LAI FUNG HOLDINGS

Lai Fung Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1125)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2025

Results Highlights:

- Net loss attributable to owners of the Company was HK$164.0 million, decreased from loss of HK$174.5 million in the previous financial period, mainly attributed to the reduction in fair value losses on investment properties.
- Adjusted earnings before interests, taxes, depreciation and amortisation ("**adjusted EBITDA**") (excluding impact of fair value changes of investment properties) amounted to HK$247.0 million, down by 53.5% compared to the same period last year, due to the lower property sales.
- Resilient rental portfolio generated rental income of HK$513.1 million with relatively steady occupancy rate under a subdued market environment, up by 2.3% compared to the same period last year.
- Recognised sales of properties and other operations amounted to HK$134.7 million, down by 85.2% compared to the same period last year, mainly contributed to the reduction in sales of residential units at Zhongshan Palm Spring and Hengqin Novotown during the period.
- Proactive cost control resulted in administrative expenses decreased by 7.8% compared to the same period last year. Other operating expenses, net, also decreased by 35.4% compared to the same period last year.
- Finance costs amounted to HK$259.1 million, down by 17.7% compared to the same period last year, due to the Group's successful refinancing of certain borrowings at lower interest rates. Finance costs before capitalisation amounted to HK$312.3 million, down by 19.7%.
- The Group's total capital resources amounted to approximately HK$4,395.4 million, comprising cash and bank balances of approximately HK$1,783.3 million and undrawn bank facilities of approximately HK$2,612.1 million as at 31 January 2025, versus the Group's borrowings due within one year of approximately HK$1,541.4 million as at 31 January 2025. The Group has initiated discussions with banks on the forthcoming refinancing of bank borrowings.
- Total borrowings remained stable at HK$10,065.8 million as at 31 January 2025, compared to HK$9,853.2 million as at 31 July 2024.
- The Group intends to dispose assets amounting to approximately HK$2,000 million over the next two years.

RESULTS

The board of directors (the "**Board**") of Lai Fung Holdings Limited (the "**Company**") announces the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 31 January 2025 together with the comparative figures of the last corresponding period as follows:

Condensed Consolidated Income Statement
For the six months ended 31 January 2025

	Notes	For the six months ended 31 January **2025** **(Unaudited)** **HK$'000**	2024 (Unaudited) HK$'000
TURNOVER	3	**647,773**	1,409,290
Cost of sales		**(317,174)**	(729,543)
Gross profit		**330,599**	679,747
Other income and gains		**46,897**	49,237
Selling and marketing expenses		**(33,826)**	(76,098)
Administrative expenses		**(112,456)**	(121,954)
Other operating expenses, net		**(39,982)**	(61,863)
Fair value losses on investment properties		**(5,769)**	(106,006)
PROFIT FROM OPERATING ACTIVITIES	4	**185,463**	363,063
Finance costs	5	**(259,063)**	(314,681)
Share of profits/(losses) of joint ventures		**869**	(185)
Share of loss of an associate		**(4)**	(8)
PROFIT/(LOSS) BEFORE TAX		**(72,735)**	48,189
Tax	6	**(109,254)**	(250,226)
LOSS FOR THE PERIOD		**(181,989)**	(202,037)
ATTRIBUTABLE TO:			
Owners of the Company		**(163,989)**	(174,530)
Non-controlling interests		**(18,000)**	(27,507)
		(181,989)	(202,037)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:	7		
Basic and diluted		**(HK$0.495)**	(HK$0.527)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2025

	For the six months ended 31 January	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
LOSS FOR THE PERIOD	**(181,989)**	(202,037)
OTHER COMPREHENSIVE EXPENSES THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX		
Exchange differences arising on translation to the presentation currency	**(113,482)**	(71,102)
Share of other comprehensive expenses of an associate	**(1)**	—
	(113,483)	(71,102)
TOTAL COMPREHENSIVE EXPENSES FOR THE PERIOD	**(295,472)**	(273,139)
ATTRIBUTABLE TO:		
Owners of the Company	**(275,149)**	(226,667)
Non-controlling interests	**(20,323)**	(46,472)
	(295,472)	(273,139)

Condensed Consolidated Statement of Financial Position

As at 31 January 2025

	Notes	**31 January 2025 (Unaudited) HK$'000**	31 July 2024 (Audited) HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**2,070,739**	2,120,130
Right-of-use assets		**456,004**	467,147
Investment properties		**19,604,400**	19,687,200
Investments in joint ventures		**1,140**	15,441
Investment in an associate		**80**	85
Debtors, deposits and prepayments	8	**491,966**	489,237
Total non-current assets		**22,624,329**	22,779,240
CURRENT ASSETS			
Properties under development		**1,308,057**	1,169,737
Completed properties for sale		**2,017,813**	2,106,634
Inventories		**2,397**	2,507
Debtors, deposits and prepayments	8	**495,879**	484,909
Prepaid tax		**69,238**	66,726
Pledged and restricted time deposits and bank balances		**922,985**	842,880
Cash and cash equivalents		**860,300**	1,014,250
Total current assets		**5,676,669**	5,687,643
CURRENT LIABILITIES			
Creditors, accruals and other payables	9	**956,013**	972,952
Contract liabilities and deposits received		**147,309**	195,058
Interest-bearing bank loans		**1,221,384**	581,032
Loans from a fellow subsidiary	10	**270,000**	—
Advances from a former substantial shareholder		**50,015**	—
Lease liabilities		**1,191**	1,634
Tax payable		**638,161**	654,170
Other borrowings		**—**	34,485
Total current liabilities		**3,284,073**	2,439,331
NET CURRENT ASSETS		**2,392,596**	3,248,312
TOTAL ASSETS LESS CURRENT LIABILITIES		**25,016,925**	26,027,552

Condensed Consolidated Statement of Financial Position (continued)
As at 31 January 2025

	Notes	**31 January 2025 (Unaudited) HK$'000**	31 July 2024 (Audited) HK$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		**25,016,925**	26,027,552
NON-CURRENT LIABILITIES			
Lease liabilities		**90**	646
Other payables	9	**884,135**	890,237
Long-term deposits received		**151,981**	156,165
Interest-bearing bank loans		**8,484,166**	9,169,112
Advances from a former substantial shareholder		**—**	50,360
Loans from a fellow subsidiary	10	**40,200**	18,200
Deferred tax liabilities		**3,048,601**	3,039,608
Total non-current liabilities		**12,609,173**	13,324,328
		12,407,752	12,703,224
EQUITY			
Equity attributable to owners of the Company			
Issued capital		**1,655,167**	1,655,167
Reserves		**10,388,840**	10,663,989
		12,044,007	12,319,156
Non-controlling interests		**363,745**	384,068
		12,407,752	12,703,224

Notes to Condensed Consolidated Financial Statements

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2025 have been prepared in accordance with the applicable disclosure requirements of Appendix D2 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the Hong Kong Accounting Standard ("**HKAS**") 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants.

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

2. MATERIAL ACCOUNTING POLICIES

The material accounting policies and basis of preparation adopted in the preparation of the unaudited condensed consolidated interim financial statements for the period under review are consistent with those used in the Group's audited consolidated financial statements for the year ended 31 July 2024. These unaudited condensed consolidated results should be read in conjunction with the Company's annual report for the year ended 31 July 2024.

In addition, the Group has adopted a number of 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 revised HKFRSs has had no material impact on the reported results or financial position of the Group.

3. TURNOVER AND OPERATING SEGMENT INFORMATION

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

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

	For the six months ended 31 January	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Turnover from contracts with customers		
Sale of properties	**131,197**	897,917
Hotel and serviced apartment operation	**146,813**	149,748
Building management operation	**80,995**	71,688
Theme park operation	**3,452**	9,878
	362,457	1,129,231
Turnover from other sources		
Rental income from investment properties	**285,316**	280,059
Total turnover	**647,773**	1,409,290
Timing of recognition of turnover from contracts with customers		
At a point in time	**131,197**	897,917
Over time	**231,260**	231,314
Total	**362,457**	1,129,231

3. TURNOVER AND OPERATING SEGMENT INFORMATION (CONTINUED)

	For the six months ended 31 January (Unaudited)									
	Property development		Property investment		Hotel and serviced apartment operation		Theme park operation		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024
	HK$'000	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000	**HK$'000**	HK$'000
Segment revenue/results:										
Segment revenue										
Sales to external customers	**131,197**	897,917	**366,311**	351,747	**146,813**	149,748	**3,452**	9,878	**647,773**	1,409,290
Other revenue	**19,987**	11,815	**9,226**	6,957	**86**	13	**97**	1,486	**29,396**	20,271
Total	**151,184**	909,732	**375,537**	358,704	**146,899**	149,761	**3,549**	11,364	**677,169**	1,429,561
Segment results	**52,781**	358,772	**169,059**	38,052	**15,487**	14,533	**(15,906)**	(24,310)	**221,421**	387,047
Interest income from bank deposits									**12,415**	20,542
Unallocated gains									**5,086**	8,424
Unallocated expenses, net									**(53,459)**	(52,950)
Profit from operating activities									**185,463**	363,063
Finance costs									**(259,063)**	(314,681)
Share of profits/(losses) of joint ventures	**869**	18	**—**	(203)	**—**	—	**—**	—	**869**	(185)
Share of loss of an associate	**—**	—	**(4)**	(8)	**—**	—	**—**	—	**(4)**	(8)
Profit/(loss) before tax									**(72,735)**	48,189
Tax									**(109,254)**	(250,226)
Loss for the period									**(181,989)**	(202,037)
Other segment information:										
Fair value losses on investment properties	**—**	—	**5,769**	106,006	**—**	—	**—**	—	**5,769**	106,006
Loss on disposal of items of property, plant and equipment	**8**	155	**48**	91	**—**	—	**12**	8	**68**	254

3. TURNOVER AND OPERATING SEGMENT INFORMATION (CONTINUED)

	Property development		**Property investment**		**Hotel and serviced apartment operation**		**Theme park operation**		**Consolidated**	
	31 January 2025 (Unaudited) HK$'000	31 July 2024 (Audited) HK$'000	**31 January 2025 (Unaudited) HK$'000**	31 July 2024 (Audited) HK$'000	**31 January 2025 (Unaudited) HK$'000**	31 July 2024 (Audited) HK$'000	**31 January 2025 (Unaudited) HK$'000**	31 July 2024 (Audited) HK$'000	**31 January 2025 (Unaudited) HK$'000**	31 July 2024 (Audited) HK$'000
Segment assets/liabilities:										
Segment assets	**3,910,721**	3,845,355	**19,876,442**	19,962,722	**1,669,618**	1,705,249	**728,999**	739,799	**26,185,780**	26,253,125
Investments in joint ventures	**953**	84	**187**	15,357	**—**	—	**—**	—	**1,140**	15,441
Investment in an associate	**—**	—	**80**	85	**—**	—	**—**	—	**80**	85
Unallocated assets									**2,113,998**	2,198,232
Total assets									**28,300,998**	28,466,883
Segment liabilities	**306,335**	345,213	**514,986**	515,406	**55,939**	65,372	**24,931**	32,049	**902,191**	958,040
Unallocated liabilities									**14,991,055**	14,805,619
Total liabilities									**15,893,246**	15,763,659

4. PROFIT FROM OPERATING ACTIVITIES

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

	For the six months ended 31 January	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Depreciation of property, plant and equipment#	**46,114**	52,072
Depreciation of right-of-use assets#	**8,776**	9,910
Foreign exchange differences, net##	**(6,780)**	6,584
Gain on disposal of investment properties##	**(4,687)**	–
Loss on disposal of items of property, plant and equipment##	**68**	254

\# *The depreciation charge for hotels and serviced apartments and related leasehold improvements is HK$40,786,000 (six months ended 31 January 2024: HK$40,669,000). The depreciation charge for theme parks is HK$8,908,000 (six months ended 31 January 2024: HK$13,421,000). These items are included in "Other operating expenses, net" on the face of the condensed consolidated income statement.*

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

5. FINANCE COSTS

	For the six months ended 31 January	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	HK$'000
Interest on bank loans	**280,447**	352,504
Interest on loans from a fellow subsidiary	**5,393**	—
Interest on put option liabilities	**2,260**	2,252
Interest on lease liabilities	**41**	75
Amortisation of transaction fees for bank loans	**9,670**	10,540
Bank financing charges and direct costs	**14,525**	23,684
	312,336	389,055
Less: Capitalised in properties under development	**(37,099)**	(41,314)
Capitalised in investment properties under construction	**(13,887)**	(13,781)
Capitalised in construction in progress	**(2,287)**	(19,279)
	(53,273)	(74,374)
Total finance costs	**259,063**	314,681

6. TAX

The statutory rate of Hong Kong profits tax is 16.5% (six months ended 31 January 2024: 16.5%). No provision for Hong Kong profits tax had been made as the Group had no estimated assessable profits arising in Hong Kong during the period (six months ended 31 January 2024: Nil). Taxes on profits assessable elsewhere had been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

	For the six months ended 31 January	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$’000	HK$’000
Current — Chinese Mainland		
Corporate income tax	**22,249**	75,892
Land appreciation tax	**56,177**	170,679
Deferred	**30,828**	3,655
Total tax charge for the period	**109,254**	250,226

7. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount was based on the loss for the period attributable to owners of the Company of HK$163,989,000 (six months ended 31 January 2024: HK$174,530,000), and the weighted average number of ordinary shares of 331,033,443 (six months ended 31 January 2024: 331,033,443) in issue during the period.

As the exercise prices of the share options are higher than the average market price of the shares during the period, the Group had no potentially dilutive ordinary shares in issue during the periods ended 31 January 2025 and 31 January 2024.

8. DEBTORS, DEPOSITS AND PREPAYMENTS

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

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

	31 January 2025 (Unaudited) HK$'000	31 July 2024 (Audited) HK$'000
Trade receivables, net		
Within one month	**129,711**	119,282
One to three months	**10,982**	7,470
Over three months	**19,802**	16,746
	160,495	143,498
Finance lease receivables, not yet due	**495,456**	492,752
Other receivables, deposits and prepayments	**331,894**	337,896
	987,845	974,146
Amounts classified as current assets	**(495,879)**	(484,909)
Non-current portion	**491,966**	489,237

9. CREDITORS, ACCRUALS AND OTHER PAYABLES

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

	31 January 2025 (Unaudited) HK$'000	31 July 2024 (Audited) HK$'000
Trade payables		
Within one month	**120,448**	132,091
One to three months	**616**	8,999
Over three months	**49,784**	28,789
	170,848	169,879
Accruals and other payables	**785,165**	589,267
Put option liabilities	**884,135**	1,104,043
	1,840,148	1,863,189
Amounts classified as current liabilities	**(956,013)**	(972,952)
Non-current portion	**884,135**	890,237

10. LOANS FROM A FELLOW SUBSIDIARY

Loans from a fellow subsidiary represent:

(i) Interest-free loans of HK$40,200,000 (31 July 2024: HK$18,200,000) from a fellow subsidiary (as a non-controlling shareholder of a subsidiary (the "**Subsidiary**") of the Company) according to its percentage of interest in the Subsidiary.

(ii) Interest-bearing loans of HK$270,000,000 (31 July 2024: Nil) from a fellow subsidiary, which is a wholly-owned subsidiary of Lai Sun Development Company Limited (a subsidiary of Lai Sun Garment (International) Limited (the ultimate holding company of the Company)).

INTERIM DIVIDEND

The Board has resolved not to pay an interim dividend for the six months ended 31 January 2025 (six months ended 31 January 2024: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Global economic growth is expected to remain on delicate path of recovery notwithstanding the conclusion of key global events such as elections in key economies. Lingering uncertainties, such as trade tensions, high debt burdens, and other geopolitical risks, continue to overshadow the global economic outlook. The new U.S. administration's policies introduce new uncertainties, affecting interest rates and imposing tariffs on Chinese Mainland, posing challenges for Chinese Mainland and Hong Kong. Given the volatility of the global economic landscape, the Group is adopting a cautious approach to mitigate these challenges through prioritising cost control and cash recoupment.

Chinese Mainland announced that the GDP growth target for this year will be maintained at around 5.0% at the National People's Congress held in March 2025, indicating the persistent challenges posed by the economic stagnation. In the final quarter of 2024, Chinese Mainland experienced a moderate economic rebound, primarily attributed to the implementation of pro-economic growth policies introduced by the Central Government since September 2024 and an increase in exports preceding potential U.S. tariffs since the return of Donald Trump presidency. However, the progress seen at the end of 2024 may be transitory. Despite initiatives such as reduced mortgage rates, lowered down payment ratios, and eased purchasing restrictions introduced since September 2024, which have somewhat bolstered homebuyer sentiment, they have yet to stimulate a robust recovery generally. Amid challenges highlighted, the Central Government is expected to maintain its commitment to stabilising the property sector and fostering sustainable long-term economic growth. While the Group remains cautious about the long-term business outlook in Chinese Mainland, the Group holds confidence in the future prospects of cities where our operations are based, especially in the dynamic Greater Bay Area ("**GBA**") in southern Chinese Mainland.

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 Chinese Mainland and cities within the GBA, remained stable in terms of rental income amid weakened economy in Chinese Mainland for the period under review. In particular, Shanghai's office market has encountered challenges due to abundant supply of office spaces and intense competition. This is compounded by weak demand stemming from a sluggish economy as a whole. As a result, it is anticipated that rental declines and vacancy levels may be heightened. The Group has been securing renewals from existing tenants proactively while developing new rental demand with a view to retain the high occupancy rates of the properties. Furthermore, the two more recently completed grade A office towers, Shanghai Skyline Tower and Guangzhou Lai Fung International Center, have been ramping up steadily and delivered additional income compared to the same period last year. In addition, the existing rental portfolio has managed amicably in the face of challenging economic conditions, particularly Guangzhou and Hengqin.

The Group's Hengqin Novotown project has successfully transformed itself into a cross-border e-commerce industrial hub along with its related ecosystem. It encompasses a cross-border e-commerce headquarters base, cross-border e-commerce influencer studios, a multifunctional exhibition and conference center, a professional broadcasting and recording center, e-commerce live-streaming training facilities for Macao youth, an X-Space entrepreneurial exchange center, a roadshow center, a hotel and conference center, a fitness center, talent service apartments, an international school, a shopping mall, and other diversified facilities. It also integrates a one-stop entertainment experience.

As an emerging "Cross-Border E-Commerce Industry Cluster", Phase I of the Novotown project ("**Novotown Phase I**") in Hengqin is now fully operational. It focuses on creating a unique incubator for "internet enterprises" and the "Hengqin-Macao cross-border e-commerce industry". Novotown Phase I targets enterprises in cross-border e-commerce, high-technology, and health sectors. It has successfully attracted several leading domestic e-commerce platforms, technology companies, and supply chain service providers, including YTO Express, inkeverse, Baidu Netdisk, 360, TOPTOY, MO&Co., Amicro, UNITED LIFE SCIENCE, and Li Auto. One of the key tenants being a leading domestic enterprise which has leased six floors of office space in Novotown Phase I to establish its global cross-border e-commerce headquarters. The enterprise currently employs 1,200 staff. It is expected to expand to over 3,000 employees when fully occupied thereby, creating critical mass for the related ecosystem. As at the date of this results announcement, approximately 81% of the office units have been leased. The Group also leased the remaining unsold cultural studio units in Novotown Phase I for employees of the office tenants. This innovative operational model not only effectively boosts foot traffic in the commercial area, but also optimises and upgrades the business structure through attracting targeted enterprises.

As at the date of this results announcement, leasing of the commercial area of Novotown Phase I is underway with approximately 84% being leased and key tenants include two themed indoor experience centers, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin", Heytea, McDonald's, Pokiddo Trampoline Park, Kun Peng Go-Kart Sports Centre, Kun Peng Bing Xue, Snow Alarm, Oyster King, Vanguard Life Superstore, 7-Eleven and UNITED LIFE SCIENCE. Industrial and Commercial Bank of China Limited also demonstrated their confidence in the project through their purchase of two retail units in Novotown Phase I from the Group, which was completed in August 2024. Two additional retail units in Novotown Phase I were sold to independent third parties in December 2024 and February 2025, respectively.

Phase II of the Novotown project ("**Novotown Phase II**") in Hengqin is making major progress particularly on rental accommodation towers. In addition to the three towers under construction, of which two are for accommodation purpose, the Group received approval from the local government to develop the remaining eight towers of accommodation for rental purpose, becoming the first project certified as rental accommodation towers in Hengqin, so as to satisfy the growing rental accommodation need from the commercial ecosystem of Hengqin, and as supporting facilities for them.

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 and cultural workshops of Hengqin Novotown Phase I, as well as elements of Hengqin Novotown Phase II are expected to contribute to the revenue of the Group in coming financial years. The Group intends to dispose assets amounting to approximately HK$2,000 million over the next two years, primarily from the Zhongshan project and Hengqin Novotown Phase I.

Other Business Updates

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

On 20 June 2024, Zhuhai Hengqin Laisun Creative Culture City Co., Ltd. (an indirect non-wholly-owned subsidiary of the Company) had entered into sale and purchase agreements with Industrial and Commercial Bank of China Limited, in relation to the disposal of the non-residential properties situated at Shop Nos. 90 and 92 in Zhishui Road, Hengqin New Area (the "**Business Premises Disposal**"), for the consideration of RMB32,963,320 (equivalent to approximately HK$35,400,000). The Business Premises Disposal enables Lai Sun Garment (International) Limited and its subsidiaries ("**LSG Group**") and the Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the LSG Group and the Group. The transaction was completed on 16 August 2024.

As at 31 January 2025, the Group has approximately HK$1,783.3 million of cash on hand (31 July 2024: HK$1,857.1 million) and undrawn facilities of approximately HK$2,612.1 million (31 July 2024: HK$2,930.4 million) with a net debt to equity ratio of approximately 69% as at 31 January 2025 (31 July 2024: 65%). The Group will continue its prudent and flexible approach in managing its operations and financial position.

OVERVIEW OF INTERIM RESULTS

For the six months ended 31 January 2025, the Group recorded a turnover of HK$647.8 million (2024: HK$1,409.3 million), representing a significant decrease of approximately 54.0% over the same period last year. The average Renminbi ("**RMB**") exchange rate slightly appreciated by approximately 0.3% over the same period last year. Excluding the effect of currency translation, the decrease in RMB denominated turnover was approximately 54.2%. The decrease was primarily driven by the reduction in sales of residential units at Zhongshan Palm Spring as it is in the final phase of sale, as well as lowered sales in cultural studios and cultural workshop units in Hengqin Novotown Phase I. The gross profit decreased by approximately 51.4% to HK$330.6 million from that of HK$679.7 million last period under review.

Set out below is the turnover by segment:

	For the six months ended 31 January			**For the six months ended 31 January**		
	2025[1]	2024[1]		**2025**	2024	
	(HK$ million)	(HK$ million)	% change	**(RMB million)**	(RMB million)	% change
Rental income[2]						
– properties held for rental	**366.3**	351.7	+4.2%	**337.3**	325.0	+3.8%
– hotel and serviced apartments	**146.8**	149.8	-2.0%	**135.2**	138.4	-2.3%
	513.1	501.5	+2.3%	**472.5**	463.4	+2.0%
Sale of properties	**131.2**	897.9	-85.4%	**120.8**	829.7	-85.4%
Theme park operation	**3.5**	9.9	-64.6%	**3.2**	9.1	-64.8%
Total	**647.8**	1,409.3	-54.0%	**596.5**	1,302.2	-54.2%

1. *The exchange rates adopted for the six months ended 31 January 2025 and 2024 are 0.9208 and 0.9240, respectively*

2. *Including rental turnover from properties held for rental, turnover from hotel and serviced apartment operation and property management income*

Net loss attributable to owners of the Company was approximately HK$164.0 million, as compared to net loss attributable to owners of the Company of HK$174.5 million for the last corresponding period under review. The decreased loss was primarily attributed to the reduction in fair value losses on investment properties. The reduction in fair value losses on investment properties was due to the decrease in property valuations across the investment properties, substantially offset by the savings in expected construction costs from the Group's investment properties under development. The Group expects no further savings from the construction costs of the investment properties under development in the future.

Net loss per share was HK$0.495 (2024: HK$0.527 per share).

Non-HKFRS Financial Measures

To supplement the Group's consolidated financial statements which are presented under HKFRS, the Group also use (i) adjusted EBITDA of the Group and (ii) adjusted net loss attributable to owners of the Company (non-HKFRS measures) as the additional financial measures, which are not required by, or presented in accordance with, HKFRS. The Group believes that these non-HKFRS measures facilitate comparisons of operating performance from year to year and company to company by excluding certain non-cash, one-off and volatile items which are often a function of exogenous factors such as the movement of the property market. The Group believes that these measures provide useful information to investors and others in understanding and evaluating the consolidated results of operations in the same manner as it helps the Group's management.

(i) Reconciliation of adjusted EBITDA of the Group (non-HKFRS measure):

	For the six months ended 31 January	
(HK$ million)	**2025**	2024
Profit from operating activities of the Group (HKFRS measure)	**185.5**	363.1
Adjustments for:		
Share of profits/(losses) of joint ventures	**0.9**	(0.2)
Fair value losses of investment properties (Note 1)	**5.8**	106.0
Depreciation of property, plant and equipment and right-of-use assets (Note 2)	**54.8**	62.0
Adjusted EBITDA of the Group (non-HKFRS measure)	**247.0**	530.9

Notes:

1. *Given the sizeable investment properties portfolio held by the Group, the adjustment relates to fair value losses of investment properties, which are non-cash in nature.*
2. *The adjustment arises from depreciation of the Group's property, plant and equipment and right-of-use assets, which is non-cash in nature.*

Excluding the net effect of property revaluations, EBITDA of the Group was approximately HK$247.0 million for the period under review (2024: HK$530.9 million).

(ii) Reconciliation of adjusted net loss attributable to owners of the Company (non-HKFRS measure):

(HK$ million)	**For the six months ended 31 January** **2025**	2024
Net loss attributable to owners of the Company (HKFRS measure)	**(164.0)**	(174.5)
Adjustments for:		
Fair value losses of investment properties *(Note)*	**5.8**	106.0
Deferred tax on fair value losses of investment properties *(Note)*	**(1.5)**	(26.5)
Non-controlling interests' share of fair value losses less deferred tax *(Note)*	**(0.8)**	(5.5)
Adjusted net loss attributable to owners of the Company excluding fair value losses of investment properties (non-HKFRS measure)	**(160.5)**	(100.5)

Note: Given the sizeable investment properties portfolio held by the Group, the adjustments relate to fair value losses of investment properties and related deferred tax and impact on non-controlling interest's share, which are non-cash in nature.

Excluding the net effect of property revaluations, net loss attributable to owners of the Company was approximately HK$160.5 million for the period under review (2024: HK$100.5 million). Net loss per share excluding the effect of property revaluations was approximately HK$0.485 (2024: HK$0.304).

Net assets attributable to owners of the Company as at 31 January 2025 amounted to HK$12,044.0 million (31 July 2024: HK$12,319.2 million). Net asset value per share attributable to owners of the Company slightly decreased to HK$36.38 per share as at 31 January 2025 from HK$37.21 per share as at 31 July 2024.

PROPERTY PORTFOLIO COMPOSITION

Approximate attributable gross floor area ("**GFA**") (in '000 square feet) and number of car parking spaces as at 31 January 2025:

	Commercial/ Retail	**Office**	**Hotel and Serviced Apartment**	**Residential**	**Total (excluding car parking spaces & ancillary facilities)**	**No. of Car Parking Spaces**
Completed Properties Held for Rental[1]	2,667[2]	2,208	—	—	4,875[2]	2,984
Completed Hotel Properties and Serviced Apartments	—	—	990	—	990	—
Subtotal	**2,667**	**2,208**	**990**	**—**	**5,865**	**2,984**
Properties under Development[3]	544	290	1,874	—	2,708	1,352
Completed Properties Held for Sale	164[4]	421	188	87	860	3,396
Total GFA of major properties of the Group	**3,375**	**2,919**	**3,052**	**87**	**9,433**	**7,732**

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

PROPERTY INVESTMENT

Revenue from Properties Held for Rental

The Group rental income remained broadly stable amid weakened economy in Chinese Mainland for the period under review. Although Shanghai's office market has encountered challenges due to the abundant supply of office spaces and intense competition, the Group has been actively seeking new tenants while fostering enduring relationships with existing tenants to maintain the current occupancy level. The two recently completed grade A office towers, Shanghai Skyline Tower and Guangzhou Lai Fung International Center have been ramping up steadily and delivered additional rental income to the Group compared to the same period last year. Furthermore, the existing rental portfolio has managed amicably in the face of challenging economic conditions, particularly Guangzhou and Hengqin.

For the six months ended 31 January 2025, the Group's properties held for rental recorded a turnover of HK$366.3 million (2024: HK$351.7 million), representing an increase of approximately 4.2% over the same period last year. The average RMB exchange rate for the period under review appreciated by approximately 0.3% compared to the same period last year. Excluding the effect of currency translation, the RMB denominated revenue from lease of properties increased by 3.8% to RMB337.3 million.

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

	For the six months ended 31 January			**For the six months ended 31 January**			**Period end occupancy (%)**	
	2025# (HK$ million)	2024# (HK$ million)	% Change	**2025 (RMB million)**	2024 (RMB million)	% Change	**2025**	2024
Shanghai								
Shanghai Hong Kong Plaza	**130.6**	135.1	-3.3%	**120.3**	124.8	-3.6%	**Retail: 92.5%** **Office: 87.2%**	Retail: 96.2% Office: 89.7%
Shanghai May Flower Plaza	**20.4**	20.3	+0.5%	**18.8**	18.8	0.0%	**Retail: 98.2%**	Retail: 100.0%
Shanghai Regents Park	**5.2**	8.8	-40.9%	**4.8**	8.1	-40.7%	**100.0%**	100.0%
Shanghai Skyline Tower	**28.5**	23.1	+23.4%	**26.2**	21.3	+23.0%	**Retail: 89.0%** **Office: 48.1%**	Retail: 83.9% Office: 32.8%
Guangzhou								
Guangzhou May Flower Plaza	**47.7**	49.6	-3.8%	**43.9**	45.8	-4.1%	**95.0%**	90.0%
Guangzhou West Point	**10.7**	11.1	-3.6%	**9.9**	10.3	-3.9%	**96.0%**	91.0%
Guangzhou Lai Fung Tower	**61.3**	60.7	+1.0%	**56.4**	56.1	+0.5%	**Retail: 100.0%** **Office: 89.0%***	Retail: 100.0% Office: 86.5%*
Guangzhou Lai Fung International Center	**30.9**	17.3	+78.6%	**28.5**	16.0	+78.1%	**Retail: 99.0%** **Office: 64.3%**	Retail: 71.0% Office: 40.3%
Zhongshan								
Zhongshan Palm Spring Rainbow Mall	**2.6**	3.1	-16.1%	**2.4**	2.9	-17.2%	**Retail: 94.5%***	Retail: 68.5%*
Hengqin								
Hengqin Novotown Phase I	**9.2**	3.4	+170.6%	**8.5**	3.1	+174.2%	**Retail: 83.5%****	Retail: 83.2%**
Others	**19.2**	19.2	0.0%	**17.6**	17.8	-1.1%	**N/A**	N/A
Total	**366.3**	351.7	+4.2%	**337.3**	325.0	+3.8%		

\# *The exchange rates adopted for the six months ended 31 January 2025 and 2024 are 0.9208 and 0.9240, respectively*

* *Excluding self-use area*

** *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin*

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

	For the six months ended 31 January 2025			For the six months ended 31 January 2024		
	Group interest	**Turnover (HK$ million)**	**Attributable GFA (square feet)**	Group interest	Turnover (HK$ million)	Attributable GFA (square feet)
Shanghai						
Shanghai Hong Kong Plaza	**100%**			100%		
Retail		**83.2**	**468,434**		83.4	468,434
Office		**44.4**	**362,096**		48.6	362,096
Car Parking Spaces		**3.0**	**N/A**		3.1	N/A
		130.6	**830,530**		135.1	830,530
Shanghai May Flower Plaza	**100%**			100%		
Retail		**18.2**	**320,314**		18.1	320,314
Car Parking Spaces		**2.2**	**N/A**		2.2	N/A
		20.4	**320,314**		20.3	320,314
Shanghai Regents Park	**95%**			95%		
Retail		**4.5**	**77,959**		8.5	77,959
Car Parking Spaces		**0.7**	**N/A**		0.3	N/A
		5.2	**77,959**		8.8	77,959
Shanghai Skyline Tower	**100%**			100%		
Retail		**3.8**	**92,226**		2.7	92,226
Office		**23.5**	**634,839**		19.4	634,839
Car Parking Spaces		**1.2**	**N/A**		1.0	N/A
		28.5	**727,065**		23.1	727,065
Guangzhou						
Guangzhou May Flower Plaza	**100%**			100%		
Retail		**41.2**	**357,424**		43.0	357,424
Office		**4.9**	**79,431**		4.9	79,431
Car Parking Spaces		**1.6**	**N/A**		1.7	N/A
		47.7	**436,855**		49.6	436,855
Guangzhou West Point	**100%**			100%		
Retail		**10.7**	**182,344**		11.1	182,344
Guangzhou Lai Fung Tower	**100%**			100%		
Retail		**8.6**	**112,292**		8.5	112,292
Office		**49.5**	**625,821**		49.0	625,821
Car Parking Spaces		**3.2**	**N/A**		3.2	N/A
		61.3	**738,113**		60.7	738,113
Guangzhou Lai Fung International Center	**100%**			100%		
Retail		**6.4**	**109,320**		3.6	109,320
Office		**22.5**	**505,301**		12.4	505,301
Car Parking Spaces		**2.0**	**N/A**		1.3	N/A
		30.9	**614,621**		17.3	614,621
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	**100%**			100%		
Retail*		**2.6**	**148,106**		3.1	148,106
Hengqin						
Novotown Phase I#	**80%****			80%**		
Commercial***		**9.2**	**798,984**		3.4	804,873
Others		**19.2**	**N/A**		19.2	N/A
Total		**366.3**	**4,874,891**		351.7	4,880,780

* *Excluding self-use area*

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

*** *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin (self-use area), the attributable GFA of which was approximately 307,807 square feet as at 31 January 2025. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of the Group*

\# *Excluding office units and cultural workshop units. Office units with total attributable GFA of 420,705 square feet and cultural workshop units with total attributable GFA of 188,187 square feet of Hengqin Novotown Phase I under “Completed properties for sale” have been leased substantially during the six months ended 31 January 2025, with occupancy rate of approximately 81% and 70%, respectively, achieving a total of approximately HK$4.4 million and HK$2.6 million to “Other income and gains”, respectively*

Review of Major Rental Properties

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

Connected by an indoor footbridge, the property comprises a 32-storey office building, a 32-storey serviced apartment (managed by the Ascott Group), a shopping mall and a 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 results announcement, include The Apple Store, Tiffany, Genesis Motor, Tasaki, Swarovski etc.

The Group owns 100% of this property.

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

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

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

Shanghai Skyline Tower
Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. This 30-storey office tower, erected upon a 3-level shopping mall and car-parking basement, has a total GFA of approximately 727,100 square feet excluding 443 car parking spaces. The construction was completed in September 2022. This property has been awarded the Leadership in Energy and Environmental Design ("**LEED**") v4 Gold Certification in October 2023. As at the date of this results announcement, approximately 89% of commercial and 48% of office areas have been secured, respectively.

The Group owns 100% of this property.

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

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

The Group owns 100% of this property.

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

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

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

The Group owns 100% of this property.

Guangzhou Lai Fung International Center
Guangzhou Lai Fung International Center, formerly known as Guangzhou Haizhu Plaza, is located at 33 Jiefang South 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 results announcement, approximately 99% of commercial and 70% of office areas have been secured, respectively.

The Group owns 100% of this property.

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

The Group owns 100% of this property.

Hengqin Novotown

Novotown is an integrated cultural, entertainment, tourism and hospitality project located in the heart of Hengqin, officially recognised as the Guangdong-Macao In-Depth Co-operation Zone ("**Cooperation Zone**") and strategically located within the GBA, directly opposite to Macao and 75 minutes by car from Hong Kong via the Hong Kong-Zhuhai-Macao Bridge. The "Master Plan of the Development of the Guangdong-Macao In-Depth Co-operation Zone in Hengqin" promulgated on 5 September 2021 marks the significant deployment of the Central Government in supporting the moderate economic diversification of Macao and enriching the practices of the "One Country, Two Systems" policy, which is to inject new impetus into the long-term development of Macao.

The Cooperation Zone in Hengqin officially implemented hierarchical management and closed customs operations on 1 March 2024. This new system features streamlined "first-line" and controlled "second-line" management, enabling highly convenient access for personnel and relaxed control over goods crossing the "first-line" into Hengqin, while retaining control over goods crossing the "second-line" into the other Chinese Mainland regions. Notably, the scope of tariff-free goods crossing the "first-line' is no longer limited to "production-related usage", benefiting business entities that need to import machines and equipment for their own use. Goods manufactured by enterprises in the Cooperation Zone using imported materials, with 30% or above value added to the original value of the imported materials, can be exempt from tariffs when imported into the other Chinese Mainland regions through the "second line", which is conducive to Macao brand industries and manufacturing entities such as technology research and development, and traditional Chinese medicine. Attractive preferential tax policy for corporates and individuals: eligible industries and enterprises in Hengqin will now be subject to a reduced corporate income tax rate of 15%, while high-end and in-demand talent will enjoy a personal income tax rate cap at 15%.

The Cooperation Zone is poised to drive the development of new industries in support of Macao's economic diversification, in particular e-commerce, science and technology research, high-end manufacturing, traditional Chinese medicine, and other key Macao industries such as education, culture and tourism, conventions and exhibitions, and modern finance.

The Group's Hengqin Novotown project has successfully transformed itself into a cross-border e-commerce industrial hub along with its related ecosystem. It encompasses a cross-border e-commerce headquarters base, cross-border e-commerce influencer studios, a multifunctional exhibition and conference center, a professional broadcasting and recording center, e-commerce live-streaming training facilities for Macao youth, an X-Space entrepreneurial exchange center, a roadshow center, a hotel and conference center, a fitness center, talent service apartments, an international school, a shopping mall, and other diversified facilities. It also integrates a one-stop entertainment experience.

Phase I
As an emerging "Cross-Border E-Commerce Industry Cluster", Novotown Phase I in Hengqin is now fully operational. It focuses on creating a unique incubator for "internet enterprises" and the "Hengqin-Macao cross-border e-commerce industry". Novotown Phase I targets enterprises in cross-border e-commerce, high-technology, and health sectors. It has successfully attracted several leading domestic e-commerce platforms, technology companies, and supply chain service providers, including YTO Express, inkeverse, Baidu Netdisk, 360, TOPTOY, MO&Co., Amicro, UNITED LIFE SCIENCE, and Li Auto. One of the key tenants being a leading domestic enterprise which has leased six floors of office space in Novotown Phase I to establish its global cross-border e-commerce headquarters. The enterprise currently employs 1,200 staff. It is expected to expand to over 3,000 employees when fully occupied thereby, creating critical mass for the related ecosystem. As at the date of this results announcement, approximately 81% of the office units have been leased. The Group also leased the remaining unsold cultural studio units in Novotown Phase I for employees of the office tenants. This innovative operational model not only effectively boosts foot traffic in the commercial area, but also optimises and upgrades the business structure through attracting targeted enterprises.

As at the date of this results announcement, leasing of the commercial area of Novotown Phase I is underway with approximately 84% being leased and key tenants include two themed indoor experience centers, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin", Heytea, McDonald's, Pokiddo Trampoline Park, Kun Peng Go-Kart Sports Centre, Kun Peng Bing Xue, Snow Alarm, Oyster King, Vanguard Life Superstore, 7-Eleven and UNITED LIFE SCIENCE. Industrial and Commercial Bank of China Limited also demonstrated their confidence in the project through their purchase of two retail units in Novotown Phase I from the Group, which was completed in August 2024. Two additional retail units in Novotown Phase I were sold to independent third parties in December 2024 and February 2025, respectively.

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

Phase II
Novotown Phase II is making major progress particularly on rental accommodation towers. In addition to the three towers under construction, of which two are for accommodation purpose, the Group received approval from the local government to develop the remaining eight towers of accommodation for rental purpose, becoming the first project certified as rental accommodation towers in Hengqin, so as to satisfy the growing rental accommodation need from the commercial ecosystem of Hengqin, and as supporting facilities for them.

The Group owns 100% of Novotown Phase II.

HOTEL AND SERVICED APARTMENT OPERATION

For the six months ended 31 January 2025, the hotel and serviced apartment operation contributed HK$146.8 million to the Group's turnover (2024: HK$149.8 million), representing a slight decrease of approximately 2.0%. The slight drop in the Group's hotel revenue was mainly driven by the competitive hotel business environment in Shanghai during the period under review.

Breakdown of turnover from hotel and serviced apartment operation for the six months ended 31 January 2025 is as follows:

	Location	No. of Rooms[1]	Total GFA *(square feet)*	Turnover *(HK$ million)*	Period end occupancy rate *(%)*
Hotel and serviced apartment					
Ascott Huaihai Road Shanghai	Shanghai	310	359,700	50.5	65.7
STARR Hotel Shanghai	Shanghai	239	143,846	13.4	53.9
Hyatt Regency Hengqin	Hengqin	493	610,540	82.9	88.6
Total				**146.8**	

Note 1: On 100% basis

Ascott Huaihai Road Shanghai

Ascott Huaihai Road Shanghai in Shanghai Hong Kong Plaza is managed by the Ascott Group and it is one of a premier collection of the Ascott Limited's serviced residences in over 70 cities in Asia Pacific, Europe and the Gulf region. The residence has a total GFA of approximately 359,700 square feet and approximately 358,000 square feet attributable to the Group. It 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). An average occupancy rate of 83.3% was achieved during the period under review and the average room tariff was approximately HK$1,046.

STARR Hotel Shanghai

STARR Hotel Shanghai is a 17-storey hotel located in the Mayflower Lifestyle complex in Jing'an District, within walking distance to Lines 1, 3 and 4 of the Shanghai Metro Station with easy access to major motorways. There are 239 fully furnished and equipped hotel units with stylish separate living room, bedroom, fully-equipped kitchenette and luxurious bathroom amenities for short or extended stays to meet the needs of the business travellers from around the world and the total GFA is approximately 143,800 square feet. An average occupancy rate of 71.9% was achieved during the period under review and the average room tariff was approximately HK$416.

Hyatt Regency Hengqin

Hyatt Regency Hengqin is located in Novotown Phase I in Hengqin, Zhuhai, the heart of the GBA and is within easy reach of the Hong Kong-Zhuhai-Macao Bridge. Hyatt Regency Hengqin has a total GFA of approximately 610,500 square feet and approximately 488,400 square feet attributable to the Group has 493 guest rooms including 55 suites ranging in size from 430 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. An average occupancy rate of 75.9% was achieved during the period under review and the average room tariff was approximately HK$822.

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

PROPERTY DEVELOPMENT

Recognised Sales

For the six months ended 31 January 2025, the Group's property development operations recorded a turnover of HK$131.2 million (2024: HK$897.9 million) from sale of properties, representing a significant decrease of 85.4% compared to the same period last year. The average RMB exchange rate slightly appreciated by approximately 0.3% compared to the same period last year. Excluding the effect of currency translation, the RMB denominated property sales revenue was RMB120.8 million (2024: RMB829.7 million). The decreased recognised sales during the period under review was primarily driven by the reduction in sales of residential units at Zhongshan Palm Spring as it is in the final phase of sale, as well as lowered sales in cultural studios and cultural workshop units in Hengqin Novotown Phase I.

Breakdown of turnover for the six months ended 31 January 2025 from properties sales is as follows:

Recognised Basis	**No. of Units**	**Approximate GFA**	**Average Selling Price#**	**Turnover##**	
		(square feet)	(HK$/square foot)	(HK$ million*)	(RMB million)
Hengqin Novotown Phase I					
Cultural Studios	4	11,418	3,748	39.6	36.5
Cultural Workshop Units	6	3,909	1,996	7.2	6.6
Zhongshan Palm Spring					
Residential High-rise Units	45	56,540	1,565	81.3	74.9
Subtotal	**55**	**71,867**	**1,935**	**128.1**	**118.0**
Shanghai Regents Park					
Car Parking Spaces	2			1.2	1.1
Guangzhou Eastern Place					
Car Parking Spaces	3			1.5	1.3
Guangzhou King's Park					
Car Parking Space	1			0.4	0.4
Subtotal	**6**			**3.1**	**2.8**
Total				**131.2**	**120.8**

Value-added tax inclusive

Value-added tax exclusive

* *The exchange rate adopted for the six months ended 31 January 2025 is 0.9208*

Contracted Sales

As at 31 January 2025, the Group's property development operations have contracted but not yet recognised sales of HK$178.8 million, primarily driven by the sale performance of residential units in Zhongshan Palm Spring and cultural workshop units in Hengqin Novotown Phase I, as well as the sale of properties in Novotown Phase II being occupied by Harrow LiDe School Hengqin. Excluding the effect of currency translation, the RMB denominated contracted but not yet recognised sales as at 31 January 2025 amounted to RMB164.6 million (31 July 2024: RMB 174.5 million).

Breakdown of contracted but not yet recognised sales as at 31 January 2025 is as follows:

Contracted Basis	No. of Units	Approximate GFA	Average Selling Price#	Turnover#	
		(square feet)	(HK$/square foot)	(HK$ million##)	(RMB million)
Zhongshan Palm Spring					
Residential High-rise Units	7	9,626	1,527	14.7	13.5
Hengqin Novotown Phase I					
Cultural Workshop Units	2	1,302	2,074	2.7	2.5
Hengqin Novotown Phase II					
Harrow LiDe School Hengqin Buildings*	N/A	149,078	1,079	160.9**	148.2
Subtotal	**9**	**160,006**	**1,114**	**178.3**	**164.2**
Guangzhou Eastern Place					
Car Parking Space	1			0.5	0.4
Subtotal	**1**			**0.5**	**0.4**
Total				**178.8**	**164.6**

\# *Value-added tax inclusive*

\## *The exchange rate adopted for the six months ended 31 January 2025 is 0.9208*

* *Will be recognised as income from finance lease under turnover*

** *Estimated amount based on contract with Harrow LiDe School Hengqin in relation to the subsequent portions of the Harrow campus. No material construction has taken place and the exact timing and amount to be agreed with Harrow LiDe School Hengqin mutually.*

Review of Major Properties Completed for Sale and under Development

Shanghai Wuli Bridge Project
Shanghai Wuli Bridge Project is a high-end luxury residential project located by Huangpu River in Huangpu District in Shanghai. This project providing 28 residential units with an attributable GFA of approximately 77,900 square feet and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. As at 31 January 2025, all residential units and 30 car parking spaces have been sold. The total carrying amount of remaining 13 unsold car parking spaces of this development was approximately HK$8.4 million as at 31 January 2025.

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

Shanghai May Flower Plaza
Shanghai May Flower Plaza is a completed mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Su Jia Xiang in the Jing'an District in Shanghai and situated near the Zhongshan Road North Metro Station. As at 31 January 2025, 458 car parking spaces of this development remained unsold with a carrying amount of approximately HK$96.1 million.

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

Shanghai Regents Park
Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. During the period under review, the sales of two car parking spaces contributed HK$1.2 million to the turnover. As at 31 January 2025, a total of 185 car parking spaces of this development remained unsold with a carrying amount of approximately HK$40.8 million.

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

Guangzhou King's Park
This is a high-end residential development located on Donghua Dong Road in Yuexiu District. The attributable GFA is approximately 98,300 square feet excluding 57 car parking spaces and ancillary facilities. During the period under review, the sales of one car parking space contributed HK$0.4 million to the turnover. As at 31 January 2025, one unsold car parking space had a total carrying amount of approximately HK$0.2 million.

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

Guangzhou West Point
Guangzhou West Point is located on Zhongshan Qi Road and is within walking distance from the Ximenkou Subway Station. This is a mixed-use property where the Group has sold all the residential and office units. As at 31 January 2025, 80 unsold car parking spaces had a total carrying amount of approximately HK$7.7 million.

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

Zhongshan Palm Spring
Zhongshan Palm Spring 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 totalling 4.5 million square feet. All construction of this project has been completed and the sale of remaining phases is in progress with satisfactory result.

During the period under review, 56,540 square feet of high-rise residential units were recognised at an average selling price of HK$1,565 per square foot, which contributed a total of approximately HK$81.3 million to the sales turnover. As at 31 January 2025, contracted but not yet recognised sales for high-rise residential units amounted to approximately HK$14.7 million, at an average selling price of HK$1,527 per square foot.

As at 31 January 2025, completed units held for sale in this development, including residential units and commercial units, amounted to approximately 204,300 square feet with a total carrying amount of approximately HK$138.6 million. The carrying amount of the 2,663 unsold car parking spaces of this development as at 31 January 2025 was approximately HK$212.5 million.

The Group owns 100% interest in this project.

Hengqin Novotown

Phase I
Sales of the cultural studios and cultural workshop units of Hengqin Novotown Phase I are in progress. During the period under review, sales of 11,418 square feet of cultural studios and 3,909 square feet of cultural workshop units were recognised at an average selling price of HK$3,748 per square foot and HK$1,996 per square foot, respectively, which contributed a total of HK$46.8 million to the Group's turnover. As at 31 January 2025, contracted but not yet recognised sales for cultural workshop units amounted to HK$2.7 million, at an average selling price of HK$2,074 per square foot. As at 31 January 2025, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshop units and office units, amounted to approximately 778,600 square feet with a total carrying amount of approximately HK$1,483.6 million.

In light of the recent sale of certain retail units which was originally classified as properties held for rental, the Group is considering other elements of Hengqin Novotown Phase I which may be available for sale should the opportunities arise.

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

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

On 19 September 2024, the Urban Planning and Construction Bureau of Guangdong-Macao In-Depth Cooperation Zone in Hengqin issued a confirmation for the development of eight accommodation for rental purpose towers in Novotown Phase II. It stated that towers four to eleven can be developed into rental accommodation. Tower two is an office and is expected to accommodate more cross-border e-commerce tenants.

Novotown Phase II also included Harrow LiDe School Hengqin, managed and operated by Asia International School Limited ("**AISL**"). Harrow LiDe School Hengqin began operation in February 2021. In accordance to the agreement with AISL, the school has been sold, in turn, this will enable the Group to crystalise the value of its investment in Novotown Phase II and gradually recoup funding to improve the project's working capital position.

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

CAPITAL STRUCTURE, LIQUIDITY AND DEBT MATURITY PROFILE

As at 31 January 2025, cash and bank balances held by the Group amounted to HK$1,783.3 million and undrawn facilities of the Group was HK$2,612.1 million.

As at 31 January 2025, the Group had total borrowings amounting to HK$10,065.8 million (as at 31 July 2024: HK$9,853.2 million), representing an increase of HK$212.6 million from 31 July 2024. The consolidated net assets attributable to the owners of the Company amounted to HK$12,044.0 million (as at 31 July 2024: HK$12,319.2 million). The gearing ratio, being net debt (total borrowings less cash and bank balances) to net assets attributable to the owners of the Company was approximately 69% (as at 31 July 2024: 65%). The maturity profile of the Group's borrowings of HK$10,065.8 million is well spread with HK$1,541.4 million repayable within one year, HK$3,617.1 million repayable in the second year, HK$2,131.3 million repayable in the third to fifth years and HK$2,776.0 million repayable beyond the fifth year. The Group has initiated discussions with banks on the forthcoming refinancing of bank borrowings.

Approximately 99% and 1% of the Group's borrowings were interest bearing on a floating rate basis and interest-free, respectively. The Group's borrowings of HK$10,065.8 million were 65% denominated in Renminbi ("**RMB**"), 32% in Hong Kong dollars ("**HKD**") and 3% in United States dollars ("**USD**").

The Group's cash and bank balances of HK$1,783.3 million were 76% denominated in RMB, 22% in HKD and 2% in USD. The Group's monetary assets, liabilities and transactions are principally denominated in RMB, USD and HKD. The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against USD and RMB, respectively. The Group has a net exchange exposure to RMB as the Group's assets are principally located in China and the revenues are predominantly in RMB. The Group does not have any derivative financial instruments or hedging instruments outstanding.

Certain assets of the Group have been pledged to secure borrowings and bank facilities of the Group, including investment properties with a total carrying amount of approximately HK$18,013.3 million, properties under development with a total carrying amount of approximately HK$938.3 million, property, plant and equipment and the related right-of-use assets with a total carrying amount of approximately HK$2,415.1 million, completed properties for sale with a total carrying amount of approximately HK$313.6 million and time deposits and bank balances of approximately HK$364.1 million.

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

Proceeds achieved from any disposals will improve the Group's financial position further.

CONTINGENT LIABILITIES

There has been no material change in contingent liabilities of the Group since 31 July 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 January 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

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 Listing Rules throughout the six months ended 31 January 2025 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 13 December 2024. Mr. Cheung Sum, Sam, an executive director of the Company ("**Executive Director**") and the Group Chief Financial Officer, who was present at the AGM was elected chairman of that AGM pursuant to Article 78 of the second amended and restated articles of association of the Company to ensure an effective communication with the shareholders thereat.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2025, the Group employed a total of around 1,500 employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

INVESTOR RELATIONS

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

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

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

REVIEW OF INTERIM RESULTS

The audit committee of the Company ("**Audit Committee**") currently comprises four independent non-executive directors, namely Messrs. Law Kin Ho, Lam Bing Kwan, Ku Moon Lun and Mak Wing Sum, Alvin. The Audit Committee has reviewed the unaudited interim results (including the unaudited condensed consolidated financial statements) of the Company for the six months ended 31 January 2025.

By Order of the Board
Lam Kin Ngok, Peter
Chairman

Hong Kong, 18 March 2025

As at the date of this announcement, the Board comprises seven Executive Directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer) (also alternate to Madam U Po Chu), Madam U Po Chu and Messrs. Cheng Shin How, Lee Tze Yan, Ernest and Cheung Sum, Sam; and six Independent Non-executive Directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin, Shek Lai Him, Abraham and Au Hoi Fung.