LAI SUN GARMENT

Lai Sun Garment (International) Limited

(Incorporated in Hong Kong with limited liability)

(Stock Code: 191)

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

Results Highlights:

- Net loss attributable to owners of the Company was HK$123.3 million, decreased from loss of HK$1,116.6 million in the previous financial period, mainly attributed to (i) the fair value changes of the investment properties improved; (ii) the contribution from joint ventures improved; (iii) the gain on disposal of a subsidiary; and (iv) the reduction of finance costs of the Group.
- Adjusted earnings before interests, taxes, depreciation and amortisation ("**adjusted EBITDA**") (excluding impact of fair value changes of investment properties and other non-cash and non-recurring item) amounted to HK$519.8 million, down by 3.6% compared to the same period last year.
- Resilient investment properties portfolio generated rental income of HK$671.3 million with high occupancy rate in Hong Kong and Chinese Mainland against a challenging operating environment, down by merely 0.3% compared to the same period last year.
- Recognised sales of properties amounted to HK$617.2 million, down by 33.2% compared to the same period last year. The reduction of property sales was due to Lai Fung Group's Zhongshan Palm Spring project being in the final phase of sale, while partially offset by the increase in property sales in Hong Kong properties, namely The Parkland in Yuen Long and Bal Residence in Kwun Tong.
- Sold 108 out of 156 units of Bal Residence and 107 out of 112 units of The Parkland as at 14 March 2025. Total proceeds for the respective projects are estimated to be HK$557.9 million and HK$322.7 million, of which HK$174.1 million and HK$309.3 million are recognised in this financial period.
- Hotel operation generated income of HK$647.3 million, up by 3.9% compared to the same period last year, underpinned by Caravelle Hotel primarily.
- Segment losses in non-property businesses narrowed due to (i) closures and consolidation of non-performing outlets, and (ii) reduction in depreciation of right-of-use assets and property, plant and equipment as a result of the impairment losses provided for these assets in previous financial year.
- Proactive cost control measures resulted in administrative expenses decreased by 8.0% compared to the same period last year. Other operating expenses also decreased by 20.2% compared to the same period last year.
- Finance costs amounted to HK$606.9 million, down by 13.8% compared to the same period last year, mainly due to the decrease in interest rate and average borrowings balances, as well as Lai Fung Group's successful refinancing of certain borrowings at lower interest rates. Finance costs before capitalisation amounted to HK$794.8 million, down by 17.7%.
- The Group's total capital resources amounted to approximately HK$9,138.8 million, comprising cash and bank balances of approximately HK$4,075.1 million and undrawn bank facilities of approximately HK$5,063.7 million as at 31 January 2025, versus the Group's bank borrowings due within one year of approximately HK$5,703.0 million as at 31 January 2025. The Group has commenced discussions with banks to refinance these borrowings due within one year and has received written commitment from certain banks.
- The Group's total borrowings remained stable at HK$25,827.9 million as at 31 January 2025, compared to HK$26,277.6 million as at 31 July 2024.
- The Group intends to dispose assets amounting to approximately HK$8,000 million over the next two years (including HK$6,000 million at LSD Group and HK$2,000 million at Lai Fung Group).

RESULTS

The board of directors (the "**Board**") of Lai Sun Garment (International) 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

		Six months ended 31 January	
		2025	2024
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
TURNOVER	*4*	**2,596,956**	3,086,941
Cost of sales		**(1,615,530)**	(1,978,982)
Gross profit		**981,426**	1,107,959
Other revenue and gains		**307,686**	211,491
Selling and marketing expenses		**(105,938)**	(133,947)
Administrative expenses		**(408,433)**	(444,105)
Other operating expenses		**(469,631)**	(588,700)
Fair value gains/(losses) on investment properties, net		**97,999**	(1,116,797)
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	*5*	**403,109**	(964,099)
Finance costs	*6*	**(606,922)**	(704,460)
Share of profits and losses of associates		**656**	7,410
Share of profits and losses of joint ventures		**22,040**	(341,390)
LOSS BEFORE TAX		**(181,117)**	(2,002,539)
Tax	*7*	**(117,573)**	(110,146)
LOSS FOR THE PERIOD		**(298,690)**	(2,112,685)
Attributable to:			
Owners of the Company		**(123,256)**	(1,116,646)
Non-controlling interests		**(175,434)**	(996,039)
		(298,690)	(2,112,685)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*8*		
Basic and diluted		**(HK$0.140)**	(HK$1.264)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2025

	Six months ended 31 January	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(298,690)**	(2,112,685)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange realignments	**(203,568)**	(110,426)
Share of other comprehensive income/(expense) of associates	**2,729**	(1,509)
Share of other comprehensive expense of joint ventures	**(1,580)**	(944)
Release of exchange reserve upon deregistration of subsidiaries	**2,348**	—
	(200,071)	(112,879)
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	**(1,667)**	(40,258)
OTHER COMPREHENSIVE EXPENSE FOR THE PERIOD	**(201,738)**	(153,137)
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	**(500,428)**	(2,265,822)
Attributable to:		
Owners of the Company	**(206,245)**	(1,188,443)
Non-controlling interests	**(294,183)**	(1,077,379)
	(500,428)	(2,265,822)

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		**5,504,911**	5,636,816
Right-of-use assets		**3,672,287**	3,804,930
Investment properties		**37,027,283**	37,095,818
Film rights		**20,761**	22,092
Film and TV program products		**61,239**	61,431
Music catalogs		**—**	—
Goodwill		**211,205**	219,792
Other intangible assets		**103,660**	108,146
Investments in associates		**455,171**	438,865
Investments in joint ventures		**5,959,694**	6,131,952
Financial assets at fair value through other comprehensive income		**128,841**	119,364
Financial assets at fair value through profit or loss		**934,189**	941,274
Derivative financial instruments		**8,449**	6,537
Debtors	*9*	**491,966**	489,237
Deposits, prepayments, other receivables and other assets		**209,068**	217,399
Deferred tax assets		**1,298**	1,945
Pledged and restricted bank balances and time deposits		**98,398**	104,468
Total non-current assets		**54,888,420**	55,400,066
CURRENT ASSETS			
Properties under development		**4,851,828**	4,794,588
Completed properties for sale		**3,453,866**	3,728,569
Films and TV programs under production and film investments		**313,369**	277,468
Inventories		**47,558**	47,131
Financial assets at fair value through profit or loss		**48,810**	70,948
Debtors	*9*	**382,550**	416,567
Deposits, prepayments, other receivables and other assets		**959,938**	1,295,922
Prepaid tax		**69,238**	66,726
Pledged and restricted bank balances and time deposits		**1,419,187**	1,302,755
Cash and cash equivalents		**2,557,537**	2,827,083
		14,103,881	14,827,757
Assets classified as held for sale		**—**	113,744
Total current assets		**14,103,881**	14,941,501

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*
CURRENT LIABILITIES			
Creditors, other payables and accruals	*10*	**2,308,565**	2,484,740
Deposits received, deferred income and contract liabilities		**485,544**	565,484
Lease liabilities		**286,567**	263,543
Tax payable		**696,852**	706,014
Bank borrowings		**5,703,007**	2,523,016
Other borrowings		**766,246**	34,485
		10,246,781	6,577,282
Liabilities directly associated with the assets classified as held for sale		**—**	11,499
Total current liabilities		**10,246,781**	6,588,781
NET CURRENT ASSETS		**3,857,100**	8,352,720
TOTAL ASSETS LESS CURRENT LIABILITIES		**58,745,520**	63,752,786
NON-CURRENT LIABILITIES			
Lease liabilities		**565,593**	642,414
Bank borrowings		**15,131,205**	18,730,871
Other borrowings		**—**	757,105
Guaranteed notes		**4,227,472**	4,232,145
Deferred tax liabilities		**4,079,974**	4,112,822
Other payables and accruals	*10*	**893,012**	899,114
Long-term deposits received		**232,996**	239,534
Total non-current liabilities		**25,130,252**	29,614,005
		33,615,268	34,138,781
EQUITY			
Equity attributable to owners of the Company			
Share capital		**2,178,944**	2,178,944
Reserves		**13,576,895**	13,782,603
		15,755,839	15,961,547
Non-controlling interests		**17,859,429**	18,177,234
		33,615,268	34,138,781

NOTES TO CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 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 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 2024 that is included in the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2025 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 2024 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 2024.

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.

3. SEGMENT INFORMATION

Segment revenue and results

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

	Six months ended 31 January (Unaudited)																			
	Property development and sales		Property investment		Hotel operation		Restaurant and F&B product sales operations		Media and entertainment		Film and TV program		Cinema operation		Theme park operation		Others		Consolidated	
	2025	2024	**2025**	2024	**2025**	2024	**2025**	2024	**2025**	2024	**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*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	HK$'000
Segment revenue:																				
Sales to external customers	**617,205**	924,597	**671,336**	673,307	**647,299**	622,996	**217,849**	285,840	**103,390**	179,298	**31,765**	125,164	**220,204**	188,896	**3,452**	9,878	**84,456**	76,965	**2,596,956**	3,086,941
Intersegment sales	**–**	–	**23,562**	21,870	**358**	446	**1,944**	1,546	**–**	–	**5,301**	8,456	**3,684**	2,683	**–**	–	**13,337**	14,313	**48,186**	49,314
Other revenue and gains	**24,137**	14,606	**14,144**	9,800	**411**	57	**2,297**	1,262	**841**	3,880	**756**	933	**8,214**	9,120	**97**	1,486	**64,683**	59,745	**115,580**	100,889
Total	**641,342**	939,203	**709,042**	704,977	**648,068**	623,499	**222,090**	288,648	**104,231**	183,178	**37,822**	134,553	**232,102**	200,699	**3,549**	11,364	**162,476**	151,023	**2,760,722**	3,237,144
Elimination of intersegment sales																			**(48,186)**	(49,314)
Total																			**2,712,536**	3,187,830
Segment results	**(937)**	83,911	**408,830**	380,605	**(41,856)**	(44,594)	**(15,430)**	(54,713)	**18,504**	25,004	**15,320**	(1,254)	**(16,566)**	(55,853)	**(15,906)**	(24,328)	**9,994**	11,633	**361,953**	320,411
Unallocated other revenue and gains																			**192,106**	110,602
Fair value gains/(losses) on investment properties, net	**–**	–	**97,999**	(1,116,797)	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**97,999**	(1,116,797)
Unallocated expenses																			**(248,949)**	(278,315)
Profit/(loss) from operating activities																			**403,109**	(964,099)
Finance costs																			**(606,922)**	(704,460)
Share of profits and losses of associates	**202**	46	**(1,811)**	(129)	**(381)**	(313)	**2,165**	6,595	**–**	–	**–**	–	**–**	–	**–**	–	**1,075**	1,595	**1,250**	7,794
Share of profits and losses of associates – unallocated																			**(594)**	(384)
Share of profits and losses of joint ventures	**10,596**	(129,191)	**21,870**	(187,220)	**(6,944)**	(12,271)	**–**	–	**1,967**	(11)	**–**	(68)	**(4,604)**	(11,566)	**–**	–	**(845)**	(1,063)	**22,040**	(341,390)
Loss before tax																			**(181,117)**	(2,002,539)
Tax																			**(117,573)**	(110,146)
Loss for the period																			**(298,690)**	(2,112,685)

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 product sales operations**		**Media and entertainment**		**Film and TV program**		**Cinema operation**		**Theme park operation**		**Others**		**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*	**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	**9,224,085**	9,614,538	**37,541,648**	37,730,362	**7,915,407**	8,093,670	**433,641**	523,999	**122,098**	213,613	**729,306**	755,494	**477,624**	606,155	**728,999**	739,312	**933,634**	990,089	**58,106,442**	59,267,232
Investments in associates	**1,543**	2,534	**71,888**	73,483	**173,465**	162,617	**16,193**	14,012	**–**	–	**–**	–	**–**	–	**–**	–	**6,619**	8,791	**269,708**	261,437
Investments in associates – unallocated																			**185,463**	177,428
Investments in joint ventures	**1,328,111**	1,523,511	**4,283,373**	4,276,672	**48,404**	56,910	**31,419**	16,652	**31,296**	22,458	**–**	37	**17,104**	26,862	**–**	–	**219,987**	208,850	**5,959,694**	6,131,952
Unallocated assets																			**4,470,994**	4,389,774
Assets classified as held for sale																			**–**	113,744
Total assets																			**68,992,301**	70,341,567
Segment liabilities	**444,331**	462,168	**688,280**	785,929	**272,767**	298,160	**232,985**	204,619	**79,596**	117,555	**425,052**	442,975	**808,516**	886,195	**24,931**	32,049	**441,381**	474,542	**3,417,839**	3,704,192
Bank borrowings																			**20,834,212**	21,253,887
Guaranteed notes																			**4,227,472**	4,232,145
Other borrowings																			**766,246**	791,590
Unallocated liabilities																			**6,131,264**	6,209,473
Liabilities directly associated with the assets classified as held for sale																			**–**	11,499
Total liabilities																			**35,377,033**	36,202,786

4. TURNOVER

An analysis of turnover is as follows:

	Six months ended 31 January	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Turnover from contracts with customers:		
Sale of properties	**617,205**	924,597
Building management fee income	**130,145**	121,084
Income from hotel operation	**647,299**	622,996
Income from restaurant and F&B product sales operations	**217,849**	285,840
Distribution commission income, licence income from and sale of film and TV program products and film rights	**28,682**	121,615
Box-office takings, concessionary income and related income from cinemas	**220,204**	188,896
Entertainment event income	**42,011**	101,830
Sale of game products	**27,093**	36,905
Album sales, licence income and distribution commission income from music publishing and licensing	**29,510**	27,433
Artiste management fee income	**4,776**	13,130
Advertising income	**3,083**	3,549
Income from theme park operation	**3,452**	9,878
Others	**84,456**	76,965
	2,055,765	2,534,718
Turnover from other source:		
Rental income	**541,191**	552,223
Total turnover	**2,596,956**	3,086,941
Timing of recognition of turnover from contracts with customers:		
At a point in time	**1,609,910**	2,083,311
Over time	**445,855**	451,407
	2,055,765	2,534,718

5. PROFIT/(LOSS) FROM OPERATING ACTIVITIES

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

	Six months ended 31 January	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment^	**151,813**	183,458
Depreciation of right-of-use assets^	**142,606**	185,413
Foreign exchange differences, net	**(8,503)**@	25,799*
Amortisation of film rights#	**1,330**	1,049
Amortisation of film and TV program products#	**5,099**	9,153
Amortisation of other intangible assets*	**187**	188
Fair value losses on financial assets at fair value through profit or loss, net*	**5,868**	9,256
Fair value gains on cross currency swaps@	**(1,912)**	—
Gain on modification of leases@	**—**	(28,959)
Gain on disposal of a subsidiary@	**(111,063)**	—

^ Depreciation charge of approximately HK$267,132,000 (Six months ended 31 January 2024: HK$335,926,000) is included in "other operating expenses" on the face of the unaudited condensed consolidated income statement.

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

These items are included in "cost of sales" on the face of the unaudited condensed consolidated income statement.

* 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	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank borrowings	**613,572**	760,754
Interest on guaranteed notes	**101,747**	111,184
Interest on other borrowings	**9,486**	10,055
Interest on lease liabilities	**19,231**	21,397
Interest on put option liabilities	**2,260**	2,252
Bank financing charges	**48,484**	59,610
	794,780	965,252
Less: Amount capitalised in construction in progress	**(2,287)**	(19,279)
Amount capitalised in properties under development	**(171,684)**	(227,732)
Amount capitalised in investment properties under construction	**(13,887)**	(13,781)
	606,922	704,460

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 are 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.

	Six months ended 31 January	
	2025	2024
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax		
— Hong Kong		
Charge for the period	**16,606**	11,507
Underprovision in prior periods	**716**	42
	17,322	11,549
— Chinese Mainland		
Corporate income tax		
Charge for the period	**22,979**	76,719
Land appreciation tax		
Charge for the period	**56,177**	170,679
	79,156	247,398
— Elsewhere		
Charge for the period	**13,480**	14,862
Overprovision in prior periods	**—**	(700)
	13,480	14,162
	109,958	273,109
Deferred tax	**7,615**	(162,963)
Tax charge for the period	**117,573**	110,146

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$123,256,000 (Six months ended 31 January 2024: HK$1,116,646,000), and the weighted average number of ordinary shares of 883,373,901 (Six months ended 31 January 2024: 883,373,901) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 31 January 2025 and 2024 in respect of a dilution as the impact of the share options of the Company, Lai Sun Development Company Limited, eSun Holdings Limited ("**eSun**") and Lai Fung Holdings Limited had an anti-dilutive effect on the basic loss per share amounts presented.

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.

9. **DEBTORS** (continued)

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:

	31 January 2025 (Unaudited) ***HK$'000***	31 July 2024 (Audited) *HK$'000*
Trade receivables:		
Not yet due or less than 30 days past due	**284,528**	321,468
31 — 60 days past due	**25,626**	20,756
61 — 90 days past due	**12,588**	8,545
Over 90 days past due	**56,318**	62,283
	379,060	413,052
Finance lease receivables, not yet due	**495,456**	492,752
	874,516	905,804
Less: Portion classified as current	**(382,550)**	(416,567)
Non-current portion	**491,966**	489,237

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:

	31 January 2025 (Unaudited) ***HK$'000***	31 July 2024 (Audited) *HK$'000*
Creditors:		
Not yet due or less than 30 days past due	**180,998**	217,298
31 — 60 days past due	**12,202**	21,825
61 — 90 days past due	**10,603**	9,629
Over 90 days past due	**57,599**	37,525
	261,402	286,277
Other payables and accruals	**2,056,040**	1,993,534
Put option liabilities	**884,135**	1,104,043
	3,201,577	3,383,854
Less: Portion classified as current	**(2,308,565)**	(2,484,740)
Non-current portion	**893,012**	899,114

INTERIM DIVIDEND

The Board of the Company has resolved not to declare the payment of an interim dividend for the financial year ending 31 July 2025. No interim dividend was declared in respect of the last corresponding period.

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.

Hong Kong and Overseas Property Market

During the period under review, the business environment in Hong Kong remained sluggish and competitive. The Hong Kong retail market remained soft despite improved tourism numbers which was offset against the changing consumption patterns among residents and visitors, as well as an increase in outbound travel by local residents. Weak local consumption is expected to continue, particularly with a growing trend among residents to travel abroad and travel north for shopping and leisure. To ensure the long-term success of the Group, it is imperative that we adapt to changes in consumer behavior and lifestyle.

Despite the challenges faced, the introduction of various Central Government initiatives aimed at stimulating the Chinese Mainland economy, with direct benefits to Hong Kong, including the resumption and expansion of the multiple-entry Individual Visit Scheme for Shenzhen since December 2024, coupled with the Hong Kong Government's various initiatives to boost market confidence, is expected to stimulate spending by both visitors and residents within the local market. Hong Kong government's determination of making Hong Kong a destination is backed by the announcement of at least 93 major events scheduled to take place in Hong Kong during the first half of 2025. These collective efforts are poised to provide valuable dynamism for local economy.

Hong Kong's property market remained subdued due to the "higher for longer" interest rates outlook and a cautious economic environment. The Hong Kong government relaxed the mortgage loan-to-value ratio in October 2024 amid a property slowdown, which is a move welcomed by the real estate sector. The Central Government's vocal support of the Hong Kong economy rallied the property and stock market for a while during the last quarter of 2024. Whilst the conclusion of the U.S. election at the end of 2024 removed some uncertainty, the unpredictability of the new U.S. government has introduced a new set of variables to the delicate global political and economic relations. It is unclear as to the future trends of the U.S. interest rates and the Group will retain a conservative stance on its existing businesses and investments.

Nevertheless, the Hong Kong office and retail leasing sector persists in grappling with challenges stemming from softened demand and oversupply of new office spaces. The persisting economic uncertainty, alongside hybrid work model, has considerably dampened the demand for office rentals. Consequently, businesses are exhibiting heightened caution and are hesitant to expand their business operations and investment. This cautious approach has led to a decline in rental income and property values across all real estate segments. Whilst it is expected that the office and retail leasing markets likely to remain competitive in the near term; however, the medium to longer term outlook looks stabilising. 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. Additionally, renovation and space optimisation initiatives undertaken during the period under review have enhanced the competitiveness of the Group's major rental properties. As a result, the Group has successfully maintained occupancy levels averaged 90% or above in both its office and retail leasing businesses in Hong Kong.

The residential market has seen some transaction volume but buyers remain cautious and price sensitive. Lai Sun Development Company Limited ("**LSD**") and its subsidiaries (together, "**LSD Group**") has managed to capture sales window and achieved some good results for our Bal Residence project and The Parkland project. The Group will continue to monitor the market closely and assess the opportune time and pricing for launches of future projects.

Construction work of Bal Residence in Kwun Tong was completed in October 2023, while fitting-out work was completed in late March 2024. Presale of Bal Residence was launched in February 2023, followed by the official sale launch in late November 2023. Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. Up to 14 March 2025, LSD Group has sold 108 residential units in Bal Residence with saleable area of approximately 36,773 square feet at an average selling price of approximately HK$15,171 per square foot.

Construction work of The Parkland in Yuen Long was completed in late March 2024, while fitting-out work was completed in late December 2024. The Parkland pre-sale commenced in October 2024. The Parkland has a total saleable area of approximately 36,720 square feet, offering 112 residential units. Up to 14 March 2025, LSD Group has sold 107 units in The Parkland with saleable area of approximately 34,313 square feet at an average selling price of approximately HK$9,405 per square foot.

Construction works 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 first quarter of 2026. Superstructure works of the 79 Broadcast Drive project in Kowloon Tong is in progress and the construction is expected to be completed in the first half of 2026. It will be developed into a high-quality luxury residential property with the maximum permissible gross floor area ("**GFA**") of approximately 71,600 square feet, offering around 46 medium-large sized units, including 2 houses. 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. Excavation and lateral support and foundation works are in progress and the construction is expected to be completed in the fourth quarter of 2027. The project design work of the residential project, namely 116 Waterloo Road project, is in progress and is expected to be completed in the third quarter of 2028. 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.

With the planning consent approved by the City of London's Planning and Transportation Committee, 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 assessing options including redevelopment, refurbishment and investment structures to optimise value for LSD Group.

Chinese Mainland Property Market

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.

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 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. Lai Fung 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.

Lai Fung 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. Lai Fung 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 Lai Fung 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, Lai Fung 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 Lai Fung Group in coming financial years. Lai Fung 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.

Cinema Operation/Media and Entertainment/Film Production and Distribution

The Hong Kong box office has experienced a general decline due to several factors, including lack of blockbusters titles, citizens traveling abroad, northbound visits, weak economic situation and a shift in consumers' behaviour towards streaming platforms. Notwithstanding the acclaimed title "*The Last Dance*" which provided the much-needed stimulus in boosting Hong Kong box office, these challenging conditions have continued to drag the performance of our cinema operation. Additionally, given the market condition and economic uncertainty, the MCL Cinemas Plus+ Plaza Hollywood was closed during the period under review. The blockbuster title "*The Last Dance*" provided a bright spot, and contributed to the growth in cinema operation income during the period under review. eSun Holdings Limited ("**eSun**") and its subsidiaries (together, "**eSun Group**") is closely monitoring the market conditions and will continue to improve its overall operating efficiency. eSun Group will actively engage in cost optimisation and take a prudent approach in evaluating opportunities for cinema operation.

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.

Our recent release crime thriller "*Octopus with Broken Arms*" and mystery-comedy "*Detective Chinatown 1900*", both produced by Chen Sicheng, one of Chinese Mainland's most consistently successful writers-directors-producers, have achieved commendable box office performance and critical acclaim. eSun Group will continue to invest in original productions of quality films with Chinese themes.

eSun Group continues to produce quality TV drama series in response to the ongoing strong demand for quality programs from TV stations and online video websites in Chinese Mainland. eSun Group is 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 "*the SOUNDTRACK of my LIFE Jay Fung Concert 2024*" 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 Stephy Tang 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 it in a strong position to capture the opportunities of entertainment market by a balanced and synergetic approach and eSun Group will continue to explore cooperation and investment opportunities to enrich its portfolio, broaden its income stream and maximise value for its shareholders.

Other Business Updates

On 3 May 2024 (after trading hours), Boom Goal Limited (a wholly-owned subsidiary of LSD) ("**Boom Goal**") as vendor and Star Gallery Limited ("**Star Gallery**") (an independent third party) as purchaser had entered into an offer letter ("**Offer Letter**"), pursuant to which Star Gallery has conditionally agreed to acquire the entire issued share capital of Hong Kong Hill Limited ("**Hong Kong Hill**"), the sole legal and beneficial owner of the residential property situated at Eighteenth Floor and Nineteenth Floor of May Tower II, May Road, Hong Kong and car parking spaces nos. 60 and 67 of May Tower I and May Tower II, from Boom Goal and take up the assignment of all such sum of money due and owing by Hong Kong Hill to LSD at completion of the Offer Letter ("**May Tower Disposal**"), with a purchase price of HK$215,800,000 (subject to proforma net tangible asset value adjustments and completion net tangible asset value adjustments). Upon completion, Hong Kong Hill ceased to be a subsidiary of the Company and LSD. The May Tower Disposal enables the Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the Group, as well as, to enhance the cashflow and financial position of the Group and the LSD Group as a whole. The transaction was completed in December 2024. The Group has recognised a gain on disposal of a subsidiary of HK$111.1 million and recorded in "Other revenue and gains" on the face of the unaudited condensed consolidated income statement in this financial period.

On 2 July 2024 (after trading hours), Strongly Limited ("**Seller**"), owned by a joint venture to which 50% interest is attributable to LSD Group and 50% interest is attributable to an independent third party of the Group, had entered into an agreement for sale and purchase with an independent third party of the Group, whereby the Seller agreed to dispose of its legal and beneficial interest in the Commercial Accommodation of "Alto Residences (藍塘傲)" ("**Development**") and the Public Vehicle Park of the Development ("**Alto Disposal**"). The consideration of the Alto Disposal is HK$540,000,000. The consideration from the Alto Disposal to which LSD Group is entitled is HK$270,000,000. Upon completion, performance of the Development and the Public Vehicle Park of the Development was no longer recognised as "Share of profits and losses of joint ventures" in the respective consolidated income statements of the Group and the LSD Group. The transaction was completed on 5 August 2024.

The Group intends to dispose assets amounting to approximately HK$8,000 million over the next two years (including HK$6,000 million at LSD Group and HK$2,000 million at Lai Fung Group). The proceeds from disposals will improve the financial position of the Group.

As at 31 January 2025, the Group's consolidated cash and bank deposits amounted to HK$4,075.1 million (HK$84.5 million excluding LSD Group) with undrawn facilities of HK$5,063.7 million (HK$425.0 million excluding LSD Group). The net debt to equity ratio as at 31 January 2025 was approximately 138% (31 July 2024: 138%). The Group's gearing excluding the net debt of LSD Group was approximately 6%.

The Group monitors the performance of the non-property related business portfolio closely and has taken actions to improve their operating results proactively. In light of the changing operating environment, the Group has closed or consolidated certain non-performing outlets in the restaurant and cinema businesses, together with the reduction in depreciation of right-of-use assets and property, plant and equipment as a result of the impairment losses provided for these assets in previous financial year, the respective segment losses reduced during the period under review. The Group will continue to review the performance of its portfolio of businesses and consider appropriate options for them in the interest of all stakeholders as a whole. The Group will continue its prudent and flexible approach, together with stringent cost controls, in managing its operations and financial position.

OVERVIEW OF INTERIM RESULTS

For the six months ended 31 January 2025, the Group recorded turnover of HK2,597.0 million (2024: HK$3,086.9 million) and a gross profit of HK$981.4 million (2024: HK$1,108.0 million). The decrease was primarily due to Lai Fung Group's Zhongshan Palm Spring project being in the final phase of sale, while partially offset by the increase in property sales in Hong Kong properties, namely The Parkland in Yuen Long and Bal Residence in Kwun Tong, as compared to the same period last year.

Set out below is the turnover by segment:

	Six months ended 31 January			
	2025 (HK$ million)	2024 (HK$ million)	Difference (HK$ million)	% change
Property investment	**671.3**	673.3	-2.0	-0.3
Property development and sales	**617.2**	924.6	-307.4	-33.2
Hotel operation	**647.3**	623.0	+24.3	+3.9
Restaurant and F&B product sales operations	**217.8**	285.8	-68.0	-23.8
Cinema operation	**220.2**	188.9	+31.3	+16.6
Media and entertainment	**103.4**	179.3	-75.9	-42.3
Film and TV program	**31.8**	125.2	-93.4	-74.6
Theme park operation	**3.5**	9.9	-6.4	-64.6
Others	**84.5**	76.9	+7.6	+9.9
Total	**2,597.0**	3,086.9	-489.9	-15.9

For the six months ended 31 January 2025, net loss attributable to owners of the Company was approximately HK$123.3 million (2024: HK$1,116.6 million). The significant decreased loss was primarily due to (i) the fair value changes of the investment properties improved; (ii) the contribution from joint ventures improved; (iii) the gain on disposal of a subsidiary; and (iv) the reduction of finance costs of the Group, during the period under review as compared to the same period last year. The improvement in fair value changes of the investment properties was due to the gradually stabilising outlook in the longer term. The improvement in contribution from joint ventures was primarily due to no movement was recorded in the fair value of CCB Tower during the period under review. Also, the Alto Disposal removed any future fair value movement.

Net loss per share was HK$0.140 (2024: HK$1.264).

Non-HKFRS Financial Measures

To supplement the Group's consolidated financial statements which are presented under HKFRS, the Group also uses (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/(loss) from operating activities of the Group (HKFRS measure)	**403.1**	(964.1)
Adjustments for:		
Share of profits/(losses) of joint ventures	**22.0**	(341.4)
Share of profits of associates	**0.7**	7.4
Fair value (gains)/losses of investment properties held by the Group *(Note 1)*	**(98.0)**	1,116.8
Fair value losses of investment properties held by the associates and the joint ventures *(Note 1)*	**2.1**	341.4
Depreciation of property, plant and equipment *(Note 2)*	**151.8**	183.5
Depreciation of right-of-use assets *(Note 2)*	**142.6**	185.4
Amortisation of film rights, film and TV program products and other intangible assets *(Note 3)*	**6.6**	10.4
Gain on disposal of a subsidiary *(Note 4)*	**(111.1)**	–
Adjusted EBITDA of the Group (non-HKFRS measure)	**519.8**	539.4

Notes:

1. *Given the sizeable investment properties portfolio held by the Group, the associates and the joint ventures, the adjustments relate to fair value changes of investment properties, which are non-cash in nature.*
2. *The adjustments arise from depreciation of the Group's property, plant and equipment and right-of-use assets, which are non-cash in nature.*
3. *The adjustment arises from amortisation of film rights, film and TV program products and other intangible assets, which is non-cash in nature.*
4. *The adjustment arises from the gain on disposal of a subsidiary, which is non-cash and non-recurring in nature.*

Excluding the net effect of property revaluations, other non-cash and non-recurring item, EBITDA of the Group was approximately HK$519.8 million for the period under review (2024: HK$539.4 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)	**(123.3)**	(1,116.6)
Adjustments for:		
Fair value (gains)/losses of investment properties held by the Group *(Note 1)*	**(98.0)**	1,116.8
Fair value losses of investment properties held by the associates and the joint ventures *(Note 1)*	**2.1**	341.4
Deferred tax on fair value changes of investment properties held by the Group *(Note 1)*	**(1.4)**	(26.5)
Non-controlling interests' share of fair value changes of investment properties held by the Group less deferred tax *(Note 1)*	**53.7**	(619.3)
Gain on disposal of a subsidiary *(Note 2)*	**(111.1)**	–
Non-controlling interests' share of gain on disposal of a subsidiary *(Note 2)*	**49.3**	–
Adjusted net loss attributable to owners of the Company excluding fair value changes of investment properties and other non-cash and non-recurring item (non-HKFRS measure)	**(228.7)**	(304.2)

Notes:

1. *Given the sizeable investment properties portfolio held by the Group, the associates and the joint ventures, the adjustments relate to fair value changes of investment properties and related deferred tax and impact on non-controlling interest's share, which are non-cash in nature.*
2. *The adjustment arises from the gain on disposal of a subsidiary, and impact on non-controlling interest's share, which is non-cash and non-recurring in nature.*

Excluding the net effect of property revaluations and other non-cash and non-recurring item, net loss attributable to owners of the Company was approximately HK$228.7 million for the period under review (2024: HK$304.2 million). Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring item was approximately HK$0.259 (2024: HK$0.344).

Equity attributable to owners of the Company as at 31 January 2025 amounted to HK$15,755.8 million, as compared to HK$15,961.5 million as at 31 July 2024. Net asset value per share attributable to owners of the Company slightly dropped to HK$17.836 per share as at 31 January 2025 from HK$18.069 per share as at 31 July 2024.

PROPERTY PORTFOLIO COMPOSITION

The Group maintained a property portfolio with attributable GFA of approximately 4.8 million square feet as at 31 January 2025. All major properties of the Group in Chinese Mainland 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 2025 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
GFA of major properties and number of car parking spaces of Lai Fung Group (on attributable basis[1])							
Completed Properties Held for Rental[2]	817	676	–	–	–	1,493	915
Completed Hotel Properties and Serviced Apartments[2]	–	–	303	–	–	303	–
Properties under Development[3]	167	89	574	–	–	830	414
Completed Properties Held for Sale	50	129	58	27	–	264	1,041
Subtotal	**1,034**	**894**	**935**	**27**	**–**	**2,890**	**2,370**
GFA of major properties and number of car parking spaces of LSD Group (excluding Lai Fung Group) (on attributable basis[1])							
Completed Properties Held for Rental[2]	384	549	–	–	8	941	754
Completed Hotel Properties and Serviced Apartments[2]	–	–	403	–	–	403	51
Properties under Development[3]	–	–	–	149	–	149	76
Completed Properties Held for Sale	17	58	26	21	–	122	26
Subtotal	**401**	**607**	**429**	**170**	**8**	**1,615**	**907**
GFA of major properties and number of car parking spaces of the Group (excluding LSD Group) (on attributable basis)							
Completed Properties Held for Rental[2]	91	–	–	–	160	251	37
Subtotal	**91**	**–**	**–**	**–**	**160**	**251**	**37**
Total GFA attributable to the Group	**1,526**	**1,501**	**1,364**	**197**	**168**	**4,756**	**3,314**

Notes:
1. *As at 31 January 2025, Lai Fung is a 55.08%-owned subsidiary of LSD and LSD is a 55.60%-owned subsidiary of the Company.*
2. *Completed and rental generating properties.*
3. *All properties under construction.*

PROPERTY INVESTMENT

Rental Income

During the period under review, the Group's rental operations recorded a turnover of HK$671.3 million (2024: HK$673.3 million) comprising turnover of HK$272.6 million, HK$32.8 million and HK$365.9 million from rental properties in Hong Kong, London and Chinese Mainland, respectively.

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

	Six months ended 31 January			Period end occupancy	
	2025 HK$ million	2024 HK$ million	% Change	**2025 %**	2024 %
Hong Kong					
Cheung Sha Wan Plaza	**131.4**	143.2	-8.2	**92.1**	97.3
Causeway Bay Plaza 2	**62.3**	67.9	-8.2	**89.0**	94.9
Lai Sun Commercial Centre	**24.9**	25.4	-2.0	**96.3**	97.9
Crocodile Center (commercial podium)*	**40.5**	39.6	+2.3	**100.0**	100.0
Por Yen Building*	**7.6**	7.6	0.0	**94.7**	96.8
Others	**5.9**	5.3	+11.3		
Subtotal:	**272.6**	289.0	-5.7		
London, United Kingdom					
107 Leadenhall Street	**6.2**	6.7	-7.5	**47.8**	45.9
100 Leadenhall Street	**26.6**	26.7	-0.4	**0.0**	100.0
106 Leadenhall Street	**-**	0.7	-100.0	**0.0**	0.0
Subtotal:	**32.8**	34.1	-3.8		
Chinese Mainland					
Shanghai					
Shanghai Hong Kong Plaza	**130.2**	134.7	-3.3	**Retail: 92.5 Office: 87.2**	Retail: 96.2 Office: 89.7
Shanghai May Flower Plaza	**20.4**	20.3	+0.5	**Retail: 98.2**	Retail: 100.0
Shanghai Regents Park	**5.2**	8.8	-40.9	**100.0**	100.0
Shanghai Skyline Tower	**28.5**	23.1	+23.4	**Retail: 89.0 Office: 48.1**	Retail: 83.9 Office: 32.8
Guangzhou					
Guangzhou May Flower Plaza	**47.7**	49.6	-3.8	**95.0**	90.0
Guangzhou West Point	**10.7**	11.1	-3.6	**96.0**	91.0
Guangzhou Lai Fung Tower	**61.3**	60.7	+1.0	**Retail: 100.0 Office: 89.0**[1]	Retail: 100.0 Office: 86.5[1]
Guangzhou Lai Fung International Center	**30.9**	17.3	+78.6	**Retail: 99.0 Office: 64.3**	Retail: 71.0 Office: 40.3
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	**2.6**	2.6	0.0	**Retail: 94.5**[1]	Retail: 68.5[1]
Hengqin					
Hengqin Novotown Phase I	**9.2**	3.4	+170.6	**Retail: 83.5**[2]	Retail: 83.2[2]
Others	**19.2**	18.6	+3.2		
Subtotal:	**365.9**	350.2	+4.5		
Total:	**671.3**	673.3	-0.3		
Rental income from joint venture projects					
Hong Kong					
CCB Tower[3] (50% basis)	**57.2**	57.3	-0.2	**97.7**	97.7
Alto Residences[4] (50% basis)	**0.8**	11.7	-93.2	**N/A**	86.8
Total:	**58.0**	69.0	-15.9		

Notes:

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

*1.	Excluding self-use area.*

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

*3.	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 2025, the joint venture recorded rental proceeds of approximately HK$114.4 million (2024: HK$114.6 million).*

*4.	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. The Alto Disposal was completed on 5 August 2024. Only share of recurring income from a small number of residential units, car parking spaces and property management remain. For the six months ended 31 January 2025, the joint venture recorded rental proceeds of approximately HK$1.7 million (2024: HK$23.4 million).*

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

	Six months ended 31 January 2025			Six months ended 31 January 2024		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Hong Kong						
Cheung Sha Wan Plaza	**55.60%**			55.60%		
Commercial		**59.2**	**233,807**		67.1	233,807
Office		**62.5**	**409,896**		66.4	409,896
Car Parking Spaces		**9.7**	**N/A**		9.7	N/A
Subtotal:		**131.4**	**643,703**		143.2	643,703
Causeway Bay Plaza 2	**55.60%**			55.60%		
Commercial		**38.4**	**109,770**		42.6	109,770
Office		**21.0**	**96,268**		22.7	96,268
Car Parking Spaces		**2.9**	**N/A**		2.6	N/A
Subtotal:		**62.3**	**206,038**		67.9	206,038
Lai Sun Commercial Centre	**55.60%**			55.60%		
Commercial		**12.0**	**95,063**		11.7	95,063
Office		**2.7**	**74,181**		2.6	74,181
Car Parking Spaces		**10.2**	**N/A**		11.1	N/A
Subtotal:		**24.9**	**169,244**		25.4	169,244
Crocodile Center*	**100%**			100%		
Commercial		**40.5**	**91,201**		39.6	91,201
Por Yen Building*	**100%**			100%		
Industrial		**7.4**	**109,010**		7.4	109,010
Car Parking Spaces		**0.2**	**N/A**		0.2	N/A
Subtotal:		**7.6**	**109,010**		7.6	109,010
Others		**5.9**	**61,169**		5.3	61,169[1]
Subtotal:		**272.6**	**1,280,365**		289.0	1,280,365[1]
London, United Kingdom						
107 Leadenhall Street	**55.60%**			55.60%		
Commercial		**2.2**	**48,182**		2.0	48,182
Office		**4.0**	**98,424**		4.7	98,424
Subtotal:		**6.2**	**146,606**		6.7	146,606
100 Leadenhall Street	**55.60%**			55.60%		
Office		**26.6**	**177,700**		26.7	177,700
106 Leadenhall Street	**55.60%**			55.60%		
Commercial		**–**	**3,540**		0.1	3,540
Office		**–**	**16,384**		0.6	16,384
Subtotal:		**–**	**19,924**		0.7	19,924
Subtotal:		**32.8**	**344,230**		34.1	344,230

	Six months ended 31 January 2025			Six months ended 31 January 2024		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Chinese Mainland						
Shanghai						
Shanghai Hong Kong Plaza	**30.62%**			30.62%		
Retail		**83.2**	**468,434**		83.4	468,434
Office		**44.0**	**362,096**		48.2	362,096
Car Parking Spaces		**3.0**	**N/A**		3.1	N/A
Subtotal:		**130.2**	**830,530**		134.7	830,530
Shanghai May Flower Plaza	**30.62%**			30.62%		
Retail		**18.2**	**320,314**		18.1	320,314
Car Parking Spaces		**2.2**	**N/A**		2.2	N/A
Subtotal:		**20.4**	**320,314**		20.3	320,314
Shanghai Regents Park	**29.10%**			29.10%		
Retail		**4.5**	**82,062**		8.5	82,062
Car Parking Spaces		**0.7**	**N/A**		0.3	N/A
Subtotal:		**5.2**	**82,062**		8.8	82,062
Shanghai Skyline Tower	**30.62%**			30.62%		
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
Subtotal:		**28.5**	**727,065**		23.1	727,065
Guangzhou						
Guangzhou May Flower Plaza	**30.62%**			30.62%		
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
Subtotal:		**47.7**	**436,855**		49.6	436,855
Guangzhou West Point	**30.62%**			30.62%		
Retail		**10.7**	**182,344**		11.1	182,344
Guangzhou Lai Fung Tower	**30.62%**			30.62%		
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
Subtotal:		**61.3**	**738,113**		60.7	738,113
Guangzhou Lai Fung International Center	**30.62%**			30.62%		
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
Subtotal:		**30.9**	**614,621**		17.3	614,621
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	**30.62%**			30.62%		
Retail[2]		**2.6**	**148,106**		2.6	148,106
Hengqin						
Novotown Phase I[#]	**35.62%**			35.62%		
Commercial[3]		**9.2**	**998,730**[3]		3.4	1,006,091[3]
Others		**19.2**	**N/A**		18.6	N/A
Subtotal:		**365.9**	**5,078,740**		350.2	5,086,101
Total:		**671.3**	**6,703,335**		673.3	6,710,696

	Six months ended 31 January 2025			Six months ended 31 January 2024		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Rental income from joint venture projects						
Hong Kong						
CCB Tower[4] (50% basis)	**27.80%**			27.80%		
Office		**56.9**	**114,603[5]**		57.0	114,603[5]
Car Parking Spaces		**0.3**	**N/A**		0.3	N/A
Subtotal:		**57.2**	**114,603[5]**		57.3	114,603[5]
Alto Residences[6] (50% basis)	**27.80%**			27.80%		
Commercial		**0.2**	**–**		7.5	47,067[7]
Residential units[8]		**0.2**	**1,216[9]**		2.5	11,038[9]
Car Parking Spaces		**0.4**	**N/A**		1.7	N/A
Subtotal:		**0.8**	**1,216**		11.7	58,105
Total:		**58.0**	**115,819**		69.0	172,708

Notes:

*	*The property is held by the Group (excluding LSD Group).*
#	*Excluding office units and cultural workshop units. Office units with total GFA of 525,881 square feet and cultural workshop units with total GFA of 235,234 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 revenue and gains", respectively.*
1.	*Excluding 10% interest in AIA Central.*
2.	*Excluding self-use area.*
3.	*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 2025. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of LSD Group.*
4.	*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 2025, the joint venture recorded rental proceeds of approximately HK$114.4 million (2024: HK$114.6 million).*
5.	*GFA attributable to LSD Group. The total GFA is 229,206 square feet.*
6.	*Alto Residences is a joint venture project with Empire Group in which each of LSD Group and Empire Group has an effective 50% interest. The Alto Disposal was completed on 5 August 2024. Only share of recurring income from a small number of residential units, car parking spaces and property management remain. For the six months ended 31 January 2025, the joint venture recorded rental proceeds of approximately HK$1.7 million (2024: HK$23.4 million).*
7.	*GFA attributable to LSD Group. The total GFA is 94,133 square feet.*
8.	*Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
9.	*Saleable area attributable to LSD Group. The total saleable area is 2,431 (2024: 22,076) square feet.*

The average Sterling exchange rate for the period under review appreciated by approximately 2.4% compared with the same period last year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties decreased by approximately 6.1% during the period under review. Breakdown of rental turnover of London portfolio for the six months ended 31 January 2025 is as follows:

	2025 HK$'000	2024 HK$'000	% Change	**2025 GBP'000**	2024 GBP'000	% Change
107 Leadenhall Street	**6,213**	6,674	-6.9	**616**	678	-9.1
100 Leadenhall Street	**26,548**	26,733	-0.7	**2,634**	2,717	-3.1
106 Leadenhall Street	**-**	648	-100.0	**-**	66	-100.0
Total:	**32,761**	34,055	-3.8	**3,250**	3,461	-6.1

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.

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). 18 floors of the office floors and 1 banking hall floor of CCB Tower are leased to CCB for its Hong Kong operations.

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 2025 was approximately 47.8%.

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 vacant.

LSD Group owns 100% of this property.

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 assessing options including redevelopment, refurbishment and investment structures to optimise value for LSD Group.

Chinese Mainland Properties

Except for LSD Group's 20% interest in Novotown Phase I in Hengqin, all major rental properties of the Group in Chinese Mainland 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 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.

Lai Fung 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.

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. 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.

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.

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 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.

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, officially recognised as the Guangdong-Macao In-Depth Cooperation 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 Cooperation 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.

Lai Fung Group's Hengqin Novotown project has successfully transformed itself as 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. Lai Fung 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. Except for the two themed indoor experience centers, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin", key tenants include 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 Lai Fung 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.

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

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, Lai Fung 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.

Lai Fung Group owns 100% of Novotown Phase II.

PROPERTY DEVELOPMENT

Recognised Sales

For the six months ended 31 January 2025, recognised turnover from sales of properties was HK$617.2 million (2024: HK$924.6 million). Breakdown of turnover for the six months ended 31 January 2025 from sales of properties is as follows:

Hong Kong				
Recognised basis	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price**[1] (HK$/square foot)	**Turnover** (HK$ million)
The Parkland Residential Units	103	32,992	9,374	309.3
Bal Residence Residential Units	34	11,566	15,053	174.1
Monti Car Parking Spaces	2			1.9
Others				0.7
Subtotal				**486.0**
Chinese Mainland				
Recognised basis	**No. of Units**	**Approximate GFA** (Square feet)	**Average Selling Price**[2] (HK$/square foot)	**Turnover**[3] (HK$ million)
Hengqin Novotown Phase I Cultural Studios Cultural Workshop Units	 4 6	 11,418 3,909	 3,748 1,996	 39.6 7.2
Zhongshan Palm Spring Residential High-rise Units	45	56,540	1,565	81.3
Shanghai Regents Park Car Parking Spaces	2			1.2
Guangzhou Eastern Place Car Parking Spaces	3			1.5
Guangzhou King's Park Car Parking Space	1			0.4
Subtotal				**131.2**
Total				**617.2**
Recognised sales from joint venture project				
Hong Kong				
Recognised basis	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price**[1] (HK$/square foot)	**Turnover** (HK$ million)
Alto Residences (50% basis) House[4] Residencial Unit[6]	 1 1	 1,827 693	 22,174 24,531	 40.5[5] 17.0[7]
Total				**57.5**

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(s) and saleable area attributable to LSD Group. The total no. of house(s) recognised and total saleable area are 1 and 3,653 square feet, respectively.*
5. *Representing property sales proceeds of HK$72.9 million and rental proceeds of HK$8.1 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
6. *No. of residential unit(s) and saleable area attributable to LSD Group. The total no. of residential unit(s) recognised and total saleable area are 1 and 1,386 square feet, respectively.*
7. *Representing property sales proceeds of HK$32.3 million and rental proceeds of HK$1.7 million in relation to certain residential unit offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

Contracted Sales

As at 31 January 2025, the Group's property development operation has contracted but not yet recognised sales of HK$223.5 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 January 2025 amounted to HK$278.5 million. Breakdown of contracted but not yet recognised sales as at 31 January 2025 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	7	2,399	14,501	34.8
The Parkland Residential Units	3	1,056	9,372	9.9
Subtotal				**44.7**
Chinese Mainland				
Contracted basis	**No. of Units**	**Approximate GFA** (Square feet)	**Average Selling Price**[1] (HK$/square foot)	**Turnover**[1] (HK$ million)
Zhongshan Palm Spring Residential High-rise Units	7	9,626	1,527	14.7
Hengqin Novotown Phase I Cultural Workshop Units	2	1,302	2,074	2.7
Hengqin Novotown Phase II Harrow LiDe School Hengqin Buildings[2]	N/A	149,078	1,079	160.9[3]
Guangzhou Eastern Place Car Parking Space	1			0.5
Subtotal				**178.8**
Total				**223.5**

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)				
House[4]	1	1,135	24,374	27.7[5]
Residential Unit[6]	1	1,055	25,931	27.3[7]
Total				**55.0**

Notes:

1. *Value-added tax inclusive.*
2. *Will be recognised as income from finance lease under turnover.*
3. *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.*
4. *No. of house(s) and saleable area attributable to LSD Group. The total no. of house(s) contracted and total saleable area are 1 and 2,270 square feet, respectively.*
5. *Representing property sales proceeds of HK$55.3 million.*
6. *No. of residential unit(s) and saleable area attributable to LSD Group. The total no. of residential units contracted and total saleable area are 2 and 2,109 square feet, respectively.*
7. *Representing property sales proceeds of HK$52.0 million and rental proceeds of HK$2.7 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*

Review of major projects for sale and under development

Hong Kong Properties

Bal Residence

In April 2019, LSD Group successfully secured the Urban Renewal Authority project at No. 18 Hang On Street, Kwun Tong, Hong Kong. Construction work was completed in October 2023, while fitting-out work was completed in late March 2024.

The project was named as “Bal Residence”. Pre-sale of residential units was launched in February 2023, followed by the official sale launch in late November 2023. Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. Up to 14 March 2025, LSD Group has sold 108 residential units in Bal Residence with saleable area of approximately 36,773 square feet at an average selling price of approximately HK$15,171 per square foot.

LSD Group owns 100% of this project.

The Parkland
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. Construction work was completed in late March 2024, while fitting-out work was completed in late December 2024.

The project was named as "The Parkland". Pre-sale of residential units commenced in October 2024. The Parkland has a total saleable area of approximately 36,720 square feet, offering 112 residential units. Up to 14 March 2025, LSD Group has sold 107 units in The Parkland with saleable area of approximately 34,313 square feet at an average selling price of approximately HK$9,405 per square foot.

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 first quarter of 2026.

LSD Group owns 15% interest in this project.

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. Superstructure work is 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. Excavation and lateral support and foundation works are in progress and the construction is expected to be completed in the fourth quarter of 2027.

LSD Group owns 100% of 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% of this project.

Chinese Mainland Properties

All major properties for sale and under development in Chinese Mainland 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 2025, 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 2025, 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 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.

Lai Fung 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 car parking space remained unsold.

Lai Fung 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 Lai Fung Group has sold all the residential and office units. As at 31 January 2025, 80 car parking spaces remained unsold.

Lai Fung 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 and 2,663 car parking spaces remained unsold.

Lai Fung 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 Lai Fung 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.

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

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.

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 Lai Fung Group to crystalise the value of its investment in Novotown Phase II and gradually recoup funding to improve the project's working capital position.

Lai Fung 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.

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, Chinese Mainland. 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 2025, the hotel and serviced apartment operations contributed HK$647.3 million to the Group's turnover (2024: HK$623.0 million), representing an increase of approximately 3.9%. The increase in revenue from hotel and serviced apartment operations was mainly driven by the growth in Caravelle Hotel in Ho Chi Minh City, attributed to the better room rate and sales strategies, consequently leading to a higher average daily rate and revenue, together with stronger non-room revenue during the period under review, as compared to the same period last year.

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

	Location	**Attributable interest to LSD Group**	**No. of Rooms**[1]	**Total GFA** (square feet)	**Turnover** (HK$ million)	**Period end occupancy rate** (%)
Hotel and serviced apartment						
Ocean Park Marriott Hotel	Hong Kong	100%	471	365,974	228.6	69.5
Ascott Huaihai Road Shanghai	Shanghai	55.08%	310	359,700	50.5	65.7
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	13.4	53.9
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	82.9	88.6
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	271.6	73.8
Subtotal:			**1,848**	**1,858,285**	**647.0**	
Hotel management fee					0.3	
Total:					**647.3**	
Joint Venture Project						
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106[2]	138,241[2]	48.1	28.7

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.*

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 Chinese Mainland, 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.

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 Lai Fung 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).

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 attributable to Lai Fung Group.

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 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.

RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the six months ended 31 January 2025, restaurant and F&B product sales operations contributed HK$217.8 million to the Group's turnover, representing a significant decrease of approximately 23.8% from that of HK$285.8 million for the same period last year. The decrease was mainly attributed to the weak local consumption trend and the changing habits of local residents towards outbound travel spending. However, LSD Group has closed or consolidated certain non-performing restaurants during the period under review, together with the reduction in depreciation of right-of-use assets and property, plant and equipment as a result of the impairment losses provided for these assets in previous financial year, the segment losses reduced during the period under review. LSD Group has 3 new restaurants in operation under the period under review, namely Chiu Bistro, OH! MY BREAD (includes OH! MY NOODLE) and Akatsuki.

Up to the date of this results announcement, restaurant operations include LSD Group's interests in 25 restaurants in Hong Kong and Chinese Mainland 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**
Owned restaurants				
Western/ International Cuisine	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012-2025)
	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017-2025)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2025)
	Prohibition *(Note)*	Hong Kong	100%	
	Cipriani	Hong Kong	44%	
	Plaisance by Mauro Colagreco	Hong Kong	48%	One Michelin star (2025)
Asian Cuisine	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019-2021)
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Chiu Bistro	Hong Kong	68%	
	Canton Bistro *(Note)*	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	83%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	83%	
	KiKi Noodle Bar OP Mall	Hong Kong	83%	
	KiKi Noodle Bar Hysan Place	Hong Kong	83%	
	Academia	Hong Kong	83%	
	OH! MY BREAD (includes OH! MY NOODLE)	Hong Kong	83%	
	MOSU Hong Kong	Hong Kong	68%	
	SẾP	Hong Kong	68%	
	HANU	Hong Kong	65%	
	bibigo bapsang	Hong Kong	68%	
	China Club	Hong Kong	17%	
Japanese Cuisine	Kanesaka Hong Kong	Hong Kong	68%	
	Yamato	Hong Kong	60%	
	Akatsuki	Hong Kong	48%	
Managed restaurant				
Western Cuisine	8½ Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016-2025)

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

CINEMA OPERATION

The cinema operation is managed by eSun Group. For the six months ended 31 January 2025, this segment recorded a turnover of HK$220.2 million (2024: HK$188.9 million) and segment results of a loss of HK$16.6 million (2024: a loss of HK$55.9 million). However, the eSun Group has closed certain non-performing cinema and renegotiated the leases with the respective landlords during the period under review, together with the reduction in depreciation of right-of-use assets and property, plant and equipment as a result of the impairment losses provided for these assets in previous financial year, the segment losses reduced during the period under review. As at the date of this results announcement, eSun Group operates fifteen cinemas in Hong Kong and one cinema in Chinese Mainland. 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 two 50% joint ventures with Emperor Cinemas Group, namely Emperor Cinemas Plus+ (The Wai) (opened in July 2023) and Emperor Cinemas Plus+ (The Southside) (opened in June 2024), which are managed by Emperor Cinemas Group.

Cinema (managed by eSun Group)	**Attributable interest to eSun Group** (%)	**No. of screens** *(Note)*	**No. of Seats** *(Note)*
Chinese Mainland			
Suzhou Grand Cinema City	100	10	1,440
Subtotal		**10**	**1,440**
Hong Kong			
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 Green Code Cinema	95	3	285
Grand Windsor Cinema	95	3	246
Subtotal		**84**	**12,231**
Total		**94**	**13,671**

Note: On 100% basis.

MEDIA AND ENTERTAINMENT

The media and entertainment businesses are operated by eSun Group. For the six months ended 31 January 2025, this segment recorded a turnover of HK$103.4 million (2024: HK$179.3 million) and segment results of a decreased profit to HK$18.5 million from that of HK$25.0 million in the same period of last year.

Events Management

During the period under review, eSun Group organised and invested in 15 (2024: 27) shows by popular local and Asian renowned artistes, including Jay Fung, Sammi Cheng, Grasshopper, Cloud Wan, Jace Chan, Dear Jane, Ekin Cheng, Tsai Chin, ILUB and Zhao Chuan.

Music Production, Distribution and Publishing

During the period under review, eSun Group released 6 (2024: 5) albums, including titles by Jay Fung, On Chan, Cloud Wan and Ansonbean. 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 17 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 2025, this segment recorded a turnover of HK$31.8 million (2024: HK$125.2 million) and segment results of an increased profit to HK$15.3 million (2024: loss of HK$1.3 million).

During the period under review, a total of 6 (2024: 1) film(s) and nil (2024: 1) TV program produced/invested by eSun Group were theatrically released, namely "*Octopus with Broken Arms*", "*Detective Chinatown 1900*", "*An Abandoned Team*", "*The Grey Men 2*", "*Decoded*" and "*The Volunteers: The Battle of Life and Death*". eSun Group also distributed 27 (2024: 26) films with high profile titles including "*The Last Dance*", "*Gladiator II*" and "*Transformers One*".

INTERESTS IN JOINT VENTURES

For the six months ended 31 January 2025, share of profits from joint ventures of the Group amounted to HK$22.0 million, as compared to share of losses from joint ventures of the Group of HK$341.4 million for the same period last year. The increased profits were primarily due to no revaluation losses were recorded for the properties as there was no movement in the fair value of CCB Tower during the period under review. Also, the Alto Disposal removed any future fair value movement.

	Six months ended 31 January	
	2025 (HK$ million)	2024 (HK$ million)
Revaluation losses	**–**	(341.0)
Operating profits/(losses)	**22.0**	(0.4)
Profits/(losses) from joint ventures	**22.0**	(341.4)

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 January 2025, cash and bank balances and undrawn facilities held by the Group amounted to approximately HK$4,075.1 million and approximately HK$5,063.7 million, respectively. Cash and bank balances held by the Group of which about 52% was denominated in Hong Kong dollars and United States dollars, and about 35% was denominated in Renminbi. Excluding LSD Group, cash and bank balances and undrawn facilities held by the Group as at 31 January 2025 were approximately HK$84.5 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 2025, the Group had bank borrowings of approximately HK$20,834.2 million, guaranteed notes of approximately HK$4,227.5 million and other borrowings of approximately HK$766.2 million. As at 31 January 2025, the maturity profile of the bank borrowings of HK$20,834.2 million is spread with HK$5,703.0 million repayable within one year, HK$5,693.2 million repayable in the second year, HK$6,662.0 million repayable in the third to fifth years, and HK$2,776.0 million repayable beyond the fifth year. The Group has commenced discussions with banks to refinance these borrowings due within one year and has received written commitment from certain banks.

The Group issued guaranteed notes in an aggregate principal amount of US$493 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 ("**Stock Exchange**") and were issued for refinancing the previous notes and for general corporate purposes. The Group entered into cross currency swap agreements with financial institutions for the purpose of hedging the foreign currency risk of certain guaranteed notes.

Approximately 82% and 16% of the Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 2% 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 138%. Excluding the net debt of LSD Group, the Group's gearing ratio was approximately 6%.

As at 31 January 2025, certain investment properties with carrying amounts of approximately HK$35,222.7 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK$8,001.7 million, certain completed properties for sale with carrying amounts of approximately HK$1,105.9 million, certain properties under development with carrying amounts of approximately HK$4,065.5 million, and certain bank balances and time deposits with banks of approximately HK$891.2 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 Chinese Mainland 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.

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 Rules Governing the Listing of Securities on the Stock Exchange 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 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 thereat.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2025, the Group employed a total of approximately 3,700 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@laisun.com.

REVIEW OF INTERIM RESULTS

The audit committee of the Company ("**Audit Committee**") currently comprises three independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan and Chow Bing Chiu. 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, 21 March 2025

As at the date of this announcement, the Board comprises six executive directors, namely Dr. Lam Kin Ngok, Peter (Chairman), Mr. Yang Yiu Chong, Ronald Jeffrey, Mr. Cheung Sum, Sam, Madam U Po Chu, Mr. Lam Kin Hong, Matthew and Mr. Lam Hau Yin, Lester (also alternate to Madam U Po Chu); and four independent non-executive directors, namely Messrs. Leung Shu Yin, William, Lam Bing Kwan, Chow Bing Chiu and Ng Chi Ho, Dennis.