eSun Holdings Limited

(Incorporated in Bermuda with limited liability)

(Stock Code: 571)

Announcement of Final Results for the Year Ended 31 July 2015

RESULTS

The board of directors ("**Directors**" and "**Board**", respectively) of eSun Holdings Limited ("**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries ("**Group**") for the year ended 31 July 2015 together with the comparative figures for the previous year as follows:

CONSOLIDATED INCOME STATEMENT

Year ended 31 July 2015

	Notes	**2015** **HK$'000**	2014 *HK$'000*
TURNOVER	*3*	**3,329,495**	2,344,796
Cost of sales		**(1,910,742)**	(1,423,389)
Gross profit		**1,418,753**	921,407
Other revenue		**196,736**	244,330
Selling and marketing expenses		**(216,755)**	(126,798)
Administrative expenses		**(598,459)**	(621,006)
Other operating gains		**50,963**	92,449
Other operating expenses		**(341,742)**	(318,748)
Fair value losses on cross currency swaps		**(86,492)**	(64,439)
Fair value gains on investment properties		**964,632**	1,138,045
PROFIT FROM OPERATING ACTIVITIES		**1,387,636**	1,265,240
Finance costs	*4*	**(289,122)**	(359,373)
Share of profits and losses of joint ventures		**83,703**	29,169
Share of profits and losses of associates		**193**	(115)
PROFIT BEFORE TAX	*5*	**1,182,410**	934,921
Income tax expense	*6*	**(560,534)**	(286,533)
PROFIT FOR THE YEAR		**621,876**	648,388

CONSOLIDATED INCOME STATEMENT *(continued)*

Year ended 31 July 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
Attributable to:			
Owners of the Company		**258,231**	268,618
Non-controlling interests		**363,645**	379,770
		621,876	648,388
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*7*		
Basic		**HK$0.208**	HK$0.216
Diluted		**HK$0.208**	HK$0.215

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 July 2015

	2015	2014
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**621,876**	648,388
OTHER COMPREHENSIVE INCOME/(LOSS) TO BE RECLASSIFIED TO INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX		
Exchange realignment on translation of foreign operations	**(155,454)**	6,316
Reclassification adjustments relating to disposal/deregistration of foreign operations during the year	**(2,253)**	(1,506)
Change in fair value of an available-for-sale investment	**28,128**	5,985
Share of other comprehensive income/(loss) of joint ventures	**(11,530)**	1,045
Net gain on cash flow hedges	**-**	53,105
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**(141,109)**	64,945
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**480,767**	713,333
Attributable to:		
Owners of the Company	**197,975**	302,233
Non-controlling interests	**282,792**	411,100
	480,767	713,333

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 July 2015

	Notes	2015 HK$'000	2014 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,580,696**	2,836,175
Properties under development		**1,631,376**	644,353
Investment properties		**14,914,881**	13,909,411
Film rights		**25,197**	37,360
Film products		**81,947**	80,298
Music catalogs		**14,832**	16,371
Goodwill		**123,440**	123,440
Investments in joint ventures		**1,231,634**	1,136,546
Investments in associates		**28,875**	32,842
Available-for-sale investments		**167,092**	154,553
Deposits, prepayments and other receivables		**124,273**	156,124
Pledged and restricted time deposits		**135,669**	204,957
Deferred tax assets		**5,072**	5,421
Total non-current assets		**21,064,984**	19,337,851
CURRENT ASSETS			
Properties under development		**247,155**	924,889
Completed properties for sale		**1,683,336**	1,354,049
Films under production		**245,395**	259,292
Inventories		**27,127**	22,073
Debtors	*8*	**323,788**	255,699
Deposits, prepayments and other receivables		**470,400**	314,831
Prepaid tax		**37,300**	44,765
Pledged and restricted time deposits and bank balances		**1,360,665**	559,009
Cash and cash equivalents		**3,151,111**	3,454,948
		7,546,277	7,189,555
Asset classified as held for sale		**265,432**	-
Total current assets		**7,811,709**	7,189,555
CURRENT LIABILITIES			
Creditors and accruals	*9*	**1,198,969**	1,013,580
Deposits received and deferred income		**325,830**	287,512
Tax payable		**368,114**	186,465
Finance lease payables		-	3
Interest-bearing bank loans, secured		**2,487,367**	708,382
Loans from a joint venture		**372,897**	-
Convertible notes	*10*	-	127,995
Total current liabilities		**4,753,177**	2,323,937
NET CURRENT ASSETS		**3,058,532**	4,865,618
TOTAL ASSETS LESS CURRENT LIABILITIES		**24,123,516**	24,203,469

CONSOLIDATED STATEMENT OF FINANCIAL POSITION *(continued)*
31 July 2015

	Notes	**2015** **HK$'000**	2014 *HK$'000*
TOTAL ASSETS LESS CURRENT LIABILITIES		**24,123,516**	24,203,469
NON-CURRENT LIABILITIES			
Long-term deposits received		**103,369**	92,564
Finance lease payables		-	8
Interest-bearing bank loans, secured		**533,780**	1,604,858
Other borrowings		**245,386**	240,229
Convertible notes	*10*	**166,576**	-
Fixed rate senior notes	*11*	**2,220,914**	2,232,738
Guaranteed notes	*12*	**794,343**	794,589
Derivative financial instruments		**111,654**	25,162
Deferred tax liabilities		**2,804,979**	2,633,212
Total non-current liabilities		**6,981,001**	7,623,360
Net assets		**17,142,515**	16,580,109
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**621,606**	621,606
Reserves		**8,543,074**	8,304,579
		9,164,680	8,926,185
Non-controlling interests		**7,977,835**	7,653,924
Total equity		**17,142,515**	16,580,109

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants, accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for completed investment properties, certain investment properties under construction, derivative financial instruments and certain available-for-sale investments, which have been measured at fair value. Non-current asset classified as held for sale is stated at the lower of its carrying amount and fair value less costs to sell. These financial statements are presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the revised HKFRSs' standards and new interpretation, which are effective for the first time for the current year's financial statements. The adoption of these revised standards and new interpretation has had no significant financial effect on the financial statements.

In addition, the Company has early adopted the amendments to the Rules Governing the Listing of Securities on the Stock Exchange ("**Listing Rules**") issued by The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") relating to the disclosure of financial information with reference to the Hong Kong Companies Ordinance (Cap. 622) during the current financial year. The main impact to the financial statements is on the presentation and disclosure of certain information in the financial statements.

3. OPERATING SEGMENT INFORMATION

Segment revenue/results:

	Property development		Property investment		Media and entertainment		Film production and distribution		Cinema operation		Corporate and others		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment revenue:														
Sales to external customers	1,275,352	640,928	622,257	564,186	576,343	543,100	457,639	259,694	294,860	252,395	103,044	84,493	3,329,495	2,344,796
Intersegment sales	-	-	3,785	2,188	312	677	7,559	10,900	1,425	1,408	932	2,431	14,013	17,604
Other revenue	1,459	2,139	108,730	121,601	6,839	8,019	1,356	1,894	19,202	18,018	448	1,557	138,034	153,228
Total	1,276,811	643,067	734,772	687,975	583,494	551,796	466,554	272,488	315,487	271,821	104,424	88,481	3,481,542	2,515,628
Elimination of intersegment sales													(14,013)	(17,604)
Total revenue													3,467,529	2,498,024
Segment results	286,682	73,331	1,263,542	1,380,928	50,158	34,745	34,395	(101,802)	3,403	(1,595)	(177,666)	(197,766)	1,460,514	1,187,841
Unallocated interest and other revenue	-	-	-	-	-	-	-	-	-	-	-	-	58,702	91,102
Fair value loss on options	-	-	-	-	-	(5,172)	-	-	-	-	-	-	-	(5,172)
Fair value losses on cross currency swaps	-	-	-	-	-	-	-	-	-	-	-	-	(86,492)	(64,439)
Gain on disposal of partial interest of an available-for-sale investment	-	-	-	-	-	-	-	-	-	-	-	-	-	38,611
Impairment of asset classified as held for sale	-	-	-	-	-	-	-	-	-	-	-	-	(34,618)	-
Impairment of property, plant and equipment	-	-	(12,941)	-	-	-	-	-	-	-	-	-	(12,941)	-
Gain on disposal/deregistration of subsidiaries	-	-	-	-	324	9,477	-	-	-	-	2,147	-	2,471	9,477
Gain on disposal of joint ventures	-	-	-	-	-	3,043	-	4,777	-	-	-	-	-	7,820
Profit from operating activities													1,387,636	1,265,240
Finance costs	-	-	-	-	-	-	-	-	-	-	-	-	(289,122)	(359,373)
Share of profits and losses of joint ventures	76,705	43,921	-	-	2,336	(12,602)	4,662	(2,150)	-	-	-	-	83,703	29,169
Share of profits and losses of associates	-	-	-	-	(306)	(744)	(10)	(7)	509	636	-	-	193	(115)
Profit before tax													1,182,410	934,921
Income tax expenses													(560,534)	(286,533)
Profit for the year													621,876	648,388

3. OPERATING SEGMENT INFORMATION *(continued)*

Segments assets/liabilities:

	Property development		Property investment		Media and entertainment		Film production and distribution		Cinema operation		Corporate and others		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**3,786,405**	2,994,925	**17,285,825**	16,493,809	**412,958**	342,156	**939,248**	920,348	**309,328**	263,614	**4,341,074**	3,927,507	**27,074,838**	24,942,359
Investments in joint ventures	**1,166,823**	1,100,591	**-**	-	**39,388**	28,289	**25,423**	7,666	**-**	-	**-**	-	**1,231,634**	1,136,546
Investments in associates	**-**	-	**-**	-	**-**	(337)	**19,380**	19,384	**9,495**	13,795	**-**	-	**28,875**	32,842
Unallocated assets													**275,914**	415,659
Asset classified as held for sale													**265,432**	-
Total assets													**28,876,693**	26,527,406
Segment liabilities	**479,129**	445,957	**350,510**	308,517	**145,707**	113,416	**322,280**	238,126	**106,003**	77,925	**224,539**	209,715	**1,628,168**	1,393,656
Unallocated liabilities													**10,106,010**	8,553,641
Total liabilities													**11,734,178**	9,947,297

3. OPERATING SEGMENT INFORMATION *(continued)*

Other segment information:

	Property development		Property investment		Media and entertainment		Film production and distribution		Cinema operation		Corporate and others		Consolidated	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*	*HK$'000*
Depreciation	3,001	2,409	105,365	102,354	1,958	2,364	907	593	23,938	21,642	13,307	13,487	148,476	142,849
Impairment of music catalogs	-	-	-	-	-	2,000	-	-	-	-	-	-	-	2,000
Impairment of film products	-	-	-	-	-	-	7,150	35,153	-	-	-	-	7,150	35,153
Write-down of completed properties for sale to net realisable value	8,209	-	-	-	-	-	-	-	-	-	-	-	8,209	-
Write-off of items of property, plant and equipment	-	-	-	-	707	-	11	-	34	-	20	15,775	772	15,775
Write-off of films under production	-	-	-	-	-	-	70	3,083	-	-	-	-	70	3,083
Fair value gains on investment properties	-	-	(964,632)	(1,138,045)	-	-	-	-	-	-	-	-	(964,632)	(1,138,045)
Fair value loss on options	-	-	-	-	-	5,172	-	-	-	-	-	-	-	5,172
Amortisation of film rights	-	-	-	-	-	-	12,885	16,702	-	-	-	-	12,885	16,702
Amortisation of film products	-	-	-	-	-	-	134,643	96,249	-	-	-	-	134,643	96,249
Amortisation of music catalogs	-	-	-	-	3,139	3,894	-	-	-	-	-	-	3,139	3,894
Amortisation of other intangible assets	-	-	-	-	-	3,693	-	-	-	-	-	-	-	3,693
Provision for doubtful debts	-	-	-	-	253	-	1,195	3,278	-	-	-	-	1,448	3,278
Provision for advances and other receivables	-	-	-	-	5,444	4,719	-	22,644	252	299	800	-	6,496	27,662
Reversal of provision for advances and other receivables	-	-	-	-	(7,950)	(6,516)	-	-	-	-	-	-	(7,950)	(6,516)
Provision for amounts due from joint ventures	-	-	-	-	1,314	1,720	-	-	-	-	-	-	1,314	1,720
Provision for/(reversal of provision for) inventories	-	-	-	-	(258)	(320)	-	157	21	-	100	(555)	(137)	(718)
Additions of property, plant and equipment	1,822	4,443	25,480	64,686	147	414	881	1,595	7,307	60,669	4,371	16,136	40,008	147,943
Additions of properties under development	1,340,515	383,547	-	-	-	-	-	-	-	-	-	-	1,340,515	383,547
Additions of investment properties	-	-	444,132	854,414	-	-	-	-	-	-	-	-	444,132	854,414
Additions of film rights	-	-	-	-	-	-	722	6,837	-	-	-	-	722	6,837
Additions of film products	-	-	-	-	-	-	-	336	-	-	-	-	-	336
Additions of films under production	-	-	-	-	-	-	129,128	231,137	-	-	-	-	129,128	231,137
Additions of music catalogs	-	-	-	-	1,600	1,600	-	-	-	-	-	-	1,600	1,600
Additions of goodwill	-	-	-	-	-	10,000	-	18,440	-	95,000	-	-	-	123,440

3. OPERATING SEGMENT INFORMATION *(continued)*

Geographical information:

	Hong Kong		Mainland China (including Macau)		Others		Consolidated	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Revenue:								
Sales to external customers	**703,812**	699,780	**2,550,823**	1,596,853	**74,860**	48,163	**3,329,495**	2,344,796
Assets:								
Segment assets:								
– non-current assets	**609,380**	576,405	**20,237,211**	18,390,126	**301**	426	**20,846,892**	18,966,957
– current assets	**1,748,396**	1,708,928	**5,728,930**	5,430,985	**11,129**	4,877	**7,488,455**	7,144,790
Unallocated assets							**275,914**	415,659
Asset classified as held for sale							**265,432**	-
Total assets							**28,876,693**	26,527,406
Other information:								
Additions of property, plant and equipment	**7,430**	21,654	**32,562**	126,289	**16**	-	**40,008**	147,943
Additions of properties under development	**-**	-	**1,340,515**	383,547	**-**	-	**1,340,515**	383,547
Additions of investment properties	**-**	-	**444,132**	854,414	**-**	-	**444,132**	854,414
Additions of film rights	**722**	6,837	**-**	-	**-**	-	**722**	6,837
Additions of film products	**-**	336	**-**	-	**-**	-	**-**	336
Additions of films under production	**69,987**	179,557	**59,141**	51,580	**-**	-	**129,128**	231,137
Additions of music catalogs	**1,600**	1,600	**-**	-	**-**	-	**1,600**	1,600
Additions of goodwill	**-**	123,440	**-**	-	**-**	-	**-**	123,440

Information about a major customer:
No customer of the Group has individually accounted for over 10% of the Group's total revenue during the years ended 31 July 2015 and 2014.

4. FINANCE COSTS

An analysis of finance costs is as follows:

	2015	2014
	HK$'000	*HK$'000*
Interest on:		
Bank loans	**141,938**	134,980
Other borrowings	**5,647**	5,647
US$200,000,000 fixed rate senior notes ("**2007 Notes**")	-	86,552
RMB1,800,000,000 fixed rate senior notes ("**2013 Notes**")	**141,486**	142,006
First Completion Convertible Notes	-	16,850
Second Completion Convertible Notes	**10,505**	7,262
TFN Convertible Notes	**2,070**	-
Specific Mandate Convertible Notes	**522**	-
Guaranteed notes	**68,071**	6,919
Loans from a joint venture	**9,397**	-
Amortisation of:		
Bank loans	**14,736**	14,768
2007 Notes	-	5,975
2013 Notes	**7,060**	6,573
Guaranteed notes	**5,408**	550
Bank financing charges and direct costs	**26,133**	25,842
Other finance costs	**95**	823
	433,068	454,747
Less: Capitalised in properties under development	**(61,065)**	(40,543)
Capitalised in investment properties under construction	**(78,936)**	(38,467)
Capitalised in construction in progress	**(3,945)**	(16,364)
	(143,946)	(95,374)
Total finance costs	**289,122**	359,373

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2015 *HK$'000*	2014 *HK$'000*
Cost of completed properties sold	**907,050**	489,968
Outgoings in respect of rental income	**159,856**	150,455
Cost of film rights, licence rights and film products	**236,409**	233,456
Cost of artiste management services, advertising agency services, and services for entertainment events provided	**297,454**	245,484
Cost of theatrical releasing and concessionary sales	**119,751**	101,441
Cost of inventories sold	**190,222**	202,585
Total cost of sales	**1,910,742**	1,423,389
Depreciation^	**148,476**	142,849
Impairment of music catalogs**	**-**	2,000
Impairment of film products#	**7,150**	35,153
Impairment of property, plant and equipment**	**12,941**	-
Impairment of asset classified as held for sale**	**34,618**	-
Write-down of completed properties for sale to net realisable value**	**8,209**	-
Write-off of items of property, plant and equipment**	**772**	15,775
Write-off of films under production#	**70**	3,083
Share of net income from entertainment events organised by co-investors*	**(6,728)**	(9,289)
Fair value loss on options**	**-**	5,172
Amortisation of film rights#	**12,885**	16,702
Amortisation of film products#	**134,643**	96,249
Amortisation of music catalogs#	**3,139**	3,894
Amortisation of other intangible assets#	**-**	3,693
Provision for doubtful debts**	**1,448**	3,278
Provision for advances and other receivables**	**6,496**	27,662
Reversal of provision for advances and other receivables*	**(7,950)**	(6,516)
Provision for amounts due from joint ventures**	**1,314**	1,720
Gain on disposal of joint ventures*	**-**	(7,820)
Gain on disposal/deregistration of subsidiaries*	**(2,471)**	(9,477)
Gain on disposal of partial interest of an available-for-sale investment*	**-**	(38,611)
Loss on disposal of items of property, plant and equipment**	**1,199**	508
Reversal of provision for inventories#	**(137)**	(718)
Foreign exchange differences, net*	**(33,485)**	(25,897)

* These items are included in the "Other operating gains" on the face of the consolidated income statement.

** These items are included in the "Other operating expenses" on the face of the consolidated income statement.

\# These items are included in "Cost of sales" on the face of the consolidated income statement.

^ Depreciation charges of HK$123,553,000 (2014: HK$120,538,000) are included in "Other operating expenses" on the face of the consolidated income statement of which HK$99,615,000 (2014: HK$98,896,000) are for serviced apartments and related leasehold improvements and HK$23,938,000 (2014: HK$21,642,000) are related to cinema operation.

6. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year. Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates, based on existing legislation, interpretations and practices in respect thereof.

	2015	2014
	HK$'000	*HK$'000*
Current		
– Hong Kong		
Charge for the year	**7,096**	4,261
Underprovision/(overprovision) in prior years	**905**	(50)
	8,001	4,211
– Elsewhere		
Charge for the year	**940**	1,462
Overprovision in prior years	**(32)**	-
	908	1,462
– Mainland China		
Corporate income tax		
Charge for the year	**164,015**	76,313
Underprovision in prior years	**2,542**	29,902
Land appreciation tax		
Charge for the year	**165,161**	11,151
Overprovision in prior years	**-**	(116,778)
	331,718	588
	340,627	6,261
Deferred tax	**219,907**	304,574
Tax indemnity	**-**	(24,302)
Total tax charge for the year	**560,534**	286,533

7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic earnings per share amounts is based on the profit for the year attributable to owners of the Company and ordinary shares of 1,243,212,165 (2014: 1,243,212,165) in issue during the year.

The calculation of diluted earnings per share amounts is based on the profit for the year attributable to owners of the Company, adjusted for the effect of dilutive potential ordinary shares arising from adjustment to the share of profit of Lai Fung Holdings Limited ("**Lai Fung**") based on dilution of its earnings per share. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and weighted average number of ordinary shares assumed to have been issued at no consideration as if all the Company's outstanding share options have been considered.

The conversion of the outstanding convertible notes issued by Media Asia Group Holdings Limited ("**MAGHL**") has an anti-dilutive effect on the basic earnings per share amounts presented during the years ended 31 July 2015 and 2014.

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

	2015	2014
	HK$'000	*HK$'000*
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	**258,231**	268,618
Effect of dilutive potential ordinary shares arising from adjustment to the share of profit of a subsidiary based on dilution of its earnings per share*	**(164)**	(607)
Earnings for the purpose of diluted earnings per share	**258,067**	268,011

	Number of shares	
	2015	2014
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**1,243,212,165**	1,243,212,165
Effect of dilution - weighted average number of ordinary shares: Share options	**235,265**	499,376
Weighted average number of ordinary shares in issue during the year used in the diluted earnings per share calculation	**1,243,447,430**	1,243,711,541

* Balance represented the decrease in the Group's proportionate interest in the earnings of Lai Fung of HK$164,000 (2014: HK$607,000) assuming all dilutive outstanding share options of Lai Fung were exercised to subscribe for ordinary shares of Lai Fung at the beginning of the year.

8. DEBTORS

	2015	2014
	HK$'000	*HK$'000*
Trade debtors	**329,317**	261,238
Impairment	**(5,529)**	(5,539)
	323,788	255,699

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

The Lai Fung 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 Lai Fung Group, the settlement of which is in accordance with the respective agreements. In view of the aforementioned and the fact that the Lai Fung Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables of the Lai Fung Group were interest-free.

The Group does not hold any collateral or other credit enhancements over these balances.

An ageing analysis of the trade debtors, net of provision for doubtful debts, based on payment due date, as at the end of the reporting period, is as follows:

	2015	2014
	HK$'000	*HK$'000*
Trade debtors:		
Neither past due nor impaired	**244,115**	154,564
1 - 90 days past due	**64,809**	81,583
Over 90 days past due	**14,864**	19,552
Total	**323,788**	255,699

9. CREDITORS AND ACCRUALS

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

	2015	2014
	HK$'000	*HK$'000*
Trade creditors:		
Less than 30 days	**79,898**	171,533
31 - 60 days	**7,264**	8,356
61 - 90 days	**7,593**	1,071
Over 90 days	**1,167**	1,228
	95,922	182,188
Other creditors and accruals	**1,103,047**	831,392
Total	**1,198,969**	1,013,580

10. CONVERTIBLE NOTES

TFN Convertible Notes

Pursuant to a subscription agreement entered into between TFN Media Co., Ltd. ("**TFN Media**") and MAGHL on 17 April 2015, among others, MAGHL conditionally agreed to issue, and TFN Media conditionally agreed to subscribe for 3-year zero coupon convertible notes in an aggregate principal amount of HK$130,000,000 ("**TFN Convertible Notes**"), which are convertible at the option of the holder into MAGHL's ordinary shares during the period commencing on the first day of the TFN Convertible Notes and expiring on that date which is five business days preceding the maturity date.

The TFN Convertible Notes were issued to TFN Media, the holder of the TFN Convertible Notes, on 13 May 2015. The TFN Convertible Notes in an aggregate principal amount of HK$130,000,000 carries the conversion right entitling TFN Media to subscribe for a total of 245,746,691 shares of HK$0.01 each in MAGHL at a conversion price of HK$0.529 per share.

Pursuant to the terms and conditions of the TFN Convertible Notes, as a result of the open offer of MAGHL on 2 June 2015, the conversion price of the TFN Convertible Notes set out above was adjusted from HK$0.529 per share to HK$0.458 per share. Based on the issued and outstanding TFN Convertible Notes in the principal amount of HK$130,000,000 as at 31 July 2015, the number of shares to be allotted and issued to TFN Media would be adjusted from 245,746,691 shares to 283,842,794 shares as a result of the open offer assuming the conversion rights attaching thereto were exercised in full. However, as disclosed in MAGHL's announcement dated 13 May 2015, MAGHL elects to redeem the principal amount attributable to conversion shares under the TFN Convertible Notes in excess of the outstanding number of new shares issuable under the general mandate granted to the directors of MAGHL to issue shares of MAGHL at its annual general meeting held on 9 December 2014 ("**General Mandate**"), and therefore, having taken into account the maximum number of such issuable shares under the General Mandate and assuming no utilisation of the General Mandate (other than that for the allotment and issue of the conversion shares under the TFN Convertible Notes), the maximum number of conversion shares that could be allotted and issued to TFN Media under the TFN Convertible Notes shall be 267,973,164 shares, at the adjusted conversion price of HK$0.458 per share.

10. CONVERTIBLE NOTES *(continued)*

Unless previously converted, redeemed, purchased or cancelled in accordance with the terms and conditions of the TFN Convertible Notes, it will be redeemed by MAGHL on the maturity date of 13 May 2018 at the principal amount outstanding.

The fair value of the liability component was estimated at the issue date, net of transaction cost allocated to the liability component using an equivalent market interest rate for a similar note without a conversion option. The residual amount is assigned as the equity component and is included in the reserve attributable to non-controlling interests.

The liability and equity components of the TFN Convertible Notes recognised on initial recognition are as follows:

	HK$'000
TFN Convertible Notes	
Face value of convertible notes issued	130,000
Equity component	(30,991)
Liability component at date of issue	99,009

Specific Mandate Convertible Notes

Pursuant to each of the subscription agreements entered into by MAGHL with each of Perfect Sky Holdings Limited ("**Perfect Sky**"), a wholly-owned subsidiary of the Company, Fubon Financial Holding Venture Capital Corp., Kbro Media Co., Ltd., and MOMO.COM Inc. (collectively the "**New Subscribers**") on 17 April 2015, among others, MAGHL conditionally agreed to issue, and the New Subscribers conditionally agreed to subscribe for 3-year zero coupon convertible notes in an aggregate principal amount of HK$186,840,000 ("**Specific Mandate Convertible Notes**"), which are convertible at the option of the holders into MAGHL's ordinary shares during the period commencing on the first day of the Specific Mandate Convertible Notes and expiring on the date which is five business days preceding the maturity date.

The Specific Mandate Convertible Notes were issued to the New Subscribers on 3 July 2015. The Specific Mandate Convertible Notes in an aggregate principal amount of HK$186,840,000 carries the conversion right entitling the relevant holders to subscribe for a total of 407,947,597 shares of HK$0.01 each in MAGHL at a conversion price of HK$0.458 per share as adjusted for the open offer pursuant to the terms and conditions of the Specific Mandate Convertible Notes.

Unless previously converted, redeemed, purchased or cancelled in accordance with the terms and conditions of the Specific Mandate Convertible Notes, it will be redeemed by MAGHL on the maturity date of 3 July 2018 at the principal amount outstanding.

The fair value of the liability component was estimated at the issue date, net of transaction cost allocated to the liability component using an equivalent market interest rate for a similar note without a conversion option. The residual amount is assigned as the equity component and is included in the reserve attributable to non-controlling interests.

The net proceeds received from the issue of the Specific Mandate Convertible Notes, after eliminating the subscription of the Specific Mandate Convertible Notes of HK$100,000,000 by Perfect Sky at a conversion price of HK$0.458 per share as adjusted for the open offer, were split into the liability and equity components on the issue date as follows:

10. CONVERTIBLE NOTES *(continued)*

	HK$'000
Specific Mandate Convertible Notes	
Face value of convertible notes issued	86,840
Equity component	(21,162)
Liability component at date of issue	65,678

Interest charged for the TFN Convertible Notes and the Specific Mandate Convertible Notes were calculated by applying effective interest rates of 9.5% per annum and 9.9% per annum, respectively, to the respective liability components.

11. FIXED RATE SENIOR NOTES

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

On 4 April 2007, Lai Fung issued US$200,000,000 of 9.125% fixed rate senior notes (the "**2007 Notes**"), which matured on 4 April 2014 for bullet repayment. The 2007 Notes bore interest from 4 April 2007 and were payable semi-annually in arrears on 4 April and 4 October of each year, commencing on 4 October 2007. The 2007 Notes were listed on the Singapore Exchange Securities Trading Limited. The 2007 Notes have been fully redeemed on the maturity date during last year.

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

On 25 April 2013, Lai Fung issued RMB1,800,000,000 of 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.

12. GUARANTEED NOTES

RMB650,000,000 8.375% Secured Guaranteed Notes due 2018

On 24 June 2014, eSun International Finance Limited, a wholly-owned subsidiary of the Company, issued RMB650,000,000 (equivalent to approximately HK$809,364,000) of 8.375% secured guaranteed notes (the "**Guaranteed Notes**"), which will mature on 24 June 2018 for bullet repayment. The Guaranteed Notes bear interest from 25 June 2014 and are payable semi-annually in arrears on 24 June and 24 December of each year, commencing on 24 December 2014. The Guaranteed Notes are listed on the Stock Exchange.

13. EVENT AFTER THE REPORTING PERIOD

On 30 September 2015, Shanghai Zhabei Plaza Real Estate Development Company Limited ("**Shanghai Zhabei Plaza**", as purchaser), being an indirect non-wholly-owned subsidiary of Lai Fung, Federation of Trade Union of Zhabei District of Shanghai ("**Zhabei Trade Union**", as vendor) and Lai Fung (as guarantor) entered into an agreement, pursuant to which Shanghai Zhabei Plaza conditionally agreed to acquire and Zhabei Trade Union conditionally agreed to sell certain property ("**Property**") at a cash consideration of approximately RMB355.1 million (equivalent to approximately HK$433.5 million). The Property, comprises portion of a commercial building with total gross floor area of approximately 10,345 square metres (equivalent to approximately 111,345 square feets) and the right to use 20 basement car-parking spaces, is physically connected to an investment property currently held by Lai Fung Group and situated at Zhabei, Shanghai.

The completion of this transaction is subject to, inter alias, the approval from the shareholders of the Company in the upcoming special general meeting.

The proposed acquisition constituted a major transaction for the Company under Chapter 14 of the Listing Rules and was therefore subject to reporting, announcement and shareholders' approval requirements as set out in Chapter 14 of the Listing Rules. Further details of this transaction are set out in a joint announcement of the Company and Lai Fung dated 30 September 2015.

14. COMPARATIVE AMOUNTS

Certain comparative amounts have been reclassified to conform with the current year's presentation and disclosure.

15. FINAL DIVIDEND

The Board does not recommend the payment of dividend for the year ended 31 July 2015 (2014: Nil) for shareholders' approval at the forthcoming annual general meeting of the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Media and Entertainment/Film Production and Distribution/Cinema Operation

The Mainland China entertainment market continues to grow at an unprecedented pace. The Group continues to expand its media and entertainment businesses in Mainland China, maximising income from its film, TV, music, live entertainment, artiste management and cinema in this fast growing market. The Group is well positioned to capitalise on this trend with its solid foundation in the industry and achieved good progress for the year ended 31 July 2015.

- Films — continued drive to increase its original production of films which appeal to Chinese language audiences and foresees a solid distribution pipeline in the year to come with a slate of films currently in development and production. Emphasis will be put on focusing on increasing production capabilities and deriving more fee related income from the production.

- TV — expanded its activities in production and investments in quality TV drama series in line with the continued strong demand for good programmes from TV stations and online video websites in Mainland China as well as a way to provide exposure and training for the Group's stable of artistes. The Group will focus on developing scripts of early episodes of different series as a way to secure investors' and television stations' interests early therefore to secure distribution and co-development opportunities. Moreover, the Group is also looking to move into other types of TV programmes such as variety shows and reality series which shall create synergy with the Group's other media and entertainment businesses.

- Live Entertainment — successfully produced and promoted a large number of major concerts in Hong Kong and Mainland China performed by prominent local, Asian and international artistes. The Group is expanding its activities and continues to be a driving force in this area whilst exploring other types of live entertainment such as musicals and theatrical performances in addition to concerts.

- Artiste Management — expanded its Chinese artiste roster as well as collaborated with high profile Asian artistes such as top Korean music groups. With diverse projects including film, TV, music and live events which ensure maximum commercial value and appeal, the Group is in a good position to attract stars and develop new talents.

- Music — as international music labels are coming to a mutually acceptable licensing model with major Chinese music portals, the long awaited pay model for digital music is taking shape. With a vast and well-known Chinese music library under management and a continual supply of new hits, the Group is poised to capitalise on this new economic model.

- Cinema — acquisition of Intercontinental Group Holdings Limited bolstered the Group's ambition in this segment and supplemented the film distribution segment of the Group in Hong Kong and Mainland China. Our new cinema in Causeway Bay in Hong Kong, the Grand Windsor Cinema was opened on 26 September 2015.

The Group has granted exclusive licenses to Taobao (China) Software Co. Ltd., amongst other things, to distribute the Group's music recordings and music videos via internet in Mainland China. The Group has also worked with a leading mobile game operator to sponsor and promote their movie via a popular mobile game. The above mentioned sitcom is also a collaboration project with an e-commence operator and the Group is also developing a mini drama series tailor made for internet broadcasting with a major internet operator.

In summary, the Group believes that its integrated media platform comprising film, TV, music, artiste and events management, live entertainment and cinemas presents the most balanced and synergistic approach to growing a Chinese entertainment powerhouse. The Group will continue to optimise its resources and strive towards this goal.

Mainland China Property Market

The global economies continue to tread on a delicate recovery path with few bright spots. Economic fundamentals remain delicate despite continuous support from central banks around the world. Geopolitical tensions around the world has not subsided which further shrouds the already uncertain outlook.

The Central Government demonstrated its determination to focus on quality and sustainability in economic development through implementing a combination of fiscal and prudent monetary policy to balance steady growth and ongoing economic restructuring. Several rounds of interest rate decreases and reserve requirement ratio cuts were implemented to stimulate the economy and the Central Government appears to be on-track to achieve the 2015 Gross Domestic Product growth target of approximately 7.0%.

Whilst the outlook for the retail segment of the property sector continues to be challenging, the stimuli, coupled with the relaxation on home purchasing restrictions, clearly rejuvenated the residential property segment with transaction volumes recovered and average selling prices stabilised in major cities. The Group believes that the property sector is an important economic pillar and continues to be shaped significantly by government policies. The Central Government's approach to the economy is certainly good news to the sector in the long run and supportive fiscal policy would be beneficial to investors and developers alike.

Lai Fung Holdings Limited's ("**Lai Fung**", together with its subsidiaries, "**Lai Fung Group**") regional focus coupled with the rental-led strategy that Lai Fung Group adopted since 2012 has proved to be successful again against such a challenging operating environment. The rental portfolio of approximately 2.9 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.

Asset enhancement aimed at improving foot traffic at the higher levels of the retail podium of Shanghai Hong Kong Plaza has been completed. New tenants have commenced operations during the year under review which is expected to improve the overall rental contribution from this property.

During the year ended 31 July 2015, the sale of Guangzhou King's Park, Guangzhou Eastern Place Phase V residential portion and Guangzhou Dolce Vita were encouraging. Lai Fung Group experienced a steady increase in average selling prices in these projects which indicated the strength and depth of the underlying demand.

Lai Fung Group has a number of projects in various stages of development in Shanghai, Guangzhou, Zhongshan and Hengqin. The rental portfolio is expected to increase from approximately 2.9 million square feet to approximately 7.0 million square feet through developing the existing projects in the next few years. The remaining residential units in Guangzhou Dolce Vita Phases IV and V, Guangzhou King's Park and Guangzhou Eastern Place Phase V are expected to contribute to the profit and loss account in the current and coming financial years. As at 31 July 2015, Lai Fung Group has a landbank of 9.9 million square feet. Lai Fung Group will continue its prudent and flexible approach in growing its landbank.

Subsequent to the year end, on 30 September 2015, Lai Fung Group entered into an agreement to acquire the 6th to 11th floors of Hui Gong Building that is physically connected to Northgate Plaza I in Shanghai, together with the right to use 20 car-parking spaces in the basement ("**Hui Gong Building**") which will facilitate the redevelopment plan of Northgate Plaza I and the adjacent Northgate Plaza II and enhance the overall value of the combined development once they are redeveloped. This transaction is subject to, inter alia, the Company's shareholders' approval at a special general meeting to be held soon.

The Group's consolidated cash position of HK$4,647.4 million (HK$1,061.3 million excluding Lai Fung Group and Media Asia Group Holdings Limited ("**MAGHL**") together with its subsidiaries ("**MAGHL Group**") (2014: HK$4,218.9 million (HK$1,328.9 million excluding Lai Fung Group and MAGHL Group)) with a net debt to equity ratio of 23.7% as at 31 July 2015 (2014: 16.7%) provides the Group with 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 FINAL RESULTS

For the year ended 31 July 2015, the Group recorded a turnover of HK$3,329.5 million, representing an increase of 42.0% from HK$2,344.8 million of last year. The gross profit increased by approximately 54.0% to HK$1,418.8 million (2014: HK$921.4 million).

For the year ended 31 July 2015, net profit attributable to owners of the Company was approximately HK$258.2 million (2014: HK$268.6 million). Basic earnings per share was HK$0.208 (2014: HK$0.216). The decrease is primarily due to: (a) a lower revaluation gain arising in the revaluation of the investment properties of Lai Fung for the year ended 31 July 2015 as compared to last year; and (b) the fair value losses, mainly as a result of the worse than expected outlook on Renminbi depreciation, arising on cross currency swaps which were entered into in relation to the RMB1.8 billion senior notes issued by Lai Fung in 2013. The effect of the fair value losses on the consolidated income statement of the Group will either be reversed or offset by the exchange gain arising from the RMB1.8 billion senior notes upon the expiry of the cross currency swap contracts.

Net loss attributable to owners of the Company for the year ended 31 July 2015 excluding the effect of property revaluations was approximately HK$112.7 million (2014: net loss of HK$163.5 million). Net loss per share attributable to owners of the Company excluding the effect of property revaluations decreased from HK$0.132 to HK$0.091 per share, correspondingly.

Excluding the effect of property revaluations and fair value losses on cross currency swaps, net loss attributable to owners of the Company for the year ended 31 July 2015 decreased to approximately HK$68.2 million as compared to HK$130.4 million last year. Net loss per share attributable to owners of the Company excluding the effect of property revaluations and fair value losses on cross currency swaps decreased from HK$0.105 to HK$0.055 per share, correspondingly.

Profit/(loss) attributable to owners of the Company	**For the year ended 31 July**	
	2015	2014
	HK$'million	HK$'million
Reported	**258.2**	268.6
Adjustments in respect of investment properties		
Revaluation of properties	**(495.1)**	(577.2)
Deferred tax on investment properties	**123.8**	144.3
Non-controlling interests' share of revaluation movements less deferred tax	**0.4**	0.8
Net loss after tax excluding revaluation gains of investment properties	**(112.7)**	(163.5)
Adjustment in respect of fair value losses on cross currency swaps	**44.5**	33.1
Net loss after tax excluding adjustments in respect of investment properties and fair value losses on cross currency swaps	**(68.2)**	(130.4)

Equity attributable to owners of the Company as at 31 July 2015 amounted to HK$9,164.7 million, up from HK$8,926.2 million as at 31 July 2014. Net asset value per share attributable to owners of the Company increased to HK$7.37 per share as at 31 July 2015 from HK$7.18 per share as at 31 July 2014.

Media and Entertainment

During the year under review, this segment recorded a turnover of HK$576.3 million (2014: HK$543.1 million) and segment results increased from a profit of HK$34.7 million to a profit of HK$50.2 million.

Live Entertainment

During the year under review, the Group organised and invested in 114 (2014: 117) shows by popular local, Asian and internationally renowned artistes, including Sammi Cheng, Miriam Yeung, Super Junior, EXO, Donghae & Eunhyuk, Ivana Wong, William So, a group of Ekin Cheng, Jordan Chan, Michael Tse, Jerry Lam, Chin Ka Lok, Justin Lo, Poon Yuen Leung, C AllStar and Show Lo.

Music Production, Distribution and Publishing

During the year under review, the Group released 85 (2014: 91) albums, including titles by Super Junior, Sammi Cheng, Miriam Yeung, Justin Lo, Grasshopper, C AllStar, RubberBand, Ivana Wong and Edmond Leung.

The Group is expected to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

The Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing TV drama production and film production business. The Group had more than 29 (2014: 39) artistes under its management for the year ended 31 July 2015.

Film Production and Distribution

During the year under review, this segment recorded a turnover of HK$457.6 million (2014: HK$259.7 million). Segment results improved from a loss of HK$101.8 million to a profit of HK$34.4 million.

During the year under review, a total of 7 films produced/invested by the Group were theatrically released, namely *Helios, Triumph in the Skies, The Man from Macau II (From Vegas to Macau 2), Crazy New Year's Eve, Don't Go Breaking My Heart 2, Miss Granny (20, Once Again) and Breakup 100.* In addition, the Group has completed principal photography of another 4 films, with 6 other films in the production pipeline or under development and most of them are expected to be released by 2016. The Group also distributed 29 (2014: 29) films and 287 (2014: 205) videos with high profile titles including *Fury, Paddington, Stand By Me Doraemon (3D), Terminator: Genisys* and *Mission Impossible: Rogue Nation*. The investments in the productions of 3 TV drama series in the Mainland China are expected to generate return to the Group in the coming financial years. The Group has been building up its production and distribution team and expects to see a substantial growth in this business.

Cinema Operation

During the year under review, this segment recorded a turnover of HK$294.9 million (2014: HK$252.4 million). As at 31 July 2015, the Group operates 2 cinemas under the brand of "May Flower" in Mainland China and 7 cinemas under the brand of "MCL" in Hong Kong and Mainland China as well as 1 joint venture cinema in Hong Kong. Subsequent to the year end, our new cinema in Causeway Bay in Hong Kong, the Grand Windsor Cinema was opened on 26 September 2015. It is expected that 3 more new cinemas in Hong Kong will commence operations in 2016. The cinema operation provides a complementary distribution channel for the Group's film production and distribution businesses.

Details on the number of screens and seats of each cinema are as follows:

Cinema	Attributable Interest to the Group (%)	No. of Screens *(Note)*	No. of Seats *(Note)*
Mainland China			
Guangzhou May Flower Cinema City	100	7	606
Zhongshan May Flower Cinema City	100	5	926
MCL Cinema City in Shekou	85	5	629
MCL Cinema City in Luohu	85	5	529
Subtotal		**22**	**2,690**
Hong Kong			
MCL Metro Cinema	85	7	957
MCL Telford Cinema	85	6	819
STAR Cinema	85	6	622
MCL Kornhill Cinema	85	5	836
MCL JP Cinema	85	2	658
Grand Windsor Cinema (opened on 26 September 2015)	85	3	246
The Grand Cinema	25.5	12	1,566
Subtotal		**41**	**5,704**
Total		**63**	**8,394**

Note: On 100% basis

Property Investment

The following details are extracted from Lai Fung's results announcement for the two years ended 31 July 2015 and 31 July 2014.

Rental Income

For the year ended 31 July 2015, Lai Fung Group's rental operations recorded a turnover of HK$626.0 million (2014: HK$566.4 million), representing a 10.5% increase over last year. Breakdown of rental turnover by major rental properties is as follows:

	For the year ended 31 July		Approximate percentage	Year end
	2015	2014	**change**	**occupancy**
	HK$'million	HK$'million	(%)	(%)
Shanghai Hong Kong Plaza	**407.2**	379.7	7.2	Retail: 99.1 Office: 96.6 Serviced Apartments: 84.9
Shanghai May Flower Plaza	**61.7**	35.8	72.3	Retail: 88.0 Hotel: 59.1
Shanghai Regents Park	**13.4**	14.0	-4.3	99.9
Shanghai Northgate Plaza I	**10.8**	10.7	0.9	87.3
Guangzhou May Flower Plaza	**108.9**	105.8	2.9	Retail: 98.1 Office: 100.0
Guangzhou West Point	**17.2**	17.3	-0.6	98.0
Zhongshan Palm Spring	**6.8**	3.1	119.4	Retail: 65.0* Serviced Apartments: 48.9
Total	**626.0**	**566.4**	**10.5**	

** Excluding self-use area*

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 improved performance of the serviced apartments operations. Asset enhancement aimed at improving foot traffic at the higher levels of the retail podium of Shanghai Hong Kong Plaza has been completed. New tenants have commenced operations during the year under review which is expected to improve overall rental contribution. The significant increase in turnover of Shanghai May Tower Plaza is mainly driven by a better performance of the STARR Hotel Shanghai during the year since its soft opening in November 2013. An average occupancy rate of 59% was achieved during the year under review.

A portion of the Zhongshan Palm Spring Rainbow Mall, amounting to approximately 41% of total Gross Floor Area ("**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.

Property Development

The following details are extracted from Lai Fung's results announcement for two years ended 31 July 2015 and 31 July 2014.

Recognised Sales

For the year ended 31 July 2015, Lai Fung Group's property development operations recorded a turnover of HK$1,275.4 million (2014: HK$640.9 million) from sale of properties, representing a 99.0% increase in sales revenue over last year.

Total recognised sales was primarily driven by the sales performance of Guangzhou Eastern Place Phase V and Guangzhou King's Park of which approximately 107,958 and 59,229 square feet of residential GFA were sold, respectively, achieving sales revenue of HK$595.6 million and HK$287.9 million, respectively.

Sales of Guangzhou Dolce Vita performed well and achieved an average selling price of HK$2,544 per square foot. This is recognised as a component of "Share of profits of joint ventures" in the consolidated income statement.

For the year ended 31 July 2015, average selling price recognised as a whole (excluding Guangzhou Dolce Vita) increased to approximately HK$4,243 per square foot (2014: HK$3,431 per square foot). The increase is due to a higher proportion of units at Guangzhou Eastern Place Phase V and Guangzhou King's Park being sold and recognised during the year under review at higher average selling prices.

Breakdown of turnover for the year ended 31 July 2015 from property sales is as follows:

Recognised basis	**Approximate GFA**	**Average Selling Price#**	**Turnover***
	Square feet	HK$/square foot	HK$'million
Shanghai May Flower Plaza			
Residential Units	53,452	5,093	256.8
Office Apartment Units	1,764	3,436	5.7
Guangzhou Eastern Place Phase V			
Residential Units	107,958	5,850	595.6
Guangzhou King's Park			
Residential Units	59,229	5,154	287.9
Zhongshan Palm Spring			
Residential High-Rise Units	9,459	838	7.5
Residential House Units	84,389	1,407	112.0
Subtotal	**316,251**	**4,243**	**1,265.5**
Guangzhou West Point			
Car-parking Spaces			9.9
Total			**1,275.4**
Recognised sales from joint venture project			
Guangzhou Dolce Vita			
Residential Units**(47.5% basis)	187,339	2,191	386.5
Retail Units**(47.5% basis)	13,370	7,489	94.3
Subtotal	**200,709**	**2,544**	**480.8**
Car-parking Spaces**(47.5% basis)			78.6
Total			**559.4**

\# *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 Lai Fung Group and CapitaLand China has an effective 47.5% interest. For the year ended 31 July 2015, the recognised sales (after business tax) attributable to the full project is HK$1,012.2 million (excluding car-parking spaces) and approximately 422,545 square feet (excluding car-parking spaces) of GFA were recognised. The recognised sales from car-parking spaces attributable to the full project is HK$165.5 million.*

Contracted Sales

As at 31 July 2015, Lai Fung Group's property development operations, excluding Guangzhou Dolce Vita, has contracted but not yet recognised sales of HK$202.8 million from sale of properties (2014: HK$229.6 million) with an average selling price of HK$2,642 per square foot. The total contracted but not yet recognised sales of Lai Fung Group as at 31 July 2015 including Guangzhou Dolce Vita amounted to HK$1,311.4 million.

Sales momentum for the remaining units at Shanghai May Flower Plaza, Guangzhou Eastern Place Phase V and Guangzhou King's Park was encouraging and achieved a blended average selling price of HK$4,891 per square foot, HK$5,790 per square foot and HK$4,964 per square foot, respectively. Sales of the remainder of completed residential units of Guangzhou Dolce Vita were strong and average selling price increased to HK$2,590 per square foot (2014: HK$2,248 per square foot).

Breakdown of contracted but not yet recognised sales as at 31 July 2015 is as follows:

Contracted basis	**Approximate GFA**	**Average Selling Price#**	**Turnover#**
	Square feet	HK$/square foot	HK$'million
Shanghai May Flower Plaza			
Residential Units	4,264	5,136	21.9
Office Apartment Units	684	3,363	2.3
Guangzhou Eastern Place Phase V			
Residential Units	10,811	5,790	62.6
Guangzhou King's Park			
Residential Units	9,045	4,964	44.9
Zhongshan Palm Spring			
Residential High-rise Units	4,623	735	3.4
Residential House Units	47,325	1,431	67.7
Subtotal	**76,752**	**2,642**	**202.8**
Contracted sales from joint venture project			
Guangzhou Dolce Vita			
Residential Units**(47.5% basis)	427,226	2,590	1,106.6
Retail Units**(47.5% basis)	419	4,773	2.0
Subtotal	**427,645**	**2,592**	**1,108.6**
Car-parking Spaces**(47.5% basis)			4.0
Subtotal			**1,112.6**
Total (excluding Car-parking Spaces)	**504,397**	**2,600**	**1,311.4**

\# *Before business tax*

** *Guangzhou Dolce Vita is a joint venture project with CapitaLand China in which each of Lai Fung Group and CapitaLand China has an effective 47.5% interest. As at 31 July 2015, the contracted but not yet recognised sales attributable to the full project is HK$2,333.9 million (excluding car-parking spaces) and approximately 900,306 square feet of GFA (excluding car-parking spaces) were sold. The contracted but not yet recognised sales from car-parking spaces attributable to the full project is HK$8.5 million.*

LIQUIDITY, FINANCIAL RESOURCES, CHARGE ON ASSETS AND GEARING

Cash and Bank Balances

As at 31 July 2015, cash and bank balances held by the Group amounted to HK$4,647.4 million (2014: HK$4,218.9 million) of which around 25% was denominated in Hong Kong dollar ("**HKD**") and United States dollar ("**USD**") currencies, and around 75% was denominated in Renminbi ("**RMB**"). Cash and bank balances held by the Group excluding cash and bank balances held by MAGHL Group and Lai Fung Group as at 31 July 2015 was HK$1,061.3 million (2014: HK$1,328.9 million). As HKD is pegged to USD, the Group considers that the corresponding exposure to USD exchange rate fluctuation is nominal. The conversion of RMB denominated cash and bank balances into foreign currencies and the remittance of such foreign currencies denominated balances out of Mainland China are subject to the relevant rules and regulations of foreign exchanges control promulgated by the government authorities concerned. Apart from the cross currency swap arrangements of Lai Fung Group, the Group does not have any derivative financial instruments or hedging instruments outstanding.

Borrowings

As at 31 July 2015, the Group had outstanding consolidated total borrowings (after intra-group elimination) in the amount of HK$6,821.3 million. The borrowings of the Group (other than MAGHL and Lai Fung), MAGHL and Lai Fung, are as follows:

Group (other than MAGHL and Lai Fung)

As at 31 July 2015, the Group has guaranteed notes ("**Guaranteed Notes**") of HK$794.3 million which are denominated in RMB. The Guaranteed Notes are secured by the share charge in respect of the ordinary shares of Lai Fung and certain of the Group's interest in the ordinary shares of MAGHL and the interest reserve accounts, and have the benefit of a keepwell and security shortfall support deed and a deed of equity interest purchase undertaking by Lai Sun Development Company Limited, the controlling shareholder of the Company. The Guaranteed Notes bear interest of 8.375% per annum payable semi-annually in arrears on 24 June and 24 December of each year, with a maturity date of 24 June 2018 for bullet repayment. In addition, there existed unsecured other borrowings due to the late Mr. Lim Por Yen in the principal amount of HK$113.0 million which is interest-bearing at the HSBC prime rate per annum. The Group's recorded interest accruals were HK$74.2 million for the said unsecured other borrowings as at 31 July 2015. At the request of the Group, the executor of Mr. Lim Por Yen's estate confirmed that no demand for the repayment of the outstanding other borrowings or the related interest would be made within one year from 31 July 2015.

MAGHL

During the year, the Second Completion Convertible Notes with an aggregate outstanding principal amount of approximately HK$143.1 million were redeemed upon maturity on 8 June 2015. As at 31 July 2015, MAGHL has unsecured and unguaranteed 3-year zero coupon TFN Convertible Notes with an aggregate outstanding principal amount of approximately HK$130.0 million issued to a subscriber. As at 31 July 2015, MAGHL has unsecured and unguaranteed 3-year zero coupon Specific Mandate Convertible Notes with an aggregate outstanding principal amount of HK$186.8 million, comprising approximately HK$100.0 million and approximately HK$86.8 million issued to the Group and other subscribers, respectively. Unless previously converted, redeemed, purchased or cancelled in accordance with the terms and conditions of the TFN Convertible Notes and the Specific Mandate Convertible Notes, they will be redeemed by MAGHL on the maturity dates of 13 May 2018 and 3 July 2018, respectively, at the principal amount outstanding. For accounting purpose, after deducting the equity portion of the convertible notes from the principal amount, the carrying amount of the TFN Convertible Notes as recorded in the Group was HK$101.0 million and the resultant carrying amount of the Specific Mandate Convertible Notes as recorded in the Group was HK$65.6 million as at 31 July 2015 after adjusting for (i) accrued interest and (ii) intra-group elimination.

Lai Fung

As at 31 July 2015, Lai Fung Group had total borrowings in the amount of HK$5,902.4 million comprising bank loans of HK$3,021.2 million, fixed rate senior notes of HK$2,220.9 million, loan from a subsidiary of the Company of HK$229.2 million, loans from a joint venture of HK$372.9 million and other borrowing of HK$58.2 million. The maturity profile of Lai Fung Group's borrowings of HK$5,902.4 million is well spread with HK$2,860.3 million repayable within 1 year, HK$500.2 million repayable in the second year, HK$2,371.2 million repayable in the third to fifth years, and HK$170.7 million repayable beyond the fifth year.

Approximately 46% and 49% of Lai Fung Group's borrowings were on a fixed rate basis and floating rate basis, respectively, and the remaining 5% of Lai Fung Group's borrowings were interest free.

Apart from the fixed rate senior notes, Lai Fung Group's other borrowings of HK$3,681.5 million were 46% denominated in RMB, 41% in HKD and 13% in USD.

Lai Fung Group's fixed rate senior notes of HK$2,220.9 million were denominated in RMB. On 25 April 2013, issue date of the RMB denominated senior notes ("**2013 Notes**"), Lai Fung 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 2013 Notes have been effectively converted into USD denominated loans.

Lai Fung Group's presentation currency is denominated in HKD. Lai Fung Group's monetary assets, liabilities and transactions are principally denominated in RMB, USD and HKD. Lai Fung 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, Lai Fung Group believes that the corresponding exposure to USD exchange rate fluctuation is nominal. However, Lai Fung Group has a net exchange exposure to RMB as Lai Fung Group's assets are principally located in Mainland China and the revenues are predominantly in RMB. Apart from the aforesaid cross currency swap arrangements, Lai Fung Group does not have any derivative financial instruments or hedging instruments outstanding.

Charge on Assets and Gearing

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$8,977.3 million, completed properties for sale with a total carrying amount of approximately HK$481.1 million, properties under development with a total carrying amount of approximately HK$91.5 million, serviced apartments (including related leasehold improvements) with a total carrying amount of approximately HK$1,557.1 million, properties with a total carrying amount of approximately HK$123.2 million and time deposits and bank balances of approximately HK$892.6 million (including HK$203.5 million deposited into an interest reserve account).

In addition, as at 31 July 2015, a revolving term loan facility in the amount of HK$60.0 million was granted by a bank to the Group. The said loan facility is subject to an annual review by the bank for renewal and is secured by a pledge of the Group's land and buildings with a carrying amount of HK$47.7 million as at 31 July 2015. Such bank loan facility had not been utilised by the Group as at 31 July 2015. As at 31 July 2015, unsecured general banking facilities in the amount of HK$99.0 million were granted by other banks to the Group. The said unsecured general banking facilities are subject to annual review by the banks for renewal and the Group had utilised letter of credit and letter of guarantee facilities for an amount of HK$15.7 million as at 31 July 2015. As such, the Group (other than Lai Fung) has the undrawn facilities of HK$143.3 million. The undrawn facilities of Lai Fung Group was HK$866.5 million as at 31 July 2015.

As at 31 July 2015, the consolidated net assets attributable to the owners of the Company amounted to HK$9,164.7 million (2014: HK$8,926.2 million). The gearing ratio, being net debt (total borrowings of HK$6,821.3 million less pledged bank balances and time deposits of HK$1,496.3 million and cash and cash equivalents of HK$3,151.1 million) to net assets attributable to the owners of the Company was approximately 23.7%.

Taking into account the amount of cash being held as at the end of the reporting period, the available banking facilities, expected refinancing of certain bank loans and the recurring cash flows from the Group's operating activities, the Group believes that it would have sufficient liquidity for its present requirements to finance its existing operations and projects underway.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the year ended 31 July 2015, neither the Company nor any of its subsidiaries had purchased, sold or redeemed the Company's listed securities.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and code provisions set out from time to time in the Corporate Governance Code ("**CG Code**") contained in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**" and "**Listing Rules**", respectively).

The Company has complied with all applicable code provisions set out in the CG Code throughout the year ended 31 July 2015 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 of the Company ("**NEDs**", including the independent non-executive directors ("**INEDs**")) is appointed for a specific term. However, all Directors are subject to the retirement provisions of the Bye-laws 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 shareholders of the Company ("**Shareholders**") and the retiring Directors are eligible for re-election. In addition, any person appointed by the Board (including a NED) will hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company ("**AGM**") (in the case of an addition to the Board) and will then be eligible for re-election at that meeting. Further, in line with the relevant code provision of the CG Code, each of the Directors appointed to fill a casual vacancy has been/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 ("**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 July 2015, the Group employed a total of around 1,900 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.

During the year ended 31 July 2015, the Company has met with a number of research analysts and investors, attended conferences as well as non-deal roadshows as follows:

Month	Event	Organiser	Location
August 2014	Investors luncheon	RHB-OSK Securities	Hong Kong
October 2014	Post full year results non-deal roadshow	BNP	Hong Kong
October 2014	Post full year results non-deal roadshow	DBS	New York/Boston/ Washington DC/ Denver/Los Angeles/ San Francisco
October 2014	Post full year results non-deal roadshow	Daiwa	Paris/Zurich/London
November 2014	Post full year results non-deal roadshow	BNP	Singapore
November 2014	Post full year results non-deal roadshow	DBS	Sydney
December 2014	Post full year results non-deal roadshow	BNP	Shanghai
December 2014	Great China Emerging Market Trends Forum 2015* (2015 年大中華暨新興產業趨勢論壇)	SinoPac Securities	Taipei
January 2015	BNP Paribas Asia Pacific Property & Financial Conference	BNP	Hong Kong
January 2015	The Fifth Daiwa Hong Kong Corporate Summit	Daiwa	Hong Kong
March 2015	Post results non-deal roadshow	DBS	Kuala Lumpur
March 2015	Post results non-deal roadshow	Daiwa	Hong Kong
March 2015	Post results non-deal roadshow	DBS	Singapore
April 2015	Post results non-deal roadshow	DBS	New York/Toronto/ Los Angeles/ San Francisco
April 2015	Post results non-deal roadshow	BNP	Amsterdam/Paris/ London
May 2015	Barclays Select Series: Asia Financial and Property Conference	Barclays	Hong Kong
June 2015	Post results non-deal roadshow	BNP	Sydney
June 2015	DBS Vickers Pulse of Asia Conference	DBS	Singapore

* *For identification purposes only*

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@esun.com.

REVIEW OF ANNUAL RESULTS

The Audit Committee of the Company currently comprises three INEDs, namely Dr. Ng Lai Man, Carmen (Chairwoman), Mr. Low Chee Keong and Mr. Alfred Donald Yap. The Audit Committee has reviewed with the management the consolidated financial statements of the Company for the year ended 31 July 2015 ("**Financial Statements**") including the accounting principles and practices adopted by the Group as well as the internal control and financial reporting matters.

REVIEW OF PRELIMINARY RESULTS ANNOUNCEMENT BY INDEPENDENT AUDITORS

The figures in respect of the Group's results for the year ended 31 July 2015 as set out in this preliminary results announcement have been agreed by the Group's independent auditors, Ernst & Young, Certified Public Accountants of Hong Kong ("**Ernst & Young**"), to the amounts set out in the Financial Statements. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently, no assurance has been expressed by Ernst & Young on this preliminary results announcement.

ANNUAL GENERAL MEETING

The 2015 AGM will be held on Friday, 11 December 2015. Notice of the AGM together with the Company's Annual Report for the year ended 31 July 2015 will be published on the respective websites of the Stock Exchange and the Company and despatched to Shareholders in about early November 2015.

By Order of the Board
Low Chee Keong
Chairman

Hong Kong, 15 October 2015

As at the date of this announcement, the Board comprises four Executive Directors, namely Messrs. Lui Siu Tsuen, Richard (Chief Executive Officer), Chew Fook Aun, Lam Hau Yin, Lester and Yip Chai Tuck; two Non-executive Directors, namely Madam U Po Chu and Mr. Andrew Y. Yan; and four Independent Non-executive Directors, namely Messrs. Low Chee Keong (Chairman), Lo Kwok Kwei, David and Alfred Donald Yap and Dr. Ng Lai Man, Carmen.