



LAI SUN GARMENT

Lai Sun Garment (International) Limited  
(Stock Code: 191)

## Interim Report

For the six months ended 31 January 2024



# Corporate Information

## PLACE OF INCORPORATION

Hong Kong

## BOARD OF DIRECTORS

### *Executive Directors*

Lam Kin Ngok, Peter, *GBM, GBS (Chairman)*

Yang Yiu Chong, Ronald Jeffrey

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

Lam Hau Yin, Lester

(*also alternate director to U Po Chu*)

Lam Kin Hong, Matthew

U Po Chu

### *Independent Non-executive Directors*

Chow Bing Chiu

Lam Bing Kwan

Leung Shu Yin, William

Ng Chi Ho, Dennis

## AUDIT COMMITTEE

Leung Shu Yin, William (*Chairman*)

Chow Bing Chiu

Lam Bing Kwan

## NOMINATION COMMITTEE

Lam Kin Ngok, Peter, *GBM, GBS (Chairman)*

Yang Yiu Chong, Ronald Jeffrey

(*alternate to Lam Kin Ngok, Peter*)

Chow Bing Chiu

Lam Bing Kwan

## REMUNERATION COMMITTEE

Lam Bing Kwan (*Chairman*)

Yang Yiu Chong, Ronald Jeffrey

Chow Bing Chiu

Leung Shu Yin, William

## AUTHORISED REPRESENTATIVES

Lam Kin Ngok, Peter, *GBM, GBS*

Yang Yiu Chong, Ronald Jeffrey

## COMPANY SECRETARY

Tse Pik Ha

## REGISTERED OFFICE/PRINCIPAL OFFICE

11th Floor

Lai Sun Commercial Centre

680 Cheung Sha Wan Road

Kowloon, Hong Kong

Tel: (852) 2741 0391

Fax: (852) 2785 2775

## SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Tengis Limited

17/F, Far East Finance Centre

16 Harcourt Road

Hong Kong

## INDEPENDENT AUDITOR

Ernst & Young

Certified Public Accountants

Registered Public Interest Entity Auditor

## PRINCIPAL BANKERS

Agricultural Bank of China Limited

Bank of China Limited

Bank of Communications Co., Ltd.

The Bank of East Asia, Limited

China Construction Bank (Asia) Corporation Limited

China Everbright Bank Co., Ltd., Hong Kong Branch

Chong Hing Bank Limited

Dah Sing Bank, Limited

DBS Bank Ltd.

Hang Seng Bank Limited

The Hongkong and Shanghai Banking

Corporation Limited

Industrial and Commercial Bank of China Limited

Oversea-Chinese Banking Corporation Limited

Shanghai Commercial Bank Ltd.

Shanghai Pudong Development Bank Co., Ltd.

Standard Chartered Bank (Hong Kong) Limited

United Overseas Bank Limited

## SHARES INFORMATION

### *Place of Listing*

The Main Board of The Stock Exchange of

Hong Kong Limited

### *Stock Code/Board Lot*

191 / 1,000 shares

### *American Depositary Receipt*

CUSIP Number: 50171P102

Trading Symbol: LGRTY

ADR to Ordinary Share Ratio: 1:20

Depository Bank: The Bank of  
New York Mellon

## WEBSITE

[www.laisun.com](http://www.laisun.com)

## INVESTOR RELATIONS

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

## Condensed Consolidated Income Statement

For the six months ended 31 January 2024

		Six months ended 31 January	
		2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
	Notes		
TURNOVER	4	<b>3,086,941</b>	2,512,885
Cost of sales		<b>(1,978,982)</b>	(1,560,039)
Gross profit		<b>1,107,959</b>	952,846
Other revenue and gains		<b>211,491</b>	226,995
Selling and marketing expenses		<b>(133,947)</b>	(127,299)
Administrative expenses		<b>(444,105)</b>	(492,909)
Other operating expenses		<b>(588,700)</b>	(600,171)
Fair value losses on investment properties, net		<b>(1,116,797)</b>	(916,052)
LOSS FROM OPERATING ACTIVITIES	5	<b>(964,099)</b>	(956,590)
Finance costs	6	<b>(704,460)</b>	(582,446)
Share of profits and losses of associates		<b>7,410</b>	(2,765)
Share of profits and losses of joint ventures		<b>(341,390)</b>	(30,711)
LOSS BEFORE TAX		<b>(2,002,539)</b>	(1,572,512)
Tax	7	<b>(110,146)</b>	(51,425)
LOSS FOR THE PERIOD		<b>(2,112,685)</b>	(1,623,937)
Attributable to:			
Owners of the Company		<b>(1,116,646)</b>	(818,604)
Non-controlling interests		<b>(996,039)</b>	(805,333)
		<b>(2,112,685)</b>	(1,623,937)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	8		
Basic and diluted		<b>(HK\$1.264)</b>	(HK\$1.238)

# Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2024

	<b>Six months ended</b>	
	<b>31 January</b>	
	<b>2024</b>	2023
	<b>(Unaudited)</b>	(Unaudited)
	<b>HK\$'000</b>	HK\$'000
LOSS FOR THE PERIOD	<b>(2,112,685)</b>	(1,623,937)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
<i>Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:</i>		
Changes in fair values of financial assets at fair value through other comprehensive income	—	1,945
Exchange realignments	<b>(110,426)</b>	(79,130)
Share of other comprehensive (expense)/income of associates	<b>(1,509)</b>	7,625
Share of other comprehensive (expense)/income of joint ventures	<b>(944)</b>	605
Release of exchange reserve upon deregistration of a subsidiary	—	(10,274)
Reclassification of reserve upon return of capital from a subsidiary	—	(13,511)
	<b>(112,879)</b>	(92,740)
<i>Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods:</i>		
Changes in fair values of financial assets at fair value through other comprehensive income	<b>(40,258)</b>	(8,587)
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD	<b>(153,137)</b>	(101,327)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	<b>(2,265,822)</b>	(1,725,264)
Attributable to:		
Owners of the Company	<b>(1,188,443)</b>	(836,445)
Non-controlling interests	<b>(1,077,379)</b>	(888,819)
	<b>(2,265,822)</b>	(1,725,264)

# Condensed Consolidated Statement of Financial Position

As at 31 January 2024

	Notes	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		<b>6,171,790</b>	6,212,812
Right-of-use assets		<b>4,345,091</b>	4,500,380
Investment properties		<b>37,258,248</b>	38,281,121
Film rights		<b>23,317</b>	24,366
Film and TV program products		<b>60,899</b>	61,059
Music catalogs		—	—
Goodwill		<b>218,305</b>	221,977
Other intangible assets		<b>107,654</b>	109,630
Investments in associates		<b>413,217</b>	397,806
Investments in joint ventures		<b>6,497,934</b>	6,807,047
Financial assets at fair value through other comprehensive income		<b>1,659,894</b>	1,700,052
Financial assets at fair value through profit or loss		<b>949,219</b>	977,114
Debtors	9	<b>482,585</b>	477,974
Deposits, prepayments, other receivables and other assets		<b>532,209</b>	597,159
Deferred tax assets		<b>1,786</b>	1,858
Pledged and restricted bank balances and time deposits		<b>135,684</b>	126,472
<b>Total non-current assets</b>		<b>58,857,832</b>	60,496,827
<b>CURRENT ASSETS</b>			
Properties under development		<b>5,735,450</b>	5,379,037
Completed properties for sale		<b>3,609,542</b>	4,374,885
Films and TV programs under production and film investments		<b>421,454</b>	306,142
Inventories		<b>65,313</b>	66,614
Financial assets at fair value through profit or loss		<b>123,761</b>	95,258
Derivative financial instruments		<b>766</b>	748
Debtors	9	<b>339,191</b>	352,245
Deposits, prepayments, other receivables and other assets		<b>789,694</b>	788,323
Prepaid tax		<b>138,893</b>	162,381
Pledged and restricted bank balances and time deposits		<b>1,379,620</b>	1,288,746
Cash and cash equivalents		<b>2,987,834</b>	3,709,057
<b>Assets classified as held for sale</b>		<b>1,754</b>	1,758
<b>Total current assets</b>		<b>15,593,272</b>	16,525,194

# Condensed Consolidated Statement of Financial Position

(Continued)

As at 31 January 2024

	Notes	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
<b>CURRENT LIABILITIES</b>			
Creditors, other payables and accruals	10	<b>2,695,572</b>	3,072,146
Deposits received, deferred income and contract liabilities		<b>777,564</b>	1,297,329
Lease liabilities		<b>249,372</b>	243,712
Tax payable		<b>653,735</b>	500,075
Bank borrowings		<b>2,373,705</b>	6,014,821
Other borrowings		<b>34,502</b>	34,412
<b>Total current liabilities</b>		<b>6,784,450</b>	11,162,495
<b>NET CURRENT ASSETS</b>			
		<b>8,808,822</b>	5,362,699
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<b>67,666,654</b>	65,859,526
<b>NON-CURRENT LIABILITIES</b>			
Lease liabilities		<b>734,149</b>	838,125
Bank borrowings		<b>20,190,512</b>	15,859,828
Other borrowings		<b>747,625</b>	737,720
Guaranteed notes		<b>4,276,568</b>	4,263,654
Deferred tax liabilities		<b>4,019,429</b>	4,218,012
Other payables and accruals	10	<b>906,399</b>	909,044
Long-term deposits received		<b>234,286</b>	213,361
<b>Total non-current liabilities</b>		<b>31,108,968</b>	27,039,744
		<b>36,557,686</b>	38,819,782
<b>EQUITY</b>			
Equity attributable to owners of the Company			
Share capital	11	<b>2,178,944</b>	2,178,944
Reserves		<b>14,923,629</b>	16,111,774
		<b>17,102,573</b>	18,290,718
Non-controlling interests		<b>19,455,113</b>	20,529,064
		<b>36,557,686</b>	38,819,782

# Condensed Consolidated Statement of Changes in Equity

For the six months ended 31 January 2024

	Attributable to owners of the Company										Total HK\$'000	
	Share capital HK\$'000	Fair value reserve – financial assets HK\$'000	Share option reserve HK\$'000	Capital reduction reserve HK\$'000	Revaluation reserve – property, plant and equipment HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000		Non- controlling interests HK\$'000
At 31 July 2023 (Audited) and 1 August 2023 (Unaudited)	2,178,944	357,672*	99,488*	6,973*	55,494*	2,776,506*	39,109*	(378,824)*	13,155,356*	18,290,718	20,529,064	38,819,782
Loss for the period	—	—	—	—	—	—	—	—	(1,116,646)	(1,116,646)	(996,039)	(2,112,685)
Other comprehensive expense that may be reclassified to profit or loss in subsequent periods:												
Exchange realignments	—	—	—	—	—	—	—	(48,065)	—	(48,065)	(62,361)	(110,426)
Share of other comprehensive expense of associates	—	—	—	—	—	—	—	(921)	—	(921)	(588)	(1,509)
Share of other comprehensive expense of joint ventures	—	—	—	—	—	—	—	(524)	—	(524)	(420)	(944)
Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods:												
Changes in fair values of financial assets at fair value through other comprehensive income	—	(22,287)	—	—	—	—	—	—	—	(22,287)	(17,971)	(40,258)
Total comprehensive expense for the period	—	(22,287)	(27,970)	—	—	—	—	(49,510)	(1,116,646)	(1,188,443)	(1,077,379)	(2,265,822)
Release of reserve upon lapse of share options	—	—	—	—	—	—	—	—	27,970	—	—	—
Release of reserve upon lapse of share options issued by subsidiaries	—	—	—	—	—	—	—	—	298	298	(298)	—
Transfer to statutory reserve	—	—	—	—	—	—	11,573	—	(11,573)	—	—	—
Dividends paid to non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	—	—	(23,085)	(23,085)
Advance from a non-controlling interest of a subsidiary	—	—	—	—	—	—	—	—	—	—	26,811	26,811
<b>At 31 January 2024 (Unaudited)</b>	<b>2,178,944</b>	<b>335,385*</b>	<b>71,518*</b>	<b>6,973*</b>	<b>55,494*</b>	<b>2,776,506*</b>	<b>50,682*</b>	<b>(428,334)*</b>	<b>12,055,405*</b>	<b>17,102,573</b>	<b>19,455,113</b>	<b>36,557,686</b>

\* These reserve accounts comprise the consolidated reserves of HK\$14,923,629,000 (31 July 2023: HK\$16,111,774,000) in the condensed consolidated statement of financial position.

# Condensed Consolidated Statement of Changes in Equity

(Continued)

For the six months ended 31 January 2024

	Attributable to owners of the Company										Total HK\$'000	
	Share capital HK\$'000	Fair value reserve — financial assets HK\$'000	Share option reserve HK\$'000	Capital reduction reserve HK\$'000	Revaluation reserve — property, plant and equipment HK\$'000	Other reserve HK\$'000	Statutory reserve HK\$'000	Exchange fluctuation reserve HK\$'000	Retained profits HK\$'000	Sub-total HK\$'000		Non- controlling interests HK\$'000
At 31 July 2022 (Audited) and 1 August 2022 (Unaudited)	1,731,861	362,515	99,732	6,973	55,494	2,241,769	30,933	(55,475)	14,800,781	19,274,583	23,799,104	43,073,687
Loss for the period	—	—	—	—	—	—	—	—	(818,604)	(818,604)	(805,333)	(1,623,937)
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:												
Changes in fair values of financial assets at fair value through other comprehensive income	—	1,945	—	—	—	—	—	—	—	1,945	—	1,945
Exchange realignments	—	—	—	—	—	—	—	(11,782)	—	(11,782)	(67,348)	(79,130)
Share of other comprehensive income of associates	—	—	—	—	—	—	—	3,204	—	3,204	4,421	7,625
Share of other comprehensive income of joint ventures	—	—	—	—	—	—	—	328	—	328	277	605
Release of exchange reserve upon deregistration of a subsidiary	—	—	—	—	—	—	—	(3,010)	—	(3,010)	(7,264)	(10,274)
Redclassification of reserve upon return of capital from a subsidiary	—	—	—	—	—	—	—	(3,958)	—	(3,958)	(9,553)	(13,511)
Other comprehensive expense that will not be reclassified to profit or loss in subsequent periods:												
Changes in fair values of financial assets at fair value through other comprehensive income	—	(4,568)	—	—	—	—	—	—	—	(4,568)	(4,019)	(8,587)
Total comprehensive expense for the period	—	(2,623)	—	—	—	—	—	(15,218)	(818,604)	(836,445)	(888,819)	(1,725,264)
Net proceeds from rights issue (note 11)	447,083	—	—	—	—	—	—	—	—	447,083	—	447,083
Release of reserve upon lapse of share options	—	—	(70)	—	—	—	—	—	70	—	—	—
Repayment to non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	—	—	(436)	(436)
Release of reserve upon lapse of share options issued by subsidiaries	—	—	—	—	—	—	—	—	—	—	—	—
Subscription of shares of a subsidiary pursuant to a rights issue	—	—	—	—	—	—	—	—	28,013	28,013	(28,013)	—
Transfer to statutory reserve	—	—	—	—	—	(9,512)	—	—	—	(9,512)	363,496	353,984
Dividends paid to non-controlling interests of subsidiaries	—	—	—	—	—	—	—	—	(11,566)	—	—	—
Acquisition of additional interests in a subsidiary	—	—	—	—	—	(457)	—	—	—	(457)	457	(34,398)
At 31 January 2023 (Unaudited)	2,178,944	359,892	99,662	6,973	55,494	2,231,800	42,499	(70,693)	13,998,694	18,903,265	23,211,391	42,114,656



# Condensed Consolidated Statement of Cash Flows

For the six months ended 31 January 2024

	Six months ended 31 January	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
NET CASH FLOWS USED IN OPERATING ACTIVITIES	<b>(608,120)</b>	(1,075,581)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	<b>(110,080)</b>	(87,392)
Additions to investment properties	<b>(353,136)</b>	(224,100)
Deposits paid for additions to investment properties	—	(8,380)
Purchases of financial assets at fair value through profit or loss	<b>(2,358)</b>	—
Proceeds from redemption of debt investment at fair value through other comprehensive income	—	117,584
Investment in joint ventures	<b>(30,000)</b>	(5,050)
Advances to associates	<b>(13,580)</b>	(38,785)
Advances to joint ventures	<b>(77,271)</b>	(1,743)
Repayment from associates	<b>80</b>	383
Repayment from joint ventures	<b>48,782</b>	238,356
Dividends received from financial assets at fair value through other comprehensive income	<b>17,200</b>	22,300
(Increase)/decrease in pledged and restricted bank balances and time deposits	<b>(101,751)</b>	979,755
Others	<b>10,922</b>	31,182
NET CASH FLOWS (USED IN)/FROM INVESTING ACTIVITIES	<b>(611,192)</b>	1,024,110

# Condensed Consolidated Statement of Cash Flows

(Continued)

For the six months ended 31 January 2024

	Six months ended 31 January	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
New bank borrowings raised	<b>6,370,642</b>	6,664,882
Repayment of bank borrowings	<b>(5,680,364)</b>	(2,663,313)
Bank financing charges	<b>(31,139)</b>	(6,548)
Redemption and repurchase of guaranteed notes	—	(5,876,038)
Decrease in other payables	<b>(33,315)</b>	—
Lease payments	<b>(124,161)</b>	(118,530)
Dividends paid to non-controlling interests of subsidiaries	<b>(23,085)</b>	(34,398)
Repayment to non-controlling interests of subsidiaries	—	(436)
Advance from a non-controlling interest of a subsidiary	<b>26,811</b>	—
Net proceeds from rights issue	—	447,083
Net proceeds from rights issue of a subsidiary	—	353,984
<b>NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES</b>	<b>505,389</b>	(1,233,314)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents at beginning of period	<b>3,709,057</b>	5,447,861
Effect of foreign exchange rate changes, net	<b>(7,300)</b>	10,567
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2,987,834</b>	4,173,643
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>		
Non-pledged and non-restricted cash and bank balances	<b>2,556,168</b>	3,300,036
Non-pledged and non-restricted time deposits	<b>431,666</b>	873,607
Cash and cash equivalents as stated in the condensed consolidated statement of financial position and the condensed consolidated statement of cash flows	<b>2,987,834</b>	4,173,643

# Notes to Condensed Consolidated Interim Financial Statements

31 January 2024

## 1. BASIS OF PREPARATION

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

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

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

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

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

## 2. MATERIAL ACCOUNTING POLICIES

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

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

# Notes to Condensed Consolidated Interim Financial Statements

(Continued)

31 January 2024

## 3. SEGMENT INFORMATION

### Segment revenue and results

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

Segment revenue:	Six months ended 31 January (Unaudited)																										
	Property development and sales			Property investment			Hotel operation			Restaurant and F&B product sales operations			Media and entertainment		Film and TV program		Cinema operation		Theme park operation		Others		Consolidated				
	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	2024	2023	
HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	
Sales to external customers	924,597	600,158	673,307	608,368	622,996	421,473	285,840	262,619	179,298	176,048	125,164	72,927	188,896	263,127	9,878	8,781	76,965	99,384	3,086,941	2,512,885							
Intersegment sales	—	—	21,870	24,995	446	242	1,546	1,278	—	—	8,456	3,741	2,683	3,366	—	—	14,313	13,976	48,314	47,598							
Other revenue and gains	14,606	15,246	9,800	16,820	57	1,233	1,262	2,020	3,880	1,989	933	1,519	9,120	9,866	1,486	319	59,745	42,790	100,889	91,622							
<b>Total</b>	<b>939,203</b>	<b>615,404</b>	<b>704,977</b>	<b>650,183</b>	<b>623,499</b>	<b>422,948</b>	<b>288,648</b>	<b>265,917</b>	<b>183,178</b>	<b>178,037</b>	<b>134,553</b>	<b>78,187</b>	<b>200,699</b>	<b>276,179</b>	<b>11,364</b>	<b>9,100</b>	<b>151,023</b>	<b>156,150</b>	<b>3,237,144</b>	<b>2,652,105</b>							
Elimination of intersegment sales																			(49,314)	(47,598)							
<b>Total</b>																			<b>3,187,830</b>	<b>2,604,507</b>							
<b>Segment results</b>	<b>83,911</b>	<b>79,744</b>	<b>380,605</b>	<b>311,149</b>	<b>(44,594)</b>	<b>(138,367)</b>	<b>(54,713)</b>	<b>(67,156)</b>	<b>25,004</b>	<b>17,359</b>	<b>(1,254)</b>	<b>(12,193)</b>	<b>(55,853)</b>	<b>(35,247)</b>	<b>(24,328)</b>	<b>(62,363)</b>	<b>11,633</b>	<b>3,707</b>	<b>320,411</b>	<b>96,633</b>							
Unallocated other revenue and gains																			110,602	135,373							
Fair value losses on investment properties, net	—	—	(11,116,797)	(916,052)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(1,116,797)	(916,052)							
Unallocated expenses																			(278,315)	(272,544)							
Loss from operating activities																			(964,099)	(956,590)							
Finance costs																			(704,460)	(582,446)							
Share of profits and losses of associates	46	319	(129)	(1,991)	(313)	(356)	6,595	—	—	—	—	—	—	—	—	—	1,595	(570)	7,794	(2,598)							
Share of profits and losses of associates — unallocated																			(384)	(167)							
Share of profits and losses of joint ventures	(129,191)	33,413	(187,220)	(55,184)	(12,271)	(6,576)	—	—	(11)	(255)	(68)	1	(11,566)	(2,089)	—	—	(1,063)	(2)	(341,390)	(30,711)							
Loss before tax																			(2,002,539)	(1,572,512)							
Tax																			(110,146)	(51,425)							
<b>Loss for the period</b>																			<b>(2,112,685)</b>	<b>(1,623,937)</b>							

# Notes to Condensed Consolidated Interim Financial Statements

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## 3. SEGMENT INFORMATION (CONTINUED)

### Segment assets and liabilities

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

	Property development and sales		Property investment		Hotel operation		Restaurant and F&B products sales operations		Media and entertainment		Film and TV program		Cinema operation		Theme park operation		Others		Consolidated	
	31 January 2024	31 July 2023	31 January 2024	31 July 2023	31 January 2024	31 July 2023	31 January 2024	31 July 2023	31 January 2024	31 July 2023	31 January 2024	31 July 2023	31 January 2024	31 July 2023	31 January 2024	31 July 2023	31 January 2024	31 July 2023	31 January 2024	31 July 2023
	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Audited)	(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	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment assets	10,336,361	10,773,356	37,914,645	38,921,349	8,260,186	8,472,812	714,934	718,675	239,645	235,392	788,022	773,501	946,533	1,088,189	851,924	852,827	895,584	1,025,364	60,952,834	62,861,465
Investments in associates	2,288	2,242	74,323	74,211	160,477	166,442	8,059	1,003	—	—	—	—	—	—	—	—	5,648	4,221	250,795	248,119
Investments in associates — unallocated																			162,422	149,687
Investments in joint ventures	1,812,582	1,931,531	4,372,490	4,584,710	60,266	73,474	—	—	9,748	8,957	38	106	46,042	25,999	—	—	196,768	182,270	6,497,934	6,807,047
Unallocated assets																			6,585,365	6,953,945
Assets classified as held for sale	1,754	1,758	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,754	1,758
Total assets																			74,451,104	77,022,021
Segment liabilities	549,215	1,222,894	1,205,134	1,245,546	322,090	353,423	196,790	177,675	165,926	138,987	427,880	432,776	922,426	1,026,379	32,413	95,128	397,085	453,977	4,218,959	5,146,885
Bank borrowings																			22,564,217	21,874,649
Guaranteed notes																			4,276,568	4,263,654
Other borrowings																			782,127	772,132
Unallocated liabilities																			6,051,547	6,144,919
Total liabilities																			37,893,418	38,202,239

# Notes to Condensed Consolidated Interim Financial Statements

(Continued)

31 January 2024

## 4. TURNOVER

An analysis of turnover is as follows:

	Six months ended 31 January	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
<b>Turnover from contracts with customers:</b>		
Sale of properties	924,597	600,158
Building management fee income	121,084	104,758
Income from hotel operation	622,996	421,473
Income from restaurant and F&B product sales operations	285,840	262,619
Distribution commission income, licence income from and sale of film and TV program products and film rights	121,615	68,416
Box-office takings, concessionary income and related income from cinemas	188,896	263,127
Entertainment event income	101,830	98,869
Sale of game products	36,905	42,055
Album sales, licence income and distribution commission income from music publishing and licensing	27,433	27,208
Artiste management fee income	13,130	7,916
Advertising income	3,549	4,511
Income from theme park operation	9,878	8,781
Others	76,965	99,384
	<b>2,534,718</b>	2,009,275
<b>Turnover from other source:</b>		
Rental income	552,223	503,610
Total turnover	<b>3,086,941</b>	2,512,885
<b>Timing of recognition of turnover from contracts with customers:</b>		
At a point in time	2,083,311	1,663,312
Over time	451,407	345,963
	<b>2,534,718</b>	2,009,275

# Notes to Condensed Consolidated Interim Financial Statements

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## 5. LOSS FROM OPERATING ACTIVITIES

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

	Six months ended 31 January	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Depreciation of property, plant and equipment <sup>^</sup>	183,458	211,478
Depreciation of right-of-use assets <sup>^</sup>	185,413	191,033
Foreign exchange differences, net	25,799*	(50,259) <sup>@</sup>
Amortisation of film rights <sup>#</sup>	1,049	2,474
Amortisation of film and TV program products <sup>#</sup>	9,153	24,565
Amortisation of other intangible assets <sup>*</sup>	188	992
Fair value losses on financial assets at fair value through profit or loss, net <sup>*</sup>	9,256	13,385
Fair value losses on cross currency swaps <sup>*</sup>	—	26,873
Gain on modification of leases <sup>@</sup>	(28,959)	—

<sup>^</sup> Depreciation charge of approximately HK\$335,926,000 (Six months ended 31 January 2023: HK\$369,298,000) is included in "other operating expenses" on the face of the unaudited condensed consolidated income statement.

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

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

<sup>\*</sup> These items are included in "other operating expenses" on the face of the unaudited condensed consolidated income statement.

## 6. FINANCE COSTS

	Six months ended 31 January	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Interest on bank borrowings	760,754	490,431
Interest on guaranteed notes	111,184	212,920
Interest on other borrowings	10,055	9,031
Interest on lease liabilities	21,397	20,522
Interest on put option liabilities	2,252	2,323
Bank financing charges	59,610	50,165
	965,252	785,392
Less: Amount capitalised in construction in progress	(19,279)	(11,795)
Amount capitalised in properties under development	(227,732)	(154,217)
Amount capitalised in investment properties under construction	(13,781)	(36,934)
	704,460	582,446

# Notes to Condensed Consolidated Interim Financial Statements

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## 7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

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

	<b>Six months ended 31 January 2024 (Unaudited) HK\$'000</b>	2023 (Unaudited) HK\$'000
Current tax		
— Hong Kong		
Charge for the period	<b>11,507</b>	8,422
Underprovision/(overprovision) in prior periods	<b>42</b>	(592)
	<b>11,549</b>	7,830
— Mainland China		
Corporate income tax		
Charge for the period	<b>76,719</b>	63,742
Land appreciation tax		
Charge for the period	<b>170,679</b>	101,376
	<b>247,398</b>	165,118
— Elsewhere		
Charge for the period	<b>14,862</b>	5,982
Overprovision in prior periods	<b>(700)</b>	—
	<b>14,162</b>	5,982
Deferred tax	<b>273,109</b>	178,930
	<b>(162,963)</b>	(127,505)
Tax charge for the period	<b>110,146</b>	51,425

## 8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount was based on the loss for the period attributable to owners of the Company of HK\$1,116,646,000 (Six months ended 31 January 2023: HK\$818,604,000), and the weighted average number of ordinary shares of 883,374,000 (Six months ended 31 January 2023: 661,041,000) in issue during the period.

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



# Notes to Condensed Consolidated Interim Financial Statements

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## 9. DEBTORS

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

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

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

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

	<b>31 January 2024 (Unaudited) HK\$’000</b>	31 July 2023 (Audited) HK\$’000
Trade receivables:		
Not yet due or less than 30 days past due	<b>239,348</b>	243,867
31 — 60 days past due	<b>29,427</b>	40,414
61 — 90 days past due	<b>12,894</b>	9,534
Over 90 days past due	<b>52,976</b>	54,305
Finance lease receivables, not yet due	<b>334,645</b> <b>487,131</b>	348,120 482,099
Less: Portion classified as current	<b>821,776</b> <b>(339,191)</b>	830,219 (352,245)
Non-current portion	<b>482,585</b>	477,974

# Notes to Condensed Consolidated Interim Financial Statements

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## 10. CREDITORS, OTHER PAYABLES AND ACCRUALS

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

	<b>31 January 2024 (Unaudited) HK\$'000</b>	31 July 2023 (Audited) HK\$'000
Creditors:		
Not yet due or less than 30 days past due	<b>244,758</b>	255,742
31 — 60 days past due	<b>14,286</b>	29,228
61 — 90 days past due	<b>9,922</b>	7,824
Over 90 days past due	<b>70,837</b>	109,536
	<b>339,803</b>	402,330
Other payables and accruals	<b>2,150,172</b>	2,464,780
Put option liabilities	<b>1,111,996</b>	1,114,080
	<b>3,601,971</b>	3,981,190
Less: Portion classified as current	<b>(2,695,572)</b>	(3,072,146)
Non-current portion	<b>906,399</b>	909,044

## 11. SHARE CAPITAL

	<b>Number of shares in issue</b>	<b>Total amount HK\$'000</b>
At 31 July 2022 (Audited) and 1 August 2022 (Unaudited)	<b>588,915,934</b>	<b>1,731,861</b>
Rights issue (Note)	<b>294,457,967</b>	<b>447,083</b>
At 31 January 2023 (Unaudited), 31 July 2023 (Audited), 1 August 2023 (Unaudited) and 31 January 2024 (Unaudited)	<b>883,373,901</b>	<b>2,178,944</b>

Note: During the six months ended 31 January 2023, the Company completed a rights issue of 294,457,967 shares on the basis of one rights share for every two existing shares of the Company at a subscription price of HK\$1.58 per share. The net proceeds from the rights issue were approximately HK\$447.1 million.

# Notes to Condensed Consolidated Interim Financial Statements

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## 12. COMMITMENTS

The Group had the following commitments not provided for in the condensed consolidated interim financial statements at the end of the reporting period:

	31 January 2024 (Unaudited) HK\$'000	31 July 2023 (Audited) HK\$'000
Contracted, but not provided for:		
Purchase of items of property, plant and equipment	3,689	58,896
Additions to investment properties	1,656	1,656
Construction and development costs	221,945	223,938
	<b>227,290</b>	284,490

## 13. RELATED PARTY TRANSACTIONS

In addition to the related party transactions and balances detailed elsewhere in the condensed consolidated interim financial statements, the Group entered into the following material transactions with related parties during the period:

### (a) Transactions with related parties

	Notes	Six months ended 31 January 2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Lease payments paid or payable to an associate	(i), (ii)	237	151
Interest income received or receivable from advances to joint ventures	(i)	53,143	33,605
Sale of products and management fee income received or receivable from a joint venture	(i)	1,296	1,355
Film releasing income received or receivable from joint ventures	(i)	1,336	475
Production fee paid or payable to a joint venture	(i)	1,620	930
Share of net gain from entertainment events organised by the Group to joint ventures	(i)	1,649	—

Notes:

- (i) These transactions were entered into based on terms stated in the respective agreements or contracts and were charged on bases mutually agreed by the respective parties.
- (ii) In addition to the variable lease payments to the related parties, right-of-use assets of approximately HK\$2,529,000 and lease liabilities of approximately HK\$2,542,000 related to the leases with an associate were recognised in the condensed consolidated statement of financial position as at 31 January 2024. During the six months ended 31 January 2024, depreciation of these right-of-use assets of approximately HK\$696,000 (Six months ended 31 January 2023: HK\$697,000) and finance costs on these lease liabilities of approximately HK\$22,000 (Six months ended 31 January 2023: HK\$32,000) were recognised in the condensed consolidated income statement.

Certain related party transactions for the six months ended 31 January 2024 and for the year ended 31 July 2023 also constitute connected transactions or continuing connected transactions as defined in Chapter 14A of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). However, these transactions are exempted from the announcements and reporting requirement as they are below de minimis threshold under the Listing Rules.

# Notes to Condensed Consolidated Interim Financial Statements

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31 January 2024

## 13. RELATED PARTY TRANSACTIONS (CONTINUED)

### (b) Compensation of key management personnel of the Group

	Six months ended 31 January 2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Short term employee benefits	32,559	37,301
Pension scheme contributions	145	121
<b>Total compensation paid to key management personnel</b>	<b>32,704</b>	<b>37,422</b>

## 14. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

### Financial instruments for which fair value is disclosed

Except for certain guaranteed notes with a fair value in aggregate of approximately HK\$2,201,190,000 (31 July 2023: HK\$2,764,466,000), of which the fair value was determined by reference to the closing price of the guaranteed notes published by a leading global financial market data provider as at the end of the reporting period, the directors consider the carrying amounts of all other financial assets and financial liabilities measured at amortised cost approximate to their fair values as at the end of the reporting period.

### Financial instruments measured at fair value

	Level 1 (Unaudited) HK\$'000	Level 2 (Unaudited) HK\$'000	Level 3 (Unaudited) HK\$'000	Total (Unaudited) HK\$'000
<b>As at 31 January 2024</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	8,880	—	1,651,014	1,659,894
Financial assets at fair value through profit or loss	57,069	828,782	187,129	1,072,980
Derivative financial instruments	—	766	—	766
Financial assets included in deposits, prepayments, other receivables and other assets	—	—	17,658	17,658
Film investments	—	—	98,065	98,065
	<b>65,949</b>	<b>829,548</b>	<b>1,953,866</b>	<b>2,849,363</b>
	Level 1 (Audited) HK\$'000	Level 2 (Audited) HK\$'000	Level 3 (Audited) HK\$'000	Total (Audited) HK\$'000
<b>As at 31 July 2023</b>				
<b>Financial assets</b>				
Financial assets at fair value through other comprehensive income	21,541	—	1,678,511	1,700,052
Financial assets at fair value through profit or loss	23,725	851,905	196,742	1,072,372
Derivative financial instruments	—	748	—	748
Financial assets included in deposits, prepayments, other receivables and other assets	—	—	1,845	1,845
Film investments	—	—	38,544	38,544
	45,266	852,653	1,915,642	2,813,561

During the six months ended 31 January 2024, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers of fair value measurements into or out of Level 3 for financial assets and financial liabilities (Six months ended 31 January 2023: Nil).

# Notes to Condensed Consolidated Interim Financial Statements

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## 14. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Financial instruments measured at fair value (Continued)

The movements in fair value measurements in Level 3 of the financial assets during the period are as follows:

	Six months ended 31 January 2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
At beginning of period	1,915,642	1,942,956
Total losses recognised in other comprehensive income	(27,597)	(3,547)
Total gains/(losses) recognised in the income statement	4,358	(10,360)
Additions	97,517	14,410
Settlements	(32,879)	(28,345)
Exchange realignment	(3,175)	3,929
At end of period	1,953,866	1,919,043

### Valuation techniques

#### Fair value measurement using significant observable inputs (Level 2)

The fair values of certain financial assets at fair value through profit or loss are based on the fair values of the underlying investment portfolio provided by the fund managers.

For the derivative financial instruments in Level 2, the Group relies on bank valuations to determine the fair value of the instruments. The fair value of the instruments was estimated at the end of the reporting period using observable market data. Key observable inputs in the valuations are foreign exchange spot rates, strike rates, volatility, time to expiration and risk free rate.

#### Fair value measurement using significant unobservable inputs (Level 3)

Each year, the Group's management appoints external valuers to be responsible for the external valuations of the Group's financial instruments (the "Financial Instrument Valuers"). Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's management has discussions with the Financial Instrument Valuers on the valuation assumptions and valuation results twice a year when the valuation is performed for interim and annual financial reporting.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The methods and assumptions used to estimate the fair values of the principal financial instruments are stated as follows:

- (i) Fair value of the equity interest in an investee company, classified as financial assets at fair value through other comprehensive income, has been estimated using the fair value of investment properties held by the investee company, which is mainly determined by income approach. Income approach is an approach to valuation that provides an indication of value by converting future cash flows to a single current capital value. The current capital value is projected based on discounted cash flow method. It is a process of valuing an investment property or asset by undertaking an estimation of future cash flows and taking into account the time value of money.
- (ii) Fair values of the equity interest in other investee companies have been determined by equity value allocation model with Black-Scholes option pricing formula. Under this valuation methodology, the underlying total equity values have been determined based on the most recent transactions of share subscriptions by the independent third-party investors in the investee companies as well as other unobservable inputs.

# Notes to Condensed Consolidated Interim Financial Statements

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## 14. FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

### Valuation techniques (Continued)

Information about fair value measurement using significant unobservable inputs (Level 3)

	Valuation technique	Significant unobservable inputs	Value of unobservable inputs	Notes
<b>31 January 2024</b>				
Financial assets at fair value through other comprehensive income	Income approach	Average monthly market rent per square foot	<b>HK\$134</b>	1
		Capitalisation rate	<b>2.90%</b>	2
	Market approach	Equity value volatility	<b>53.74%</b>	4
		Expected time to exit	<b>3.5 years</b>	5
Financial assets at fair value through profit or loss	Market approach	Equity value volatility	<b>53.74% — 66.83%</b>	4
		Expected time to exit	<b>1.8 — 3.5 years</b>	5
<b>31 July 2023</b>				
Financial assets at fair value through other comprehensive income	Income approach	Average monthly market rent per square foot	HK\$133	1
		Capitalisation rate	2.85%	2
	Market approach	Equity value volatility	56.21%	3
		Expected time to exit	4.0 years	5
Financial assets at fair value through profit or loss	Market approach	Equity value volatility	56.21% — 83.40%	3
		Expected time to exit	2.0 — 4.0 years	5

Notes:

1. The higher the average monthly market rent per square foot, the higher the fair value
2. The higher the capitalisation rate, the lower the fair value
3. The higher the equity value volatility, the higher the fair value at 31 July 2023
4. The higher the equity value volatility, the lower the fair value at 31 January 2024
5. The longer the expected time to exit, the higher the fair value

## 15. EVENT AFTER THE REPORTING PERIOD

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

# Interim Dividend

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

## Management Discussion and Analysis

### BUSINESS REVIEW AND OUTLOOK

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

### Hong Kong and Overseas Property Market

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

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

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

# Management Discussion and Analysis *(Continued)*

## BUSINESS REVIEW AND OUTLOOK *(CONTINUED)*

### Hong Kong and Overseas Property Market *(Continued)*

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

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

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

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

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

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

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



# Management Discussion and Analysis *(Continued)*

## BUSINESS REVIEW AND OUTLOOK *(CONTINUED)*

### Mainland China Property Market

China announced GDP growth target this year of around 5.0% at the National People's Congress held in March 2024, indicating the challenges posed by the economic slowdown. Despite the stimulus and support measures rolled out by the Chinese government to bolster economic growth, China has experienced a deceleration in economic conditions due to the weakened trade and a deepening downturn in the real estate sector. We believe that the Chinese government will continue to forge ahead and demonstrate more commitment to stimulate consumers activities. These can be seen through reducing initial down payments, extending mortgage duration, and lowering mortgage rates. We remain cautiously optimistic about the long-term prospects and sustainability of the business environment in China and are confident about future prospects of the cities in which the Group operates, especially the Greater Bay Area in southern China, and continue to regard Hong Kong, where our headquarters is situated, as one of the major beneficiary cities.

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

Construction of Phase II ("**Novotown Phase II**") of the Novotown project in Hengqin ("**Novotown**") is in progress. This mixed-use development project is expected to provide commercial and experiential entertainment facilities, office and serviced apartment spaces of 355,500 square feet, 1,585,000 square feet and 578,400 square feet, respectively. As at the date of this Interim Report, leasing of the commercial area of Phase I of Novotown ("**Novotown Phase I**") is underway with approximately 83% of the leasable area being leased and key tenants include two themed indoor experience centers, namely "Lionsgate Entertainment World<sup>®</sup>" and "National Geographic Ultimate Explorer Hengqin", Zhuhai Duty Free, Pokiddo Trampoline Park, Kunpeng Go-Kart Sports Centre, Snow Alarm, Da Yin Restaurant, Oyster King, Zhen Qi Ji, Ai Shang Niu Ding Ji, Vanguard Life Superstore and ULSC Hengqin. Lai Fung Group remains confident that the deepening of cooperation between Hengqin and Macau, and the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will position Hengqin as a prominent piece within the Guangdong-Hong Kong-Macau Greater Bay Area development. The integration between Macau and Hengqin will encourage more businesses and population to reside in Hengqin which will further enhance the tourism market, making Novotown a new contributor to Lai Fung Group's results in the long run.

# Management Discussion and Analysis (Continued)

## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

### Mainland China Property Market (Continued)

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

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

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

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

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

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

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

# Management Discussion and Analysis (Continued)

## BUSINESS REVIEW AND OUTLOOK (CONTINUED)

### Cinema Operation/Media and Entertainment/Film Production and Distribution (Continued)

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

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

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

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

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

### Other Business Updates

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

Since the publication of the Company's annual report for the year ended 31 July 2023 and up to 22 March 2024 (the date of this Interim Report), there have been no other significant business updates.

As at 31 January 2024, the Group's consolidated cash and bank deposits amounted to HK\$4,503.1 million (HK\$89.1million excluding LSD Group) with undrawn facilities of HK\$5,638.0 million (HK\$425.0 million excluding LSD Group). The net debt to equity ratio as at 31 January 2024 was approximately 135% (31 July 2023: 119%). The Group's gearing excluding the net debt of LSD Group was approximately 5%. The Group will continue its prudent and flexible approach in growing the landbank and managing its financial position.

# Management Discussion and Analysis (Continued)

## OVERVIEW OF INTERIM RESULTS

For the six months ended 31 January 2024, the Group recorded turnover of HK\$3,086.9 million (2023: HK\$2,512.9 million) and a gross profit of HK\$1,108.0 million (2023: HK\$952.8 million). The increase was primarily due to (i) higher turnover from the Group's rental operation; (ii) increase in property sales in Lai Fung Group; (iii) growth in the Group's hotel operation, restaurant and F&B product sales operations, which were mainly driven by the relaxation of COVID-19 restrictions; and (iv) the increase in revenue derived from eSun Group's film and TV program. Nonetheless, this increase was partially offset by the Group's weaker than expected performance in cinema operation during the period under review, as compared to the same period last year.

Set out below is the turnover by segment:

	Six months ended 31 January		Difference (HK\$ million)	% change
	2024 (HK\$ million)	2023 (HK\$ million)		
Property investment	673.3	608.4	+64.9	+10.7
Property development and sales	924.6	600.2	+324.4	+54.0
Restaurant and F&B product sales operations	285.8	262.6	+23.2	+8.8
Hotel operation	623.0	421.5	+201.5	+47.8
Media and entertainment	179.3	176.0	+3.3	+1.9
Film and TV program	125.2	72.9	+52.3	+71.7
Cinema operation	188.9	263.1	-74.2	-28.2
Theme park operation	9.9	8.8	+1.1	+12.5
Others	76.9	99.4	-22.5	-22.6
<b>Total</b>	<b>3,086.9</b>	<b>2,512.9</b>	<b>+574.0</b>	<b>+22.8</b>

For the six months ended 31 January 2024, net loss attributable to owners of the Company was approximately HK\$1,116.6 million (2023: HK\$818.6 million). The increased loss, partially offset by the increase in revenue, was primarily due to the decrease in fair values of investment properties owned by the Group, during the period under review as compared to the same period last year. Net loss per share was HK\$1.264 (2023: HK\$1.238).

Excluding the effect of property revaluations, net loss attributable to owners of the Company was approximately HK\$304.2 million (2023: HK\$275.8 million). Net loss per share excluding the effect of property revaluations during the period under review was HK\$0.344 (2023: HK\$0.417).

Loss attributable to owners of the Company	Six months ended 31 January	
	2024 HK\$ million	2023 HK\$ million
Reported	(1,116.6)	(818.6)
Less: Adjustments in respect of revaluation of investment properties held by		
– the Company and subsidiaries	631.0	513.0
– associates and joint ventures	190.0	43.5
Deferred tax on investment properties	(8.6)	(13.7)
<b>Net loss after tax excluding revaluation of investment properties</b>	<b>(304.2)</b>	<b>(275.8)</b>

Equity attributable to owners of the Company as at 31 January 2024 amounted to HK\$17,102.6 million, as compared to HK\$18,290.7 million as at 31 July 2023. Net asset value per share attributable to owners of the Company slightly dropped to HK\$19.361 per share as at 31 January 2024 from HK\$20.706 per share as at 31 July 2023.

# Management Discussion and Analysis (Continued)

## PROPERTY PORTFOLIO COMPOSITION

The Group maintained a property portfolio with attributable GFA of approximately 4.9 million square feet as at 31 January 2024. All major properties of the Group in Mainland China are held through Lai Fung Group, except Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by LSD Group, and all major properties in Hong Kong and overseas are held by the Group excluding eSun Group and Lai Fung Group.

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

	Commercial/ Retail	Office	Hotel/ Serviced Apartment	Residential	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces
<b>GFA of major properties and number of car parking spaces of Lai Fung Group (on attributable basis<sup>1</sup>)</b>							
Completed Properties Held for Rental <sup>2</sup>	819	676	—	—	—	1,495	915
Completed Hotel Properties and Serviced Apartments <sup>2</sup>	—	—	303	—	—	303	—
Properties under Development <sup>3</sup>	160	485	177	—	—	822	414
Completed Properties Held for Sale	50	129	64	90	—	333	1,048
<b>Subtotal</b>	<b>1,029</b>	<b>1,290</b>	<b>544</b>	<b>90</b>	<b>—</b>	<b>2,953</b>	<b>2,377</b>
<b>GFA of major properties and number of car parking spaces of LSD Group (excluding Lai Fung Group) (on attributable basis<sup>1</sup>)</b>							
Completed Properties Held for Rental <sup>2</sup>	411	573	—	—	8	992	795
Completed Hotel Properties and Serviced Apartments <sup>2</sup>	—	—	403	—	—	403	51
Properties under Development <sup>3</sup>	4	—	—	208	—	212	82
Completed Properties Held for Sale	19	58	29	13	—	119	28
<b>Subtotal</b>	<b>434</b>	<b>631</b>	<b>432</b>	<b>221</b>	<b>8</b>	<b>1,726</b>	<b>956</b>
<b>GFA of major properties and number of car parking spaces of the Group (excluding LSD Group) (on attributable basis)</b>							
Completed Properties Held for Rental <sup>2</sup>	91	—	—	—	160	251	37
<b>Subtotal</b>	<b>91</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>160</b>	<b>251</b>	<b>37</b>
<b>Total GFA attributable to the Group</b>	<b>1,554</b>	<b>1,921</b>	<b>976</b>	<b>311</b>	<b>168</b>	<b>4,930</b>	<b>3,370</b>

**Notes:**

- As at 31 January 2024, Lai Fung is a 55.08%-owned subsidiary of LSD and LSD is a 55.60%-owned subsidiary of the Company.
- Completed and rental generating properties.
- All properties under construction.

# Management Discussion and Analysis (Continued)

## PROPERTY INVESTMENT

### Rental Income

During the period under review, the Group's rental operations recorded a turnover of HK\$673.3 million (2023: HK\$608.4 million) comprising turnover of HK\$289.0 million, HK\$34.1 million and HK\$350.2 million from rental properties in Hong Kong, London and Mainland China, respectively.

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

	Six months ended 31 January			Period end occupancy	
	2024 HK\$ million	2023 HK\$ million	% Change	2024 %	2023 %
<b>Hong Kong</b>					
Cheung Sha Wan Plaza	143.2	131.1	+9.2	97.3	92.7
Causeway Bay Plaza 2	67.9	60.7	+11.9	94.9	88.4
Lai Sun Commercial Centre	25.4	21.5	+18.1	97.9	89.6
Crocodile Center (commercial podium)*	39.6	36.6	+8.2	100.0	89.0
Por Yen Building*	7.6	7.4	+2.7	96.8	88.9
Others	5.3	5.1	+3.9		
<b>Subtotal:</b>	<b>289.0</b>	<b>262.4</b>	<b>+10.1</b>		
<b>London, United Kingdom</b>					
107 Leadenhall Street	6.7	10.3	-35.0	45.9	88.2
100 Leadenhall Street	26.7	23.2	+15.1	100.0	100.0
106 Leadenhall Street	0.7	2.9	-75.9	0.0	100.0
<b>Subtotal:</b>	<b>34.1</b>	<b>36.4</b>	<b>-6.3</b>		
<b>Mainland China</b>					
<i>Shanghai</i>					
Shanghai Hong Kong Plaza	134.7	134.4	+0.2	<b>Retail: 96.2</b> <b>Office: 89.7</b>	Retail: 90.3 Office: 87.1
Shanghai May Flower Plaza	20.3	20.9	-2.9	<b>Retail: 100.0</b>	Retail: 97.0
Shanghai Regents Park	8.8	9.8	-10.2	<b>100.0</b>	100.0
Shanghai Skyline Tower <sup>1</sup>	23.1	0.1	+23,000.0	<b>Retail: 83.9</b> <b>Office: 32.8</b>	22.8
<i>Guangzhou</i>					
Guangzhou May Flower Plaza	49.6	46.0	+7.8	<b>90.0</b>	91.9
Guangzhou West Point	11.1	11.2	-0.9	<b>91.0</b>	83.5
Guangzhou Lai Fung Tower	60.7	67.3	-9.8	<b>Retail: 100.0</b> <b>Office: 86.5<sup>2</sup></b>	Retail: 100.0 Office: 90.9 <sup>2</sup>
Guangzhou Lai Fung International Center <sup>1</sup>	17.3	1.4	+1,135.7	<b>Retail: 71.0</b> <b>Office: 40.3</b>	31.6
<i>Zhongshan</i>					
Zhongshan Palm Spring Rainbow Mall	2.6	2.7	-3.7	<b>Retail: 68.5<sup>2</sup></b>	Retail: 66.2 <sup>2</sup>
<i>Hengqin</i>					
Hengqin Novotown Phase I	3.4	2.3	+47.8	<b>Retail: 83.2<sup>3</sup></b>	Retail: 77.7 <sup>3</sup>
Others	18.6	13.5	+37.8		
<b>Subtotal:</b>	<b>350.2</b>	<b>309.6</b>	<b>+13.1</b>		
<b>Total:</b>	<b>673.3</b>	<b>608.4</b>	<b>+10.7</b>		

# Management Discussion and Analysis (Continued)

## PROPERTY INVESTMENT (CONTINUED)

### Rental Income (Continued)

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

#### Notes:

\* The property is held by the Group (excluding LSD Group).

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

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

	Six months ended 31 January 2024			Six months ended 31 January 2023		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
<b>Hong Kong</b>						
Cheung Sha Wan Plaza	55.60%			53.19%		
Commercial		67.1	233,807		58.1	233,807
Office		66.4	409,896		63.7	409,896
Car Parking Spaces		9.7	N/A		9.3	N/A
<b>Subtotal:</b>		<b>143.2</b>	<b>643,703</b>		<b>131.1</b>	<b>643,703</b>
Causeway Bay Plaza 2	55.60%			53.19%		
Commercial		42.6	109,770		36.2	109,770
Office		22.7	96,268		21.9	96,268
Car Parking Spaces		2.6	N/A		2.6	N/A
<b>Subtotal:</b>		<b>67.9</b>	<b>206,038</b>		<b>60.7</b>	<b>206,038</b>
Lai Sun Commercial Centre	55.60%			53.19%		
Commercial		11.7	95,063		8.6	95,063
Office		2.6	74,181		2.6	74,181
Car Parking Spaces		11.1	N/A		10.3	N/A
<b>Subtotal:</b>		<b>25.4</b>	<b>169,244</b>		<b>21.5</b>	<b>169,244</b>

# Management Discussion and Analysis (Continued)

## PROPERTY INVESTMENT (CONTINUED)

### Rental Income (Continued)

	Six months ended 31 January 2024			Six months ended 31 January 2023		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
Crocodile Center* Commercial	100%	39.6	91,201	100%	36.6	91,201
Por Yen Building* Industrial	100%	7.4	109,010	100%	7.3	109,010
Car Parking Spaces		0.2	N/A		0.1	N/A
<b>Subtotal:</b>		<b>7.6</b>	<b>109,010</b>		<b>7.4</b>	<b>109,010</b>
Others		5.3	61,169 <sup>1</sup>		5.1	61,169 <sup>1</sup>
<b>Subtotal:</b>		<b>289.0</b>	<b>1,280,365<sup>1</sup></b>		<b>262.4</b>	<b>1,280,365<sup>1</sup></b>
<b>London, United Kingdom</b>						
107 Leadenhall Street Commercial	55.60%	2.0	48,182	53.19%	1.3	48,182
Office		4.7	98,424		9.0	98,424
<b>Subtotal:</b>		<b>6.7</b>	<b>146,606</b>		<b>10.3</b>	<b>146,606</b>
100 Leadenhall Street Office	55.60%	26.7	177,700	53.19%	23.2	177,700
106 Leadenhall Street Commercial	55.60%	0.1	3,540	53.19%	0.3	3,540
Office		0.6	16,384		2.6	16,384
<b>Subtotal:</b>		<b>0.7</b>	<b>19,924</b>		<b>2.9</b>	<b>19,924</b>
<b>Subtotal:</b>		<b>34.1</b>	<b>344,230</b>		<b>36.4</b>	<b>344,230</b>
<b>Mainland China</b>						
<b>Shanghai</b>						
Shanghai Hong Kong Plaza Retail	30.62%	83.4	468,434	29.30%	79.0	468,434
Office		48.2	362,096		52.4	362,096
Car Parking Spaces		3.1	N/A		3.0	N/A
<b>Subtotal:</b>		<b>134.7</b>	<b>830,530</b>		<b>134.4</b>	<b>830,530</b>
Shanghai May Flower Plaza Retail	30.62%	18.1	320,314	29.30%	18.8	320,314
Car Parking Spaces		2.2	N/A		2.1	N/A
<b>Subtotal:</b>		<b>20.3</b>	<b>320,314</b>		<b>20.9</b>	<b>320,314</b>
Shanghai Regents Park Retail	29.10%	8.5	82,062	27.83%	8.7	82,062
Car Parking Spaces		0.3	N/A		1.1	N/A
<b>Subtotal:</b>		<b>8.8</b>	<b>82,062</b>		<b>9.8</b>	<b>82,062</b>



# Management Discussion and Analysis (Continued)

## PROPERTY INVESTMENT (CONTINUED)

### Rental Income (Continued)

	Six months ended 31 January 2024			Six months ended 31 January 2023		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
Shanghai Skyline Tower <sup>2</sup>	30.62%			29.30%		
Retail		2.7	92,226		—	92,226
Office		19.4	634,839		0.1	634,839
Car Parking Spaces		1.0	N/A		—	N/A
<b>Subtotal:</b>		<b>23.1</b>	<b>727,065</b>		<b>0.1</b>	<b>727,065</b>
<b>Guangzhou</b>						
Guangzhou May Flower Plaza	30.62%			29.30%		
Retail		43.0	357,424		39.2	357,424
Office		4.9	79,431		5.7	79,431
Car Parking Spaces		1.7	N/A		1.1	N/A
<b>Subtotal:</b>		<b>49.6</b>	<b>436,855</b>		<b>46.0</b>	<b>436,855</b>
Guangzhou West Point	30.62%			29.30%		
Retail		11.1	182,344		11.2	182,344
Guangzhou Lai Fung Tower	30.62%			29.30%		
Retail		8.5	112,292		8.1	112,292
Office		49.0	625,821		56.0	625,821
Car Parking Spaces		3.2	N/A		3.2	N/A
<b>Subtotal:</b>		<b>60.7</b>	<b>738,113</b>		<b>67.3</b>	<b>738,113</b>
Guangzhou Lai Fung International Center <sup>2</sup>	30.62%			29.30%		
Retail		3.6	109,320		—	109,320
Office		12.4	505,301		1.4	505,301
Car Parking Spaces		1.3	N/A		—	N/A
<b>Subtotal:</b>		<b>17.3</b>	<b>614,621</b>		<b>1.4</b>	<b>614,621</b>
<b>Zhongshan</b>						
Zhongshan Palm Spring Rainbow Mall	30.62%			29.30%		
Retail <sup>3</sup>		2.6	148,106		2.7	148,106
<b>Hengqin</b>						
Novotown Phase I	35.62%			34.07%		
Commercial <sup>4</sup>		3.4	1,006,091 <sup>4</sup>		2.3	995,717 <sup>4</sup>
<b>Others</b>		<b>18.6</b>	<b>N/A</b>		<b>13.5</b>	<b>N/A</b>
<b>Subtotal:</b>		<b>350.2</b>	<b>5,086,101</b>		<b>309.6</b>	<b>5,075,727</b>
<b>Total:</b>		<b>673.3</b>	<b>6,710,696<sup>7</sup></b>		<b>608.4</b>	<b>6,700,322<sup>7</sup></b>

# Management Discussion and Analysis (Continued)

## PROPERTY INVESTMENT (CONTINUED)

### Rental Income (Continued)

	Six months ended 31 January 2024			Six months ended 31 January 2023		
	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)	Attributable interest to the Group	Turnover (HK\$ million)	Total GFA (square feet)
<b>Rental proceeds from joint venture projects</b>						
<b>Hong Kong</b>						
CCB Tower <sup>5</sup> (50% basis)	27.80%			26.60%		
Office		57.0	114,603 <sup>6</sup>		55.6	114,603 <sup>6</sup>
Car Parking Spaces		0.3	N/A		0.3	N/A
<b>Subtotal:</b>		<b>57.3</b>	<b>114,603<sup>6</sup></b>		<b>55.9</b>	<b>114,603<sup>6</sup></b>
Alto Residences <sup>7</sup> (50% basis)	27.80%			26.60%		
Commercial		7.5	47,067 <sup>8</sup>		7.3	47,067 <sup>8</sup>
Residential units <sup>9</sup>		2.5	11,038 <sup>10</sup>		3.1	15,262 <sup>10</sup>
Car Parking Spaces		1.7	N/A		1.5	N/A
<b>Subtotal:</b>		<b>11.7</b>	<b>58,105</b>		<b>11.9</b>	<b>62,329</b>
<b>Total:</b>		<b>69.0</b>	<b>172,708</b>		<b>67.8</b>	<b>176,932</b>

#### Notes:

\* The property is held by the Group (excluding LSD Group).

1. Excluding 10% interest in AIA Central.

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

3. Excluding self-use area.

4. Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin (self-use area), the total GFA of which was approximately 384,759 square feet as at 31 January 2024. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of LSD Group.

5. CCB Tower is a joint venture project with CCB in which each of LSD Group and CCB has an effective 50% interest. For the six months ended 31 January 2024, the joint venture recorded rental proceeds of approximately HK\$114.6 million (2023: HK\$111.8 million).

6. GFA attributable to LSD Group. The total GFA is 229,206 square feet.

7. Alto Residences is a joint venture project with Empire Group in which each of LSD Group and Empire Group has an effective 50% interest. For the six months ended 31 January 2024, the joint venture recorded rental proceeds of approximately HK\$23.4 million (2023: HK\$23.9 million).

8. GFA attributable to LSD Group. The total GFA is 94,133 square feet.

9. Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.

10. Saleable area attributable to LSD Group. The total saleable area is 22,076 (2023: 30,524) square feet.

# Management Discussion and Analysis (Continued)

## PROPERTY INVESTMENT (CONTINUED)

### Rental Income (Continued)

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

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

## Review of major investment properties

### Hong Kong Properties

#### Crocodile Center

Crocodile Center is a 25-storey commercial/office building which was completed in 2009 and located near the Kwun Tong MTR station. The Group owns the commercial podium which has a total GFA of 91,201 square feet (excluding car parking spaces). Tenants dominated by local restaurant groups.

The Group owns 100% of this property.

#### Por Yen Building

Por Yen Building, being a 14-storey industrial building with total GFA of 109,010 square feet (excluding car parking spaces), is located at the hub of Cheung Sha Wan Business Area and is near to the Lai Chi Kok MTR station.

The Group owns 100% of this property.

#### Cheung Sha Wan Plaza

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

LSD Group owns 100% of this property.

#### Causeway Bay Plaza 2

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

LSD Group owns 100% of this property.

# Management Discussion and Analysis *(Continued)*

## PROPERTY INVESTMENT *(CONTINUED)*

### Review of major investment properties *(Continued)*

#### *Hong Kong Properties (Continued)*

##### *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).

LSD Group owns 100% of this property.

##### *CCB Tower*

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

##### *AIA Central*

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

#### *Overseas Properties*

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

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

LSD Group owns 100% of this property.

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

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

LSD Group owns 100% of this property.

# Management Discussion and Analysis *(Continued)*

## PROPERTY INVESTMENT *(CONTINUED)*

### Review of major investment properties *(Continued)*

#### *Overseas Properties (Continued)*

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

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

LSD Group owns 100% of this property.

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

#### *Mainland China Properties*

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

##### *Shanghai Hong Kong Plaza*

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

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

Lai Fung Group owns 100% of this property.

# Management Discussion and Analysis *(Continued)*

## PROPERTY INVESTMENT *(CONTINUED)*

### Review of major investment properties *(Continued)*

#### *Mainland China Properties (Continued)*

##### *Shanghai May Flower Plaza*

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

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

##### *Shanghai Regents Park*

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

##### *Shanghai Skyline Tower*

Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. This 30-storey office tower, erected upon a 3-level shopping mall and car-parking basement, has a total GFA of approximately 727,100 square feet excluding 443 car parking spaces. This property has been awarded the Leadership in Energy and Environmental Design ("**LEED**") v4 Gold Certification in October 2023. The construction was completed in September 2022 and leasing is underway. As at the date of this Interim Report, approximately 84% of commercial and 33% of office areas have been secured, respectively.

Lai Fung Group owns 100% of this property.

##### *Guangzhou May Flower Plaza*

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

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

Lai Fung Group owns 100% of this property.

##### *Guangzhou West Point*

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

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

# Management Discussion and Analysis *(Continued)*

## PROPERTY INVESTMENT *(CONTINUED)*

### Review of major investment properties *(Continued)*

#### *Mainland China Properties (Continued)*

##### *Guangzhou Lai Fung Tower*

Guangzhou Lai Fung Tower is the 38-storey office block of Phase V of Guangzhou Eastern Place, which is a multi-phase project located on Dongfeng East Road, Yuexiu District, Guangzhou. This office building was completed in June 2016. This property with LEED 2009 Gold Certification has a total GFA of approximately 738,100 square feet excluding car parking spaces.

Lai Fung Group owns 100% of this property.

##### *Guangzhou Lai Fung International Center*

Guangzhou Lai Fung International Center, formerly known as Guangzhou Haizhu Plaza, is located on Chang Di Main Road in Yuexiu District, Guangzhou along the Pearl River. Guangzhou Lai Fung International Center, comprising an 18-storey office tower, erected upon a 4-level commercial facility, has a total GFA of approximately 614,600 square feet excluding 267 car parking spaces. The construction was completed in November 2022. This property has been awarded the LEED v4 Gold Certification in February 2023. As at the date of this Interim Report, approximately 95% of commercial and 42% of office areas have been secured, respectively.

Lai Fung Group owns 100% of this property.

##### *Zhongshan Palm Spring Rainbow Mall*

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

Lai Fung Group owns 100% of this property.

##### *Hengqin Novotown*

Novotown is an integrated cultural, entertainment, tourism and hospitality project located in the heart of Hengqin, one of the major cities in the Guangdong province within the Greater Bay Area, directly opposite Macau and 75 minutes by car from Hong Kong via the Hong Kong-Zhuhai-Macau Bridge. It became a Guangdong-Macau In-Depth Cooperation Zone on 17 September 2021.

##### *Phase I*

Novotown Phase I opened in 2019 and comprises a 493-room Hyatt Regency Hengqin hotel, multi-function hall, wedding pavilion, offices, cultural workshops and studios, a central garden for hosting outdoor performances, shopping and leisure facilities with a total GFA of approximately 2.8 million square feet, as well as 1,844 car parking spaces and ancillary facilities.

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

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

# Management Discussion and Analysis (Continued)

## PROPERTY DEVELOPMENT

### Recognised Sales

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

#### Hong Kong

Recognised basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price <sup>1</sup> (HK\$/square foot)	Turnover (HK\$ million)
Ki Lung Street Retail Units	2	2,400	11,117	26.7

#### Mainland China

Recognised basis	No. of Units	Approximate GFA (Square feet)	Average Selling Price <sup>2</sup> (HK\$/square foot)	Turnover <sup>3</sup> (HK\$ million)
Hengqin Novotown Phase I Cultural Studios	10	35,784	4,512	152.4
Cultural Workshop Units	64	46,107	2,220	93.9
Zhongshan Palm Spring Residential High-rise Units	351	423,352	1,633	634.3
Shanghai Regents Park Car Parking Spaces	9			5.6
Guangzhou West Point Car Parking Spaces	27			10.9
Zhongshan Palm Spring Car Parking Spaces	5			0.8
<b>Subtotal</b>				<b>897.9</b>
<b>Total</b>				<b>924.6</b>



# Management Discussion and Analysis (Continued)

## PROPERTY DEVELOPMENT (CONTINUED)

### Recognised Sales (Continued)

#### Recognised sales from joint venture project

##### Hong Kong

Recognised basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price <sup>1</sup> (HK\$/square foot)	Turnover (HK\$ million)
Alto Residences (50% basis)				
House	1 <sup>4</sup>	1,759 <sup>4</sup>	23,381	41.1 <sup>5</sup>
<b>Total</b>				<b>41.1</b>

#### Notes:

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

# Management Discussion and Analysis (Continued)

## PROPERTY DEVELOPMENT (CONTINUED)

### Contracted Sales

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

#### Hong Kong

Contracted basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price (HK\$/square foot)	Turnover (HK\$ million)
Bal Residence Residential Units	32	10,907	15,639	170.6

#### Mainland China

Contracted basis	No. of Units	Approximate GFA (Square feet)	Average Selling Price <sup>1</sup> (HK\$/square foot)	Turnover <sup>1</sup> (HK\$ million)
Zhongshan Palm Spring Residential High-rise Units	58	72,763	1,748	127.2
Hengqin Novotown Phase I Cultural Studios	2	6,367	4,319	27.5
Cultural Workshop Units	3	2,235	2,819	6.3
Hengqin Novotown Phase II Harrow ILA Hengqin Buildings <sup>2</sup>	N/A	149,078	1,075	160.3
Shanghai Regents Park Car Parking Space	1			0.6
<b>Subtotal</b>				<b>321.9</b>
<b>Total</b>				<b>492.5</b>

# Management Discussion and Analysis (Continued)

## PROPERTY DEVELOPMENT (CONTINUED)

### Contracted Sales (Continued)

#### Contracted sales from joint venture project Hong Kong

Contracted basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price (HK\$/square foot)	Turnover (HK\$ million)
Alto Residences (50% basis)				
Houses	3 <sup>3</sup>	7,482 <sup>3</sup>	22,974	171.9 <sup>4</sup>
Residential Units	3 <sup>5</sup>	2,932 <sup>5</sup>	25,926	76.0 <sup>6</sup>
Car Parking Spaces	3 <sup>7</sup>			7.0
<b>Total</b>				<b>254.9</b>

#### Notes:

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

# Management Discussion and Analysis *(Continued)*

## PROPERTY DEVELOPMENT *(CONTINUED)*

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

#### *Hong Kong Properties*

##### *Alto Residences*

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

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

##### *93 Pau Chung Street*

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

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

LSD Group owns 100% of this project.

##### *Novi*

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

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

LSD Group owns 100% of this project.

##### *Monti*

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

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

LSD Group owns 100% of this project.

# Management Discussion and Analysis *(Continued)*

## PROPERTY DEVELOPMENT *(CONTINUED)*

### Review of major projects for sale and under development *(Continued)*

#### *Hong Kong Properties (Continued)*

##### *Tai Kei Leng project*

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

LSD Group owns 100% of this project.

##### *Bal Residence*

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

LSD Group owns 100% of this project.

##### *Wong Chuk Hang project*

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

LSD Group owns 15% interest in this project.

##### *116 Waterloo Road project*

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

LSD Group owns 100% interest of this project.

# Management Discussion and Analysis *(Continued)*

## PROPERTY DEVELOPMENT *(CONTINUED)*

### Review of major projects for sale and under development *(Continued)*

#### *Hong Kong Properties (Continued)*

##### *79 Broadcast Drive project*

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

LSD Group owns 100% of this project.

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

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

LSD Group owns 100% of this project.

#### *Mainland China Properties*

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

##### *Shanghai Wuli Bridge Project*

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

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

##### *Shanghai May Flower Plaza*

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

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

##### *Shanghai Regents Park*

Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. During the period under review, the sales of nine car parking spaces contributed HK\$5.6 million to the turnover. As at 31 January 2024, the contracted but not yet recognised sales of one car parking space amounted to approximately HK\$0.6 million and a total of 191 car parking spaces of this development remained unsold.

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

# Management Discussion and Analysis *(Continued)*

## PROPERTY DEVELOPMENT *(CONTINUED)*

### Review of major projects for sale and under development *(Continued)*

#### *Mainland China Properties (Continued)*

##### *Guangzhou King's Park*

This is a high-end residential development located on Donghua Dong Road in Yuexiu District. The attributable GFA is approximately 98,300 square feet excluding 57 car parking spaces and ancillary facilities. As at 31 January 2024, two car parking spaces remained unsold.

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

##### *Zhongshan Palm Spring*

The project is located in Caihong Planning Area, Western District of Zhongshan. The overall development has a total planned GFA of approximately 6.1 million square feet. The project comprises high-rise residential towers, townhouses and commercial blocks totaling 4.5 million square feet. All construction of Zhongshan Palm Spring has been completed and the sale of remaining phases is in progress with satisfactory result.

During the period under review, 423,352 square feet of high-rise residential units were recognised at an average selling price of HK\$1,633 per square foot, which contributed a total of HK\$634.3 million to the sales turnover. As at 31 January 2024, contracted but not yet recognised sales for high-rise residential units amounted to HK\$127.2 million, at an average selling price of HK\$1,748 per square foot.

STARR Resort Residence Zhongshan comprising two 16-storey blocks in the Palm Lifestyle complex was closed in 2019. The serviced apartment units were launched for sale in May 2019 and have been re-classified from "Property, plant and equipment" to "Assets classified as held for sale" in the consolidated statement of financial position of Lai Fung Group. The sale of these serviced apartment units is recorded as disposal of assets classified as held for sale and the sales proceeds net of cost are included in "Other operating expenses, net" on the face of the consolidated income statement of Lai Fung Group. As at 31 January 2024, a serviced apartment unit remained unsold.

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

Lai Fung Group owns 100% interest in this project.

# Management Discussion and Analysis *(Continued)*

## PROPERTY DEVELOPMENT *(CONTINUED)*

### Review of major projects for sale and under development *(Continued)*

#### *Mainland China Properties (Continued)*

##### *Hengqin Novotown*

###### *Phase I*

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

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

###### *Phase II*

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

Construction work is in progress. This mixed-use development project is expected to provide commercial and experiential entertainment facilities, office space and serviced apartment space of 355,500 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Properties in Novotown Phase II occupied by Harrow ILA Hengqin have been sold to the school operator, which enabled Lai Fung Group to crystallise the value of its investment in Novotown Phase II and gradually recoup funding to improve the project's working capital position.

Lai Fung Group remains confident that the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will position Hengqin as a prominent piece within the Guangdong-Hong Kong-Macau Greater Bay Area development. The integration between Macau and Hengqin will encourage more businesses and population to reside in Hengqin which will further enhance the tourism market, making Novotown a new contributor to Lai Fung Group's results in the long run.

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



# Management Discussion and Analysis *(Continued)*

## RESTAURANT AND F&B PRODUCT SALES OPERATIONS

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

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

Cuisine	Restaurant	Location	Attributable interest to LSD Group	Award
<b>Owned restaurants</b>				
Western/ International Cuisine	8 <sup>th</sup> Otto e Mezzo BOMBANA	Hong Kong	38%	Three Michelin stars (2012-2024)
	Hong Kong			
	8 <sup>th</sup> Otto e Mezzo BOMBANA	Shanghai	13%	Two Michelin stars (2017-2024)
	Shanghai			
	Opera BOMBANA	Beijing	20%	One Michelin star (2023-2024)
	CIAK – In The Kitchen	Hong Kong	63%	One Michelin star (2015-2017)
	CIAK – All Day Italian	Hong Kong	68%	Michelin Bib Gourmand (2017-2021)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2024)
	Takumi by Daisuke Mori	Hong Kong	65%	One Michelin star (2018-2024)
	Prohibition <sup>(Note)</sup>	Hong Kong	100%	
	ZEST by Konishi	Hong Kong	68%	One Michelin star (2020-2024)
	Cipriani	Hong Kong	44%	
	Plaisance by Mauro Colagreco	Hong Kong	70%	
Asian Cuisine	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019-2021)
	China Tang Beijing	Beijing	68%	
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Canton Bistro <sup>(Note)</sup>	Hong Kong	100%	
	Old Bazaar Kitchen	Hong Kong	85%	
	KiKi Noodle Bar IFC	Hong Kong	85%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	85%	
	KiKi Noodle Bar OP Mall	Hong Kong	85%	
	KiKi Lu Wei	Hong Kong	85%	
	KiKi Noodle Bar Hysan Place	Hong Kong	85%	
	MOSU Hong Kong	Hong Kong	68%	
	SÉP	Hong Kong	68%	
	China Club	Hong Kong	17%	
Japanese Cuisine	Kanesaka Hong Kong	Hong Kong	68%	
	Yamato	Hong Kong	60%	
<b>Managed restaurant</b>				
Western Cuisine	8 <sup>th</sup> Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016-2024)

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

# Management Discussion and Analysis (Continued)

## HOTEL AND SERVICED APARTMENT OPERATIONS

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

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

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

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

**Notes:**

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

## Management Discussion and Analysis *(Continued)*

### HOTEL AND SERVICED APARTMENT OPERATIONS *(CONTINUED)*

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

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

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

STARR Hotel Shanghai is a 17-storey hotel located in the Mayflower Lifestyle complex in Jing’an District, within walking distance to Lines 1, 3 and 4 of the Shanghai Metro Station with easy access to major motorways. There are 239 fully furnished and equipped hotel units with stylish separate living room, bedroom, fully-equipped kitchenette and luxurious bathroom amenities for short or extended stays to meet the needs of the business travelers from around the world and the total GFA is approximately 143,800 square feet attributable to Lai Fung Group.

Ascott Huaihai Road in Shanghai Hong Kong Plaza which is managed by the Ascott Group and it is one of a premier collection of the Ascott Limited’s serviced residences in over 70 cities in Asia Pacific, Europe and the Gulf region. The residence with a total GFA of approximately 359,700 square feet and approximately 358,000 square feet attributable to Lai Fung Group has 310 contemporary apartments of various sizes: studios (640-750 square feet), one-bedroom apartments (915-1,180 square feet), two-bedroom apartments (1,720 square feet), three-bedroom apartments (2,370 square feet) and two luxurious penthouses on the highest two floors (4,520 square feet).

Hyatt Regency Hengqin is located in Novotown Phase I in Hengqin, Zhuhai, the heart of the Greater Bay Area and is within easy reach of the Hong Kong-Zhuhai-Macau Bridge. Hyatt Regency Hengqin with total GFA of approximately 610,500 square feet and approximately 488,400 square feet attributable to Lai Fung Group has 493 guest rooms including 55 suites ranging in size from 430 square feet to 2,580 square feet, a wide range of dining options, as well as banqueting and conference facilities of over 40,000 square feet. Lai Fung Group owns 80% interest in Hyatt Regency Hengqin and the remaining 20% is owned by LSD Group.

# Management Discussion and Analysis *(Continued)*

## CINEMA OPERATION

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

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

Note: On 100% basis.

# Management Discussion and Analysis (Continued)

## MEDIA AND ENTERTAINMENT

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

### Events Management

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

### Music Production, Distribution and Publishing

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

### Artiste Management

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

## FILM AND TV PROGRAM PRODUCTION AND DISTRIBUTION

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

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

## INTERESTS IN JOINT VENTURES

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

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

# Management Discussion and Analysis *(Continued)*

## LIQUIDITY AND FINANCIAL RESOURCES

As at 31 January 2024, cash and bank balances and undrawn facilities held by the Group amounted to approximately HK\$4,503.1 million and approximately HK\$5,638.0 million, respectively. Cash and bank balances held by the Group of which about 50% was denominated in Hong Kong dollars and United States dollars, and about 39% was denominated in Renminbi. Excluding LSD Group, cash and bank balances and undrawn facilities held by the Group as at 31 January 2024 were approximately HK\$89.1 million and approximately HK\$425.0 million, respectively.

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

As at 31 January 2024, the Group had bank borrowings of approximately HK\$22,564.2 million, guaranteed notes of approximately HK\$4,276.6 million and other borrowings of approximately HK\$782.1 million. As at 31 January 2024, the maturity profile of the bank borrowings of HK\$22,564.2 million is spread with HK\$2,373.7 million repayable within one year, HK\$7,061.9 million repayable in the second year, HK\$11,195.8 million repayable in the third to fifth years, and HK\$1,932.8 million repayable beyond the fifth year.

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

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

The gearing ratio, expressed as a percentage of the total outstanding net debt (being the total borrowings less cash and bank balances) to consolidated net assets attributable to owners of the Company, was approximately 135%. Excluding the net debt of LSD Group, the Group's gearing ratio was approximately 5%.

As at 31 January 2024, certain investment properties with carrying amounts of approximately HK\$34,656.2 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK\$8,169.5 million, certain completed properties for sale with carrying amounts of approximately HK\$435.6 million, certain properties under development with carrying amounts of approximately HK\$5,063.3 million, and certain bank balances and time deposits with banks of approximately HK\$1,029.2 million were pledged to banks to secure banking facilities granted to the Group. In addition, shares in certain subsidiaries were pledged to banks to secure banking facilities granted to the Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Group. The Group's secured bank borrowings were also secured by floating charges over certain assets held by the Group.

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

## CONTINGENT LIABILITIES

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

# Particulars of Major Properties

## COMPLETED PROPERTIES HELD FOR RENTAL

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
				Commercial/Retail	Office	Industrial			
<b>Hong Kong properties</b>									
Por Yen Building	478 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 2081)	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	—	—	109,010	109,010	7	
Crocodile Center (commercial podium)	79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland Lot No. 692)	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	91,201	—	—	91,201	—	
Crocodile Center (car parking spaces)	79 Hoi Yuen Road, Kwun Tong, Kowloon, Hong Kong (Kwun Tong Inland Lot No. 692)	50%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	—	—	—	—	27	
Por Mee Factory Building (Units A, B, C and D on 3/F)	500 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	—	—	20,089	20,089	—	
Forda Industrial Building (6/F and car parking spaces nos. 10, 22 and 27 on G/F)	16 Wan Chau Road, Yuen Long, New Territories, Hong Kong	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	—	—	19,301	19,301	3	
Victorious Factory Building (Unit B on 5/F)	33A-37A Tseuk Luk Street and 16-20 Sam Chuk Street, San Po Kong, Kowloon, Hong Kong	100%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	—	—	5,828	5,828	—	
Metropolitan Factory and Warehouse Building (Units A and B on 7/F and car parking spaces nos. 11 and 12 on G/F)	30-32 Chai Wan Kok Street, Tsuen Wan, New Territories, Hong Kong	44.65%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	—	—	5,077	5,077	1	
Cheung Sha Wan Plaza	833 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5955)	55.60%	The property is held for a term expiring on 30 June 2047	129,997	227,902	—	357,899	197	

## Particulars of Major Properties (Continued)

### COMPLETED PROPERTIES HELD FOR RENTAL (CONTINUED)

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
				Commercial/Retail	Office	Industrial			
Causeway Bay Plaza 2	463-483 Lockhart Road, Causeway Bay, Hong Kong (Section J and the Remaining Portions of Sections D, E, G, H, K, L, M and O, Subsection 4 of Section H and the Remaining Portion of Inland Lot No. 2833)	55.60%	The property is held for a term of 99 years commencing on 15 April 1929 and renewable for a further term of 99 years	61,032	53,525	—	114,557	32	
Lai Sun Commercial Centre	680 Cheung Sha Wan Road, Cheung Sha Wan, Kowloon, Hong Kong (New Kowloon Inland Lot No. 5984)	55.60%	The property is held for a term of which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	52,855	41,245	—	94,100	299	
CCB Tower	3 Connaught Road Central, Hong Kong (Inland Lot No. 8736)	27.80%	The property is held for a term commencing from 28 June 1989 and expiring on 30 June 2047	—	63,719	—	63,719	10	
Alto Residences	29 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong	27.80%	The property is held for a term of 50 years commencing from 17 December 2012	26,169	—	—	26,169	38	
AIA Central	1 Connaught Road Central, Hong Kong (Marine Lot No. 275, Section A and the Remaining Portion of Marine Lot No. 278)	5.56%	The property is held for a term of 999 years commencing from 9 September 1895 (for Marine Lot No. 275) and 999 years commencing from 12 October 1896 (for Marine Lot no. 278)	—	23,850	—	23,850	3	
Metropolitan Factory and Warehouse Building (Units A and B on 10/F and car parking spaces nos. 1, 2, 13 and 14 on G/F)	30-32 Chai Wan Kok Street, Tsuen Wan, New Territories, Hong Kong	55.60%	The property is held for a term which expired on 27 June 1997 and had been extended upon expiry until 30 June 2047	—	—	6,322	6,322	2	
Luen Fat Loong Factory Building (4/F)	19 Cheung Lee Street, Chai Wan, Hong Kong	55.60%	The property is held for a term of 75 years commencing on 4 November 1963 renewable for a further term of 75 years	—	—	2,385	2,385	—	
<b>Subtotal of major completed properties held for rental in Hong Kong:</b>				<b>361,254</b>	<b>410,241</b>	<b>168,012</b>	<b>939,507</b>	<b>619</b>	



## Particulars of Major Properties (Continued)

### COMPLETED PROPERTIES HELD FOR RENTAL (CONTINUED)

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
				Commercial/Retail	Office	Industrial			
<b>United Kingdom</b>									
107 Leadenhall Street London <sup>7</sup>	107 Leadenhall Street, London EC3, United Kingdom	55.60%	The property is held freehold	26,789	54,724	—	81,513	—	
100 Leadenhall Street London <sup>7</sup>	100 Leadenhall Street, London EC3, United Kingdom	55.60%	The property is held freehold	—	98,801	—	98,801	8	
106 Leadenhall Street London <sup>7</sup>	106 Leadenhall Street, London EC3, United Kingdom	55.60%	The property is held freehold	1,968	9,110	—	11,078	—	
<b>Subtotal of major completed properties held for rental in United Kingdom:</b>				<b>28,757</b>	<b>162,635</b>	<b>—</b>	<b>191,392</b>	<b>8</b>	
<b>Mainland China</b>									
<b>Shanghai</b>									
Hong Kong Plaza	282 & 283 Huaihaizhong Road, Huangpu District	30.62%	The property is held for a term of 50 years commencing on 16 September 1992	143,455	110,890	—	254,345	107	
May Flower Plaza	The junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	30.62%	The property is held for a term of 40 years for commercial use commencing on 5 February 2007	98,095	—	—	98,095	—	
Skyline Tower	Tian Mu Road West, and Da Tong Road, Jing'an District	30.62%	The property is held for a term of 40 years for commercial use and 50 years for office use commencing on 30 September 2016	28,244	194,416	—	222,660	136	
Regents Park	88 Huichuan Road, Changning District	29.10%	The property is held for a term of 70 years commencing on 4 May 1996	23,875	—	—	23,875	—	
<b>Subtotal of major completed properties held for rental in Shanghai:</b>				<b>293,669</b>	<b>305,306</b>	<b>—</b>	<b>598,975</b>	<b>243</b>	

## Particulars of Major Properties (Continued)

### COMPLETED PROPERTIES HELD FOR RENTAL (CONTINUED)

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)			Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
				Commercial/Retail	Office	Industrial		
<b>Guangzhou</b>								
May Flower Plaza	68 Zhongshanwu Road, Yuexiu District	30.62%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 14 October 1997	109,459	24,326	—	133,785	42
West Point	The junction of Zhongshan Qi Road and Guangfu Road, Liwan District	30.62%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 11 January 2006	55,842	—	—	55,842	—
Lai Fung Tower	761 Dongfeng East Road, Yuexiu District	30.62%	The property is held for a term of 40 years for commercial use and 50 years for other uses commencing on 21 October 1997	34,389	191,654	—	226,043	96
Lai Fung International Center	Chang Di Main Road, Yuexiu District	30.62%	The property is held for a term of 40 years for commercial, tourism and entertainment uses and 50 years for other uses commencing on 2 June 2006	33,478	154,746	—	188,224	82
<b>Subtotal of major completed properties held for rental in Guangzhou:</b>				<b>233,168</b>	<b>370,726</b>	<b>—</b>	<b>603,894</b>	<b>220</b>

## Particulars of Major Properties (Continued)

### COMPLETED PROPERTIES HELD FOR RENTAL (CONTINUED)

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Tenure	Approximate Attributable GFA (square feet)				Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
				Commercial/Retail	Office	Industrial			
<b>Zhongshan</b>									
Palm Spring Rainbow Mall	Caihong Planning Area, Western District	30.62%	The property is held for a term expiring on 30 March 2075 for commercial/residential uses	45,357	—	—	45,357	—	
<b>Subtotal of major completed properties held for rental in Zhongshan:</b>				<b>45,357</b>	<b>—</b>	<b>—</b>	<b>45,357</b>	<b>—</b>	
<b>Hengqin</b>									
Novotown Phase I <sup>2</sup>	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	35.62%	The property is held for a term of 40 years for office, commercial and serviced apartment and hotel uses and 50 years for other uses commencing on 31 December 2013	358,365 <sup>3</sup>	—	—	358,365 <sup>3</sup>	657	
<b>Subtotal of major completed properties held for rental in Hengqin:</b>				<b>358,365<sup>3</sup></b>	<b>—</b>	<b>—</b>	<b>358,365<sup>3</sup></b>	<b>657</b>	
<b>Subtotal of major completed properties held for rental in Mainland China:</b>				<b>930,559</b>	<b>676,032</b>	<b>—</b>	<b>1,606,591</b>	<b>1,120</b>	
<b>Total of major completed properties held for rental:</b>				<b>1,320,570</b>	<b>1,248,908</b>	<b>168,012</b>	<b>2,737,490</b>	<b>1,747</b>	

Notes:

- Gross internal area.
- As at 31 January 2024, Novotown Phase I was 80% owned by Lai Fung Group and 20% owned by LSD Group.
- Including cultural attraction spaces occupied by Lionsgate Entertainment World<sup>®</sup> and National Geographic Ultimate Explorer Hengqin.

## Particulars of Major Properties (Continued)

### COMPLETED HOTEL PROPERTIES AND SERVICED APARTMENTS

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Tenure	No. of rooms	Approximate Attributable GFA (square feet)	No. of car parking spaces attributable to the Group
<b>Hong Kong</b>						
Hong Kong Ocean Park Marriott Hotel	180 Wong Chuk Hang Road, Ocean Park, Hong Kong	55.60%	The property is held for a term of 75 years commencing from 22 December 1972	471	203,482	9
<b>Vietnam</b>						
Caravelle Hotel	19 Lam Son Square, District 1, Ho Chi Minh City, Vietnam	14.46%	The property is held under a land use right due to expire on 8 October 2040	335	54,697	—
<b>United Kingdom</b>						
Fairmont St. Andrews resort	St Andrews KY16 8PN, United Kingdom	27.80%	The property is held freehold	211	76,862	42
<b>Mainland China</b>						
<b>Shanghai</b>						
Ascott Huaihai Road Shanghai	282 Huaihaizhong Road, Huangpu District	30.62%	The property is held for a term of 50 years commencing on 16 September 1992	302	109,638	—
STARR Hotel Shanghai	The junction of Da Tong Road and Zhi Jiang Xi Road, Sujiaxiang, Jing'an District	30.62%	The property is held for a term of 50 years for commercial use commencing on 5 February 2007	239	44,052	—
<b>Hengqin</b>						
Hyatt Regency Hengqin	1295 Qisecaihong Road, Hengqin New Area, Zhuhai City	35.62%	The property is held for a term of 40 years commencing on 31 December 2013	493	217,472	—
<b>Subtotal of major completed hotel properties and serviced apartments in Mainland China:</b>				<b>1,034</b>	<b>371,162</b>	<b>—</b>
<b>Total of major completed hotel properties and serviced apartments:</b>				<b>2,051</b>	<b>706,203</b>	<b>51</b>

## Particulars of Major Properties (Continued)

### PROPERTIES UNDER DEVELOPMENT

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Stage of construction	Expected completion date	Approximate site area (square feet)	Approximate Attributable GFA (square feet)				Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
						Commercial/ Retail	Office	Serviced Apartment	Residential		
<b>Hong Kong</b>											
Bal Residence	No. 18 Hang On Street, Kwun Tong, Hong Kong	55.60%	Fitting-out works in progress	Q4 2023	8,500	4,489	—	—	35,414	39,903	6
Tai Kei Leng Project	No.266 Tai Kei Leng, Lot No. 5382 in Demarcation District No.116, Tai Kei Leng, Yuen Long, Hong Kong	55.60%	Construction works in progress	Q2 2024	12,000	—	—	—	23,463	23,463	—
Wong Chuk Hang Project	Site E of Aberdeen Inland Lot No. 467	8.34%	Construction works in progress	Q4 2025	95,560	—	—	—	53,055	53,055	14
79 Broadcast Drive Project	No. 79 Broadcast Drive, Kowloon Tong, Hong Kong	55.60%	Project design and foundation works in progress	H1 2026	23,864	—	—	—	39,805	39,805	34
116 Waterloo Road Project	No. 116 Waterloo Road, Ho Man Tin, Hong Kong	55.60%	Project design in progress	Q3 2028	9,322 <sup>1</sup>	—	—	—	25,914 <sup>1</sup>	25,914 <sup>1</sup>	12 <sup>1</sup>
1&1A Kotewall Road Project	Nos. 1&1A Kotewall Road, Mid-Levels, Hong Kong	55.60%	Project design and preparation of foundation work in progress	Q4 2028	11,044	—	—	—	30,702	30,702	16
<b>Subtotal of major properties under development in Hong Kong:</b>						<b>4,489</b>	<b>—</b>	<b>—</b>	<b>208,353</b>	<b>212,842</b>	<b>82</b>

Note 1: Subject to negotiation with Lands Department.

# Particulars of Major Properties *(Continued)*

## PROPERTIES UNDER DEVELOPMENT *(CONTINUED)*

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Stage of construction	Approximate site area (square feet)	Approximate Attributable GFA (square feet)				Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
					Commercial/Retail	Office	Serviced Apartments	Residential		
<b>Mainland China</b>										
<b>Hengqin</b>										
Novotown Phase II	East side of Yiwener Road, south side of Xiangjiang Road, west side of Yiwenyi Road and north side of Zhishui Road, Hengqin New Area, Zhuhai City	30.62%	Construction works in progress	1,547,523	160,017	485,411	177,117	—	822,545	414
<b>Subtotal of major properties under development in Mainland China:</b>					<b>160,017</b>	<b>485,411</b>	<b>177,117</b>	<b>—</b>	<b>822,545</b>	<b>414</b>
<b>Total of major properties under development:</b>					<b>164,506</b>	<b>485,411</b>	<b>177,117</b>	<b>208,353</b>	<b>1,035,387</b>	<b>496</b>

## Particulars of Major Properties (Continued)

### COMPLETED PROPERTIES HELD FOR SALE

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Approximate Attributable GFA (square feet)				Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
			Commercial/Retail	Office	Serviced Apartment	Residential		
<b>Hong Kong</b>								
Ocean One	6 Shung Shun Street, Yau Tong, Kowloon, Hong Kong	55.60%	15,182	—	—	—	15,182	4
339 Tai Hang Road	339 Tai Hang Road, Hong Kong	55.60%	—	—	—	3,591	3,591	2
Alto Residences	29 Tong Yin Street, Tseung Kwan O, New Territories, Hong Kong	27.80%	—	—	—	5,790	5,790	12
93 Pau Chung Street	20-32 San Shan Road and 93 Pau Chung Street, Ma Tau Kok, Kowloon, Hong Kong	55.60%	—	—	—	—	—	7
Novi	50 Ki Lung Street, Kowloon, Hong Kong	55.60%	3,334	—	—	—	3,334	—
Monti	9 Sai Wan Ho Street, Shau Kei Wan, Hong Kong	55.60%	—	—	—	—	—	3
<b>Subtotal of major completed properties held for sale in Hong Kong:</b>			<b>18,516</b>	<b>—</b>	<b>—</b>	<b>9,381</b>	<b>27,897</b>	<b>28</b>
<b>Mainland China</b>								
<b>Shanghai</b>								
Wuli Bridge Project	Wuliqiao Road, 104 Jie Fang, Huangpu District	30.62%	—	—	—	—	—	4
May Flower Plaza	Sujiaxiang, Jing'an District	30.62%	—	—	—	—	—	140
Regents Park	88 Huichuan Road, Changning District	29.09%	—	—	—	—	—	56
<b>Subtotal of major completed properties held for sale in Shanghai:</b>			<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>200</b>

## Particulars of Major Properties (Continued)

### COMPLETED PROPERTIES HELD FOR SALE (CONTINUED)

As at 31 January 2024

Property Name	Location	Attributable Interest to the Group	Approximate Attributable GFA (square feet)				Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces attributable to the Group
			Commercial/Retail	Office	Serviced Apartment	Residential		
<b>Guangzhou</b>								
Eastern Place Phase V	787 Dongfeng East Road, Yuexiu District	30.62%	—	—	—	—	—	2
King's Park	Donghua Dong Road, Yuexiu District	30.62%	—	—	—	—	—	1
West Point	The junction of Zhongshan Qi Road and Guangfu Road, Liwan District	30.62%	—	—	—	—	—	27
<b>Subtotal of major completed properties held for sale in Guangzhou:</b>			<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>30</b>
<b>Zhongshan</b>								
Palm Spring	Caihong Planning Area, Western District	30.62%	50,334	—	—	81,258	131,592	818
<b>Subtotal of major completed properties held for sale in Zhongshan:</b>			<b>50,334</b>	<b>—</b>	<b>—</b>	<b>81,258</b>	<b>131,592</b>	<b>818</b>
<b>Hengqin</b>								
Novotown Phase I	East side of Yiwener Road, south side of Caihong Road, west side of Tianyu Road and north side of Hengqin Road, Hengqin New Area, Zhuhai City	35.62%	—	187,316	93,510	12,580	293,406	—
<b>Subtotal of major completed properties held for sale in Hengqin:</b>			<b>—</b>	<b>187,316</b>	<b>93,510</b>	<b>12,580</b>	<b>293,406</b>	<b>—</b>
<b>Subtotal of major completed properties held for sale in Mainland China:</b>			<b>50,334</b>	<b>187,316</b>	<b>93,510</b>	<b>93,838</b>	<b>424,998</b>	<b>1,048</b>
<b>Total of major completed properties held for sale:</b>			<b>68,850</b>	<b>187,316</b>	<b>93,510</b>	<b>103,219</b>	<b>452,895</b>	<b>1,076</b>



# Corporate Governance and Other Information

## CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**" and "**Stock Exchange**", respectively) throughout the six months ended 31 January 2024 save for the deviation from code provision F.2.2.

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

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

### Board

The Board oversees the overall management of the Company's business and affairs. The Board's primary duty is to ensure the viability of the Company and to ascertain that it is managed in the best interests of its Shareholders as a whole while taking into account the interests of other stakeholders.

The Board has established specific committees with written terms of reference to assist it in the efficient implementation of its functions, namely the Executive Committee, the Audit Committee, the Nomination Committee and the Remuneration Committee. Specific responsibilities have been delegated to the above committees.

The Board has delegated the day-to-day management of the Company's business to the management and the Executive Committee, and focuses its attention on matters affecting the Company's long-term objectives and plans for achieving these objectives, the overall business and commercial strategy of the Company and its subsidiaries (together, "**Group**") as well as overall policies and guidelines. The Board has also delegated the environmental, social and governance management to the Executive Committee.

The Board currently comprises ten members, of whom six are Executive Directors and four are independent non-executive directors ("**INEDs**"). The current composition of the Board is characterised by diversity, whether considered in terms of gender, nationality, professional background and skills. The current Board comprises individuals who are professionals with real estate, investment, accounting, financial, general management, tourism and legal backgrounds.

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

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

### Chairman and Chief Executive Officer

During the six months ended 31 January 2024 and up to the date of this Interim Report, Dr. Lam Kin Ngok, Peter was the Chairman of the Board while Mr. Yip Chai Tuck was the Chief Executive Officer of the Company until 31 January 2024. Following the stepping down of Mr. Yip Chai Tuck as the Chief Executive Officer of the Company on 1 February 2024, other duties and responsibilities of the Board and the day-to-day management of business are undertaken by other Executive Directors. This segregation ensures a clear distinction between the Chairman's responsibilities to manage the Board and other Executive Directors take up the responsibilities of the Chief Executive Officer to manage the Company's business. The division of responsibilities between the Chairman and the Chief Executive Officer is clearly defined and set out in writing.

# Corporate Governance and Other Information (Continued)

## SECURITIES TRANSACTIONS BY DIRECTORS AND DESIGNATED EMPLOYEES

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

## DIRECTORS’ INTERESTS

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

### (a) The Company

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

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued Shares (Note 1)
Lam Kin Ngok, Peter (Note 5)	Beneficial owner/ Owner of controlled corporations	112,211,038	Nil	258,168,186 (Note 2)	1,832,017 (Notes 3 & 4)	372,211,241	42.14%
U Po Chu (Note 5)	Beneficial owner	1,857,430	Nil	Nil	Nil	1,857,430	0.21%
Lam Hau Yin, Lester (Note 5)	Beneficial owner	28,033,218	Nil	Nil	6,519,095 (Notes 3 & 4)	34,552,313	3.91%

#### Notes:

1. The percentage has been compiled based on the total number of issued Shares as at 31 January 2024 (i.e. 883,373,901 Shares).
2. As at 31 January 2024, Dr. Lam Kin Ngok, Peter was deemed to be interested in 258,168,186 Shares (representing approximately 29.23% of the Company’s issued share capital) by virtue of his 100% interest in the issued share capital of Wisdoman Limited which directly owned 258,168,186 Shares.

# Corporate Governance and Other Information (Continued)

## DIRECTORS' INTERESTS (CONTINUED)

### (a) The Company (Continued)

Notes: (Continued)

3. A share option was granted by the Company to each of Dr. Lam Kin Ngok, Peter and Mr. Lam Hau Yin, Lester, the particulars of which before the completion of 1-for-2 rights issue of the Company on 3 January 2023 ("2022 Rights Issue") are set out below:

Name of Director	Date of grant	Number of underlying Shares comprised in the share options	Exercise period of share options	Exercise price of share options HK\$ per share
Lam Kin Ngok, Peter	19/06/2017	425,033	19/06/2017-18/06/2027	11.763
Lam Kin Ngok, Peter	25/01/2022	1,312,300	25/01/2022-24/01/2032	3.874
Lam Hau Yin, Lester	19/06/2017	4,869,867	19/06/2017-18/06/2027	11.763
Lam Hau Yin, Lester	25/01/2022	1,312,300	25/01/2022-24/01/2032	3.874

4. The exercise price of and the number of Shares entitled to be subscribed for under the outstanding share options have been adjusted on 3 January 2023 in the following manner following the completion of the 2022 Rights Issue:

Name of Director	Number of underlying Shares comprised in share options before the 2022 Rights Issue	Exercise price of share options before the 2022 Rights Issue HK\$ per share	Adjusted number of underlying Shares comprised in share options after the 2022 Rights Issue	Adjusted exercise price of share options after the 2022 Rights Issue HK\$ per share
Lam Kin Ngok, Peter	425,033	11.763	448,197	11.155
Lam Kin Ngok, Peter	1,312,300	3.874	1,383,820	3.673
Lam Hau Yin, Lester	4,869,867	11.763	5,135,275	11.155
Lam Hau Yin, Lester	1,312,300	3.874	1,383,820	3.673

5. Dr. Lam Kin Ngok, Peter, Madam U Po Chu and Mr. Lam Hau Yin, Lester are the directors of Wisdoman Limited.

# Corporate Governance and Other Information (Continued)

## DIRECTORS' INTERESTS (CONTINUED)

### (b) Associated Corporations

#### (i) Lai Sun Development Company Limited ("LSD") — a subsidiary of the Company

##### Long positions in the ordinary shares of LSD ("LSD Shares") and the underlying LSD Shares

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued LSD Shares (Note 1)
Lam Kin Ngok, Peter	Beneficial owner/ Owner of controlled corporations	975,907	Nil	808,084,296 (Note 2)	Nil	809,060,203	55.67%
U Po Chu (Note 3)	Beneficial owner	60,567	Nil	Nil	Nil	60,567	0.01%

##### Notes:

- The percentage has been compiled based on the total number of issued LSD Shares as at 31 January 2024 (i.e. 1,453,328,830 LSD Shares).
- As at 31 January 2024, the Company and two of its wholly-owned subsidiaries, namely Joy Mind Limited and Zimba International Limited, beneficially owned in aggregate 808,084,296 LSD Shares, representing approximately 55.60% of the issued share capital of LSD. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 808,084,296 LSD Shares (representing approximately 55.60% of the issued share capital of LSD) by virtue of, in aggregate, his personal (including underlying shares) and deemed interests of approximately 42.14% in the issued share capital of the Company.  
  
The Company pledged approximately 208,513,987 LSD Shares as security pursuant to its 7.70% secured guaranteed notes due 2018 under a share charge dated 24 July 2014. The amount has been repaid in full.
- Madam U Po Chu is the widow of the late Mr. Lim Por Yen whose estate includes an interest of 8,718,829 LSD Shares, representing approximately 0.60% of the issued share capital of LSD.

# Corporate Governance and Other Information *(Continued)*

## DIRECTORS' INTERESTS *(CONTINUED)*

### (b) Associated Corporations *(Continued)*

#### (ii) eSun Holdings Limited (“eSun”) — a subsidiary of LSD

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

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued eSun Shares <i>(Note 1)</i>
Lam Kin Ngok, Peter <i>(Note 3)</i>	Beneficial owner/ Owner of controlled corporations	2,794,443	Nil	1,113,260,072 <i>(Note 2)</i>	Nil	1,116,054,515	63.56%
Lam Hau Yin, Lester	Beneficial owner	2,794,443	Nil	Nil	Nil	2,794,443	0.16%

##### Notes:

- The percentage has been compiled based on the total number of issued eSun Shares as at 31 January 2024 (i.e. 1,755,876,866 eSun Shares).
- As at 31 January 2024, the Company was interested in 808,084,296 LSD Shares, representing approximately 55.60% of the issued share capital of LSD. Transtrend Holdings Limited (“**Transtrend**”), a wholly-owned subsidiary of LSD, was interested in 1,113,260,072 eSun Shares, representing approximately 63.40% of the issued share capital of eSun. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 1,113,260,072 eSun Shares (representing approximately 63.40% of the issued share capital of eSun) by virtue of, in aggregate, his personal (including underlying shares) and deemed interests of approximately 42.14% and 55.67% in the issued share capital of the Company and LSD, respectively.
- Dr. Lam Kin Ngok, Peter resigned as an executive director of eSun with effect from 14 February 2014.

# Corporate Governance and Other Information (Continued)

## DIRECTORS' INTERESTS (CONTINUED)

### (b) Associated Corporations (Continued)

#### (iii) Lai Fung Holdings Limited ("Lai Fung") — a subsidiary of LSD

##### Long positions in the ordinary shares of Lai Fung ("Lai Fung Shares") and the underlying Lai Fung Shares

Name of Director	Capacity	Personal interests	Family interests	Corporate interests	Other interests	Total interests	Approximate % of total interests to total issued Lai Fung Shares (Note 1)
Lam Kin Ngok, Peter (Note 3)	Owner of controlled corporations	Nil	Nil	182,318,266 (Note 2)	Nil	182,318,266	55.08%

##### Notes:

1. The percentage has been compiled based on the total number of issued Lai Fung Shares as at 31 January 2024 (i.e. 331,033,443 Lai Fung Shares).
2. As at 31 January 2024, LSD was interested or deemed to be interested in 182,318,266 Lai Fung Shares, of which 180,600,756 Lai Fung Shares were beneficially owned by Holy Unicorn Limited, a wholly-owned subsidiary of LSD and 1,717,510 Lai Fung Shares were beneficially owned by Transtrend, representing approximately 55.08% of the issued share capital of Lai Fung. As such, Dr. Lam Kin Ngok, Peter was deemed to be interested in the same 182,318,266 Lai Fung Shares (representing approximately 55.08% of the issued share capital of Lai Fung) by virtue of, in aggregate, his approximate 42.14% and 55.67% personal (including underlying shares) and deemed interests in the issued share capital of the Company and LSD, respectively.
3. Dr. Lam Kin Ngok, Peter was appointed the chairman and an executive director of Lai Fung on 2 June 2023.

#### (iv) Lai Sun MTN Limited — a subsidiary of LSD

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

Name of Director	Capacity	Nature of interests	Principal amount
Lam Kin Ngok, Peter	Beneficial owner	Personal	USD13,500,000 (Note)

Note: Dr. Lam Kin Ngok, Peter purchased USD1,000,000 Lai Sun MTN Limited 5% guaranteed medium term notes on 6 December 2023. During the period under review, the principal amount was increased from USD12,500,000 to USD13,500,000.

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

# Corporate Governance and Other Information *(Continued)*

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS

As at 31 January 2024, so far as it is known by or otherwise notified by any Director or the chief executive of the Company, the particulars of the corporations or individuals, who had 5% or more interests in the following long positions in the Shares and underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, as recorded in the register required to be kept under section 336 of the SFO ("**Register of Shareholders**") or were entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of the Company ("**Voting Entitlements**") (i.e. within the meaning of substantial shareholders of the Listing Rules) were as follows:

### Long positions in the Shares and the underlying Shares of the Company

Name	Capacity	Nature of interests	Number of Shares and underlying Shares	Approximate % of Shares in issue (Note 1)
Lam Kin Ngok, Peter (Note 2)	Beneficial owner/ Owner of controlled corporations	Personal and corporate	372,211,241	42.14%
Wisdoman Limited (Note 2)	Beneficial owner	Corporate	258,168,186 (Note 3)	29.23%
Yu Cheuk Yi	Beneficial owner	Personal	185,690,000 (Note 4)	21.02% (Note 4)
Yu Siu Yuk	Beneficial owner	Personal	185,690,000 (Note 4)	21.02% (Note 4)

#### Notes:

1. The percentage has been compiled based on the total number of issued Shares as at 31 January 2024 (i.e. 883,373,901 Shares).
2. Dr. Lam Kin Ngok, Peter, a Director of the Company, is also a director of Wisdoman Limited.
3. Dr. Lam Kin Ngok, Peter was deemed to be interested in 258,168,186 Shares owned by Wisdoman Limited by virtue of his 100% interests in the issued share capital of Wisdoman Limited.
4. Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk jointly held 185,690,000 Shares (21.02%) according to shareholdings shown in the last Individual Substantial Shareholder Notice (Form 1) filed for an event on 22 May 2023.

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

# Corporate Governance and Other Information *(Continued)*

## SHARE OPTION SCHEMES

### (1) The Company

At the annual general meeting of the Company held on 16 December 2022, the Shareholders approved the adoption of a new share option scheme ("**2022 Share Option Scheme**") which became effective on 19 December 2022 ("**Effective Date**"). The share option scheme adopted by the Company on 11 December 2015 ("**2015 Share Option Scheme**") were terminated on 16 December 2022 ("**Termination**"). Following the Termination, no further share options will be granted under the 2015 Share Option Scheme but the subsisting options granted prior to the Termination will continue to be valid and exercisable in accordance with the terms of the 2015 Share Option Scheme.

The purpose of the 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (as defined in the 2022 Share Option Scheme) for their contribution to the Group by granting options to them as incentives or rewards and to attract, retain or motivate high-calibre Eligible Participants in line with the performance goals of the Group and the Related Entities (as defined in the 2022 Share Option Scheme). Eligible Participants include but are not limited to the directors, chief executive and employees of the Group and related entities, and service providers of the Group. Unless otherwise cancelled or amended, the 2022 Share Option Scheme will remain in force for 10 years from the Effective Date.

The principal terms of the 2022 Share Option Scheme are set out in the circular of the Company dated 17 November 2022. The number of shares available for grant under the 2022 Share Option Scheme at the beginning and the end of the financial period for the six months ended 31 January 2024 was 58,891,593 Shares (representing approximately 6.67% of the Company's issued shares as at 31 January 2024). The service provider submit at the beginning and the end of the financial period for the six months ended 31 January 2024 was 5,889,159 Shares (representing approximately 0.67% of the Company's issued shares as at 31 January 2024).

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

As at 31 January 2024, share options comprising a total of 16,360,101 underlying Shares granted under the 2015 Share Option Scheme were outstanding.



# Corporate Governance and Other Information *(Continued)*

## SHARE OPTION SCHEMES *(CONTINUED)*

### (1) The Company *(Continued)*

Information on the movements of share options under the 2015 Share Option Scheme during the six months ended 31 January 2024 is set out below:

Name and category of participants	Date of grant of share options <i>(Note 1)</i>	Number of underlying Shares comprised in share options					As at 31 January 2024	Exercise period of share options	Exercise price of share options <i>HK\$ per share (Note 2)</i>
		As at 1 August 2023	Granted during the period	Exercised during the period	Lapsed during the period				
<b>Directors</b>									
Lam Kin Ngok, Peter	19/06/2017	448,197 <i>(Note 4)</i>	—	—	—	448,197	19/06/2017 – 18/06/2027	11.155 <i>(Note 4)</i>	
Lam Kin Ngok, Peter	25/01/2022	1,383,820 <i>(Notes 3 &amp; 4)</i>	—	—	—	1,383,820	25/01/2022 – 24/01/2032	3.673 <i>(Note 4)</i>	
Chew Fook Aun <i>(Note 6)</i>	19/06/2017	5,135,275 <i>(Note 4)</i>	—	—	(5,135,275) <i>(Note 6)</i>	—	19/06/2017 – 18/06/2027	11.155 <i>(Notes 4 &amp; 6)</i>	
Lam Hau Yin, Lester	19/06/2017	5,135,275 <i>(Note 4)</i>	—	—	—	5,135,275	19/06/2017 – 18/06/2027	11.155 <i>(Note 4)</i>	
Lam Hau Yin, Lester	25/01/2022	1,383,820 <i>(Notes 3 &amp; 4)</i>	—	—	—	1,383,820	25/01/2022 – 24/01/2032	3.673 <i>(Notes 3 &amp; 4)</i>	
<b>Total</b>		<b>13,486,387</b>	<b>—</b>	<b>—</b>	<b>(5,135,275)</b>	<b>8,351,112</b>			
<b>Other employee participants</b>									
In aggregate	28/07/2017	5,135,899 <i>(Note 4)</i>	—	—	—	5,135,899	28/07/2017 – 27/07/2027	12.226 <i>(Note 4)</i>	
In aggregate	25/01/2022	3,031,265 <i>(Notes 3 &amp; 4)</i>	—	—	(158,175) <i>(Note 5)</i>	2,873,090	25/01/2022 – 24/01/2032	3.673 <i>(Notes 3 &amp; 4)</i>	
<b>Total</b>		<b>8,167,164</b>	<b>—</b>	<b>—</b>	<b>(158,175)</b>	<b>8,008,989</b>			
<b>Grand Total</b>		<b>21,653,551</b>	<b>—</b>	<b>—</b>	<b>(5,293,450)</b>	<b>16,360,101</b>			

# Corporate Governance and Other Information (Continued)

## SHARE OPTION SCHEMES (CONTINUED)

### (1) The Company (Continued)

Notes:

- The share options were vested on the date of grant.
- The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, share consolidations, or other specific changes in the Company's share capital.
- A total of 5,499,200 options were granted to eligible participants on 25 January 2022, among of which, a total of 5,249,200 options were granted to directors, substantial shareholder of the Company and their associates including 1,312,300 options were granted to Dr. Lam Ho Yi and 1,312,300 options were granted to Mr. Lam Hau Nang, Lucas under the 2015 Share Option Scheme.
- On 3 January 2023, the exercise price of and the number of Shares entitled to be subscribed for under the outstanding share options have been adjusted in the following manner following the completion of 2022 Rights Issue:

Name and category of participants	Number of underlying Shares comprised in share options before the 2022 Rights Issue	Exercise price of share options before the 2022 Rights Issue HK\$ per share	Adjusted number of underlying Shares comprised in share options after the 2022 Rights Issue	Adjusted exercise price of share options after the 2022 Rights Issue HK\$ per share
<b>Directors</b>				
Lam Kin Ngok, Peter	425,033	11.763	448,197	11.155
Lam Kin Ngok, Peter	1,312,300	3.874	1,383,820	3.673
Chew Fook Aun	4,869,867	11.763	5,135,275	11.155
Lam Hau Yin, Lester	4,869,867	11.763	5,135,275	11.155
Lam Hau Yin, Lester	1,312,300	3.874	1,383,820	3.673
<b>Other employee participants, in aggregate</b>	4,870,459	12.893	5,135,899	12.226
<b>Other employee participants, in aggregate</b>	2,874,600	3.874	3,031,265	3.673
<b>Total</b>	<b>20,534,426</b>		<b>21,653,551</b>	

- A share option comprising a total of 158,175 underlying Shares granted on 25 January 2022 had been lapsed in August 2023 under the 2015 Share Option Scheme.
- Mr. Chew Fook Aun resigned as Deputy Chairman and non-executive director of the Company on 1 October 2023. A share option comprising a total of 5,135,275 underlying Shares granted to him on 19 June 2017 had been lapsed in December 2023 under the 2015 Share Option Scheme.

During the period under review, there were a total of 158,175 options granted to an eligible participant lapsed in August 2023 and there were a total of 5,135,275 options granted to a former director lapsed in December 2023. Apart from the mentioned above, no share options were granted, exercised, lapsed or cancelled in accordance with the terms of the 2015 Share Option Scheme and the 2022 Share Option Scheme.

As at the date of this Interim Report, (i) a maximum number of 16,360,101 Shares are available for issue in relation to the underlying Shares comprised in the subsisting option granted under the 2015 Share Option Scheme and remained outstanding, representing approximately 1.85% of Shares in issue as at the date of this Interim Report; and (ii) no share options have been granted under the 2022 Share Option Scheme since the Effective Date, therefore, a maximum number of 58,891,593 Shares are available for grant and issue under the 2022 Share Option Scheme, representing approximately 6.67% of the Shares in issue as at the date of this Interim Report.

# Corporate Governance and Other Information *(Continued)*

## SHARE OPTION SCHEMES *(CONTINUED)*

### (2) LSD

At the annual general meeting of LSD held on 16 December 2022, the shareholders of LSD approved the adoption of a new share option scheme ("**LSD 2022 Share Option Scheme**") which became effective on 19 December 2022 ("**LSD Effective Date**"). The LSD 2022 Share Option Scheme has also been approved by the Shareholders of the Company at its annual general meeting on 16 December 2022. The share option scheme adopted by LSD on 11 December 2015 ("**LSD 2015 Share Option Scheme**") and the share option scheme adopted by LSD on 22 December 2006 ("**LSD 2006 Share Option Scheme**") were terminated on 16 December 2022 and 11 December 2015, respectively ("**LSD Termination**"). Following the LSD Termination, no further share options will be granted under the LSD 2015 Share Option Scheme and the LSD 2006 Share Option Scheme but the subsisting options granted prior to the LSD Termination will continue to be valid and exercisable in accordance with the terms of the LSD 2015 Share Option Scheme and the LSD 2006 Share Option Scheme.

The purpose of the LSD 2022 Share Option Scheme is to recognise the contribution or future contribution of LSD Eligible Participants (as defined in the LSD 2022 Share Option Scheme) for their contribution to LSD Group by granting share options to them as incentives or rewards and to attract, retain or motivate high-calibre LSD Eligible Participants in line with the performance goals of the LSD Group and the Related Entities (as defined in the LSD 2022 Share Option Scheme). Eligible Participants include but are not limited to the directors, chief executive and employees of the LSD Group and related entities, and service providers of the LSD Group. Unless otherwise cancelled or amended, the LSD 2022 Share Option Scheme will remain in force for 10 years from the LSD Effective Date.

The principal terms of the LSD 2022 Share Option Scheme are set out in the circular of LSD dated 17 November 2022. The number of shares available for grant under the LSD 2022 Share Option Scheme at the beginning and the end of the financial period for the six months ended 31 January 2024 was 96,888,588 LSD Shares (representing approximately 6.67% of LSD's issued shares as at 31 January 2024). The service provider sublimit at the beginning and the end of the financial period for the six months ended 31 January 2024 was 9,688,858 LSD Shares (representing approximately 0.67% of LSD's issued shares as at 31 January 2024).

During the six months ended 31 January 2024, a share option comprising 179,262 underlying LSD Shares granted to certain eligible participants under the LSD 2015 Share Option Scheme lapsed in August 2023 and no share options had been granted under the LSD 2022 Share Option Scheme and all its old share option schemes. Accordingly, there were no shares of LSD that might be issued in respect of share options granted under all share option schemes of LSD during the period under review.

As at 31 January 2024 and the date of this Interim Report, share options comprising a total of 717,342 underlying LSD shares were outstanding, of which share options comprising 193,176 underlying LSD shares were granted under the LSD 2006 Share Option Scheme and share options comprising 524,166 underlying LSD shares were granted under the LSD 2015 Share Option Scheme.

# Corporate Governance and Other Information *(Continued)*

## SHARE OPTION SCHEMES *(CONTINUED)*

### (2) LSD *(Continued)*

Information on the movements of the LSD share options under the LSD 2006 Share Option Scheme and the LSD 2015 Share Option Scheme during the six months ended 31 January 2024 is set out below:

Category of participants	Date of grant of LSD share options <i>(Note 1)</i>	Number of underlying LSD Shares comprised in LSD share options					As at 31 January 2024	Exercise period of LSD share options	Exercise price of LSD share options <i>HK\$ per share (Note 2)</i>
		As at 1 August 2023	Granted during the period	Exercised during the period	Lapsed during the period				
<b>Employee participants</b> <i>(Note 4)</i>									
	21/01/2015	193,176	—	—	—	193,176	21/01/2015 - 20/01/2025	7.192	
	22/01/2016	69,652	—	—	—	69,652	22/01/2016 - 21/01/2026	4.048	
	20/01/2017	69,652	—	—	—	69,652	20/01/2017 - 19/01/2027	7.019	
	26/01/2021	255,395	—	—	—	255,395	26/01/2021 - 25/01/2031	5.476	
	25/01/2022	308,729	—	—	(179,262) <i>(Note 3)</i>	129,467	25/01/2022 - 24/01/2032	4.397	
<b>Total</b>		<b>896,604</b>	<b>—</b>	<b>—</b>	<b>(179,262)</b>	<b>717,342</b>			

*Notes:*

1. The LSD share options were vested on the date of grant.
2. The exercise price of the LSD share options is subject to adjustment in the case of rights or bonus issues, share consolidations or other specific changes in LSD's share capital.
3. A share option comprising a total of 179,262 underlying LSD shares had been lapsed in August 2023 under the LSD 2015 Share Option Scheme.
4. Employee participants include the employees of the LSD Group.

Save as disclosed above, no share options were granted, exercised, cancelled, or lapsed in accordance with the terms of the LSD 2006 Share Option Scheme, LSD 2015 Share Option Scheme and the LSD 2022 Share Option Scheme during the six months ended 31 January 2024.

# Corporate Governance and Other Information *(Continued)*

## SHARE OPTION SCHEMES *(CONTINUED)*

### (3) eSun

On 11 December 2015, eSun adopted a share option scheme ("**eSun 2015 Share Option Scheme**") which became effective on 23 December 2015 and should remain in force for 10 years from its adoption date. The maximum number of eSun's ordinary shares of HK\$0.50 each ("**eSun Shares**") issuable pursuant to the eSun 2015 Share Option Scheme is 124,321,216, being 10% of the total issued eSun Shares on the date of the approval of the eSun 2015 Share Option Scheme.

Upon the closing of eSun's offers on 22 August 2018, all outstanding share options granted under the eSun 2015 Share Option Scheme had been cancelled. On 21 January 2022, eSun granted share options under the eSun 2015 Share Option Scheme to the eligible participants entitling them to subscribe for a total of 1,500,000 underlying eSun Shares (equivalent to approximately 0.10% of the total issued eSun Shares as at that date (i.e. 1,491,854,598)) at the exercise price of HK\$0.50 per eSun Share with the exercise period from 21 January 2022 to 20 January 2032.

The eSun 2015 Share Option Scheme was terminated and a new share option scheme ("**eSun 2022 Share Option Scheme**") was adopted by eSun's shareholders ("**eSun Shareholders**") at its annual general meeting held on 16 December 2022. The eSun 2022 Share Option Scheme has also been approved by shareholders of both the Company and LSD at their respective annual general meetings held on the same date and became effective on 19 December 2022 ("**eSun Effective Date**").

The number of eSun Shares available for grant under the eSun 2015 Share Option Scheme before its termination was 122,821,216. Upon termination of the eSun 2015 Share Option Scheme, no further share options will be granted thereunder but the outstanding share options granted prior to the termination will continue to be valid and exercisable in accordance with the terms of the eSun 2015 Share Option Scheme.

Unless otherwise cancelled or amended, the eSun 2022 Share Option Scheme will remain in force for 10 years from the eSun Effective Date, which will expire on 19 December 2032. The principal terms of the eSun 2022 Share Option Scheme are set out in the circular of eSun dated 17 November 2022. The maximum number of eSun Shares issuable and the service provider sublimit pursuant to the eSun 2022 Share Option Scheme were 149,185,459 and 14,918,545 eSun Shares (being 10% and 1% of the total issued eSun Shares) at the eSun Effective Date and (being 8.50% and 0.85% of the total issued eSun Shares) at the beginning and the end of the financial period for the six months ended 31 January 2024 respectively.

The purpose of the eSun 2022 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants (including but not limited to the directors, chief executives, employees and service providers of the eSun Group as well as the related entity participants (as defined in the eSun 2022 Share Option Scheme)) to the eSun Group by granting share options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the eSun Group and the related entities. The eSun 2022 Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the eSun Group.

During the six months ended 31 January 2024, no share options had been granted under the eSun 2022 Share Option Scheme. Accordingly, there were no eSun Shares that might be issued in respect of share options granted under all share option schemes of eSun during the said period.

As at 31 January 2024 and the date of this Interim Report, share options comprising a total of 700,000 underlying eSun Shares (representing approximately 0.04% of the total issued eSun Shares as at that dates (i.e. 1,755,876,866)) granted under the eSun 2015 Share Option Scheme were outstanding and no further share options can be granted under the eSun 2015 Share Option Scheme upon its termination on 16 December 2022. Therefore, a total number of 149,885,459 eSun Shares are available for issue under the eSun 2015 Share Option Scheme and the eSun 2022 Share Option Scheme, representing approximately 8.54% of the total issued eSun Shares as at that dates.

# Corporate Governance and Other Information (Continued)

## SHARE OPTION SCHEMES (CONTINUED)

### (3) eSun (Continued)

Information on the movements of the eSun share options under the eSun 2015 Share Option Scheme during the six months ended 31 January 2024 is set out below:

Category of grantees	Date of grant of eSun share options (Note 1)	Number of underlying eSun Shares comprised in eSun share options					As at 31 January 2024	Exercise period of eSun share options	Exercise price of eSun share options HK\$ per share (Note 2)
		As at 1 August 2023	Granted during the period	Exercised during the period	Cancelled/ lapsed during the period				
<b>Eligible participants</b>									
Employee	21/01/2022	400,000	—	—	—	400,000	21/01/2022 – 20/01/2032	0.50	
Other eligible participants	21/01/2022	1,100,000	—	—	(800,000) (Note 3)	300,000	21/01/2022 – 20/01/2032	0.50	
<b>Total</b>		<b>1,500,000</b>	<b>—</b>	<b>—</b>	<b>(800,000)</b>	<b>700,000</b>			

Notes:

1. The eSun share options were vested on the date of grant.
2. The exercise price of the eSun share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in eSun's share capital.
3. A share option comprising 800,000 underlying eSun Shares granted to an eligible participant under the eSun 2015 Share Option Scheme on 21 January 2022 at the exercise price of HK\$0.50 per eSun Share lapsed on 15 August 2023.

Save as disclosed above, no share options were granted, exercised, cancelled, or lapsed in accordance with the terms of the eSun 2015 Share Option Scheme and the eSun 2022 Share Option Scheme during the period under review.

# Corporate Governance and Other Information *(Continued)*

## SHARE OPTION SCHEMES *(CONTINUED)*

### (4) Lai Fung

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

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

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

# Corporate Governance and Other Information *(Continued)*

## SHARE OPTION SCHEMES *(CONTINUED)*

### (4) Lai Fung *(Continued)*

Information on the movements of the Lai Fung share options under the Lai Fung 2012 Share Option Scheme during the six months ended 31 January 2024 is set out below:

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

Notes:

1. The Lai Fung share options were vested on the date of grant.
2. The exercise price of the Lai Fung share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in Lai Fung's share capital.

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



# Corporate Governance and Other Information *(Continued)*

## PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

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

## UPDATE OF DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INFORMATION

Pursuant to Rule 13.51B(1) of the Listing Rules, changes in Directors' and Chief Executive Officer's information since the disclosure made in the Company's annual report 2022-2023 and up to the date of this Interim Report are set out as follows:

1. Directors' remuneration for the six months ended 31 January 2024 and 2023 are as follows:

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
<b>For the six months ended 31 January 2024</b>				
Executive directors:				
Lam Kin Ngok, Peter ( <i>Chairman</i> ) ( <i>note a</i> )	99	15,922	—	16,021
Yang Yiu Chong, Ronald Jeffrey ( <i>note b</i> )	150	1,710	24	1,884
Cheung Sum, Sam ( <i>Group Chief Financial Officer</i> ) ( <i>note c</i> )	—	2,500	38	2,538
Lam Hau Yin, Lester (also alternate to U Po Chu) ( <i>note d</i> )	—	1,687	18	1,705
Lam Kin Hong, Matthew ( <i>note e</i> )	24	762	38	824
U Po Chu ( <i>note f</i> )	149	3,915	—	4,064
	422	26,496	118	27,036
Non-executive director:				
Chew Fook Aun ( <i>note g</i> )	600	—	—	600
Independent non-executive directors:				
Chow Bing Chiu	175	—	—	175
Lam Bing Kwan ( <i>note h</i> )	525	—	—	525
Leung Shu Yin, William ( <i>note i</i> )	350	—	—	350
Ng Chi Ho, Dennis ( <i>note j</i> )	175	—	—	175
	1,225	—	—	1,225
<b>Total</b>	<b>2,247</b>	<b>26,496</b>	<b>118</b>	<b>28,861</b>

# Corporate Governance and Other Information (Continued)

## UPDATE OF DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INFORMATION (CONTINUED)

1. (Continued)

	Fees HK\$'000	Salaries, allowances and benefits in kind HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
For the six months ended 31 January 2023				
Executive directors:				
Lam Kin Ngok, Peter (Chairman) (note a)	114	15,922	2	16,038
Chew Fook Aun (Deputy Chairman) (note g)	—	8,895	36	8,931
Lam Hau Yin, Lester (also alternate to U Po Chu) (note d)	—	1,687	18	1,705
Lam Kin Hong, Matthew (note e)	24	762	38	824
U Po Chu (note f)	149	3,928	—	4,077
	287	31,194	94	31,575
Independent non-executive directors:				
Chow Bing Chiu	175	—	—	175
Lam Bing Kwan (note h)	525	—	—	525
Leung Shu Yin, William (note i)	350	—	—	350
	1,050	—	—	1,050
<b>Total</b>	<b>1,337</b>	<b>31,194</b>	<b>94</b>	<b>32,625</b>

**Notes:**

- The amounts included fees, salaries and pension scheme contributions paid by LSD of HK\$7,167,000, the eSun Group of HK\$5,809,000 and Lai Fung of HK\$1,434,000 (six months ended 31 January 2023: paid by LSD of HK\$7,169,000, the eSun Group of HK\$5,824,000 and Lai Fung of HK\$1,434,000).
- Mr. Yang Yiu Chong, Ronald Jeffrey was appointed as an executive director of the Company with effect from 2 June 2023. The amounts included salaries and pension scheme contributions paid by LSD of HK\$1,621,000 and the eSun Group of HK\$103,000 (six months ended 31 January 2023: Nil).
- Mr. Cheung Sum, Sam was appointed as an executive director of the Company with effect from 1 August 2023. The amounts included salaries and pension scheme contributions paid by LSD of HK\$1,311,000, the eSun Group of HK\$158,000 and Lai Fung of HK\$910,000 (six months ended 31 January 2023: Nil).

## Corporate Governance and Other Information *(Continued)*

### UPDATE OF DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INFORMATION *(CONTINUED)*

1. *(Continued)*

- d. *The amounts included salaries and pension scheme contributions paid by LSD of HK\$892,000 and Lai Fung of HK\$813,000 (six months ended 31 January 2023: paid by LSD of HK\$892,000 and Lai Fung of HK\$813,000).*
- e. *The amounts included salaries and pension scheme contributions paid by Lai Fung of HK\$599,000 (six months ended 31 January 2023: HK\$599,000).*
- f. *The amounts included fees and salaries paid by LSD of HK\$125,000 and Lai Fung of HK\$2,115,000 (six months ended 31 January 2023: paid by LSD of HK\$125,000 and Lai Fung of HK\$2,128,000).*
- g. *Mr. Chew Fook Aun resigned as an executive director and re-designated as a non-executive director of the Company with effect from 2 June 2023 and resigned as a non-executive director of the Company with effect from 1 October 2023. The amounts included fees paid by LSD of HK\$200,000 and Lai Fung of HK\$200,000 (six months ended 31 January 2023: salaries and pension scheme contributions paid by LSD of HK\$4,113,000, the eSun Group of HK\$2,062,000 and Lai Fung of HK\$2,062,000 as an executive director).*
- h. *The amounts included fees paid by LSD of HK\$175,000 and Lai Fung of HK\$175,000 (six months ended 31 January 2023: paid by LSD of HK\$175,000 and Lai Fung of HK\$175,000).*
- i. *The amounts included fees paid by LSD of HK\$175,000 (six months ended 31 January 2023: HK\$175,000).*
- j. *Mr. Ng Chi Ho, Dennis was appointed as an independent non-executive director of the Company with effect from 1 August 2023.*

2. Dr. Lam Kin Ngok, Peter

- (a) ceased to be a member of the board of West Kowloon Cultural District Foundation Limited on 15 November 2023;
- (b) retired as an executive director of Crocodile Garments Limited (a company listed on the Main Board of the Stock Exchange) on 13 December 2023; and
- (c) was re-appointed a non-official member of Trade and Industry Advisory Board for a term of two years with effect from 1 January 2024.

## Corporate Governance and Other Information *(Continued)*

### UPDATE OF DIRECTORS' AND CHIEF EXECUTIVE OFFICER'S INFORMATION *(CONTINUED)*

- 3 Mr. Lam Bing Kwan
  - (a) remained to serve as a non-executive director of Sino-i Technology Limited, a company delisted from the Main Board of the Stock Exchange on 31 October 2023; and
  - (b) remained to serve as a non-executive director of Nan Hai Corporation Limited, a company delisted from the Main Board of the Stock Exchange on 16 November 2023.
4. During the six months ended 31 January 2024, the fees, salaries and pension scheme contributions of Mr. Yip Chai Tuck, the Chief Executive Officer of the Company paid by the Group amounted to HK\$3,843,000 (six months ended 31 January 2023: HK\$4,797,000), of which HK\$1,691,000 (six months ended 31 January 2023: HK\$2,327,000) was paid by LSD and HK\$1,308,000 (six months ended 31 January 2023: HK\$1,308,000) was paid by the eSun Group. Mr. Yip Chai Tuck stepped down as the Chief Executive Officer of the Company on 1 February 2024.
5. With effect from 1 February 2024, the annual remuneration, exclusive of the amounts paid by LSD, eSun Group and Lai Fung, of Dr. Lam Kin Ngok, Peter, Mr. Lam Kin Hong, Matthew and Madam U Po Chu have been adjusted downward within the range from 5% to 50%.

### EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2024, the Group employed a total of approximately 4,000 employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

# Corporate Governance and Other Information *(Continued)*

## INVESTOR RELATIONS

To ensure our investors have a better understanding of the Company, our management engages in a proactive investor relations programme. Our Executive Directors and Investor Relations Department communicate with research analysts and institutional investors regularly.

The Group maintains proactive interactions with the investment community and provides them with updates on the Group's operations, financial performance and outlook. During the period under review, the Company has been communicating with a range of stakeholders via physical/online meetings and conference calls.

The Company is keen on promoting investor relations and enhancing communication with its shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public who may contact the Investor Relations Department by phone on (852) 2853 6106, by fax at (852) 2853 6651 or by e-mail at [ir@laisun.com](mailto:ir@laisun.com).

## REVIEW OF INTERIM REPORT

The audit committee of the Company ("**Audit Committee**") currently comprises three INEDs, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu. The Audit Committee has reviewed the Interim Report (including the unaudited condensed consolidated financial statements) of the Company for the six months ended 31 January 2024.

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

Hong Kong, 22 March 2024

