three months	**10,929**	2,012
	94,003	34,611
Accruals and other payables	**588,929**	634,046
Total	**682,932**	668,657

10. FIXED RATE SENIOR NOTES

US$200,000,000 9.125% Senior Notes due 2014

On 4 April 2007, the Company issued US$200,000,000 9.125% fixed rate senior notes (the "**2007 Notes**"), which will mature on 4 April 2014 for bullet repayment. The 2007 Notes bear interest from 4 April 2007 and are payable semi-annually in arrears on 4 April and 4 October of each year, commencing on 4 October 2007. The 2007 Notes are listed on the Singapore Exchange Securities Trading Limited.

RMB1,800,000,000 6.875% Senior Notes due 2018

On 25 April 2013, the Company issued RMB1,800,000,000 6.875% fixed rate senior notes (the "**2013 Notes**"), which will mature on 25 April 2018 for bullet repayment. The 2013 Notes bear interest from 25 April 2013 and are payable semi-annually in arrears on 25 April and 25 October of each year, commencing on 25 October 2013. The 2013 Notes are listed on the Stock Exchange.

INTERIM DIVIDEND

The Board has resolved not to pay an interim dividend for the six months ended 31 January 2014 (six months ended 31 January 2013: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The global economy is on a delicate recovery path with the United States leading the way through improving economic and employment conditions. However, a number of factors still shroud the horizon: the weak euro zone economy, adjustments to the macroeconomic policies of major economies and geopolitical tensions.

The Chinese Government has softened its economic growth target to 7.5% correspondingly, whilst transitioning the economy from an export-led growth policy to a more progressive and sustainable model driven by domestic consumption. The property sector is a significant economic pillar and continues to be shaped significantly by government policies. The control measures implemented are expected to be refined to better adapt to regional circumstances and ensure a sustainable long term growth, which is underpinned by continued urbanisation and income growth.

The Group's regional focus coupled with the rental-led strategy that the Group adopted eighteen months ago is validated against this challenging operating environment. The rental portfolio of approximately 2.8 million square feet, primarily in Shanghai and Guangzhou, delivered steady increases in rental income at close to full occupancies for the key assets despite a general slowdown in retail sales. This provided the Group the flexibility in selling other projects with an emphasis to maximize profit rather than recycling capital. The control measures implemented by the Chinese Government slowed sales across the sector. However, the Group experienced a steady increase in average selling prices in its projects for sale, which indicated the strength and depth of the underlying demand.

The management believes it is important to prepare the Group for the challenges and opportunities ahead. The Group completed a series of corporate activities as part of the new strategy to improve funding sources, execution capabilities and overall coordination with the wider Lai Sun Group. Since the year ended 31 July 2013 and up to 31 January 2014, the Group completed the buyout of minority interests in the two largest rental assets, namely the 5% interest in Shanghai Hong Kong Plaza and the 22.5% interest in Guangzhou May Flower Plaza. In November 2013, the Group bought out a 2% minority interest in Northgate Plaza I in Shanghai, which is subject to completion, increasing the Group's interest in this project to 99%.

The Group was successful in the auction for Phase I of the Creative Cultural City project in Hengqin ("**Phase I CCC**") which it will co-develop with its ultimate holding company, eSun Holdings Limited ("**eSun**"), with 80% held by the Group and 20% held by eSun. The master layout plan for Phase I CCC is being finalised and the Group will provide more details when they are available. Phase I CCC has total gross floor area ("**GFA**") of approximately 2.8 million square feet and a total investment cost of approximately HK$3.8 billion (of which approximately HK$665.5 million is land cost).

The hotel at Shanghai May Flower Plaza and serviced apartments in Zhongshan Palm Spring under the STARR branding have also commenced operation during the period under review. Asset enhancement aimed at improving foot traffic at the higher levels of the retail podium of the Shanghai Hong Kong Plaza is in progress and new tenants are expected to move in by the end of 2014.

The Group has a number of projects in various stages of development in Shanghai, Guangzhou and Zhongshan. The rental portfolio is expected to increase from approximately 2.8 million square feet to approximately 7.5 million square feet through developing the existing rental projects in the next few years. The remaining residential units in Guangzhou Dolce Vita Phase I and III, Guangzhou King's Park, Shanghai May Flower Plaza and Zhongshan Palm Spring Phase I are expected to contribute to the profit and loss account in the current and coming financial years.

As at 31 January 2014 the Group has a landbank of 10.8 million square feet. The Group's strong cash position of HK$4,619.4 million of cash on hand with a net debt to equity ratio of 12% as at 31 January 2014 provides the Group full confidence and the means to review opportunities more actively. However, the Group will continue its prudent and flexible approach in growing the landbank and managing its financial position.

OVERVIEW OF INTERIM RESULTS

For the six months ended 31 January 2014, the Group recorded a turnover of HK$590.2 million (2013: HK$812.2 million) and a gross profit of HK$333.3 million (2013: HK$420.1 million), representing a decrease of approximately 27% and 21%, respectively over the same period last year. Turnover from rental income and sale of properties during the period was HK$283.2 million (2013: HK$262.5 million) and HK$307.0 million (2013: HK$549.7 million), representing an increase of approximately 8% and a decrease of approximately 44%, respectively. Profit before tax, excluding finance cost and property revaluations was HK$294.7 million (2013: HK$337.3 million). Net profit attributable to owners of the Company was approximately HK$501.7 million (2013: HK$331.3 million), representing an increase of approximately 51.4% over the same period last year. Basic earnings per share was HK$0.031 (2013: HK$0.021).

Excluding the effect of property revaluations, net profit attributable to owners of the Company was approximately HK$54.2 million (2013: HK$107.6 million), representing a decrease of approximately 50% over the same period last year. This is primarily due to a decline in recognised sales and higher interest expense from the two outstanding fixed rate senior notes, one of which is due to expire in April 2014. Basic earnings per share excluding the revaluation effect correspondingly decreased to HK$0.003 (2013: HK$0.007).

	Six months ended 31 January	
Profit attributable to owners of the Company (HK$ million)	2014	2013
Reported	501.7	331.3
Adjustments in respect of investment properties		
Revaluation of properties	(598.7)	(324.6)
Deferred tax on investment properties	149.7	81.2
Non-controlling interests' share of revaluation movements less deferred tax	1.5	19.7
Net profit after tax excluding revaluation gains of investment properties	54.2	107.6

Equity attributable to owners of the Company as at 31 January 2014 amounted to HK$12,250.7 million, up from HK$11,418.8 million as at 31 July 2013. Net asset value per share attributable to owners of the Company increased to HK$0.761 per share as at 31 January 2014 from HK$0.709 per share as at 31 July 2013, representing a discount of approximately 75% to the share price of HK$0.194 as at 31 January 2014.

As at 31 January 2014, the Group maintained a property portfolio of approximately 14.2 million square feet of which approximately 2.8 million square feet are completed and held for rental purpose. The Group will continue to build on this sound asset base with a view to delivering long-term value to its shareholders.

PROPERTY PORTFOLIO COMPOSITION

Approximate attributable GFA (in '000 square feet) and number of car-parking spaces as at 31 January 2014:

	Commercial/ Retail	**Office**	**Serviced Apartment**	**Residential**	**Total (excluding car-parking spaces & ancillary facilities)**	**No. of car-parking spaces**
Completed Properties Held for Rental[1]	1,600	590	-	-	2,190	585
Completed Hotel Properties and Serviced Apartments	-	-	588	-	588	-
Properties Under Development[2]	3,276	1,037	271	6,202	10,786	4,379
Completed Properties Held for Sale[3]	128	-	15	503	646	1,021
Total GFA of major properties of the Group	**5,004**	**1,627**	**874**	**6,705**	**14,210**	**5,985**

1. *Completed and rental generating properties*
2. *All properties under construction*
3. *Completed properties for sale, including 125,059 square feet of shopping arcade space which is expected to be reclassified as completed properties held for rental purpose as it is being leased out over time.*

Property Investment

Rental Income

For the six months ended 31 January 2014, the Group's rental operations recorded a turnover of HK$283.2 million (2013: HK$262.5 million), representing a 8% increase over the same period last year. Breakdown of rental turnover by major rental properties is as follows:

	Six months ended 31 January			
	2014 HK$ million	2013 HK$ million	% Change	Period end occupancy (%)
Shanghai Hong Kong Plaza	192.2	182.9	5.1	Retail: 99.2 Office: 88.9 Serviced Apartments: 84.9
Shanghai Regents Park	7.0	6.1	14.8	100.0
Shanghai Northgate Plaza I	5.4	4.9	10.2	90.8
Shanghai May Flower Plaza	17.4	13.8	26.1	95.4
Guangzhou May Flower Plaza	52.5	46.8	12.2	Retail: 98.5 Office: 100.0
Guangzhou West Point	8.3	8.0	3.8	97.9
Zhongshan Palm Spring	0.4	-	N/A	29.0
Total:	**283.2**	**262.5**		

Rental income performed steadily as a whole with almost full occupancy in all the major properties. The increase is primarily attributable to rental reversion and change in tenant mix across the portfolio, as well as contribution from the retail podium of the Shanghai May Flower Plaza.

A portion of the Zhongshan Palm Spring Rainbow Mall, amounting to approximately 31% of total GFA, has been reclassified as rental properties as the floor space was leased out. Further reclassification and rental income recognition will take place in due course as the property becomes fully leased. Soft opening of the serviced apartments in the Zhongshan Palm Spring, STARR Resort Residence Zhongshan, and the hotel in Shanghai May Flower Plaza, STARR Hotel Shanghai, commenced in August 2013 and November 2013, respectively. The other STARR branded hotel in Guangzhou is expected to soft open in the fourth quarter of 2014.

Review of major rental properties

Shanghai Hong Kong Plaza
Shanghai Hong Kong Plaza is a twin-tower property located on both the North and South sides of the street at a prime location on Huaihaizhong Road in Huangpu District, Shanghai. The twin-towers are connected by a footbridge.

The property's total GFA is approximately 1.18 million square feet excluding 350 car-parking spaces. The property comprises an office tower, shopping arcades and a serviced apartment tower with total GFA of approximately 360,700 square feet, 468,400 square feet and 353,200 square feet, respectively. The property is directly above the Huangpi South Road Metro Station and is within walking distance of Xintiandi, a well-known landmark in Shanghai. The shopping arcades are now one of the most visible high-end retail venues for global luxury brands in the area. Anchor tenants include The Apple Store, Cartier, Coach, GAP, MCM, Shiatzy Chen, Tiffany, Y3 and internationally renowned luxury brands and high-end restaurants. The serviced apartments are managed by the Ascott Group and the Group has successfully leveraged the Ascott Group's extensive experience and expertise in operating serviced apartments to position the serviced apartments as a high-end product. Asset enhancement aimed at improving foot traffic at the higher levels of the retail podium of the Shanghai Hong Kong Plaza is in progress and new tenants are expected to move in by the end of 2014.

The Group acquired the 5% minority interest in this property in August 2013 and now 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 Zhabei District in Shanghai. This project is situated near the Zhongshan Road North Metro Station.

The Group retains a 95% interest in the retail podium which has approximately 320,300 square feet of GFA including the basement commercial area. The asset is positioned as a community retail facility with Lotte Mart as the anchor tenant.

Shanghai Northgate Plaza
Shanghai Northgate Plaza I comprises office units, a retail podium (now closed) and car-parking spaces. Located on Tian Mu Road West in the Zhabei District of Shanghai near the Shanghai Railway Terminal, this property has a total GFA of approximately 322,600 square feet excluding car-parking spaces and ancillary area.

Shanghai Northgate Plaza II is a vacant site adjacent to Plaza I. The site area of Plaza II is approximately 44,300 square feet and its buildable GFA is approximately 259,900 square feet excluding car-parking spaces and ancillary facilities. The Group plans to redevelop Shanghai

Northgate Plaza I and II together under a comprehensive redevelopment plan. The redeveloped project will include an office tower, a shopping arcade and underground car-parking spaces. The Group is currently discussing the redevelopment proposal with professional consultants and local authorities.

In November 2013, the Group bought out the 2% minority interest in Northgate Plaza I, subject to completion, increasing the Group's interest in this project to 99%.

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

The Group bought the 22.5% minority interest in this property in September 2013 and now owns 100% of this property.

Guangzhou West Point
Guangzhou West Point is located on Zhongshan Qi Road and is within walking distance from the Ximenkou Subway Station. This is a mixed-use property where the Group has effectively sold all the residential and office units and retained a commercial podium with GFA of approximately 172,700 square feet. Tenants of the retail podium include renowned restaurants and local retail brands.

Hotel and Serviced Apartments

Ascott Huaihai Road Shanghai
Ascott Huaihai Road in Shanghai Hong Kong Plaza managed by the Ascott Group 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 total GFA of approximately 353,200 square feet has 298 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 luxury penthouses on the highest two floors (4,520 sq.ft.). An average occupancy rate of 84.9% (2013: 80.9%) was achieved during the six months ended 31 January 2014 and the average room tariff decreased slightly by 3.1% over the same period last year.

STARR Resort Residence Zhongshan
STARR Resort Residence Zhongshan soft opened in August 2013 and comprises two 16-storey blocks located in the Palm Lifestyle complex in Zhongshan Western district at Cui Sha Road. There are 90 fully furnished serviced apartment units and the total GFA is approximately 98,600 square feet.

STARR Hotel Shanghai
STARR Hotel Shanghai soft opened in November 2013 and is a 17-storey hotel located in the Mayflower Lifestyle complex right in the heart of the Zhabei inner ring road district, within walking distance to Lines 1, 3 and 4 of the Shanghai Metro Station with easy access to major motorways. There are 287 fully furnished and equipped hotel units with kitchenette and the GFA attributable to the Group is approximately 136,700 square feet.

Property Development

Recognised Sales

For the six months ended 31 January 2014, the Group's property development operations recorded a turnover of HK$307.0 million (2013: HK$549.7 million) from sale of properties, representing a 44% decrease in sales revenue over the same period last year. The decline is primarily due to slower sales and slower than expected completion of sales.

Total recognised sales was primarily driven by the sales performance of Shanghai May Flower Plaza of which approximately 60,962 square feet of residential and office GFA were sold, achieving sales revenue of HK$272.9 million.

Recognition of the sale of Dolce Vita Phase I achieved an average selling price of HK$1,837 per square foot and equity accounted for a share of profit of HK$75.6 million under "Share of profit of joint ventures" in the consolidated income statement.

For the six months ended 31 January 2014, average selling price recognised as a whole (excluding Dolce Vita) increased to approximately HK$3,100 per square foot (2013: HK$1,664 per square foot). The increase is due to a higher proportion of units at Shanghai May Flower Plaza being sold and recognised during the period under review at higher average selling prices.

Breakdown of turnover for the six months ended 31 January 2014 from property sales is as follows:

Recognised basis	**Approximate Gross Floor Area**	**Average Selling Price#**	**Turnover***
	Square feet	**HK$/square foot**	**HK$ million**
Shanghai May Flower Plaza			
Residential Units	56,746	4,858	260.1
Office Apartment Units	4,216	3,214	12.8
Zhongshan Palm Spring			
Residential High-Rise Units	31,206	637	18.7
Residential House Units	12,814	1,272	15.4
Total	104,982	3,100	307.0
Recognised sales from joint venture project			
Guangzhou Dolce Vita **Residential Units**(47.5% basis)**	151,280	1,837	262.4

\# *Before business tax*

* *After business tax*

** *Guangzhou Dolce Vita is a joint venture project with CapitaLand China Holdings Pte. Ltd. ("**CapitaLand China**") in which each of the Group and CapitaLand China has an effective 47.5% interest. For the six months ended 31 January 2014, the recognised sales (after business tax) attributable to the full project is HK$552.4 million and approximately 318,484 square feet of GFA were recognised.*

Contracted Sales

As at 31 January 2014, the Group's property development operations, excluding Dolce Vita, has contracted but not yet recognised sales of HK$325.4 million from sale of properties (2013: HK$196.0 million) with an average selling price of HK$2,760 per square foot (2013: HK$1,953 per square foot). The increase was due to a change in product mix with more units at Shanghai May Flower Plaza and house units in Zhongshan being sold which commanded a higher average selling price. The total contracted but not yet recognised sales of the Group as at 31 January 2014 including Dolce Vita amounted to HK$1,034.3 million.

Sales momentum for the remaining units at Shanghai May Flower Plaza was encouraging and achieved a blended average selling price of HK$4,923 per square foot. Sales of the remainder of phase I and phase III of Dolce Vita were strong and average selling price increased to HK$2,325 per square foot (2013: HK$1,904 per square foot).

Breakdown of contracted but not yet recognised sales as at 31 January 2014 is as follows:

Contracted basis	**Approximate Gross Floor Area**	**Average Selling Price#**	**Turnover#**
	Square feet	**HK$/square foot**	**HK$ million**
Shanghai May Flower Plaza Residential Units Office Apartment Units	 39,817 1,648	 5,007 2,913	 199.4 4.8
Zhongshan Palm Spring Residential High-rise Units Residential House Units	 10,802 60,647	 713 1,420	 7.7 86.1
Guangzhou King's Park	4,982	5,500	27.4
Sub-total	117,896	2,760	325.4
Contracted sales from joint venture project			
Guangzhou Dolce Vita Residential Units** (47.5% basis)	 304,951	 2,325	 708.9
Total	422,847	2,446	1,034.3

\# *Before business tax*

** *Guangzhou Dolce Vita is a joint venture project with CapitaLand China in which each of the Group and CapitaLand China has an effective 47.5% interest. As at 31 January 2014, the contracted but not yet recognised sales attributable to the full project is HK$1,492.4 million and approximately 642,000 square feet of GFA were sold.*

Review of major properties completed for sale and under development

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 Zhabei District in Shanghai and situated near the Zhongshan Road North Metro Station.

The residential portion of Shanghai May Flower Plaza is branded "The Mid-town" which comprises 628 residential units and approximately 627,500 square feet of GFA. During the period under review, 56,746 square feet was recognised at an average selling price of HK$4,858 per square foot, which contributed HK$260.1 million to the turnover. As at 31 January 2014, contracted but not yet recognised sales amounted to HK$199.4 million or 39,817 square feet at an average selling price of HK$5,007 per square foot. As at 31 January 2014, completed residential units held for sale in this development amounted to approximately 111,400 square feet with a carrying amount of approximately HK$213.2 million.

The for sale portion of the office apartments comprised of 96 units with a total GFA of approximately 57,500 square feet. During the period under review, sales of 4,216 square feet was recognised at an average selling price of HK$3,214 per square foot, which contributed HK$12.8 million to the turnover. As at 31 January 2014, contracted but not yet recognised sales amounted to HK$4.8 million or 1,648 square feet at an average selling price of HK$2,913 per square foot. As at 31 January 2014, completed office apartment units held for sale in this development amounted to approximately 15,300 square feet with a carrying amount of approximately HK$36.1 million.

Zhongshan Palm Spring
The project is located in Caihong Planning Area, West District of Zhongshan. The overall development has a total planned GFA of approximately 8.253 million square feet. The project will comprise of high-rise residential towers, townhouses, serviced apartments and commercial blocks totaling 6.159 million square feet.

Phase Ia of the project, which was completed during the first half of the financial year ended 31 July 2013, comprises of high-rise residential towers and house units. During the period under review, 31,206 square feet of high-rise residential units and 12,814 square feet of house units were recognised at average selling prices of HK$637 and HK$1,272 per square foot, respectively, which contributed a total of HK$34.1 million to the sales turnover. As at 31 January 2014, contracted but not yet recognised sales amounted to HK$7.7 million and HK$86.1 million at average selling prices of HK$713 and HK$1,420 per square foot for high-rise units and townhouses, respectively. As at 31 January 2014, completed units held for sale in this development amounted to 299,600 square feet with a carrying amount of approximately HK$323.6 million. The remaining GFA under development was approximately 5,140,800 square feet.

Set out below is the current expectation on the development of the remaining phases:

Phase	**Description**	**Approximate GFA* (square feet)**	**Expected completion**
Ib	High-rise residential units	984,300	Q4 2016
II	Townhouses	202,000	Q2 2016
III	High-rise residential units including commercial units and serviced apartments	1,418,800	Q1 2019
IV	High-rise residential units including commercial units	2,535,700	Q4 2019

* *Excluding car-parking spaces and ancillary facilities*

The Group is closely monitoring the market conditions and will adapt the pace of development accordingly.

Guangzhou Eastern Place Phase V
Guangzhou Eastern Place is a multi-phase project located on Dongfeng East Road, Yuexiu District, Guangzhou. The current Phase V development will have a total GFA attributable to the Group of approximately 966,200 square feet, comprising two residential blocks (GFA 320,100 square feet approximately), an office block and ancillary retail spaces (GFA 646,100 square feet approximately). Construction work for the residential blocks is expected to be completed in the first half of financial year ending 31 July 2015. The office block and ancillary retail spaces will be kept as rental properties and they are expected to complete in the second half of financial year ending 31 July 2015.

Guangzhou Dolce Vita
The Guangzhou Dolce Vita is a joint venture project with CapitaLand China Holdings Pte. Ltd ("**CapitaLand China**") in which each of the Group and CapitaLand China has a 47.5% interest. This development in Jinshazhou, Hengsha, Baiyun District, Guangzhou will have a total project GFA of approximately 5.759 million square feet. The project will comprise of approximately 2,785 low-rise and high-rise residential units and shopping amenities totaling 3.8 million square feet excluding ancillary facilities and car-parking spaces. It is conveniently located near the business centre of Jinshazhou as well as several shopping and entertainment areas, and is easily accessible via Guangzhou Subway Line 6 and other transport modes. Praised as the model metropolis for Guangzhou and Foshan, Jinshazhou is located in northwest Guangzhou.

The project is divided into five phases of development. Phase I comprises 8 high-rise residential blocks and are all sold. Phase Ia (4 high-rise residential blocks) was completed in the second half of 2012, 2 high-rise residential blocks of Phase Ib was completed during the period under review and the other 2 blocks of Phase Ib are expected to complete in the second half of financial year ending 31 July 2014. During the period under review, 151,280 square feet attributable to the Group was recognised and generated an attributable sale proceeds of 262.4 million. As at 31 January 2014, attributable contracted but not yet recognised sales amounted to HK$708.9 million or 304,951 square feet at an average selling price of HK$2,325 per square foot. As at 31 January 2014, attributable GFA of completed units held for sale amounted to 1,698 square feet with a carrying amount of approximately HK$2.4 million. The remaining attributable GFA under development was approximately 1,407,800 square feet.

Set out below is the current expectation on the development of the remaining phases:

Phase	**Description**	**Approximate GFA* (square feet)**	**Expected completion**
Ib	High-rise residential units	272,700	Q2 2014
II	Townhouses including a small amount of commercial units	288,700	Q2 2014
III	High-rise residential units including a small amount of commercial units	430,500	Q2 2014
IV	Town houses and low-rise residential units	305,800	Q4 2014
V	High-rise residential units	1,666,100	Q1 2016

* *Excluding car-parking spaces and ancillary facilities*

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. Project was launched for sale in January 2014. As at 31 January 2014, contracted but not yet recognised sales amounted to HK$27.4 million or 4,982 square feet at an average selling price of HK$5,500 per square foot. As at 31 January 2014, carrying amount of the completed properties in this development amounted to approximately HK$417.2 million.

Creative Cultural City Phase I
On 25 September 2013, the Group announced it had successfully won Phase I of the Creative Culture City project in Hengqin which is 80% owned by the Group and 20% owned by its ultimate holding company, eSun . Phase I has a total gross floor area of 2.8 million square feet. The total investment for Phase I CCC is expected to be around HK$3.8 billion. The master layout plan is being finalised and details will be forthcoming once they are available.

Guangzhou Paramount Centre
This is a serviced apartment development, namely "STARR Xin Hotel", located at the junction of Da Sha Tou Road and Yan Jiang Dong Road in Yuexiu District. The attributable GFA is approximately 83,000 square feet excluding 46 car-parking spaces and ancillary facilities. This project will be added to the hotel and serviced apartment portfolio of the Group upon completion. Soft-opening is expected to be in the fourth quarter of 2014.

Guangzhou Haizhu Plaza
Guangzhou Haizhu Plaza is located on Chang Di Main Road in Yuexiu District, Guangzhou along the Pearl River. The Group owns the entire project. The proposed development has a total project GFA of approximately 592,200 square feet and is intended to be developed for rental purpose.

Guangzhou Guan Lu Road Project
The site is located on Guan Lu Road in Yuexiu District. The expected residential and retail GFA is approximately 96,400 square feet excluding 62 car-parking spaces and ancillary facilities. Discussions on the redevelopment plan are progressing between the Group and the Guangzhou government.

CAPITAL STRUCTURE, LIQUIDITY AND DEBT MATURITY PROFILE

As at 31 January 2014, cash and bank balance held by the Group amounted to HK$4,619.4 million and undrawn facilities of the Group was HK$2,070.0 million.

As at 31 January 2014, the Group had total borrowings amounting to HK$6,089.3 million (as at 31 July 2013: HK$6,109.6 million), representing a decrease of HK$20.3 million from 2013. The consolidated net assets attributable to the owners of the Company amounted to HK$12,250.7 million (as at 31 July 2013: HK$11,418.8 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 12% (as at 31 July 2013: 4%). The maturity profile of the Group's borrowings of HK$6,089.3 million is well spread with HK$1,801.8 million repayable within 1 year, HK$773.4 million repayable in the second year and HK$3,514.1 million repayable in the third to fifth years.

Approximately 61% and 37% of the Group's borrowings were on a fixed rate basis and floating rate basis, respectively, and the remaining 2% of the Group's borrowings were interest free.

Apart from the fixed rate senior notes, the Group's other borrowings of HK$2,393.3 million were 47% denominated in Renminbi ("**RMB**"), 31% in Hong Kong dollars ("**HKD**") and 22% in United States Dollars ("**USD**").

The Group's fixed rate senior notes of HK$3,696.0 million were 61% denominated in RMB and 39% in USD. On 25 April 2013, issue date of the RMB denominated senior notes ("**RMB Notes**"), the Group entered into cross currency swap agreements with financial institutions for the purpose of hedging the foreign currency risk arising from such notes. Accordingly, the RMB Notes have been effectively converted into USD denominated loans.

The Group's cash and bank balances of HK$4,619.4 million were 48% denominated in RMB, 43% in USD and 9% in HKD.

The Group's presentation currency is denominated in HKD. 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. Considering that HKD is pegged against USD, the Group believes that the corresponding exposure to USD exchange rate fluctuation is nominal. However, 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. Apart from the aforesaid cross currency swap arrangements, the Group does not have any derivative financial instruments or hedging instruments outstanding.

Certain assets of the Group have been pledged to secure borrowings of the Group, including investment properties with a total carrying amount of approximately HK$8,807.2 million, completed properties for sale with a total carrying amount of approximately HK$417.2 million, properties under development with a total carrying amount of approximately HK$142.1 million, serviced apartments and related properties with a total carrying amount of approximately HK$700.7 million, a leasehold building with carrying amount of approximately HK$39.0 million and bank balances of approximately HK$134.5 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 2013.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 January 2014, the Company did not redeem any of its shares or its 6.875% Senior Notes due 2018, which are listed and traded on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") or its 9.125% Senior Notes due 2014 listed and traded on Singapore Exchange Securities Trading Limited. In addition, the Company or any of its subsidiaries did not purchase or sell any of such shares or Senior Notes during the same period.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code ("**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange throughout the six months ended 31 January 2014 save for the deviations from code provisions A.4.1 and A.5.1 as follows:

Under code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election.

None of the existing non-executive directors ("**NEDs**", including the independent non-executive directors ("**INEDs**")) of the Company is appointed for a specific term. However, all directors of the Company ("**Directors**") are subject to the retirement provisions of the Articles of Association of the Company which require that the Directors for the time being shall retire from office by rotation once every three years since their last election by the shareholders of the Company ("**Shareholders**") and the retiring Directors are eligible for re-election. In addition, any person appointed by the Board as an additional Director (including a NED) will hold office only until the next annual general meeting of the Company and will then be eligible for re-election. Further, in line with the relevant code provision of the CG Code, each of the Directors appointed to fill a casual vacancy would/will be subject to election by the Shareholders at the first general meeting after his/her appointment. In view of these, the Board considers that such requirements are sufficient to meet the underlying objective of the said code provision A.4.1 and, therefore, does not intend to take any remedial steps in this regard.

Under code provision A.5.1, a nomination committee comprising a majority of the independent non-executive directors should be established and chaired by the chairman of the board or an independent non-executive director.

The Company has not established a nomination committee whose functions are assumed by the full Board. Potential new Directors will be recruited based on their knowledge, skills, experience and expertise and the requirements of the Company at the relevant time and candidates for the INEDs must meet the independence criterion. The process of identifying and selecting appropriate candidates for consideration and approval by the Board has been, and will continue to be, carried out by the executive Directors. As the above selection and nomination policies and procedures have already been in place and the other duties of the nomination committee as set out in the CG Code have long been performed by the full Board effectively, the Board does not consider it necessary to establish a nomination committee at the current stage.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2014, the Group employed a total of around 1,400 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 pro-active investor relations programme. Our Executive Directors and Investor Relations Department communicate with research analysts and institutional investors on an on-going basis and meet with research analysts and the press after our results announcements, attend major investors' conferences and participate in international non-deal roadshows to communicate the Company's financial performance and global business strategy.

The Company has met with a number of research analysts and investors, attended conferences as well as non-deal roadshows as follows:

Month	Event	Organizer	Location
August 2013	Investors luncheon	Bank of China International	Hong Kong
October 2013	Post full year results non-deal roadshow	UBS	Hong Kong
October 2013	Post full year results non-deal roadshow	UOB Kay Hian	Singapore
October 2013	Post full year results non-deal roadshow	DBS	New York/Los Angeles/ Denver/San Francisco
October 2013	Post full year results non-deal roadshow	UBS	Paris/London
November 2013	Post full year results non-deal roadshow	CIMB	Kuala Lumpur
November 2013	Post full year results non-deal roadshow	UOB Kay Hian	Taipei
December 2013	Post full year results non-deal roadshow	UBS	Sydney
January 2014	The Pulse of Asia Conference	DBS	Singapore
February 2014	Investors luncheon	China Merchants Securities	Hong Kong

During the period under review, the Company also had research reports published as follows:

Firm	Analyst	Publication Date
DBS	Andy YEE, Danielle WANG, Carol WU & Ken HE	10 October 2013
HSBC	Keith CHAN	10 October 2013

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

REVIEW OF INTERIM RESULTS

The audit committee of the Company ("**Audit Committee**") currently comprises two of the INEDs, namely Mr. Law Kin Ho and Mr. Lam Bing Kwan, and a NED, Mr. Leow Juan Thong, Jason (alternate: Mr. Lucas Ignatius Loh Jen Yuh). The Audit Committee has reviewed the unaudited interim results (including the unaudited condensed consolidated financial statements) of the Company for the six months ended 31 January 2014.

By Order of the Board
Chew Fook Aun
Chairman

Hong Kong, 25 March 2014

As at the date of this announcement, the Board of the Company comprises seven Executive Directors, namely Mr. Chew Fook Aun (Chairman), Dr. Lam Kin Ming (Deputy Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer), Madam U Po Chu, Mr. Lau Shu Yan, Julius and Mr. Cheng Shin How; two Non-executive Directors, namely Mr. Leow Juan Thong, Jason and Mr. Lucas Ignatius Loh Jen Yuh (also alternate to Mr. Leow Juan Thong, Jason); and five Independent Non-executive Directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin and Shek Lai Him, Abraham.