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LAI SUN DEVELOPMENT

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

(Stock Code: 488)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2016

RESULTS

The board of directors (the “**Board**”) of Lai Sun Development Company 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 2016 together with the comparative figures of the last corresponding period as follows:

Condensed Consolidated Income Statement

For the six months ended 31 January 2016

		Six months ended 31 January	
		2016 (Unaudited) HK\$'000	2015 (Unaudited) HK\$'000
	Notes		
TURNOVER	3	1,082,924	777,643
Cost of sales		(511,720)	(330,720)
Gross profit		571,204	446,923
Other revenue		27,810	33,764
Selling and marketing expenses		(22,510)	(11,631)
Administrative expenses		(126,445)	(123,867)
Other operating expenses		(115,575)	(100,045)
Fair value gains on investment properties		78,503	709,727
PROFIT FROM OPERATING ACTIVITIES	4	412,987	954,871
Finance costs	5	(95,739)	(84,100)
Share of profits and losses of associates		8,564	(9,571)
Share of profits of joint ventures		739,899	103,305
PROFIT BEFORE TAX		1,065,711	964,505
Tax	6	(37,818)	(40,606)
PROFIT FOR THE PERIOD		1,027,893	923,899
Attributable to:			
Owners of the Company		1,013,125	908,382
Non-controlling interests		14,768	15,517
		1,027,893	923,899
EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	7		(Adjusted)
Basic		HK\$0.049	HK\$0.044
Diluted		HK\$0.049	HK\$0.044

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 January 2016

	Six months ended 31 January	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	<u>1,027,893</u>	<u>923,899</u>
OTHER COMPREHENSIVE EXPENSE		
Other comprehensive (expense)/income to be reclassified to profit or loss in subsequent periods:		
Change in fair values of available-for-sale financial assets	(15,414)	(14,944)
Exchange realignments	(92,519)	(58,614)
Share of other comprehensive (expense)/income of associates	<u>(230,839)</u>	<u>18,675</u>
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD	<u>(338,772)</u>	<u>(54,883)</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u><u>689,121</u></u>	<u><u>869,016</u></u>
Attributable to:		
Owners of the Company	674,353	853,499
Non-controlling interests	<u>14,768</u>	<u>15,517</u>
	<u><u>689,121</u></u>	<u><u>869,016</u></u>

Condensed Consolidated Statement of Financial Position

As at 31 January 2016

		31 January 2016 (Unaudited) HK\$'000	31 July 2015 (Audited) HK\$'000
	Notes		
NON-CURRENT ASSETS			
Property, plant and equipment	8	2,620,437	2,380,267
Prepaid land lease payments		21,414	21,928
Investment properties		15,362,865	15,236,780
Properties under development for sale		690,102	653,845
Interests in associates		3,710,752	3,930,309
Interests in joint ventures		6,688,783	5,937,793
Available-for-sale financial assets		1,224,479	1,215,485
Pledged bank balances and time deposits		153,839	-
Deposits paid and other receivables		663,835	141,968
Total non-current assets		<u>31,136,506</u>	<u>29,518,375</u>
CURRENT ASSETS			
Completed properties for sale		389,560	641,048
Equity investment at fair value through profit or loss		3,238	5,574
Inventories		13,744	12,704
Debtors, deposits paid and other receivables	9(a)	266,409	175,672
Pledged bank balances and time deposits		7,925	185,467
Cash and cash equivalents		1,586,873	1,068,038
Total current assets		<u>2,267,749</u>	<u>2,088,503</u>
CURRENT LIABILITIES			
Creditors, deposits received and accruals	9(b)	390,576	409,301
Tax payable		124,808	170,783
Bank borrowings		1,372,076	1,012,594
Total current liabilities		<u>1,887,460</u>	<u>1,592,678</u>
NET CURRENT ASSETS		<u>380,289</u>	<u>495,825</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>31,516,795</u>	<u>30,014,200</u>
NON-CURRENT LIABILITIES			
Bank borrowings		3,764,538	3,270,608
Guaranteed notes		2,715,201	2,703,324
Deferred tax		123,792	121,020
Provision for tax indemnity		729,387	729,387
Long term rental deposits received		93,144	81,907
Deferred rental		4,705	4,380
Total non-current liabilities		<u>7,430,767</u>	<u>6,910,626</u>
		<u>24,086,028</u>	<u>23,103,574</u>
EQUITY			
Equity attributable to owners of the Company			
Share capital		3,137,569	3,135,561
Investment revaluation reserve		1,091,995	1,117,849
Share option reserve		65,172	65,172
Hedging reserve		(898)	(963)
Capital reduction reserve		4,692	4,692
General reserve		646,700	646,700
Other reserve	10	631,153	263,684
Statutory reserve		27,405	24,518
Exchange fluctuation reserve		(290,610)	22,373
Retained profits		18,342,996	17,382,957
		<u>23,656,174</u>	<u>22,662,543</u>
Non-controlling interests		429,854	441,031
		<u>24,086,028</u>	<u>23,103,574</u>

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2016 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the year ended 31 July 2015 that is included in the condensed consolidated statement of financial position as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that year but is derived from those financial statements. Further information relating to those statutory financial statements required to be disclosed in accordance with section 436 of the Hong Kong Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 July 2015 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Hong Kong Companies Ordinance.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and basis of presentation used in the preparation of these interim financial statements are the same as those used in the Group’s audited consolidated financial statements for the year ended 31 July 2015.

The Group has adopted the new and revised Hong Kong Financial Reporting Standards (“**HKFRSs**”, which also include **HKASs** and Interpretations) which are applicable to the Group and are effective in the current period. The adoption of these new and revised **HKFRSs** has had no material impact on the reported results or financial position of the Group.

3. SEGMENT INFORMATION

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

	Six months ended 31 January (Unaudited)													
	Property development and sales		Property investment		Hotel operation		Restaurant operation		Others		Eliminations		Consolidated	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	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	384,301	177,644	350,279	299,942	201,431	186,481	134,683	102,293	12,230	11,283	-	-	1,082,924	777,643
Intersegment sales	-	-	7,511	6,128	180	180	-	-	11,872	11,434	(19,563)	(17,742)	-	-
Other revenue	2,157	2,037	278	1,169	9	25	142	507	3,698	2,313	-	-	6,284	6,051
Total	386,458	179,681	358,068	307,239	201,620	186,686	134,825	102,800	27,800	25,030	(19,563)	(17,742)	1,089,208	783,694
Segment results	109,498	53,290	285,014	240,113	39,619	35,838	(6,581)	2,245	(4,557)	(5,562)	-	-	422,993	325,924
Interest income from bank deposits														
- unallocated													1,260	2,427
Unallocated revenue													20,266	25,286
Fair value gains on investment properties	-	-	78,503	709,727	-	-	-	-	-	-	-	-	78,503	709,727
Unallocated expenses													(110,035)	(108,493)
Profit from operating activities													412,987	954,871
Finance costs													(95,739)	(84,100)
Share of profits and losses of associates	1,060	445	-	-	-	-	(1,159)	(541)	-	-	-	-	(99)	(96)
Share of profits and losses of associates														
- unallocated													8,663	(9,475)
Share of profits of joint ventures	(971)	(219)	740,870	103,524	-	-	-	-	-	-	-	-	739,899	103,305
Profit before tax													1,065,711	964,505
Tax													(37,818)	(40,606)
Profit for the period													1,027,893	923,899

3. SEGMENT INFORMATION (continued)

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

	Property development and sales		Property investment		Hotel operation		Restaurant operation		Others		Consolidated	
	31 January 2016	31 July 2015	31 January 2016	31 July 2015	31 January 2016	31 July 2015	31 January 2016	31 July 2015	31 January 2016	31 July 2015	31 January 2016	31 July 2015
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	1,716,567	1,349,283	15,468,736	15,367,059	2,776,587	2,503,471	409,150	381,659	140,137	135,991	20,511,177	19,737,463
Interests in associates	8,185	7,114	-	-	-	-	34,223	21,669	-	-	42,408	28,783
Interests in associates - unallocated											3,668,344	3,901,526
Interests in joint ventures	958,540	948,346	5,730,243	4,989,447	-	-	-	-	-	-	6,688,783	5,937,793
Unallocated assets											2,493,543	2,001,313
Total assets											33,404,255	31,606,878
Segment liabilities	51,115	99,813	186,520	184,020	157,216	122,509	25,553	20,976	7,076	8,344	427,480	435,662
Bank borrowings											5,136,614	4,283,202
Guaranteed notes											2,715,201	2,703,324
Other unallocated liabilities											1,038,932	1,081,116
Total liabilities											9,318,227	8,503,304

4. PROFIT FROM OPERATING ACTIVITIES

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

	Six months ended 31 January	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation [#]	26,944	24,061
Amortisation of prepaid land lease payments*	514	513
Fair value loss/(gain) on a listed equity investment at fair value through profit or loss	2,336*	(3,061)
Interest income from bank deposits	(1,260)	(2,427)
Other interest income	(3,314)	(1,997)
Dividend income from unlisted available-for-sale financial assets	<u>(16,055)</u>	<u>(22,149)</u>

[#] Depreciation charge of approximately HK\$24,816,000 (Six months ended 31 January 2015: HK\$22,107,000) for property, plant and equipment is included in "other operating expenses" on the condensed consolidated income statement.

* These items are included in "other operating expenses" on the condensed consolidated income statement.

(b) Other than those mentioned in note 4(a) above, "other operating expenses" also included service fee for operation of a club of approximately HK\$33,484,000 (Six months ended 31 January 2015: HK\$31,870,000).

5. FINANCE COSTS

	Six months ended 31 January	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Interest on bank borrowings	54,213	38,547
Interest on guaranteed notes	79,608	79,412
Bank financing charges	<u>20,523</u>	<u>7,343</u>
	154,344	125,302
Less: Amount capitalised in a hotel development project (note 8)	(47,182)	(31,000)
Amount capitalised in properties under development for sale	<u>(11,423)</u>	<u>(10,202)</u>
	<u>95,739</u>	<u>84,100</u>

6. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (Six months ended 31 January 2015: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

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

	Six months ended 31 January	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current tax		
Hong Kong	19,352	22,138
Overseas	14,347	15,100
	33,699	37,238
Deferred tax	2,772	3,368
Prior years' (overprovision)/underprovision		
Hong Kong	(20)	-
Overseas	1,367	-
	1,347	-
Tax charge for the period	37,818	40,606

7. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

	Six months ended 31 January	
	2016	2015
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Earnings		
Earnings for the purpose of basic earnings per share	1,013,125	908,382
Effect of dilutive potential ordinary shares arising from adjustment to the share of profit of an associate based on dilution of its earnings per share	(4)	(47)
Earnings for the purpose of diluted earnings per share	1,013,121	908,335
	'000	'000
Number of shares		(Adjusted)
Weighted average number of ordinary shares for the purpose of basic earnings per share	20,709,955	20,677,241
Effect of dilutive potential ordinary shares arising from share options	19,274	87,379
Weighted average number of ordinary shares for the purpose of diluted earnings per share	20,729,229	20,764,620

The basic and diluted earnings per share for the six months ended 31 January 2015 have been adjusted to reflect the effect of a rights issue of the Company (note 10) during the current period.

8. PROPERTY, PLANT AND EQUIPMENT

During the current period, increase in property, plant and equipment (net of depreciation and disposals) of approximately HK\$240 million (Six months ended 31 January 2015: HK\$1,705 million) mainly includes additions to a hotel development project amounting to approximately HK\$242 million (Six months ended 31 January 2015: HK\$1,730 million).

9. DEBTORS, DEPOSITS PAID AND OTHER RECEIVABLES/CREDITORS, DEPOSITS RECEIVED AND ACCRUALS

- (a) The Group maintains various credit policies for different business operations in accordance with business practices and market conditions in which the respective subsidiaries operate. Sales proceeds receivable from the sale of properties are settled in accordance with the terms of the respective contracts. Rent and related charges in respect of the leasing of properties are receivable from tenants, and are normally payable in advance with rental deposits received in accordance with the terms of the tenancy agreements. Hotel and restaurant charges are mainly settled by customers on a cash basis except for those corporate clients who maintain credit accounts with the respective subsidiaries, the settlement of which is in accordance with the respective agreements.

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

	31 January 2016 (Unaudited) HK\$'000	31 July 2015 (Audited) HK\$'000
Trade debtors:		
Not yet due or less than 30 days past due	14,046	7,257
31 - 60 days past due	3,488	1,358
61 - 90 days past due	590	403
Over 90 days past due	<u>1,750</u>	<u>2,088</u>
	19,874	11,106
Other receivables	158,084	50,112
Deposits paid and prepayments	<u>88,451</u>	<u>114,454</u>
	<u>266,409</u>	<u>175,672</u>

- (b) An ageing analysis of the trade creditors, based on payment due date, as at the end of the reporting period is as follows:

	31 January 2016 (Unaudited) HK\$'000	31 July 2015 (Audited) HK\$'000
Trade creditors:		
Not yet due or less than 30 days past due	15,789	11,611
31 - 60 days past due	2,903	458
61 - 90 days past due	120	22
Over 90 days past due	<u>500</u>	<u>479</u>
	19,312	12,570
Other payables and accruals	219,480	194,668
Deposits received and other provisions	<u>151,784</u>	<u>202,063</u>
	<u>390,576</u>	<u>409,301</u>

10. OTHER RESERVE

Pursuant to the prospectus dated 18 January 2016, the Company proposed a rights issue of 10,047,266,781 shares on the basis of one rights share for every two existing shares of the Company at a subscription price of HK\$0.092 each. The rights issue was subsequently completed on 5 February 2016 (the “**Completion**”). The net proceeds from the rights issue, after deduction of rights issue expenses, of approximately HK\$378,408,000 were recorded as other reserve as at 31 January 2016. Following the Completion, such amount would be credited to share capital.

The Company’s ultimate holding company, Lai Sun Garment (International) Limited (“**LSG**”), was the underwriter of the rights issue. In addition to the provisional allotment to LSG of 5,212,849,676 rights shares, LSG has underwritten 3,038,279,753 rights shares which resulted in a total subscription of approximately HK\$759 million. Following the Completion, LSG’s shareholding in the Company increased from 51.84% to 61.93%.

11. COMPARATIVE FIGURES

Certain comparative amounts have been reclassified to conform with the current period’s presentation.

INTERIM ORDINARY DIVIDEND

The Board of the Company has resolved not to declare the payment of an interim ordinary dividend for the financial year ending 31 July 2016. No interim ordinary dividend was declared in respect of the last corresponding period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Major global economies continue to struggle despite continuous support from central banks around the world. The run up to the presidential election in the US and geopolitical uncertainties around the world such as those in the Middle East cast a shadow over the already delicate economic environment. As a global financial centre, Hong Kong's economic performance is obviously influenced by the challenges faced by the major economies around the world.

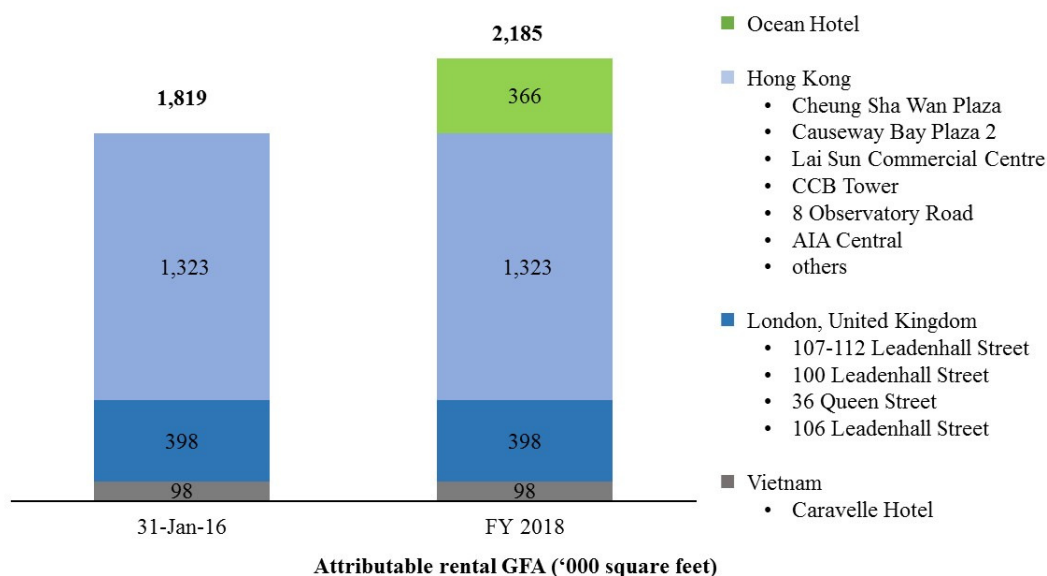
The property sector in Hong Kong as a whole has shown resilience despite softening markets. The retail market is supported by low unemployment with steady visitor arrivals and the office leasing market remains steady. The residential market continues to be slow generally since the introduction of control measures in 2012 and the US interest rate hike towards the end of 2015 weakened the sentiment further. However, the Hong Kong Government implemented new rounds of policy measures in 2015 to cool down price increases particularly for smaller units which suggest that underlying demand remains strong. This coupled with ample liquidity and questions over the execution of the government's plan on residential supply are expected to provide support to residential housing prices in the medium to long term. Labour supply shortage in the construction industry is driving wage inflation and continues to pose a challenge on the cost management side.

The Group performed admirably against this challenging environment. The attributable rental portfolio of approximately 1.8 million square feet generated steady rental income at high occupancy rates. Rental income increased through tenant mix adjustments, rental reversion and robust contribution from the London properties. The completion of the 8 Observatory Road property in June 2015 added an attributable gross floor area ("GFA") of 82,585 square feet in the prime Tsim Sha Tsui area of Hong Kong. As at the date of this results announcement, approximately 78% of the floor area of the building has been leased or has offers to lease with another approximately 13% of floor area under negotiation. 3 out of 9 units of the 339 Tai Hang Road luxury residential property were sold during the period under review with another 1 unit sold post period end.

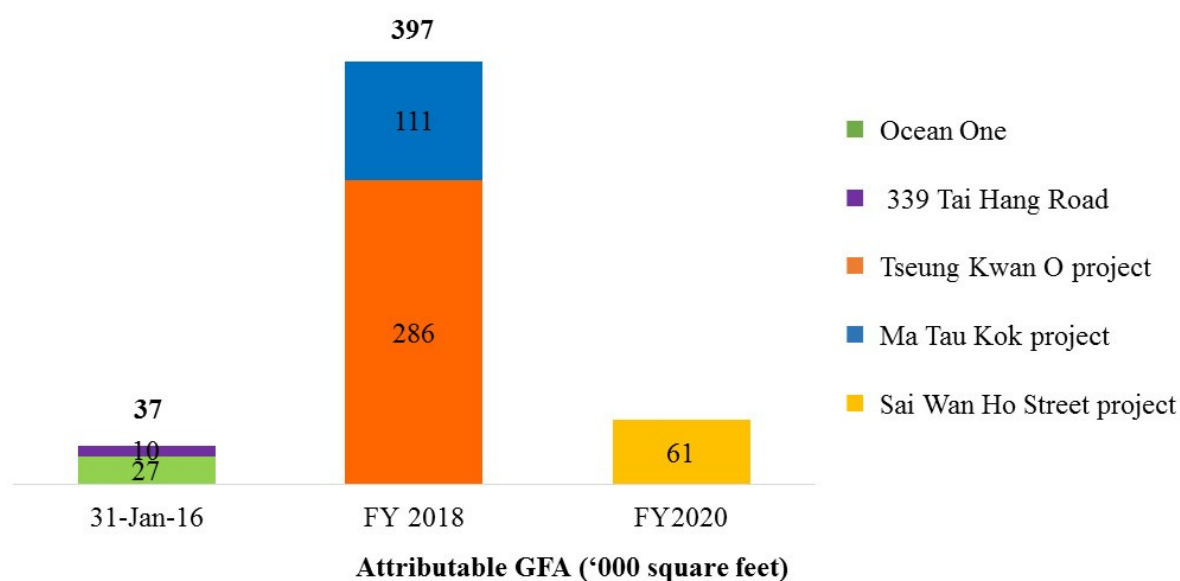
The management believes it is paramount to prepare the Group for the challenges and opportunities ahead. The Group completed a series of corporate activities as part of the new strategy to improve funding sources, execution capabilities and overall coordination with the wider Lai Sun Group since refocusing the strategy in 2012. Set out below are the projects the Group secured after the implementation of the new rental focused strategy:

Date	Secured Projects	Total GFA (square feet)	Use	Expected Completion Date
Hong Kong	Development Properties			
November 2012	Tseung Kwan O Project	572,894	Commercial/Residential	Q4 2017
April 2014	Ma Tau Kok Project	111,368	Commercial/Residential	Q1 2018
May 2014	The Hong Kong Ocean Park Marriott Hotel ("Ocean Hotel")	366,000	Hotel	Q4 2017
September 2015	Sai Wan Ho Street Project	61,139	Residential	Q4 2019
London, United Kingdom	Investment Properties			
April 2014	107-112 Leadenhall Street	146,606	Office	N/A
November 2014	100 Leadenhall Street	177,700	Office	N/A
December 2015	106 Leadenhall Street	12,687	Office	N/A

The acquisition of 106 Leadenhall Street in London in December 2015, adjacent to our other two wholly-owned properties, namely 100 and 107 Leadenhall Street, added approximately 12,687 square feet of office space to our rental portfolio in the United Kingdom. This multi-tenanted property is expected to enhance and enlarge the Group's strategic property investment portfolio in the City of London. The Ocean Hotel, to be operated by the Marriott group, will provide a total of 471 rooms and approximately 366,000 square feet of attributable rental space to the existing rental portfolio attributable to the Group of approximately 1.8 million square feet. Set out below is the expected growth of the rental portfolio of the Group:



Further to securing the Tseung Kwan O site and the Urban Renewal Authority project in Ma Tau Kok, Kowloon, Hong Kong in November 2012 and April 2014 respectively, the Group continued to participate in government tenders to grow the pipeline. In September 2015, the Group was successful in its bid for the development rights to the Sai Wan Ho Street project from the Urban Renewal Authority in Shau Kei Wan, Hong Kong. Upon completion, it is planned to provide about 144 residential units with a total GFA of approximately 61,139 square feet. Set out below is the pipeline for development projects for sale of the Group:



Subsequent to the period end, the rights issue of 10,047,266,781 shares on the basis of one rights share for every two existing shares of the Company at a subscription price of HK\$0.092 each in November 2015 (“**Rights Issue**”) was completed in February 2016. The Rights Issue was fully underwritten by the controlling shareholder of the Company, LSG. The total net proceeds of the Rights Issue, after deduction of estimated rights issue expenses, was approximately HK\$912.1 million and immediately after the completion of the Rights Issue, LSG’s interest in the Company increased from 51.84% to 61.93%.

The Group’s strong cash position of HK1,748.6 million of cash on hand with a net debt to equity ratio of 25.8% as at 31 January 2016 provides the Group full confidence and the means to review opportunities more actively. The Group’s gearing excluding the London portfolio all of which have a positive carry net of financing costs is 19.3%. 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 2016, the Group recorded turnover of HK\$1,082.9 million (2015: HK\$777.6 million) and a gross profit of HK\$571.2 million (2015: HK\$446.9 million), representing an increase of approximately 39.3% and 27.8%, respectively over the same period last year. Set out below is the turnover by segment:

	Six months ended 31 January			
	2016 (HK\$ million)	2015 (HK\$ million)	Difference (HK\$ million)	% change
Property investment	350.3	299.9	50.4	16.8%
Property development and sales	384.3	177.6	206.7	116.4%
Restaurant operation	134.7	102.3	32.4	31.7%
Hotel operation and others	213.6	197.8	15.8	8.0%
Total	1,082.9	777.6	305.3	39.3%

For the six months ended 31 January 2016, net profit attributable to owners of the Company was approximately HK\$1,013.1 million (2015: HK\$908.4 million), representing an increase of approximately 11.5% over the same period last year. The increase is primarily due to profit contribution from the recognition of the sale of residential units in 339 Tai Hang Road during the period under review. Excluding the effect of property revaluations, net profit attributable to owners of the Company was approximately HK\$199.7 million (2015: HK\$92.8 million), representing an increase of approximately 115.2% over the same period last year. Basic earnings per share including and excluding the effect of property revaluations was HK\$0.049 (2015: HK\$0.044) and HK\$0.010 (2015: HK\$0.004), respectively.

	Six months ended 31 January	
Profit attributable to owners of the Company (HK\$ million)	2016	2015
Reported	1,013.1	908.4
Adjustments in respect of revaluation gains of investment properties held by		
- the Company and subsidiaries	(78.5)	(709.7)
- associates and joint ventures	(734.9)	(105.9)
Net profit after tax excluding revaluation gains of investment properties	199.7	92.8

Equity attributable to owners of the Company as at 31 January 2016 amounted to HK\$23,656.2 million, up from HK\$22,662.5 million as at 31 July 2015. Net asset value per share attributable to owners of the Company increased by 4.3% to HK\$1.176 per share as at 31 January 2016 from HK\$1.128 per share as at 31 July 2015.

PROPERTY PORTFOLIO COMPOSITION

As at 31 January 2016, the Group maintained a property portfolio with attributable GFA of approximately 2.7 million square feet. Approximate attributable GFA (in '000 square feet) of the Group's major properties and number of car-parking spaces is as follows:

	Commercial/ Retail (in '000 square feet)	Office (in '000 square feet)	Industrial (in '000 square feet)	Residential (in '000 square feet)	Hotel (in '000 square feet)	Total (excluding car-parkin g spaces & ancillary facilities) (in '000 square feet)	No. of car-parking spaces attributable to the Group
Completed Properties Held for Rental ¹	485	1,172	64	-	-	1,721	1,027
Completed Hotel Properties	-	-	-	-	98	98	-
Properties Under Development ²	74	-	-	385	366	825	196
Completed Properties Held for Sale	27	-	-	10	-	37	11
Total attributable GFA of major properties of the Group	586	1,172	64	395	464	2,681	1,234

1. Completed and rental generating properties

2. All properties under construction

The above table does not include GFA of properties held by Lai Fung Holdings Limited ("**Lai Fung**").

PROPERTY INVESTMENT

Rental Income

During the period under review, the Group's rental operations recorded a turnover of HK\$350.3 million (2015: HK\$299.9 million), representing a 16.8% increase over the same period last year. The increase is primarily due to the contributions from newly acquired rental properties in London, as well as continued management of tenant mix and rental reversion at major investment properties during the period under review.

The Group wholly owns three major investment properties in Hong Kong, namely Cheung Sha Wan Plaza, Causeway Bay Plaza 2 and Lai Sun Commercial Centre. The 50:50 joint venture with Henderson Land Development Company Limited ("**Henderson Land**") at 8 Observatory Road, Kowloon was completed in June 2015 and has started to contribute to the Group's results in the current period. This is recognised as a component of "Share of profits of joint ventures" in the condensed consolidated income statement.

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

	Six months ended 31 January		% Change	Period end occupancy (%)
	2016 HK\$ million	2015 HK\$ million		
Hong Kong				
Cheung Sha Wan Plaza (including car-parking spaces)	150.1	146.2	2.7	92.5
Causeway Bay Plaza 2 (including car-parking spaces)	88.3	81.7	8.1	98.5
Lai Sun Commercial Centre (including car-parking spaces)	29.6	27.7	6.9	98.3
Others	5.6	5.8	-3.4	
Subtotal:	273.6	261.4	4.7	
London, United Kingdom				
36 Queen Street	13.4	11.2	19.6	100.0
107-112 Leadenhall Street	26.2	24.1	8.7	100.0
100 Leadenhall Street	36.5	3.2	1,040.6	100.0
106 Leadenhall Street	0.6	-	N/A	100.0
Subtotal:	76.7	38.5	99.2	
Total:	350.3	299.9	16.8	
Rental proceeds from joint venture project				
Hong Kong				
CCB Tower [#] (50% basis)	55.0	57.1	-3.7	97.4
8 Observatory Road ^{##} (50% basis)	8.6	-	N/A	68.4

[#] CCB Tower is a joint venture project with China Construction Bank Corporation (“CCB”) in which each of the Group and CCB has an effective 50% interest. For the six months ended 31 January 2016, the rental proceeds recorded by the joint venture is HK\$110.0 million (2015: HK\$114.1 million).

^{##} 8 Observatory Road is a joint venture project with Henderson Land in which each of the Group and Henderson Land has an effective 50% interest. For the six months ended 31 January 2016, the rental proceeds recorded by the joint venture is HK\$17.2 million.

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

	Six months ended 31 January 2016			Six months ended 31 January 2015		
	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)
Hong Kong						
Cheung Sha Wan Plaza	100%			100%		
Commercial		81.8	233,807		78.7	233,807
Office		59.9	409,896		58.7	409,896
Car-parking spaces		8.4	N/A		8.8	N/A
Subtotal:		150.1	643,703		146.2	643,703
Causeway Bay Plaza 2	100%			100%		
Commercial		59.8	109,770		53.0	109,770
Office		26.1	96,268		26.4	96,268
Car-parking spaces		2.4	N/A		2.3	N/A
Subtotal:		88.3	206,038		81.7	206,038
Lai Sun Commercial Centre	100%			100%		
Commercial		17.3	95,063		16.8	95,063
Office		4.0	74,181		3.7	74,181
Car-parking spaces		8.3	N/A		7.2	N/A
Subtotal:		29.6	169,244		27.7	169,244
Others		5.6	63,592*		5.8	59,302*
Subtotal:		273.6	1,082,577*		261.4	1,078,287*
London, United Kingdom						
36 Queen Street	100%			100%		
Office		13.4	60,816		11.2	60,816
107-112 Leadenhall Street	100%			100%		
Office		26.2	146,606		24.1	146,606
100 Leadenhall Street	100%			100%		
Office		36.5	177,700		3.2	177,700
106 Leadenhall Street	100%			100%		
Office		0.6	12,687		-	-
Subtotal:		76.7	397,809		38.5	385,122
Total:		350.3	1,480,386*		299.9	1,463,409*
Joint Venture Project						
Hong Kong						
CCB Tower [#] (50% basis)	50%			50%		
Office		55.0	114,555**		57.1	114,555**
8 Observatory Road ^{###} (50% basis)	50%			-		
Office/Commercial		8.6	82,585***		-	-

* Excluding 10% interest in AIA Central.

** Referring to GFA attributable to the Group. The total GFA of CCB Tower is 229,110 square feet.

*** Referring to GFA attributable to the Group. The total GFA of 8 Observatory Road is 165,170 square feet.

CCB Tower is a joint venture project with CCB in which each of the Group and CCB has an effective 50% interest. For the six months ended 31 January 2016, the rental proceeds recorded by the joint venture is HK\$110.0 million (2015: HK\$114.1 million).

8 Observatory Road is a joint venture project with Henderson Land in which each of the Group and Henderson Land has an effective 50% interest. For the six months ended 31 January 2016, the rental proceeds recorded by the joint venture is HK\$17.2 million.

Review of major investment properties

Hong Kong Properties

Cheung Sha Wan Plaza

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

Causeway Bay Plaza 2

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

Lai Sun Commercial Centre

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

CCB Tower, 3 Connaught Road Central

The Group has a 50:50 interest with CCB in the joint redevelopment project of the former Ritz-Carlton Hotel in Central. This 27-storey office tower is a landmark property in Central featuring underground access to the Central MTR station. The property has a total GFA of 229,110 square feet (excluding car-parking spaces). CCB Tower was completed in 2012 and added 114,555 square feet of attributable GFA to our portfolio. CCB Tower is now fully leased out with 18 floors of the office floors and 2 banking hall floors leased to CCB for its Hong Kong operations.

8 Observatory Road

The Group has a 50:50 interest with Henderson Land in this joint development project at Observatory Road, Kowloon. The property is a 19-storey commercial building with a total GFA of 165,170 square feet (excluding car-parking spaces). The property was completed in June 2015 and as at the date of this results announcement, approximately 78% of the floor area of the building has been leased or has offers to lease with another approximately 13% of floor area under negotiation.

AIA Central

The Group has 10% interest in AIA Central which is situated in the central business district of Hong Kong and commands spectacular views over Victoria Harbour, to Kowloon Peninsula to the north, and across Charter Garden and The Peak to the south. This 39-storey office tower provides prime office space with a total GFA of approximately 428,962 square feet (excluding car-parking spaces).

Overseas Properties

36 Queen Street, London EC4, United Kingdom

In February 2011, the Group acquired an office building in the City in central London located at 36 Queen Street. Completed in 1986, it comprises 60,816 square feet of office accommodation extending over basement, ground and six upper floors. The building is currently fully leased out.

107-112 Leadenhall Street, London EC3, United Kingdom

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

100 Leadenhall Street, London EC3, United Kingdom

Following the acquisition of 107-112 Leadenhall Street in April 2014, the Group announced the acquisition of 100 Leadenhall Street in November 2014 which was completed in January 2015. This property comprises a basement, a lower ground floor, ground floor and nine upper floors and provides 177,700 square feet of offices and ancillary accommodation. The property is currently fully let to ACE Global Markets Limited.

106 Leadenhall Street, London EC3, United Kingdom

In December 2015, the Group acquired the property located adjacent to 100 and 107 Leadenhall Street, namely 106 Leadenhall Street, which is a multi-tenanted asset with approximately 12,687 square feet of offices space.

PROPERTY DEVELOPMENT

For the six months ended 31 January 2016, recognised turnover from sales of properties was HK\$384.3 million (2015: HK\$177.6 million), representing an increase of 116.4% over the same period last year. The significant increase was mainly contributed by the sale of residential units in 339 Tai Hang Road during the period under review.

Review of major projects for sale

Ocean One, 6 Shung Shun Street, Yau Tong

The Group wholly owns this development project, namely "Ocean One" located at No. 6 Shung Shun Street, Yau Tong, Kowloon. This property is a residential-cum-commercial property with a total GFA of about 122,000 square feet (excluding car-parking spaces) or 124 residential units and 2 commercial units. All units have been sold other than two shops and seven car-parking spaces.

339 Tai Hang Road, Hong Kong

The Group wholly owns the development project located at 339 Tai Hang Road, Hong Kong. The development project is a luxury residential property with a total GFA of about 30,400 square feet (excluding car-parking spaces). The total development cost (including land cost and lease modification premium) is about HK\$670 million.

The property is now open for sale. For the six months ended 31 January 2016, we have completed the sale of 3 residential units with total saleable area of 8,511 square feet and total sales proceeds of HK\$384.3 million recognised during the period under review and the average selling price based on saleable area is approximately HK\$45,000 per square foot.

Review of major projects under development

Area 68A2, Tseung Kwan O

In November 2012, the Group successfully tendered for and secured a site located at Area 68A2, Tseung Kwan O, New Territories, through a 50% joint venture vehicle. The lot has an area of 229,338 square feet with a total GFA of 572,894 square feet split into 458,418 square feet for residential use and 114,476 square feet for commercial use. The current intention is to develop the lot primarily into a residential project for sale, comprising residential towers as well as houses. Completion is expected to be in the fourth quarter of 2017.

Ocean Hotel project

The Group was named the most preferred proponent by Ocean Park for the Ocean Hotel project in October 2013 and was officially awarded the project in May 2014. The Ocean Hotel, to be operated by the Marriott group, will provide a total of 471 rooms and add 366,000 square feet of attributable rental space to the existing rental portfolio of the Group of approximately 1.8 million square feet. The total development cost is estimated to be approximately HK\$4.4 billion. Completion is expected to be in the fourth quarter of 2017.

Ma Tau Kok project

Since securing the Tseung Kwan O site in November 2012, the Group participated in a number of government tenders. Other than the Ocean Hotel project, the Group was successful in April 2014 in its bid for the development right to the San Shan Road/Pau Chung Street project from the Urban Renewal Authority in Ma Tau Kok, Kowloon, Hong Kong. The lot has an area of 12,599 square feet with a total GFA of 111,368 square feet split into 94,486 square feet for residential use and 16,882 square feet for commercial use. It is planned to provide about 209 residential units upon completion. The total development cost is estimated to be approximately HK\$1 billion and completion is expected to be in the first quarter of 2018.

Sai Wan Ho Street project

The Group was successful in September 2015 in its bid for the development rights to the Sai Wan Ho Street project from the Urban Renewal Authority in Shau Kei Wan, Hong Kong. The project site covers an area of 7,642 square feet. Upon completion, it is planned to provide about 144 residential units with a total residential GFA of 61,139 square feet. The total development cost is estimated to be approximately HK\$0.9 billion and completion is expected to be in the fourth quarter of 2019.

RESTAURANT OPERATION

For the six months ended 31 January 2016, the restaurant operations contributed HK\$134.7 million to the Group's turnover (2015: HK\$102.3 million), representing an increase of approximately 31.7% from the same period last year. The contribution from the restaurants segment was boosted by contributions from the newly added restaurants, including Tang² in Cheung Sha Wan Plaza and Beefbar in Central, Hong Kong which opened in August 2015 and October 2015, respectively.

As at 31 January 2016, the restaurant operation includes the Group's interests in 15 restaurants in Hong Kong and Mainland China, including the Michelin 3-star Italian restaurant 8^{1/2} Otto e Mezzo BOMBANA Hong Kong, Michelin 2-star Japanese restaurant Wagyu Takumi, Michelin 1-star Italian restaurant CIAK-In The Kitchen at Landmark, Michelin 1-star Japanese restaurant Wagyu Kaiseki Den, 8^{1/2} Otto e Mezzo BOMBANA Shanghai, Opera BOMBANA in Beijing, Gin Sai, Rozan, Kowloon Tang, Island Tang, Chiu Tang, China Tang Hong Kong, Tang², Beefbar and Howard's Gourmet (好酒好蔡).

HOTEL OPERATION

Turnover from hotel operation was mainly derived from the Group's operation of the Caravelle Hotel in Ho Chi Minh City, Vietnam. For the six months ended 31 January 2016, the hotel operation contributed HK\$201.4 million to the Group's turnover (2015: HK\$186.5 million).

Caravelle Hotel is a leading international 5-star hotel in the centre of the business, shopping and entertainment district in Vietnam. It is an elegant 24-storey tower with a mixture of French colonial and traditional Vietnamese style and has 335 superbly appointed rooms, suites, exclusive Signature Floors, Signature Lounge and a specially equipped room for the disabled. Total GFA attributable to the Group is 98,376 square feet.

The Group was awarded the hotel tender at Ocean Park in May 2014 and the Ocean Hotel, to be operated by the Marriott group, will provide a total of 471 rooms upon its completion in 2017. The Group is optimistic about the prospects of the Ocean Hotel project given the strong popularity of Ocean Park, which is underpinned by robust growth in visitor numbers to Hong Kong coinciding with its expansion.

The hotel operation has extensive experience in providing consultancy and management services to hotels in Mainland China, Hong Kong and other Asian countries. The division's key strategy going forward will continue to focus on providing management services, particularly to capture opportunities arising from the developments of Lai Fung in Shanghai, Guangzhou, Zhongshan and Hengqin. The hotel division manages Lai Fung's serviced apartments in Shanghai and Zhongshan under the "STARR" brand. STARR Resort Residence Zhongshan comprises two 16-storey blocks with 90 fully furnished serviced apartment units located in the Palm Lifestyle complex in Zhongshan Western district at Cui Sha Road, opposite to the new Zhongshan traditional Chinese medical centre. STARR Hotel Shanghai is a 17-storey hotel with 239 fully furnished and equipped hotel units with kitchenette 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.

INTEREST IN ASSOCIATES (eSUN)

As at 31 January 2016, the Group's interest in eSun Holdings Limited ("eSun") is 41.92%.

Film production and distribution, media and entertainment divisions and cinema operations demonstrated performed steady across the board. Lai Fung's results were encouraging given the challenging operating environment in the property sector in Mainland China. Increased profit contribution from the recognition of the sale of properties and no fair value loss arising on the cross currency swap which was entered into in relation to Lai Fung's RMB1.8 billion senior notes issued in 2013 being recorded in the income statement in the period under review led to an increase in share of profits of associates amounting to HK\$13.6 million (2015: losses of HK\$9.3 million).

INTERESTS IN JOINT VENTURES

During the period under review, contribution from joint ventures increased to HK\$739.9 million (2015: HK\$103.3 million), representing an increase of 616.3%. This is primarily due to stronger revaluation gains of the newly completed 8 Observatory Road project and CCB Tower.

	Six months ended 31 January	
	2016 (HK\$ million)	2015 (HK\$ million)
Revaluation gains	699.6	64.3
Operating profits	40.3	39.0
Contribution from joint ventures	739.9	103.3

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 January 2016, cash and bank balances and undrawn facilities held by the Group amounted to HK\$1,748.6 million and HK\$4,993.5 million, respectively.

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

As at 31 January 2016, the Group had bank borrowings of approximately HK\$5,136.6 million and guaranteed notes of approximately HK\$2,715.2 million. The net debt to equity ratio expressed as a percentage of the total outstanding net debt (being the total outstanding bank borrowings and guaranteed notes less the pledged and unpledged bank balances and time deposits) to consolidated net assets attributable to owners of the Company was approximately 25.8%. The Group's gearing excluding the London portfolio all of which had a positive carry net of financing costs was approximately 19.3%. As at 31 January 2016, the maturity profile of the bank borrowings of HK\$5,136.6 million was spread over a period of less than 5 years with HK\$1,372.1 million repayable within 1 year, HK\$74.4 million repayable in the second year and HK\$3,690.1 million repayable in the third to fifth years.

All the Group's borrowings carried interest on a floating rate basis except for the guaranteed notes issued in January 2013 which has a fixed rate of 5.7% per annum.

As at 31 January 2016, certain investment properties with carrying amounts of approximately HK\$14,978.5 million, certain properties, plant and equipment with carrying amounts of approximately HK\$2,078.9 million, certain properties under development for sale of approximately HK\$581.3 million and certain bank balances and time deposits with banks of approximately HK\$161.8 million were pledged to banks to secure banking facilities granted to the Group. In addition, certain shares in subsidiaries held by the Group were also pledged to banks to secure loan facilities granted to the Group. Certain shares in joint ventures held by the Group were pledged to banks to secure loan facilities granted to joint ventures of the Group. The Group's secured bank borrowings were also secured by floating charges over certain assets held by the Group.

The Group's major assets and liabilities and transactions were denominated in Hong Kong dollars and United States dollars. Considering that Hong Kong dollars are pegged against United States dollars, the Group believes that the corresponding exposure to exchange rate risk arising from United States dollars is nominal. In addition, the Group has investments in United Kingdom with the assets and liabilities denominated in Pounds Sterling. Majority of the investments were partly financed by bank borrowings denominated in Pounds Sterling in order to minimise the net foreign exchange exposure. Other than the abovementioned, the remaining monetary assets and liabilities of the Group were denominated in Renminbi and Vietnamese Dong which were also insignificant as compared with the Group's total assets and liabilities. No hedging instruments were employed to hedge for the foreign exchange exposure. The Group manages its foreign currency risk by closely reviewing the movement of the foreign currency rate and considers hedging significant foreign currency exposure should the need arise.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 January 2016, the Company did not redeem any of its shares listed and traded on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") nor did the Company or any of its subsidiaries purchase or sell any of such shares.

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 2016 save for the deviations from code provisions A.4.1, A.5.1 and E.1.2.

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 ("**Articles of Association**"), 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 as an additional Director (including a NED) will hold office only until the next annual general meeting of the Company ("**AGM**") 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 (“EDs”). 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.

Under code provision E.1.2, the chairman of the board should attend the annual general meeting.

Due to other pre-arranged business commitments which must be attended to by Dr. Lam Kin Ngok, Peter, the Chairman, he was not present at the AGM held on 11 December 2015. However, Mr. Chew Fook Aun, the Deputy Chairman and an ED present at that AGM took the chair of that AGM pursuant to Article 71 of the Articles of Association to ensure an effective communication with the Shareholders thereat.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2016, the Group employed a total of approximately 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.

During the six months ended 31 January 2016, 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
October 2015	Post results non-deal roadshow	BNP	Hong Kong
October 2015	Post results non-deal roadshow	DBS	New York/Philadelphia/ Boston/San Francisco
October 2015	Post results non-deal roadshow	Daiwa	Paris/Basel/Zurich/London
November 2015	Post results non-deal roadshow	BNP	Singapore
January 2016	DBS Vickers Pulse of Asia Conference	DBS	Singapore
January 2016	Asia Pacific Financials, Property & Logistics Conference	BNP	Hong Kong
January 2016	The Sixth Hong Kong Corporate Summit	Daiwa	Hong Kong

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

Firm	Analyst	Publication Date
BNP	Patrick C WONG, Wee Liat LEE	15 October 2015

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@laisun.com.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (“**Audit Committee**”) currently comprises two INEDs, Mr. Leung Shu Yin, William and Mr. Lam Bing Kwan and a NED, Dr. Lam Kin Ming. 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 2016.

By Order of the Board
Lam Kin Ngok, Peter
Chairman

Hong Kong, 23 March 2016

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

Executive Directors: *Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman), Lau Shu Yan, Julius (Chief Executive Officer) and Lam Hau Yin, Lester;*

Non-Executive Directors: *Dr. Lam Kin Ming and Madam U Po Chu; and*

Independent Non-Executive Directors: *Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.*