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LAI FUNG HOLDINGS

Lai Fung Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1125)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 JULY 2020

RESULTS

The board of directors (the "**Board**") of Lai Fung Holdings Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 July 2020 together with the comparative figures for the previous year as follows:

Consolidated Income Statement

For the year ended 31 July 2020

	Notes	2020 HK\$'000	2019 HK\$'000
TURNOVER	3	1,201,779	1,461,249
Cost of sales		(604,505)	(543,777)
Gross profit		597,274	917,472
Other income and gains	3	78,168	59,182
Selling and marketing expenses		(63,326)	(60,469)
Administrative expenses		(267,164)	(240,378)
Other operating expenses, net		(196,596)	(5,562)
Write-down of completed properties for sale to net realisable value		(467,920)	-
Fair value gains/(losses) on investment properties		(599,081)	634,810
PROFIT/(LOSS) FROM OPERATING ACTIVITIES	4	(918,645)	1,305,055
Finance costs	5	(262,870)	(114,287)
Share of losses of joint ventures		(214)	(20,191)
Share of losses of associates		(617)	(40)
PROFIT/(LOSS) BEFORE TAX		(1,182,346)	1,170,537
Tax	6	(42,212)	(430,482)
PROFIT/(LOSS) FOR THE YEAR		<u>(1,224,558)</u>	<u>740,055</u>
ATTRIBUTABLE TO:			
Owners of the Company		(1,006,263)	668,556
Non-controlling interests		(218,295)	71,499
		<u>(1,224,558)</u>	<u>740,055</u>
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY:	8		
Basic		<u>(HK\$3.049)</u>	<u>HK\$2.043</u>
Diluted		<u>(HK\$3.049)</u>	<u>HK\$2.041</u>

Consolidated Statement of Comprehensive Income

For the year ended 31 July 2020

	2020 HK\$'000	2019 HK\$'000
PROFIT/(LOSS) FOR THE YEAR	(1,224,558)	740,055
OTHER COMPREHENSIVE EXPENSES THAT MAY BE RECLASSIFIED TO THE INCOME STATEMENT IN SUBSEQUENT PERIODS, NET OF TAX		
Exchange differences:		
Exchange differences arising on translation to the presentation currency	(508,893)	(269,515)
Reclassification adjustment upon winding-up of a subsidiary	-	(10,134)
	(508,893)	(279,649)
Share of other comprehensive expenses of joint ventures	-	(7,165)
Share of other comprehensive expenses of an associate	(11)	(20)
	<u>(508,904)</u>	<u>(286,834)</u>
TOTAL COMPREHENSIVE INCOME/(EXPENSES) FOR THE YEAR	<u>(1,733,462)</u>	<u>453,221</u>
ATTRIBUTABLE TO:		
Owners of the Company	(1,496,209)	391,002
Non-controlling interests	(237,253)	62,219
	<u>(1,733,462)</u>	<u>453,221</u>

Consolidated Statement of Financial Position

As at 31 July 2020

	Notes	2020 HK\$'000	2019 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment		3,547,337	3,627,227
Prepaid land lease payments		-	3,951
Right-of-use assets		475,780	-
Investment properties		18,393,986	20,455,200
Properties under development		-	711,362
Investment in a joint venture		1,103	1,317
Investments in associates		533	5,804
Derivative financial instruments		6,821	20,581
Total non-current assets		<u>22,425,560</u>	<u>24,825,442</u>
CURRENT ASSETS			
Properties under development		1,444,316	1,811,683
Completed properties for sale		3,909,055	902,331
Inventories		6,341	5,012
Debtors, deposits and prepayments	9	598,884	554,897
Prepaid tax		42,154	42,031
Pledged and restricted time deposits and bank balances		1,330,619	1,173,775
Cash and cash equivalents		1,193,956	1,923,484
		<u>8,525,325</u>	<u>6,413,213</u>
Assets classified as held for sale		7,449	70,972
Total current assets		<u>8,532,774</u>	<u>6,484,185</u>
CURRENT LIABILITIES			
Creditors and accruals	10	2,335,241	2,062,621
Contract liabilities and deposits received	10	608,438	540,744
Interest-bearing bank loans		3,515,128	433,536
Lease liabilities		5,034	-
Derivative financial instruments		5,852	-
Loans from a fellow subsidiary		-	316,259
Tax payable		214,581	155,643
Other borrowings		41,050	41,440
Total current liabilities		<u>6,725,324</u>	<u>3,550,243</u>
NET CURRENT ASSETS		<u>1,807,450</u>	<u>2,933,942</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,233,010</u>	<u>27,759,384</u>

Consolidated Statement of Financial Position (continued)*As at 31 July 2020*

	Note	2020 HK\$'000	2019 HK\$'000
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>24,233,010</u>	<u>27,759,384</u>
NON-CURRENT LIABILITIES			
Lease liabilities		787	-
Long-term deposits received	10	119,852	149,213
Interest-bearing bank loans		3,635,370	5,554,150
Advances from a former substantial shareholder		51,738	53,006
Loans from a fellow subsidiary		396,475	-
Guaranteed notes		2,699,772	2,720,857
Deferred tax liabilities		2,909,494	3,100,475
Total non-current liabilities		<u>9,813,488</u>	<u>11,577,701</u>
		<u>14,419,522</u>	<u>16,181,683</u>
EQUITY			
Equity attributable to owners of the Company			
Issued capital		1,655,167	1,636,935
Reserves		12,653,932	14,197,072
		<u>14,309,099</u>	<u>15,834,007</u>
Non-controlling interests		<u>110,423</u>	<u>347,676</u>
		<u>14,419,522</u>	<u>16,181,683</u>

Notes to Consolidated Financial Statements

1. BASIS OF PREPARATION

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

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following new and revised HKFRSs for the first time for the current year's financial statements:

Amendments to HKFRS 9	<i>Prepayment Features with Negative Compensation</i>
HKFRS 16	<i>Leases</i>
Amendments to HKAS 19	<i>Plan Amendment, Curtailment or Settlement</i>
Amendments to HKAS 28	<i>Long-term Interests in Associates and Joint Ventures</i>
HK(IFRIC)-Int 23	<i>Uncertainty over Income Tax Treatments</i>
Annual Improvements to HKFRSs 2015-2017 Cycle	<i>Amendments to HKFRS 3, HKFRS 11, HKAS 12 and HKAS 23</i>

Other than as explained below regarding the impact of HKFRS 16 *Leases*, the application of these new and revised HKFRSs has had no significant impact on the financial performance or financial position of the Group.

HKFRS 16 *Leases*

HKFRS 16 replaces HKAS 17 *Leases*, HK(IFRIC)-Int 4 *Determining whether an Arrangement contains a Lease*, HK(SIC)-Int 15 *Operating Leases - Incentives* and HK(SIC)-Int 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model to recognise and measure right-of-use assets and liabilities, except for certain recognition exemptions. Lessor accounting under HKFRS 16 is substantially unchanged from HKAS 17. Lessors continue to classify leases as either operating or finance leases using similar principles as in HKAS 17. Therefore, HKFRS 16 did not have any financial impact on leases where the Group is the lessor.

The Group has adopted HKFRS 16 using the modified retrospective method with the date of initial application of 1 August 2019. Under this method, the standard has been applied retrospectively with the cumulative effect of initial adoption recognised as an adjustment to the opening balance of retained earnings at 1 August 2019, and the comparative information for the year ended 31 July 2019 and as at 31 July 2019 was not restated and continued to be reported under HKAS 17 and related interpretations.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

HKFRS 16 *Leases* (continued)

New definition of a lease

Under HKFRS 16, a contract is, or contains a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to obtain substantially all of the economic benefits from use of the identified asset and the right to direct the use of the identified asset. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying HKAS 17 and HK(IFRIC)-Int 4 at the date of initial application. Contracts that were not identified as leases under HKAS 17 and HK(IFRIC)-Int 4 were not reassessed. Therefore, the definition of a lease under HKFRS 16 has been applied only to contracts entered into or changed on or after 1 August 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease and non-lease component on the basis of their stand-alone prices.

As a lessee – Leases previously classified as operating leases

Nature of the effect of adoption of HKFRS 16

The Group has lease contracts for various items of certain office, warehouse premises and staff dormitory. As a lessee, the Group previously classified leases as either finance leases or operating leases based on the assessment of whether the lease transferred substantially all the rewards and risks of ownership of assets to the Group. Under HKFRS 16, the Group applies a single approach to recognise and measure right-of-use assets and lease liabilities for all leases, except for two elective exemptions for leases of low-value assets (elected on a lease-by-lease basis) and leases with a lease term of 12 months or less ("short-term leases") (elected by class of underlying asset). The Group has elected not to recognise right-of-use assets and lease liabilities for (i) leases of low-value assets; and (ii) leases, that at the commencement date, have a lease term of 12 months or less. Instead, the Group recognises the lease payments associated with those leases as an expense on a straight-line basis over the lease term.

Impact on transition

Lease liabilities at 1 August 2019 were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at 1 August 2019. The Group elected to present the lease liabilities separately in the consolidated statement of financial position. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 August 2019 was about 5.65%.

Right-of-use assets were measured at the amount of the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to the lease recognised in the consolidated statement of financial position immediately before 1 August 2019. All these assets were assessed for any impairment based on HKAS 36 on that date. In addition, land use rights previously included in property, plant and equipment and prepaid land lease payments on the consolidated statement of financial position are grouped as part of the right-of-use assets with effect from 1 August 2019. The Group elected to present the right-of-use assets separately in the consolidated statement of financial position.

For the leasehold land and buildings (that were held to earn rental income and/or for capital appreciation) previously included in investment properties and measured at fair value, the Group has continued to include them as investment properties at 1 August 2019. They continue to be measured at fair value applying HKAS 40.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

HKFRS 16 Leases (continued)

As a lessee – Leases previously classified as operating leases (continued)

Impact on transition (continued)

The Group has used the following elective practical expedients when applying HKFRS 16 at 1 August 2019:

- Applying the short-term lease exemptions to leases with a lease term that ends within 12 months from the date of initial application.
- Using hindsight in determining the lease term where the contract contains options to extend/terminate the lease.
- Using a single discount rate to a portfolio of leases with reasonably similar characteristics.
- Excluding initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The impact arising from the adoption of HKFRS 16 as at 1 August 2019 was as follows:

	Increase/(decrease) HK\$'000
Assets	
Right-of-use assets	452,808
Property, plant and equipment	(440,268)
Prepaid land lease payments	<u>(3,951)</u>
Increase in total assets	<u>8,589</u>
Liabilities	
Lease liabilities	<u>8,589</u>
Increase in total liabilities	<u>8,589</u>

The lease liabilities as at 1 August 2019 reconciled to the operating lease commitments as at 31 July 2019 were as follows:

	HK\$'000
Operating lease commitments as at 31 July 2019	9,833
Less: Commitments relating to short-term leases and those leases with a remaining lease term ending on or before 31 July 2020	<u>(776)</u>
	9,057
Weighted average incremental borrowing rate as at 1 August 2019	<u>5.65%</u>
Lease liabilities as at 1 August 2019	<u>8,589</u>

3. TURNOVER, OTHER INCOME AND GAINS AND OPERATING SEGMENT INFORMATION

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

An analysis of the Group's turnover, other income and gains is as follows:

	2020 HK\$'000	2019 HK\$'000
Turnover	1,201,779	1,461,249
Other income and gains	<u>78,168</u>	<u>59,182</u>
Total turnover, other income and gains	<u><u>1,279,947</u></u>	<u><u>1,520,431</u></u>
	2020 HK\$'000	2019 HK\$'000
Turnover, other income and gains from contracts with customers		
Sale of properties	424,563	613,322
Hotel and serviced apartment operation	116,686	158,135
Building management operation	100,499	111,281
Theme park operation	<u>19,153</u>	<u>285</u>
	<u>660,901</u>	<u>883,023</u>
Turnover, other income and gains from other resources		
Rental income from investment properties	540,878	578,226
Interest income from bank deposits	23,479	25,690
Government grant	6,896	-
Others	<u>47,793</u>	<u>33,492</u>
	<u>619,046</u>	<u>637,408</u>
Total turnover, other income and gains	<u><u>1,279,947</u></u>	<u><u>1,520,431</u></u>
Timing of recognition of turnover, other income and gains from contracts with customers		
At a point in time	424,563	613,322
Over time	<u>236,338</u>	<u>269,701</u>
Total	<u><u>660,901</u></u>	<u><u>883,023</u></u>

3. TURNOVER, OTHER INCOME AND GAINS AND OPERATING SEGMENT INFORMATION (CONTINUED)

During the year ended 31 July 2020, segment information of hotels and serviced apartment and theme parks previously included in the "property investment" segment has been reclassified to the "hotel and serviced apartment operation" segment and "theme park operation" segment, respectively. Accordingly, the comparative segment information has been reclassified to conform to the current year's presentation.

	<u>Property development</u>		<u>Property investment</u>		<u>Hotel and serviced apartment operation</u>		<u>Theme park operation</u>		<u>Consolidated</u>	
	<u>2020</u>	2019	<u>2020</u>	2019	<u>2020</u>	2019	<u>2020</u>	2019	<u>2020</u>	2019
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue /results:										
Segment revenue										
Sales to external customers	424,563	613,322	641,377	689,507	116,686	158,135	19,153	285	1,201,779	1,461,249
Other revenue	922	916	40,558	24,355	83	42	—	—	41,563	25,313
Total	425,485	614,238	681,935	713,862	116,769	158,177	19,153	285	1,243,342	1,486,562
Segment results	(266,294)	341,064	(243,474)	1,025,861	(91,403)	35,199	(263,079)	(80,207)	(864,250)	1,321,917
Interest income from bank deposits									23,479	25,690
Unallocated gains									13,126	8,179
Unallocated expenses, net									(91,000)	(50,731)
Profit/(loss) from operating activities									(918,645)	1,305,055
Finance costs									(262,870)	(114,287)
Share of losses of joint ventures	(214)	(20,191)	—	—	—	—	—	—	(214)	(20,191)
Share of losses of associates	—	—	(617)	(40)	—	—	—	—	(617)	(40)
Profit/(loss) before tax									(1,182,346)	1,170,537
Tax									(42,212)	(430,482)
Profit/(loss) for the year									(1,224,558)	740,055

3. TURNOVER, OTHER INCOME AND GAINS AND OPERATING SEGMENT INFORMATION (CONTINUED)

	<u>Property development</u>		<u>Property investment</u>		<u>Hotel and serviced apartment operation</u>		<u>Theme park operation</u>		<u>Consolidated</u>	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000
Segment assets										
/liabilities:										
Segment assets	5,445,982	3,467,453	18,583,714	20,641,994	2,248,776	1,855,727	1,699,030	1,716,514	27,977,502	27,681,688
Investment in a joint venture	1,103	1,317	—	—	—	—	—	—	1,103	1,317
Investments in associates	—	—	533	5,804	—	—	—	—	533	5,804
Unallocated assets									2,971,747	3,549,846
Assets classified as held for sale	7,449	70,972	—	—	—	—	—	—	7,449	70,972
Total assets									30,958,334	31,309,627
Segment liabilities	762,767	615,643	1,255,591	1,187,150	510,908	449,799	157,577	120,822	2,686,843	2,373,414
Unallocated liabilities									13,851,969	12,754,530
Total liabilities									16,538,812	15,127,944

During the year, no revenue from a single customer accounted for over 10% of the Group's total turnover (2019: Nil).

No further geographical segment information is presented as over 90% of the Group's revenue was derived from Mainland China and over 90% of the Group's non-current assets were located in Mainland China.

3. TURNOVER, OTHER INCOME AND GAINS AND OPERATING SEGMENT INFORMATION (CONTINUED)

	<u>Property development</u>		<u>Property investment</u>		<u>Hotel and serviced apartment operation</u>		<u>Theme park operation</u>		<u>Consolidated</u>	
	2020 HK\$'000	2019 HK\$'000	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000 (Restated)	2020 HK\$'000	2019 HK\$'000
Other segment information:										
Depreciation	1,566	1,438	11,337	6,383	68,661	41,609	161,962	2,097	243,526	51,527
Corporate and other unallocated depreciation									4,501	3,515
									248,027	55,042
Capital expenditure	1,122	965	983,558	1,742,100	472,752	507,866	86,510	753,160	1,543,942	3,004,091
Corporate and other unallocated capital expenditure									3,255	797
									1,547,197	3,004,888
Fair value gains/(losses) on investment properties	—	—	(599,081)	634,810	—	—	—	—	(599,081)	634,810
Gain on disposal of assets classified as held for sale	55,560	—	—	—	—	—	—	—	55,560	—
Write-down of completed properties for sale to net realisable value	467,920	—	—	—	—	—	—	—	467,920	—
Write-down of properties under development to net realisable value	15,037	—	—	—	—	—	—	—	15,037	—
Derecognition loss on rental receivable	—	—	10,663	—	—	—	—	—	10,663	—
Loss on disposal of items of property, plant and equipment	40	47	1,074	692	—	—	11	1	1,125	740
Corporate and other unallocated loss on disposal of items of property, plant and equipment									105	25

4. PROFIT/LOSS FROM OPERATING ACTIVITIES

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

	2020	2019
	HK\$'000	HK\$'000
Cost of completed properties sold	223,100	239,815
Outgoings in respect of rental income, hotel and serviced apartment operation, theme park operation and building management operation	381,405	303,962
Depreciation of property, plant and equipment [#]	229,130	55,042
Depreciation of right-of-use assets [#]	18,897	-
Amortisation of prepaid land lease payments Capitalised in properties under development	8,148 (8,148)	14,642 (14,463)
	<u>-</u>	<u>179</u>
Foreign exchange differences, net ^{**}	(23,860)	(22,050)
Gain on disposal of assets classified as held for sale ^{**}	(55,560)	-
Loss on disposal of items of property, plant and equipment ^{**}	1,230	765
Contingent rents ^{##}	(1,782)	(4,159)
Write-down of properties under development to net realisable value ^{**}	15,037	-
Derecognition loss on rental receivable ^{**}	10,663	-
Fair value losses/(gains) on cross currency swaps ^{**}	13,760	(18,050)
Fair value losses on foreign currency forward contract ^{**}	5,852	-

[#] The depreciation charge for hotels and serviced apartment and related leasehold improvements is HK\$68,661,000 (2019:HK\$41,609,000). The depreciation charge for theme parks is HK\$159,302,000 (2019: Nil). These items are included in "Other operating expenses, net" on the face of the consolidated income statement.

^{##} The contingent rents are included in "Turnover" on the face of the consolidated income statement.

^{**} These items of expenses/(income) are included in "Other operating expenses, net" on the face of the consolidated income statement.

5. FINANCE COSTS

	2020 HK\$'000	2019 HK\$'000
Interest on:		
Bank loans	343,446	258,799
Guaranteed notes	147,043	147,043
Loans from a joint venture	-	7,125
Amortisation of transaction fees for:		
Bank loans	22,463	26,086
Guaranteed notes	4,710	4,440
Bank financing charges and direct costs	3,465	7,601
Interest on lease liabilities	442	-
	<u>521,569</u>	<u>451,094</u>
Less: Capitalised in properties under development	(52,775)	(104,175)
Capitalised in investment properties under construction	(173,852)	(144,448)
Capitalised in construction in progress	(32,072)	(88,184)
	<u>(258,699)</u>	<u>(336,807)</u>
Total finance costs	<u>262,870</u>	<u>114,287</u>

6. TAX

(a) Tax

The statutory rate of Hong Kong profits tax is 16.5% (2019: 16.5%). No provision for Hong Kong profits tax had been made as the Group had no estimated assessable profits arising in Hong Kong during the year (2019: Nil). Taxes on profits assessable elsewhere had been calculated at the tax rates prevailing in the jurisdictions in which the Group operates.

	2020 HK\$'000	2019 HK\$'000
Current - Mainland China		
Corporate income tax ("CIT")	70,795	75,513
Land appreciation tax ("LAT")		
Charge for the year	85,788	118,898
Underprovision in prior years	-	20,301
	<u>85,788</u>	<u>139,199</u>
Deferred	(114,371)	215,770
Total tax charge for the year	<u>42,212</u>	<u>430,482</u>

6. TAX (CONTINUED)

(b) Tax indemnity

In connection with the listing of the Company on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") (currently on the Main Board) (the "**Listing**"), a tax indemnity deed was signed on 12 November 1997, pursuant to which Lai Sun Development Company Limited ("**LSD**") has undertaken to indemnify the Group in respect of certain potential Mainland China CIT and LAT payables or shared by the Group in consequence of the disposal of certain property interests attributable to the Group through its subsidiaries and its joint ventures as at 31 October 1997 (the "**Property Interests**"). These tax indemnities given by LSD apply in so far as such tax is applicable to the difference between (i) the value of the Property Interests in the valuation thereon performed by Chesterton Petty Limited (currently known as "**Knight Frank Petty Limited**"), independent professionally qualified valuers, as at 31 October 1997 (the "**Valuation**") and (ii) the aggregate costs of such Property Interests incurred up to 31 October 1997 together with the amount of unpaid land costs, unpaid land premium and unpaid costs of resettlement, demolition and public utilities and other deductible costs in respect of the Property Interests.

The indemnity deed assumes that the Property Interests are disposed of at the values attributed to them in the Valuation, computed by reference to the rates and legislation governing Mainland China CIT and LAT prevailing at the time of the Valuation. The indemnities given by LSD do not cover (i) new properties acquired by the Group subsequent to the Listing; (ii) any increase in the relevant tax which arises due to an increase in tax rates or changes to the legislation prevailing at the time of the Listing; and (iii) any claim to the extent that provision for deferred tax on the revaluation surplus has been made in the calculation of the adjusted net tangible asset value of the Group as set out in the Company's prospectus dated 18 November 1997. During the year, no tax indemnity was received (2019: Nil).

7. DIVIDEND

	2020 HK\$'000	2019 HK\$'000
Final dividend paid in respect of the year ended 31 July 2019 (2019: final dividend paid in respect of the year ended 31 July 2018)	<u>65,499</u>	<u>65,409</u>
Proposed final – Nil (2019: HK\$0.20) per ordinary share	<u>-</u>	<u>65,477</u>

No final dividend was declared for the year ended 31 July 2020.

On 20 December 2019, the Company's shareholders approved at the annual general meeting a final dividend of HK\$0.20 per share payable in cash with a scrip dividend alternative (the "**2019 Scrip Dividend Scheme**") for the year ended 31 July 2019 (the "**2019 Final Dividend**"). During the year ended 31 July 2020, 3,536,887 new shares of HK\$5.0 each were issued by the Company at a deemed price of HK\$10.008 per share, credited as fully paid, to shareholders of the Company who had elected to receive scrip shares in lieu of cash under the 2019 Scrip Dividend Scheme to settle HK\$35,397,000 of the 2019 Final Dividend. The remainder of the 2019 Final Dividend of HK\$30,102,000 was satisfied by cash.

Further details of the 2019 Scrip Dividend Scheme are set out in the Company's circular dated 8 January 2020.

On 21 December 2018, the Company's shareholders approved at the annual general meeting a final dividend of HK\$0.20 per share payable in cash with a scrip dividend alternative (the "**2018 Scrip Dividend Scheme**") for the year ended 31 July 2018 (the "**2018 Final Dividend**"). During the year ended 31 July 2019, 342,831 new shares of HK\$5.0 each were issued by the Company at a deemed price of HK\$9.406 per share, credited as fully paid, to shareholders of the Company who had elected to receive scrip shares in lieu of cash under the 2018 Scrip Dividend Scheme to settle HK\$3,225,000 of the 2018 Final Dividend. The remainder of the 2018 Final Dividend of HK\$62,184,000 was satisfied by cash.

8. EARNINGS/LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings/loss per share amount was based on the profit/loss for the year attributable to owners of the Company of loss of HK\$1,006,263,000 (2019: profit of HK\$668,556,000), and the weighted average number of ordinary shares of 330,039,623 (2019: 327,202,870) in issue during the year.

During the year ended 31 July 2020, as anti-dilutive effect is resulted following the losses sustained by the Group, no adjustment has been made to the calculation of the dilutive loss per share.

During the year ended 31 July 2019, the calculation of diluted earnings per share amounts was based on the profit for the year attributable to owners of the Company as used in the basic earnings per share calculation. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings/(loss) per share are based on:

	2020 HK\$'000	2019 HK\$'000
<u>Earnings/(loss)</u>		
Profit/(loss) attributable to owners of the Company used in the basic earnings/(loss) per share calculation	<u>(1,006,263)</u>	<u>668,556</u>
	Number of shares	
	2020	2019
<u>Shares</u>		
Weighted average number of ordinary shares in issue during the year used in the basic earnings/(loss) per share calculation	330,039,623	327,202,870
Effect of dilution – weighted average number of ordinary shares:		
Share options	-	353,836
	<u>330,039,623</u>	<u>327,556,706</u>

9. DEBTORS, DEPOSITS AND PREPAYMENTS

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

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

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

	2020	2019
	HK\$'000	HK\$'000
Trade receivables, net:		
Within one month	123,608	102,169
One to three months	11,849	3,467
Over three months	8,483	5,346
	<u>143,940</u>	<u>110,982</u>
Other receivables, deposits and prepayments	<u>454,944</u>	<u>443,915</u>
Total	<u><u>598,884</u></u>	<u><u>554,897</u></u>

10. CREDITORS AND ACCRUALS AND CONTRACT LIABILITIES AND DEPOSITS RECEIVED

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

	2020 HK\$'000	2019 HK\$'000
Trade payables:		
Within one month	321,518	921,207
One to three months	26,611	11
Over three months	14,854	1,798
	<u>362,983</u>	<u>923,016</u>
Accruals and other payables	1,695,172	859,885
Put option liabilities	<u>277,086</u>	<u>279,720</u>
Total	<u><u>2,335,241</u></u>	<u><u>2,062,621</u></u>

An analysis of the contract liabilities and deposits received as at the end of the reporting period is as follows:

	2020 HK\$'000	2019 HK\$'000
Contract liabilities	291,771	267,143
Deposits received	<u>436,519</u>	<u>422,814</u>
	728,290	689,957
Amount classified as current liabilities	<u>(608,438)</u>	<u>(540,744)</u>
Non-current liabilities	<u><u>119,852</u></u>	<u><u>149,213</u></u>

11. COMPARABLE AMOUNT

As further explained in note 3 to the financial statements, due to the reorganisation of reportable segments during the year, certain comparative amounts have been restated to conform with the current year's presentation.

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 July 2020 (2019: HK\$0.20 per share).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

In addition to COVID-19, the heightening tensions with the United States during the year had added further uncertainties to the outlook of the Chinese economy. However, after a record contraction of 6.8% in the first quarter of 2020, official data released in July 2020 by China's National Bureau of Statistics indicated that China's economy had grown by 3.2% in the second quarter, which implied that China had successfully avoided a technical recession. There are reasons to believe that China could be amongst the first countries in the world to be on a path towards a post-pandemic recovery. We remain cautiously optimistic about the long term prospects of the cities in which the Group has exposure in, especially the Greater Bay Area in southern China, and continue to regard Hong Kong, where our headquarters is situated, as one of the major beneficiary cities. Through our regional focus and rental-led strategy, we strive to place the Group in the best position possible to weather any storms ahead.

Property investment segment continued to be the major contributor to the Group's results. The Group's rental portfolio, comprising a total of 4.5 million square feet of rental gross floor area ("GFA") as of 31 July 2020 in Shanghai, Guangzhou, Zhongshan and Hengqin, being Tier 1 cities in China and cities within the Greater Bay Area, contributed approximately 63% of its total turnover for the year under review.

Top tier cities and the Greater Bay Area will remain as the primary drivers for the Group's rental GFA growth in the coming years. Upon completion of the construction works of the existing projects on hand, which include the combined redevelopment of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, the development of Guangzhou Haizhu Plaza, and Phase II ("**Novotown Phase II**") of the Novotown project in Hengqin ("**Novotown**"), the Group will have a rental portfolio of approximately 8.8 million square feet.

The two themed indoor experience centres in Phase I ("**Novotown Phase I**") of Novotown, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin", commenced operations on 31 July 2019 and 9 September 2019, respectively. The hotel in Novotown Phase I, known as "Hyatt Regency Hengqin" soft opened on 31 December 2019. Leasing of the commercial area of Novotown Phase I is underway with approximately 69% of the leasable area having been leased and key tenants include Pokiddo Trampoline Park covering an area of over 37,000 square feet, Adidas Outlet, Starbucks, McDonald's and Paulaner Wirtshaus Hengqin. Novotown Phase I reopened on 24 June 2020 after 5 months of closure as part of preventive and protective measures in Mainland China against the spread of the COVID-19 since 24 January 2020. The Group remains confident that the resumption of operations will make Novotown a new contributor to the Group's results in the long run. The introduction of Zhuhai Da Hengqin Real Estate Co., Ltd. (珠海大橫琴置業有限公司) in January 2020 strengthened the cash position for the operation of Novotown Phase I.

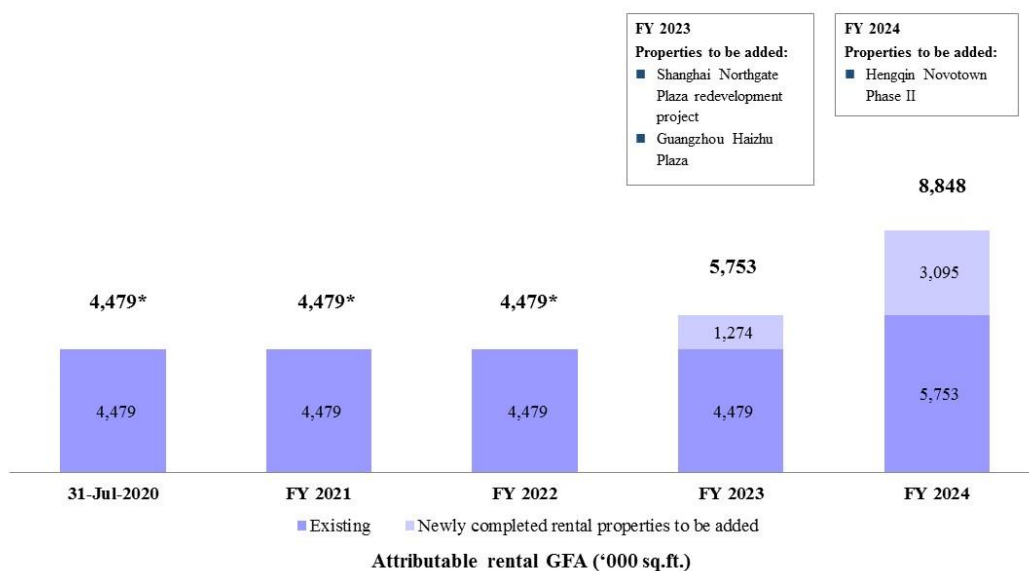
Construction of Novotown Phase II is in progress. Innovation Leadership Academy Hengqin, being one of the key elements in Novotown Phase II is expected to open in February 2021 and admit students from Grades 1 to 9 in its first year. The Group is in the process of finalising the development plan for Real Madrid World and Ducati Experience Centre, as well as other facilities in Novotown Phase II.

Shanghai Wuli Bridge Project, the high-end luxury residential project located by the Huangpu River in Huangpu District was launched for sale in September 2020 and has received enthusiastic response from the market. Up to 30 September 2020, 17 out of 28 residential units and 17 car-parking spaces have been sold for a total contracted sales amount of approximately RMB536.4 million. In addition, 7 residential units with 1 car-parking space each have been subscribed, contributing subscribed property sales of approximately RMB219.8 million in total, which are expected to be turned into contracted property sales in coming months, making total contracted sales from this development amounting to approximately RMB756.2 million. Development of Phase III and Phase IV of Zhongshan Palm Spring is on track and expected to be completed in the fourth quarter of 2020 and the third quarter of 2021, respectively. Construction work of Novotown Phase I has been completed and sale of cultural studios and cultural workshops is well received by the market. With the pre-sale permit being granted by Hengqin New District government, the office tower of Novotown Phase I has been re-designated as for sale property during the year under review. The residential units in Shanghai Wuli Bridge Project, serviced apartment units and remaining residential units in Zhongshan Palm Spring as well as the cultural studios, cultural workshops and office of Hengqin Novotown Phase I are expected to contribute to the income of the Group in the coming financial years.

The Group will consider replenishing its landbank as and when opportunities arise, and will take into account, amongst other factors, overall macroeconomic conditions, the Group's existing presence in the relevant cities, and allocation of risks etc.

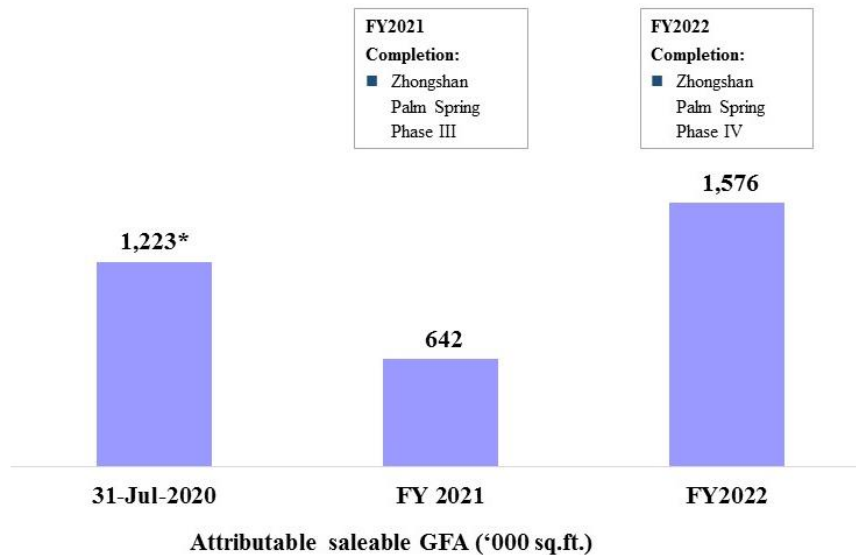
Set out below is the expected growth of the rental portfolio of the Group and the pipeline of development projects of the Group as at 31 July 2020:

Rental Portfolio



* Including cultural attraction spaces of Novotown Phase I occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin

For-sale Projects



* Excluding commercial portion of the Zhongshan Palm Spring for self-use

From February to May 2020, the Company went through the conditional voluntary general cash offers ("**LF Offers**") made by Holy Unicorn Limited ("**Offeror**"), a wholly-owned subsidiary of Lai Sun Development Company Limited ("**LSD**") to acquire all issued shares of the Company (other than those already owned by LSD, the Offeror or the other wholly-owned subsidiaries of LSD) and to cancel all the outstanding share options of the Company. Immediately upon close of the LF Offers on 28 May 2020, the Company was 54.56% owned by LSD.

As disclosed in the announcement made by the Company on 18 September 2019, the public float of the Company fell below 25% of the total issued shares of the Company. It further decreased to below 15% immediately following the close of the LF Offers, which led to suspension of trading in the shares of the Company on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") with effect from 9:00 am on 29 May 2020. The Company announced on 4 August 2020 that the public float was eventually restored on 3 August 2020 when Mr Yu Cheuk Yi and Ms Yu Siu Yuk ceased to become substantial shareholders of the Company upon their disposal of 1,658,800 shares of the Company, and the trading in the shares of the Company on the Stock Exchange was resumed with effect from 9:00 am on 5 August 2020.

As at 31 July 2020, the Group has approximately HK\$2,524.6 million of cash on hand (HK\$3,097.3 million as at 31 July 2019) and undrawn facilities of HK\$3,034.2 million (HK\$2,647.9 million as at 31 July 2019) with a net debt to equity ratio of 55% as at 31 July 2020 (38% as at 31 July 2019). The Group will continue its prudent and flexible approach in growing the landbank and managing its financial position.

OVERVIEW OF FINAL RESULTS

For the year ended 31 July 2020, the Group recorded a turnover of HK\$1,201.8 million (2019: HK\$1,461.2 million), representing a decrease of approximately 17.8% over last year. The decrease was primarily due to (i) less rental income, in particular decrease in the revenue from the Group's hotel and serviced apartment in Shanghai due to the outbreak of COVID-19 in Mainland China and (ii) lower turnover from property sales during the year under review as compared to last year. The gross profit decreased by 34.9% to HK\$597.3 million from that of HK\$917.5 million last year. The average Renminbi exchange rate for the year under review depreciated by approximately 3.7% over last year. Excluding the effect of currency translation, the decrease in Renminbi denominated turnover was 14.6%.

Set out below is the turnover by segment:

	For the year ended 31 July			For the year ended 31 July		
	2020 ¹	2019 ¹	% change	2020	2019	% change
	(HK\$ million)	(HK\$ million)		(RMB million)	(RMB million)	
Rental income ²	758.1	847.6	-10.6%	686.5	739.2	-7.1%
Sale of properties	424.6	613.3	-30.8%	384.5	534.8	-28.1%
Theme park operation	19.1	0.3	6266.7%	17.3	0.2	8550.0%
Total:	1,201.8	1,461.2	-17.8%	1,088.3	1,274.2	-14.6%

1. The exchange rates adopted for the year ended 31 July 2020 and 2019 are 0.9056 and 0.8721, respectively
2. Including rental turnover of major properties of the Group and property management income

Net loss attributable to owners of the Company was approximately HK\$1,006.3 million, as compared to net profit attributable to owners of the Company of HK\$668.6 million for last year. The decline in results was primarily due to (i) the decrease in fair value of the investment properties held by the Group, resulting in the recognition of a significant fair value loss arising from the revaluation of the Group's investment properties for the year under review; (ii) write-down of completed properties for sale to net realisable value; and (iii) increased other operating expenses primarily due to the increase in depreciation expenses of property, plant and equipment during the year under review.

Net loss per share was HK\$3.049 (2019: net profit of HK\$2.043 per share).

Excluding the effect of property revaluations, net loss attributable to owners of the Company was approximately HK\$628.7 million (2019: net profit of HK\$263.7 million). Net loss per share excluding the effect of property revaluations was approximately HK\$1.905 (2019: net profit of HK\$0.806 per share).

Profit/(loss) attributable to owners of the Company (HK\$ million)	For the year ended 31 July	
	2020	2019
Reported	(1,006.3)	668.6
Adjustments in respect of investment properties		
Revaluation of properties	599.1	(634.8)
Deferred tax on investment properties	(149.8)	158.7
Non-controlling interests' share of revaluation movements less deferred tax	(71.7)	71.2
Net profit/(loss) excluding revaluation gains/losses of investment properties	(628.7)	263.7

Net assets attributable to owners of the Company as at 31 July 2020 amounted to HK\$14,309.1 million (2019: HK\$15,834.0 million). Net asset value per share attributable to owners of the Company decreased to HK\$43.23 per share as at 31 July 2020 from HK\$48.36 per share as at 31 July 2019.

PROPERTY PORTFOLIO COMPOSITION

Approximate attributable GFA (in '000 square feet) and number of car-parking spaces as at 31 July 2020:

	Commercial/ Retail	Office	Hotels and Serviced Apartment	Residential	Total (excluding car-parking spaces & ancillary facilities)	No. of car- parking spaces
Completed Properties Held for Rental ¹	2,436 ²	1,067	-	-	3,503 ²	2,274
Completed Hotels Properties and Serviced Apartment	-	-	976	-	976	-
Properties under Development ³	3,544	1,076	-	1,968	6,588	3,316
Completed Properties Held for Sale	34 ⁴	476	301	446	1,257	2,159
Total GFA of major properties of the Group	6,014	2,619	1,277	2,414	12,324	7,749

1. Completed and rental generating properties

2. Including cultural attraction spaces in Novotown Phase I that have been occupied by Lionsgate Entertainment World[®] and National Geographic Ultimate Explorer Hengqin with approximately 194,325 square feet and 40,309 square feet attributable to the Group, respectively

3. All properties under construction

4. Completed properties for sale, including 33,699 square feet of commercial space in Zhongshan Palm Spring which is currently for self-use

PROPERTY INVESTMENT

Revenue from Rental Operation

For the year ended 31 July 2020, the Group's rental operations recorded a turnover of HK\$758.1 million. The average Renminbi exchange rate for the year under review depreciated by approximately 3.7% over last year. Excluding the effect of currency translation, the Renminbi denominated revenue from the lease of properties decreased by 7.1% to RMB686.5 million.

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

	For the year ended 31 July			For the year ended 31 July			Year end occupancy (%)
	2020 [#] (HK\$ million)	2019 [#] (HK\$ million)	% Change	2020 (RMB million)	2019 (RMB million)	% Change	
Shanghai							
Shanghai Hong Kong Plaza	377.6	451.5	-16.4%	341.9	393.7	-13.2%	Retail: 84.4% Office: 80.3% Serviced Apartments: 90.3%
Shanghai May Flower Plaza	63.4	67.6	-6.2%	57.4	58.9	-2.5%	Retail: 99.4% Hotel: 58.0%
Shanghai Regents Park	22.0	22.1	-0.5%	19.9	19.3	3.1%	93.7%
Guangzhou							
Guangzhou May Flower Plaza	114.8	127.3	-9.8%	104.0	111.0	-6.3%	95.8%
Guangzhou West Point	23.9	26.8	-10.8%	21.6	23.4	-7.7%	96.5%
Guangzhou Lai Fung Tower	123.2	126.8	-2.8%	111.6	110.6	0.9%	Retail: 95.3% Office: 98.3%*
Zhongshan							
Zhongshan Palm Spring**	5.6	11.1	-49.5%	5.1	9.7	-47.4%	Retail: 73.2%*
Hengqin							
Hengqin Novotown Phase I	12.1	-	N/A	11.0	-	N/A	Retail: 69.3%*** Hotel: 15.5%
Others	15.5	14.4	7.6%	14.0	12.6	11.1%	N/A
Total:	758.1	847.6	-10.6%	686.5	739.2	-7.1%	

[#] The exchange rates adopted for the years ended 31 July 2020 and 2019 are 0.9056 and 0.8721, respectively

* Excluding self-use area

** STARR Resort Residence Zhongshan has been closed and the serviced apartment units were launched for sale in May 2019

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

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

	For the year ended 31 July 2020			For the year ended 31 July 2019		
	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)	Group interest	Turnover (HK\$ million)	Attributable GFA (square feet)
Shanghai						
Shanghai Hong Kong Plaza	100%			100%		
Retail		179.2	468,434		208.7	468,434
Office		108.8	362,096		117.0	362,096
Serviced Apartments (room revenue and F&B)		84.1	356,638		119.7	355,267
Car-parking Spaces		5.5	N/A		6.1	N/A
		377.6	1,187,168		451.5	1,185,797
Shanghai May Flower Plaza	100%			100%		
Retail		35.4	320,314		29.5	320,314
Hotel (room revenue and F&B)		24.3	143,846		34.3	143,846
Car-parking Spaces		3.7	N/A		3.8	N/A
		63.4	464,160		67.6	464,160
Shanghai Regents Park	95%			95%		
Retail		19.8	77,959		19.2	77,959
Car-parking Spaces		2.2	N/A		2.9	N/A
		22.0	77,959		22.1	77,959
Guangzhou						
Guangzhou May Flower Plaza	100%			100%		
Retail		99.1	357,424		111.3	357,424
Office		13.0	79,431		13.1	79,431
Car-parking Spaces		2.7	N/A		2.9	N/A
		114.8	436,855		127.3	436,855
Guangzhou West Point	100%			100%		
Retail		23.9	171,968		26.8	171,968
Guangzhou Lai Fung Tower	100%			100%		
Retail		12.3	112,292		16.4	112,292
Office		105.0	625,821		104.7	625,821
Car-parking Spaces		5.9	N/A		5.7	N/A
		123.2	738,113		126.8	738,113
Zhongshan						
Zhongshan Palm Spring	100%			100%		
Retail*		5.6	147,408		6.9	147,408
Serviced Apartments** (room revenue)		-	N/A		4.2	98,556
		5.6	147,408		11.1	245,964
Hengqin						
Novotown Phase I	80%			80%		
Retail***		3.9	545,658		-	N/A
Hotel (room revenue and F&B)		8.2	475,810		-	N/A
		12.1	1,021,468		-	N/A
Others		15.5	N/A		14.4	N/A
Total:		758.1	4,245,099		847.6	3,320,816

* Excluding self-use area

** STARR Resort Residence Zhongshan has been closed and the serviced apartment units were launched for sale in May 2019

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

Review of Major Rental Properties

Shanghai Hong Kong Plaza

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

Connected by an indoor footbridge, the property comprises a 32-storey office building, a 32-storey serviced apartment (managed by the Ascott Group), a shopping mall and carpark. The property's total GFA is approximately 1,187,100 square feet excluding 350 car-parking spaces, comprising approximately 362,100 square feet for office, approximately 356,600 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 etc.

The Group owns 100% of this property.

Shanghai May Flower Plaza

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

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

Shanghai Regents Park

Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. The Group retains a 95% interest in the commercial portion which has a total GFA of approximately 82,000 square feet (GFA attributable to the Group is approximately 77,900 square feet).

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

The Group owns 100% of this property.

Guangzhou West Point

Guangzhou West Point is located on Zhongshan Qi Road and is within walking distance from the Ximenkou Subway Station. This is a mixed-use property where the Group has sold all the residential and office units and retained a commercial podium with GFA of approximately 172,000 square feet. Tenants of the retail podium include renowned restaurants and local retail brands.

Guangzhou Lai Fung Tower

Guangzhou Lai Fung Tower is the office block of Phase V of Guangzhou Eastern Place, which is a multi-phase project located on Dongfeng East Road, Yuexiu District, Guangzhou. This 38-storey office building was completed in June 2016. Upon completion of the asset swap transaction with Guangzhou Light Industry Real Estate Development Company in August 2017, the total GFA of this property owned by the Group increased to approximately 738,100 square feet excluding car-parking spaces.

Zhongshan Palm Spring Rainbow Mall

Zhongshan Palm Spring Rainbow mall is the commercial portion of Zhongshan Palm Spring, the multi-phases project located in Caihong Planning Area, Western District of Zhongshan. It is positioned as a community retail facility with a total GFA of approximately 181,100 square feet. The anchor tenant is Zhongshan May Flower Cinema, managed and operated by eSun Holdings Limited.

Hengqin Novotown Phase I

Novotown Phase I is an integrated tourism and entertainment project located in the heart of Hengqin, being one of the core cities in Guangdong province within the Greater Bay Area of Mainland China, with close proximity to Macau and Hong Kong. Novotown Phase I comprises a 493-room Hyatt Regency hotel, offices, cultural workshops, cultural studios, shopping and leisure facilities with a total GFA of approximately 2.7 million square feet, as well as 1,844 car-parking spaces and ancillary facilities.

Lionsgate Entertainment World[®] featuring attractions, retail, and dining experiences themed around Lionsgate's most captivating global film franchises, including The Hunger Games, The Twilight Saga, The Divergent Series, Now You See Me, Gods of Egypt and Escape Plan commenced operation on 31 July 2019. The family edutainment center, National Geographic Ultimate Explorer Hengqin, containing 18 individual attractions including rides, F&B facilities, retail premises, virtual reality and/or 4-D interactive experiences, and other types of entertainment and educational attractions officially commenced operations on 9 September 2019. Leasing of the commercial area of Novotown Phase I is underway with approximately 69% of the leasable area let. The project reopened on 24 June 2020 after 5 months of closure as part of preventive and protective measures against the spread of the COVID-19 since 24 January 2020. The Group remains confident that the resumption of operations will make Novotown a new contributor to the Group's results in the long run.

The Group owns 80% of the Novotown Phase I.

Hotel and Serviced Apartments

Ascott Huaihai Road Shanghai

Ascott Huaihai Road 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 with total GFA of approximately 358,400 square feet and approximately 356,600 square feet attributable to the Group has 309 contemporary apartments of various sizes: studios (640-750 sq.ft.), one-bedroom apartments (915-1,180 sq.ft.), two-bedroom apartments (1,720 sq.ft.), three-bedroom apartments (2,370 sq.ft.) and two luxurious penthouses on the highest two floors (4,520 sq.ft.). An average occupancy rate of 67.9% was achieved during the year under review and the average room tariff was approximately HK\$1,055.

STARR Hotel Shanghai

STARR Hotel Shanghai is a 17-storey hotel located in the Mayflower Lifestyle complex in Jing'an District, within walking distance to Lines 1, 3 and 4 of the Shanghai Metro Station with easy access to major motorways. There are 239 fully furnished and equipped hotel units with stylish separate living room, bedroom, fully-equipped kitchenette and luxurious bathroom amenities for short or extended stays to meet the needs of the business travelers from around the world and the total GFA is approximately 143,800 square feet. The GFA attributable to the Group is approximately 143,800 square feet. An average occupancy rate of 57.6% was achieved during the year under review and the average room tariff was approximately HK\$472.

Hyatt Regency Hengqin

Hyatt Regency Hengqin soft opened on 31 December 2019 is located in Novotown Phase I in Hengqin, Zhuhai, the heart of the Greater Bay Area and is within easy reach of the bridge linking Zhuhai with Hong Kong and Macau. Hyatt Regency Hengqin with total GFA of approximately 594,800 square feet and approximately 475,800 square feet attributable to the Group has 493 guest rooms including 55 suites ranging in size from 430 sq.ft. to 2,580 sq.ft., a wide range of dining options, as well as banqueting and conference facilities of over 40,000 square feet.

PROPERTY DEVELOPMENT

Recognised Sales

For the year ended 31 July 2020, the Group's property development operations recorded a turnover of HK\$424.6 million (2019: HK\$613.3 million) from sale of properties, representing a 30.8% decrease in sales revenue over last year. Total recognised sales was primarily driven by the sales performance of cultural studios and cultural workshop units of Hengqin Novotown Phase I and residential units of Zhongshan Palm Spring during the year under review.

Breakdown of turnover for the year ended 31 July 2020 from property sales is as follows:

Recognised basis	No. of Units	Approximate GFA (Square feet)	Average Selling Price[#] (HK\$/square foot)	Turnover*	
				(HK\$ million ^{##})	(RMB million)
Zhongshan Palm Spring					
Residential High-rise Units	23	32,060	1,713	52.3	47.3
Residential House Units	16	33,813	2,709	87.2	79.0
Hengqin Novotown Phase I					
Cultural Studios	11	34,379	4,131	135.3	122.5
Cultural Workshop Units	69	45,969	3,291	138.8	125.7
Others				(0.4)	(0.4)
Subtotal	119	146,221	3,008	413.2	374.1
Shanghai Regents Park					
Car-parking Spaces	9			5.7	5.2
Guangzhou King's Park					
Car-parking Spaces	4			2.6	2.4
Guangzhou Eastern Place					
Car-parking Spaces	2			1.9	1.7
Guangzhou West Point					
Car-parking Spaces	2			1.2	1.1
Total				424.6	384.5

Value-added tax inclusive

The exchange rate adopted for the year ended 31 July 2020 is 0.9056

* Value-added tax exclusive

Contracted Sales

As at 31 July 2020, the Group's property development operations has contracted but not yet recognised sales of HK\$557.6 million, comprising HK\$467.5 million and HK\$87.4 million from sales of residential units and serviced apartment units in Zhongshan Palm Spring and cultural studios in Hengqin Novotown Phase I, respectively and HK\$2.7 million from sales of car-parking spaces in Shanghai Regents Park and Guangzhou King's Park. Excluding the effect of currency translation, the Renminbi denominated contracted but not yet recognised sales of residential units, serviced apartment units, cultural studios and car-parking spaces as at 31 July 2020 amounted to RMB504.9 million (31 July 2019: RMB207.8 million).

Breakdown of contracted but not yet recognised sales as at 31 July 2020 is as follows:

Contracted basis	No. of Units	Approximate GFA (Square feet)	Average		Turnover [#]	
			Selling Price [#] (HK\$/square foot)	(HK\$ million ^{##})	(RMB million)	
Zhongshan Palm Spring						
Residential High-rise Units	234	280,276	1,539	431.4	390.7	
Residential House Units	5	10,476	2,749	28.8	26.1	
Serviced Apartment Units ^{###}	5	5,218	1,399	7.3	6.6	
Hengqin Novotown Phase I						
Cultural Studios	3	18,218	4,797	87.4	79.1	
Subtotal	247	314,188	1,766	554.9	502.5	
Shanghai Regents Park						
Car-parking Spaces	3			2.0	1.8	
Guangzhou King's Park						
Car-parking Space	1			0.7	0.6	
Subtotal				2.7	2.4	
Total				557.6	504.9	

[#] Value-added tax inclusive

^{##} The exchange rate adopted for the year ended 31 July 2020 is 0.9056

^{###} The sale of serviced apartment units of Zhongshan Palm Spring will be recorded as disposal of assets classified as held for sale and the sales proceeds net of cost will be included in other operating income in the consolidated income statement of the Group when the sale is completed

Review of Major Properties Completed for Sale and under Development

Shanghai Northgate Plaza redevelopment project

Shanghai Northgate Plaza I is located on Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal and comprises office units, a retail podium and car-parking spaces. Shanghai Northgate Plaza II is a vacant site adjacent to Northgate Plaza I. In September 2016, the Group completed the acquisition of the 6th to 11th floors of Hui Gong Building which is physically connected to Northgate Plaza I, together with the right to use 20 car-parking spaces in the basement. The Group plans to redevelop Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building together under a comprehensive redevelopment plan which includes an office tower, a shopping mall and an underground car-parking structure and is expected to add a total GFA of approximately 693,600 square feet excluding car-parking spaces to the rental portfolio of the Group. Construction work is on track and this project is expected to complete in the second half of 2022.

Shanghai Wuli Bridge Project

In July 2014, the Group succeeded in the auction for the land use rights of a piece of land located by Huangpu River in Huangpu District in Shanghai with a site area of approximately 74,100 square feet. Construction work has been completed in August 2019. This high-end luxury residential project with attributable GFA of approximately 77,900 square feet was launched for sale in September 2020 and has received enthusiastic response from the market. Up to 30 September 2020, 17 out of 28 residential units and 17 car-parking spaces have been sold for a total contracted sales amount of approximately RMB536.4 million. In addition, 7 residential units with 1 car-parking space each have been subscribed, contributing subscribed property sales of approximately RMB219.8 million in total, which are expected to be turned into contracted property sales in coming months, making total contracted sales from this development amounting to approximately RMB756.2 million.

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 of 31 July 2020, 458 car-parking spaces of this development remained unsold with a carrying amount of approximately HK\$99.4 million.

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. As at 31 July 2020, a total of 244 car-parking spaces of this development remained unsold with a carrying amount of approximately HK\$57.4 million.

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 year under review, the sales of 4 car-parking spaces contributed HK\$2.6 million to the turnover. As at 31 July 2020, the contracted but not yet recognised sales of the 1 car-parking space amounted to approximately HK\$0.7 million and the 9 unsold car-parking spaces have a total carrying amount of approximately HK\$6.0 million.

Guangzhou Haizhu Plaza

Guangzhou Haizhu Plaza is located on Chang Di Main Road in Yuexiu District, Guangzhou along the Pearl River. The Group owns the entire project. The proposed development has a total project GFA of approximately 580,800 square feet and is intended to be developed for rental purposes. The construction commenced in the first half of 2019 and the completion is expected to be in the first half of 2023.

Zhongshan Palm Spring

The project is located in Caihong Planning Area, Western District of Zhongshan. The overall development has a total planned GFA of approximately 6.075 million square feet. The project comprises of high-rise residential towers, townhouses and commercial blocks totaling 4.466 million square feet.

During the year under review, 32,060 square feet of high-rise residential units and 33,813 square feet of house units were recognised at average selling prices of HK\$1,713 and HK\$2,709 per square foot, respectively, which contributed a total of HK\$139.5 million to the sales turnover. As at 31 July 2020, contracted but not yet recognised sales for high-rise residential units and house units amounted to HK\$431.4 million and HK\$28.8 million, at average selling prices of HK\$1,539 and HK\$2,749 per square foot, respectively.

STARR Resort Residence Zhongshan comprising two 16-storey blocks in the Palm Lifestyle complex was closed. The serviced apartment units were launched for sale in May 2019 and have been re-classified from "Property, plant and equipment" to "Assets classified as held for sale" in the consolidated statement of financial position of the Group. As at 31 July 2020, contracted but not yet recognised sales for serviced apartment units amounted to HK\$7.3 million, at an average selling prices of HK\$1,399 per square foot. The sale of these serviced apartment units will be recorded as disposal of assets classified as held for sale and the sales proceeds net of cost will be included in other operating income in the consolidated income statement of the Group.

As at 31 July 2020, completed units held for sale in this development, including high-rise residential units, house units and serviced apartment units, amounted to approximately 219,000 square feet with a total carrying amount of approximately HK\$182.1 million. The carrying amount of the 1,215 unsold car-parking spaces of this development as at 31 July 2020 was approximately HK\$109.3 million.

The remaining GFA under development was approximately 2,218,500 square feet. Set out below is the current expectation on the development of the remaining phases:

Phase	Description	Approximate GFA* (square feet)	Expected completion
III	High-rise residential units including commercial units	642,400	Q4 2020
IV	High-rise residential units including commercial units	1,576,100	Q3 2021

* *Excluding car-parking spaces and ancillary facilities*

Hengqin Novotown

Phase I

Construction work of Novotown Phase I has been completed during the year under review. Sales of the cultural studios and cultural workshop units of Hengqin Novotown Phase I were strong. During the year under review, sales of 34,379 square feet of cultural studios and 45,969 square feet of cultural workshop units were recognised at an average selling price of HK\$4,131 and HK\$3,291 per square foot, respectively, which contributed a total of HK\$274.1 million to the Group's turnover. As at 31 July 2020, contracted but not yet recognised sales for cultural studios amounted to HK\$87.4 million, at an average selling price of HK\$4,797 per square foot. Completed cultural studios and cultural workshop units held for sale in this development as at 31 July 2020 amounted to approximately 186,326 square feet and 376,631 square feet, respectively with a total carrying amount of approximately HK\$1,189.0 million. With the pre-sale permit being granted by Hengqin New District government, the office tower of Novotown Phase I has been re-designated as for-sale property during the year under review.

The Group owns 80% of Novotown Phase I.

Phase II

In June 2017, the Group entered into a licence agreement with Real Madrid Club de Fútbol in relation to the development and operation of a location based entertainment centre, namely Real Madrid World in Novotown. The Real Madrid World is expected to contain over 20 attractions and will be made up of several signature experiences including the Flying Theatre and the Stuntpit, an array of interactive training games, a walkthrough of Real Madrid history, plus dining and retail outlets.

In November 2017, the Group entered into a cooperation agreement with Harrow International (China) Management Services Limited and ILA Holdings Limited to introduce Harrow International China Group, the world's leading learning institution, to set up Innovation Leadership Academy Hengqin in Hengqin. The curriculum at Innovation Leadership Academy Hengqin is structured to bring together the very best of British and Chinese educational philosophies and will offer pre-kindergarten to grade 12 education with a maximum capacity of approximately 1,500 students, as well as facilities for boarding students.

The Group entered into a license agreement in December 2018 with Ducati Motor Holding S.p.A in relation to the development and operation of the Ducati Experience Centre in Novotown. The Ducati Experience Centre expects to cover an area of no less than 4,500 square meters and will offer experiential attractions including immersive racing experiences, exclusive Ducati exhibits and retail concessions.

The Group succeeded in bidding for the land use rights of the land offered for sale by The Land and Resources Bureau of Zhuhai through the listing-for-sale process in December 2018 and the land is situated adjacent to Novotown Phase I with a total site area of approximately 143,800 square meters and a maximum plot ratio of 2 times and has been designated for the development of Novotown Phase II. Real Madrid World, Innovation Leadership Academy Hengqin and Ducati Experience Centre are expected to be the key elements in Novotown Phase II. Innovation Leadership Academy Hengqin is expected to open in February 2021, initially for Grades 1 to 9. The Group is in the process of finalising the development plan for Real Madrid World and Ducati Experience Centre, as well as other facilities in Novotown Phase II.

The Group will continue to explore and evaluate potential strategic alliances and financing alternatives to accelerate the growth of Novotown.

CAPITAL STRUCTURE, LIQUIDITY AND DEBT MATURITY PROFILE

As at 31 July 2020, cash and bank balances held by the Group amounted to HK\$2,524.6 million and undrawn facilities of the Group was HK\$3,034.2 million.

As at 31 July 2020, the Group had total borrowings amounting to HK\$10,339.5 million (2019: HK\$9,119.2 million), representing an increase of HK\$1,220.3 million from 31 July 2019. The consolidated net assets attributable to the owners of the Company amounted to HK\$14,309.1 million (2019: HK\$15,834.0 million). The gearing ratio, being net debt (total borrowings less cash and bank balances) to net assets attributable to the owners of the Company was approximately 55% (2019: 38%). The maturity profile of the Group's borrowings of HK\$10,339.5 million is well spread with HK\$3,556.2 million repayable within one year, HK\$778.7 million repayable in the second year, HK\$4,987.7 million repayable in the third to fifth years and HK\$1,016.9 million repayable beyond the fifth year.

Approximately 30% and 65% of the Group's borrowings were on a fixed rate basis and floating rate basis, respectively, and the remaining 5% of the Group's borrowings were interest free.

Apart from the guaranteed notes, the Group's other borrowings of HK\$7,639.7 million were 49% denominated in Renminbi ("**RMB**"), 45% in Hong Kong dollars ("**HKD**") and 6% in United States dollars ("**USD**").

The Group's guaranteed notes of HK\$2,699.8 million were denominated in USD. The Group has entered into cross currency swap agreements with financial institutions and the guaranteed notes have been effectively converted into HKD denominated debts. In addition, certain bank loans of the Group with a total carrying amount of HK\$439.3 million were denominated in USD. The Group has entered into a forward contract with a financial institution and the bank loans have been effectively converted into HKD denominated debts.

The Group's cash and bank balances of HK\$2,524.6 million were 83% denominated in RMB, 11% in HKD and 6% in USD.

The Group's presentation currency is denominated in HKD. The Group's monetary assets, liabilities and transactions are principally denominated in RMB, USD and HKD. The Group, with HKD as its presentation currency, is exposed to foreign currency risk arising from the exposure of HKD against USD and RMB, respectively. Considering that the USD guaranteed notes and certain USD bank loans have been effectively converted into HKD denominated debts and HKD is pegged against USD, the Group believes that the corresponding exposure to USD exchange rate fluctuation is nominal. However, the Group has a net exchange exposure to RMB as the Group's assets are principally located in China and the revenues are predominantly in RMB. Apart from the aforesaid cross currency swap and forward contract arrangements, the Group does not have any derivative financial instruments or hedging instruments outstanding.

Certain assets of the Group have been pledged to secure borrowings and bank facilities of the Group, including investment properties with a total carrying amount of approximately HK\$11,521.3 million, properties under development with a total carrying amount of approximately HK\$1,093.9 million, serviced apartments and related leasehold improvements with a total carrying amount of approximately HK\$411.2 million, completed properties for sale with a total carrying amount of approximately HK\$1,017.6 million, construction in progress with a total carrying amount of approximately HK\$90.0 million and time deposits and bank balances of approximately HK\$925.9 million.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the Year, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

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

The Company has complied with all the code provisions set out in the CG Code for the year ended 31 July 2020 save for the deviations from code provisions A.4.1 and A.5.1 as follows:

Under code provision A.4.1, non-executive directors should be appointed for a specific term and subject to re-election.

None of the existing non-executive directors ("**NEDs**", including the independent non-executive directors ("**INEDs**")) of the Company is appointed for a specific term. However, all directors of the Company ("**Directors**") are subject to the retirement provisions of the Amended and Restated Articles of Association of the Company ("**Articles of Association**") which require that the Directors for the time being shall retire from office by rotation once every three years since their last election by the shareholders of the Company ("**Shareholders**") and the retiring Directors are eligible for re-election. In addition, in accordance with the provisions of the Articles of Association, any person appointed by the Board as a Director (including a NED) either to fill a casual vacancy or as an addition to the Board will hold office only until the next following general meeting of the Company (in the case of filling a casual vacancy) or until the next following annual general meeting of the Company (in the case of an addition to the Board) and will then be eligible for re-election. In view of these, the Board considers that such requirements are sufficient to meet the underlying objective of the said code provision A.4.1 and, therefore, does not intend to take any remedial steps in this regard.

Under code provision A.5.1, a nomination committee comprising a majority of the independent non-executive directors should be established and chaired by the chairman of the board or an independent non-executive director.

The Company has not established a nomination committee whose functions are assumed by the full Board. Potential new Directors will be recruited based on their knowledge, skills, experience and expertise and the requirements of the Company at the relevant time and candidates for the INEDs must meet the independence criterion. The process of identifying and selecting appropriate candidates for consideration and approval by the Board has been, and will continue to be, carried out by the Executive Directors. In January 2019, the Company adopted the Nomination Policy which sets out the criteria, process and procedures by which the Company will select candidate for possible inclusion in the Board. As the Nomination Policy has already been in place and the other duties of the nomination committee as set out in the CG Code have long been performed by the full Board effectively, the Board does not consider it necessary to establish a nomination committee at the current stage.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2020, the Group employed a total of around 2,000 employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

INVESTOR RELATIONS

To ensure our investors have a better understanding of the Company, our management engages in a pro-active investor relations programme. Our Executive Directors and Investor Relations Department communicate with research analysts and institutional investors on an on-going basis and meet with research analysts and the press after our results announcements, attend major investors' conferences and participate in international non-deal roadshows to communicate the Company's financial performance and global business strategy.

During the year under review, in addition to site visits conducted prior to the outbreak of COVID-19, the Company has met with a number of research analysts and investors and attended non-deal roadshows as follows:

Month	Event	Organiser	Location
September 2019	HSBC 3rd Annual Asia Credit Conference	HSBC	Hong Kong
October 2019	J.P. Morgan Asia Credit Conference	J.P. Morgan	Hong Kong
November 2019	Post results non-deal roadshow	DBS	Hong Kong
November 2019	Post results non-deal roadshow	DBS	Singapore
November 2019	Post results non-deal roadshow	DBS	New York / Philadelphia / Los Angeles / San Francisco
November 2019	Post results non-deal roadshow	DBS	London
January 2020	Daiwa Hong Kong Expert Series – Hengqin & its position in the Greater Bay Area	Daiwa	Hong Kong
June 2020	HSBC 4th Annual Asia Credit Conference	HSBC	Hong Kong

The Company is keen on promoting investor relations and enhancing communication with the Shareholders and potential investors. It welcomes suggestions from investors, stakeholders and the public who may contact the Investor Relations Department by phone on (852) 2853 6116, by fax at (852) 2853 6651 or by e-mail at ir@laifung.com.

REVIEW OF ANNUAL RESULTS

The audit committee of the Company currently comprises two of the INEDs, namely Mr Law Kin Ho and Mr Lam Bing Kwan, and a NED, Mr Lucas Ignatius Loh Jen Yuh (alternate: Mr Puah Tze Shyang). The committee has reviewed the consolidated results (including the consolidated financial statements) of the Company for the year ended 31 July 2020.

REVIEW OF PRELIMINARY ANNOUNCEMENT OF RESULTS BY THE INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 July 2020 as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor, Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by Ernst & Young on the preliminary announcement.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Company ("AGM") will be held on Friday, 18 December 2020. Notice of the AGM together with the Company's Annual Report for the year ended 31 July 2020 will be published on the respective websites of the Stock Exchange and the Company and despatched to Shareholders in mid-November 2020.

By Order of the Board
Chew Fook Aun
Chairman

Hong Kong, 20 October 2020

As at the date of this announcement, the Board comprises eight Executive Directors, namely Mr. Chew Fook Aun (Chairman), Dr. Lam Kin Ming (Deputy Chairman), Mr. Lam Kin Hong, Matthew (Executive Deputy Chairman), Mr. Lam Hau Yin, Lester (Chief Executive Officer) (also alternate to Madam U Po Chu), Madam U Po Chu and Messrs. Cheng Shin How, Lee Tze Yan, Ernest and Tham Seng Yum, Ronald; two Non-executive Directors, namely Mr. Lucas Ignatius Loh Jen Yuh and Mr. Puah Tze Shyang (also alternate to Mr. Lucas Ignatius Loh Jen Yuh); and five Independent Non-executive Directors, namely Messrs. Lam Bing Kwan, Ku Moon Lun, Law Kin Ho, Mak Wing Sum, Alvin and Shek Lai Him, Abraham.