LAI SUN DEVELOPMENT

Lai Sun Development Company Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 488)

ANNOUNCEMENT OF INTERIM RESULTS FOR THE SIX MONTHS ENDED 31 JANUARY 2023

RESULTS

The board of directors (the "**Board**") of Lai Sun Development Company Limited (the "**Company**") announces the unaudited consolidated results of the Company and its subsidiaries (the "**Group**") for the six months ended 31 January 2023 together with the comparative figures of the last corresponding period as follows:

Condensed Consolidated Income Statement
For the six months ended 31 January 2023

		Six months ended 31 January	
		2023	2022
		(Unaudited)	(Unaudited)
	Notes	***HK$'000***	*HK$'000*
TURNOVER	*4*	**2,467,443**	2,719,500
Cost of sales		**(1,549,187)**	(1,752,441)
Gross profit		**918,256**	967,059
Other revenue and gains		**225,546**	152,239
Selling and marketing expenses		**(127,299)**	(139,849)
Administrative expenses		**(474,769)**	(438,255)
Other operating expenses		**(599,922)**	(743,029)
Fair value (losses)/gains on investment properties, net		**(825,102)**	82,843
LOSS FROM OPERATING ACTIVITIES	*5*	**(883,290)**	(118,992)
Finance costs	*6*	**(560,889)**	(482,392)
Share of profits and losses of associates		**(780)**	(277)
Share of profits and losses of joint ventures		**(30,711)**	87,283
LOSS BEFORE TAX		**(1,475,670)**	(514,378)
Tax	*7*	**(50,199)**	(128,983)
LOSS FOR THE PERIOD		**(1,525,869)**	(643,361)
Attributable to:			
Owners of the Company		**(1,360,823)**	(479,936)
Non-controlling interests		**(165,046)**	(163,425)
		(1,525,869)	(643,361)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*8*		
Basic and diluted		**(HK$1.397)**	(HK$0.548)

Condensed Consolidated Statement of Comprehensive Income
For the six months ended 31 January 2023

	Six months ended 31 January	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
LOSS FOR THE PERIOD	**(1,525,869)**	(643,361)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:		
Exchange realignments	**(79,130)**	287,764
Share of other comprehensive income/(expense) of associates	**7,625**	(805)
Share of other comprehensive income/(expense) of joint ventures	**605**	(2,613)
Release of exchange reserve upon deregistration and dissolution of a subsidiary	**(10,274)**	(176)
Reclassification of reserve upon return of capital from a subsidiary	**(13,511)**	29,965
	(94,685)	314,135
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	**(8,587)**	(17,373)
OTHER COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD	**(103,272)**	296,762
TOTAL COMPREHENSIVE EXPENSE FOR THE PERIOD	**(1,629,141)**	(346,599)
Attributable to:		
Owners of the Company	**(1,398,022)**	(370,602)
Non-controlling interests	**(231,119)**	24,003
	(1,629,141)	(346,599)

Condensed Consolidated Statement of Financial Position

As at 31 January 2023

	Notes	**31 January 2023 (Unaudited) *HK$'000***	31 July 2022 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**6,496,376**	6,645,739
Right-of-use assets		**4,667,756**	4,922,940
Investment properties		**36,842,792**	37,168,222
Film rights		**16,688**	19,162
Film and TV program products		**61,861**	61,174
Music catalogs		**—**	663
Goodwill		**219,674**	207,792
Other intangible assets		**137,913**	132,883
Investments in associates		**288,952**	236,613
Investments in joint ventures		**6,562,340**	6,826,143
Financial assets at fair value through other comprehensive income		**1,701,508**	1,710,095
Financial assets at fair value through profit or loss		**959,879**	906,513
Debtors	*9*	**497,182**	493,643
Deposits, prepayments, other receivables and other assets		**758,145**	721,772
Deferred tax assets		**2,049**	2,118
Pledged and restricted bank balances and time deposits		**84,001**	79,305
Total non-current assets		**59,297,116**	60,134,777
CURRENT ASSETS			
Properties under development		**5,972,296**	5,576,173
Completed properties for sale		**5,382,299**	5,847,757
Films and TV programs under production and film investments		**286,651**	317,109
Inventories		**81,980**	59,612
Financial assets at fair value through profit or loss		**23,985**	120,452
Derivative financial instruments		**—**	25,473
Debtors	*9*	**374,228**	403,293
Deposits, prepayments, other receivables and other assets		**906,545**	767,253
Prepaid tax		**102,356**	140,467
Pledged and restricted bank balances and time deposits		**1,453,507**	2,444,971
Cash and cash equivalents		**4,079,734**	5,056,442
		18,663,581	20,759,002
Assets classified as held for sale		**1,851**	1,855
Total current assets		**18,665,432**	20,760,857

Condensed Consolidated Statement of Financial Position (continued)
As at 31 January 2023

	Notes	**31 January 2023 (Unaudited) *HK$'000***	31 July 2022 (Audited) *HK$'000*
CURRENT LIABILITIES			
Creditors, other payables and accruals	*10*	**3,416,387**	3,229,241
Deposits received, deferred income and contract liabilities		**629,432**	993,161
Derivative financial instruments		**1,778**	—
Lease liabilities		**229,822**	275,181
Tax payable		**543,411**	564,934
Bank borrowings		**5,658,623**	1,525,333
Other borrowings		**41,511**	41,578
Guaranteed notes		**—**	5,869,298
Total current liabilities		**10,520,964**	12,498,726
NET CURRENT ASSETS		**8,144,468**	8,262,131
TOTAL ASSETS LESS CURRENT LIABILITIES		**67,441,584**	68,396,908
NON-CURRENT LIABILITIES			
Lease liabilities		**850,996**	974,959
Bank borrowings		**16,087,473**	15,836,626
Other borrowings		**284,022**	281,152
Guaranteed notes		**4,279,241**	4,281,877
Deferred tax liabilities		**4,668,676**	4,865,562
Other payables and accruals	*10*	**965,498**	967,835
Long-term deposits received		**205,548**	201,397
Total non-current liabilities		**27,341,454**	27,409,408
		40,100,130	40,987,500
EQUITY			
Equity attributable to owners of the Company			
Share capital	*11*	**6,240,082**	5,463,477
Reserves		**25,943,299**	27,330,820
		32,183,381	32,794,297
Non-controlling interests		**7,916,749**	8,193,203
		40,100,130	40,987,500

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 2023 have been prepared in accordance with the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and with Hong Kong Accounting Standard ("**HKAS**") 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The financial information relating to the year ended 31 July 2022 that is included in the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2023 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 2022 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. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and basis of presentation used in the preparation of these interim financial statements are the same as those used in the Group's audited consolidated financial statements for the year ended 31 July 2022.

The Group has adopted the revised Hong Kong Financial Reporting Standards ("**HKFRSs**", which also include HKASs and Interpretations) which are applicable to the Group and are effective in the current period. The adoption of these revised HKFRSs has had no significant 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	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	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	600,158	858,861	562,177	644,215	421,473	335,552	262,619	248,945	176,048	147,244	72,927	135,362	263,127	223,940	8,781	10,251	100,133	115,130	2,467,443	2,719,500
Intersegment sales	–	–	23,298	19,506	242	295	1,278	1,436	–	–	3,741	3,282	3,366	1,335	–	–	13,227	12,543	45,152	38,397
Other revenue and gains	15,246	15,230	16,820	7,178	1,233	146	2,020	271	1,989	1,633	1,519	537	9,686	8,467	319	475	42,790	17,520	91,622	51,457
Total	615,404	874,091	602,295	670,899	422,948	335,993	265,917	250,652	178,037	148,877	78,187	139,181	276,179	233,742	9,100	10,726	156,150	145,193	2,604,217	2,809,354
Elimination of intersegment sales																			(45,152)	(38,397)
Total																			2,559,065	2,770,957
Segment results	79,744	118,656	274,862	359,775	(134,474)	(163,599)	(66,990)	(54,240)	17,359	9,761	(12,193)	11,839	(35,247)	(61,865)	(62,363)	(117,112)	3,707	5,844	64,405	109,059
Unallocated other revenue and gains																			133,924	100,782
Fair value (losses)/gains on investment properties, net	–	–	(825,102)	82,843	–	–	–	–	–	–	–	–	–	–	–	–	–	–	(825,102)	82,843
Unallocated expenses																			(256,517)	(411,676)
Loss from operating activities																			(883,290)	(118,992)
Finance costs																			(560,889)	(482,392)
Share of profits and losses of associates	319	40	(6)	82	(356)	(395)	–	–	–	–	–	–	–	–	–	–	(570)	204	(613)	(69)
Share of profits and losses of associates – unallocated																			(167)	(208)
Share of profits and losses of joint ventures	33,413	37,259	(55,184)	50,097	(6,576)	274	–	–	(255)	92	1	(437)	(2,089)	(2)	–	–	(21)	–	(30,711)	87,283
Loss before tax																			(1,475,670)	(514,378)
Tax																			(50,199)	(128,983)
Loss for the period																			(1,525,869)	(643,361)

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 2023	31 July 2022	**31 January 2023**	31 July 2022	**31 January 2023**	31 July 2022	**31 January 2023**	31 July 2022	**31 January 2023**	31 July 2022	**31 January 2023**	31 July 2022	**31 January 2023**	31 July 2022	**31 January 2023**	31 July 2022	**31 January 2023**	31 July 2022	**31 January 2023**	31 July 2022
	(Unaudited)	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)	**(Unaudited)**	(Audited)
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*	***HK$'000***	*HK$'000*
Segment assets	**12,560,972**	12,560,833	**37,511,232**	37,820,948	**8,598,019**	8,789,410	**688,601**	680,455	**293,510**	265,208	**717,370**	706,865	**1,072,526**	1,253,869	**1,098,855**	1,109,690	**979,160**	1,052,608	**63,520,245**	64,239,886
Investments in associates	**2,211**	2,274	**109**	116	**171,454**	155,653	**(10,105)**	(10,105)	**–**	–	**–**	–	**–**	–	**–**	–	**1,944**	5,473	**165,613**	153,411
Investments in associates – unallocated																			**123,339**	83,202
Investments in joint ventures	**1,887,256**	2,088,023	**4,565,491**	4,620,676	**74,119**	80,069	**–**	–	**9,756**	10,524	**1,428**	1,659	**11,808**	12,690	**–**	–	**12,482**	12,502	**6,562,340**	6,826,143
Unallocated assets																			**7,589,160**	9,591,137
Assets classified as held for sale	**1,851**	1,855	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**1,851**	1,855
Total assets																			**77,962,548**	80,895,634
Segment liabilities	**843,586**	1,276,657	**1,336,031**	1,050,988	**374,361**	391,022	**226,117**	198,527	**118,994**	80,032	**377,227**	370,283	**1,025,756**	1,152,785	**63,434**	81,106	**386,536**	443,195	**4,752,042**	5,044,595
Bank borrowings																			**21,746,096**	17,361,959
Guaranteed notes																			**4,279,241**	10,151,175
Other borrowings																			**325,533**	322,730
Unallocated liabilities																			**6,759,506**	7,027,675
Total liabilities																			**37,862,418**	39,908,134

4. TURNOVER

An analysis of turnover is as follows:

	Six months ended 31 January 2023 (Unaudited) HK$'000	Six months ended 31 January 2022 (Unaudited) HK$'000
Turnover from contracts with customers:		
Sale of properties	**600,158**	858,861
Building management fee income	**97,664**	99,710
Income from hotel operation	**421,473**	335,552
Income from restaurant and F&B product sales operations	**262,619**	248,945
Distribution commission income, licence income from and sale of film and TV program products and film rights	**68,416**	132,877
Box-office takings, concessionary income and related income from cinemas	**263,127**	223,940
Entertainment event income	**98,869**	7,898
Sale of game products	**42,055**	84,000
Album sales, licence income and distribution commission income from music publishing and licensing	**27,208**	47,861
Artiste management fee income	**7,916**	7,485
Advertising income	**4,511**	2,485
Income from theme park operation	**8,781**	10,251
Others	**100,133**	115,130
	2,002,930	2,174,995
Turnover from other source:		
Rental income	**464,513**	544,505
Total turnover	**2,467,443**	2,719,500
Timing of recognition of turnover from contracts with customers:		
At a point in time	**1,664,061**	1,837,631
Over time	**338,869**	337,364
	2,002,930	2,174,995

5. LOSS FROM OPERATING ACTIVITIES

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

	Six months ended 31 January	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment^	**206,305**	232,081
Depreciation of right-of-use assets^	**192,151**	206,932
Foreign exchange differences, net	**(50,473)**@	53,378*
Amortisation of film rights#	**2,474**	3,434
Amortisation of film and TV program products#	**24,565**	168
Amortisation of music catalogs#	**663**	2,150
Amortisation of other intangible assets*	**992**	1,475
Loss on disposal of assets classified as held for sale*	**—**	569
Fair value losses on financial assets at fair value through profit or loss, net*	**18,315**	145,568
Fair value losses/(gains) on cross currency swaps	**26,873***	(5,315)@

^ Depreciation charge of approximately HK$364,154,000 (Six months ended 31 January 2022: HK$405,001,000) 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	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Interest on bank borrowings	**476,753**	257,614
Interest on guaranteed notes	**212,920**	256,086
Interest on other borrowings	**3,003**	2,847
Interest on lease liabilities	**20,554**	25,263
Interest on put option liabilities	**2,323**	2,525
Bank financing charges	**48,282**	40,178
	763,835	584,513
Less: Amount capitalised in construction in progress	**(11,795)**	(7,483)
Amount capitalised in properties under development	**(154,217)**	(45,960)
Amount capitalised in investment properties under construction	**(36,934)**	(48,678)
	560,889	482,392

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (Six months ended 31 January 2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the period.

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

	Six months ended 31 January	
	2023	2022
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax		
— Hong Kong		
Charge for the period	**6,924**	14,256
Overprovision in prior periods	**(592)**	(1,444)
	6,332	12,812
— Mainland China		
Corporate income tax		
Charge for the period	**63,742**	87,684
Overprovision in prior periods	**—**	(1)
Land appreciation tax		
Charge for the period	**101,376**	148,827
	165,118	236,510
— Elsewhere		
Charge for the period	**5,982**	5,390
Underprovision in prior periods	**—**	68
	5,982	5,458
	177,432	254,780
Deferred tax	**(127,233)**	(125,797)
Tax charge for the period	**50,199**	128,983

8. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount was based on the loss for the period attributable to owners of the Company of HK$1,360,823,000 (Six months ended 31 January 2022: HK$479,936,000), and the weighted average number of ordinary shares of 974,152,000 (Six months ended 31 January 2022: 875,835,000) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 31 January 2023 and 2022 in respect of a dilution as the impact of the share options of the Company, 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.

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 2023 (Unaudited) ***HK$'000***	31 July 2022 (Audited) *HK$'000*
Trade receivables:		
Not yet due or less than 30 days past due	**252,057**	302,642
31 — 60 days past due	**32,028**	37,680
61 — 90 days past due	**24,996**	17,143
Over 90 days past due	**59,987**	42,303
	369,068	399,768
Finance lease receivables, not yet due	**502,342**	497,168
	871,410	896,936
Less: Portion classified as current	**(374,228)**	(403,293)
Non-current portion	**497,182**	493,643

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 2023 (Unaudited)	31 July 2022 (Audited)
	HK$'000	*HK$'000*
Creditors:		
Not yet due or less than 30 days past due	**244,032**	477,855
31 — 60 days past due	**67,277**	11,659
61 — 90 days past due	**27,666**	7,783
Over 90 days past due	**72,400**	115,281
	411,375	612,578
Other payables and accruals	**2,732,979**	2,344,176
Put option liabilities	**1,237,531**	1,240,322
	4,381,885	4,197,076
Less: Portion classified as current	**(3,416,387)**	(3,229,241)
Non-current portion	**965,498**	967,835

11. SHARE CAPITAL

In January 2023, the Company completed a rights issue of 484,442,943 shares on the basis of one rights share for every two existing shares of the Company at a subscription price of HK$1.64 each. The net proceeds from the rights issue were approximately HK$776.6 million.

12. EVENT AFTER THE REPORTING PERIOD

Further to the joint announcement of the Company, Lai Sun Garment (International) Limited, eSun, Media Asia Group Holdings Limited ("**MAGHL**") and Perfect Sky Holdings Limited (a wholly-owned subsidiary of eSun, the "**Offeror**") dated 10 November 2022 and 17 March 2023 and the scheme document jointly issued by eSun, the Offeror and MAGHL dated 12 January 2023, among others, in respect of the proposed merger of MAGHL by eSun and the Offeror ("**Proposal**") by way of a scheme of arrangement ("**Scheme**"), all the conditions to the Proposal and the Scheme were fulfilled on 16 March 2023 and the Scheme became effective. Since then, MAGHL became a wholly-owned subsidiary of eSun.

eSun will allot and issue 264,022,268 new shares on 27 March 2023 and pay a total cash consideration of approximately HK$194.3 million (the funding of which was included in restricted bank balances as at 31 January 2023). Upon the completion, the Company's interest in eSun will be diluted from 74.62% to 63.40%.

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 2023. No interim dividend was declared in respect of the last corresponding period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The global economy experienced a gradual recovery in 2022, however, the momentum for growth, especially in most major economies is expected to weaken in 2023 as rising interest rates and Russia's war in Ukraine continue to weigh on economic activities. While central banks across the world have been raising interest rates aggressively to tame inflation, the recession risk across the globe remains in the midst of, amongst other factors, persistently high inflation, rising borrowing costs, ongoing geopolitical instabilities and conflicts, energy price volatility, as well as lingering supply-chain disruptions.

Hong Kong and Overseas Property Market

The Hong Kong economy experienced a significant slowdown in 2022 with economic activities were first dampened by the fifth wave of COVID-19 infection cases and subsequently by the deteriorating external environment and tightened financial conditions. For 2022 as a whole, Hong Kong suffered a real gross domestic product ("**GDP**") contraction of 3.5%. With the rollback in COVID-19 related restrictions since the end of 2022 and resumption of cross border business activities and travel between Hong Kong and Mainland China, local economic activities have seen a revival. According to Hong Kong's Financial Secretary in his speech on the 2023-24 Budget in February 2023, GDP in Hong Kong is forecast to grow by 3.5% to 5.5% in 2023.

Office leasing activities regained momentum in mid-2022 when the fifth wave of COVID-19 was brought under control. Whilst affected by the weakening economic performance in the second half of 2022, tenants tend to be cautious and have slowed down their relocation or expansion plans in the face of mounting uncertainties. Market sentiment showed improvement in 2023 with the border reopening and a better economic outlook, the recovery is expected to be slow and the leasing market is still under pressure with higher vacancy rates and suppressed rents are expected to prevail in the near term. Thanks to the recovering market with a recovery in inbound tourism, the retail leasing market has gradually regained momentum since early 2023. However, with economic uncertainties, an interest rate hike cycle and a volatile stock market that are expected to continue weighing on consumption sentiment, retailers remain prudent in expanding their market presence and the pressure on retail rents is expected to persist. With the border with Mainland China fully reopened, buying sentiment has turned positive and market activities picked up in both the primary and secondary residential markets.

The office and retail leasing business in Hong Kong was challenging during the period under review. The Group have been coping with changing market trends and the evolving operating environment by continuing to optimise the tenant mix. Certain renovation and space optimisation works have been completed during the period under review to improve the competitiveness of major rental properties of the Group. With the planning consent approved by the City of London's Planning and Transportation Committee and all leases being aligned to expire in 2023, the 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. It is anticipated that the revised proposal will be approved in the coming months.

Despite the uncertain global economic outlook in the near term, Hong Kong is on its path to normality with its economy regaining momentum. We remain confident of the long-term prospects of the residential property market in Hong Kong which has been demonstrating resilience supported by limited supply and solid pent-up demand driven by local end-users and investors. Construction works of both Bal Residence in Kwun Tong and the Tai Kei Leng Project in Yuen Long are on schedule and completions are expected in the first half of 2024. Upon completion, these two residential projects are expected to add a total gross floor area ("**GFA**") of approximately 71,800 square feet and 42,200 square feet, respectively, to the development portfolio of the Group. Presale of Bal Residence was launched in February 2023. Up to 24 March 2023, 3 units in Bal Residence has been pre-sold with saleable area of approximately 1,016 square feet and the average selling price amounted to approximately HK$18,000 per square foot. The Tai Kei Leng Project is expected to be launched for pre-sale in the second quarter of this year.

The pre-construction works of three residential projects secured by the Group in the past two years, namely the 116 Waterloo Road project, the 79 Broadcast Drive project and the 1&1A Kotewall Road project, are in progress. The 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 88 residential units with total GFA of approximately 46,600 square feet. The Group successfully won the 79 Broadcast Drive project in Kowloon Tong by tender in October 2021, formerly the Educational Television Centre of Radio Television Hong Kong. The project will be developed into a high-quality luxury residential property with the maximum permissible GFA of approximately 71,600 square feet, offering around 46 medium-large sized units, including 2 houses. The 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. The Group plans to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 28 medium-large sized residential units. Tendering and contract awarding works of the residential project at the Wong Chuk Hang Station Package Five Property Development is in progress. Construction is expected to be completed in 2025.

604 units, including 23 houses in Alto Residences have been sold and 86 car parking spaces of Alto Residences have been released for sale since 2019. Up to 24 March 2023, 75 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$204.1 million.

All 209 residential units and 7 commercial units of 93 Pau Chung Street have been sold. The sale of car parking spaces of 93 Pau Chung Street is in progress. Up to 24 March 2023, 7 out of 20 car parking spaces and 4 out of 5 motor-parking spaces have been sold and the total sales proceeds amounted to approximately HK$10.2 million.

All 144 residential units in Monti have been now sold with saleable area of approximately 45,822 square feet and the average selling price amounted to approximately HK$21,300 per square foot.

Subsequent to the period end, the Group acquired a 15% interest in a company, principal business activities of which, together its subsidiaries, include holding of a land located in Shuen Wan, Tai Po, Hong Kong, as well as the development and construction of an 18-hole golf course and other ancillary facilities thereon. In view of the limited number of golf courses in Hong Kong, it is considered this acquisition is a unique investment opportunity of the Group. As of the date of this results announcement, the development plan to be carried out on the land has yet to be finalised.

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

Mainland China Property Market

People's Republic of China ("**PRC**" or "**China**") targeted moderate economic growth of around 5% in 2023 at the first session of the 14th National People's Congress held in March 2023 and has set stability as its top priority for economic achievement for the year, amid rising domestic constraints and uncertain global recovery. We believe that the Chinese government will forge ahead and deliver better-quality economic growth long-term through continuing efforts to improve competitiveness and innovation. We remain optimistic about the long-term prospects and sustainability of the business environment in China and are confident about future prospects of the cities in which the Group has exposure, 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.

The regional focus and rental-led strategy of Lai Fung Holdings Limited ("**Lai Fung**") and its subsidiaries (together, "**Lai Fung Group**"), the PRC property arm of the Group, has demonstrated resilience in recent years. The rental portfolio of approximately 5.9 million square feet in Shanghai, Guangzhou, Zhongshan and Hengqin, being Tier 1 cities in China and cities within the Greater Bay Area delivered relatively steady performance in rental income for the period under review. Constructions of the two new grade A office towers in Shanghai and Guangzhou with green building certifications, namely Shanghai Skyline Tower and Guangzhou Lai Fung International Center, were completed in September and November 2022, respectively, adding a total rental GFA of approximately 1.3 million square feet (excluding car parking spaces) to the rental portfolio of Lai Fung Group. Lai Fung Group is committed to improving the environmental performance in its business operations. These two new green buildings are internationally recognised with environmentally-friendly and sustainable features. Shanghai Skyline Tower, located in Jing'an District of Shanghai near the Shanghai Railway Terminal, has obtained the Leadership in Energy and Environmental Design ("**LEED**") Pre-certified Gold Rating and is in the progress of preparing for application for LEED Gold Certification. Guangzhou Lai Fung International Center, located in Yuexiu District of Guangzhou along the Pearl River, has obtained the LEED v4 Gold Certification. Leasing of Shanghai Skyline Tower and Guangzhou Lai Fung International Center are in progress. As at the date of this results announcement, approximately 25% leasable area of Shanghai Skyline Tower and 33% leasable area of Guangzhou Lai Fung International Center have been secured. Upon completion of construction works of Phase II ("**Novotown Phase II**") of the Novotown project in Hengqin ("**Novotown**"), Lai Fung Group will have a rental portfolio of approximately 6.8 million square feet.

Construction of Novotown Phase II is in progress. This mixed-used development project is expected to be completed in phases by 2024, providing commercial and experiential entertainment facilities, office and serviced apartment spaces of 355,500 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Parts of the office units and serviced apartment units have been designated as for-sale properties. Leasing of the commercial area of Phase I of Novotown ("**Novotown Phase I**") is underway with approximately 77.7% of the leasable area being leased and key tenants include two themed indoor experience centers, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin", Zhuhai Duty Free, BaoLian Retail Commerce, Adidas Outlet, Pokiddo Trampoline Park, Starbucks, McDonald's, Paulaner Wirtshaus Hengqin, Oyster King and Vanguard Life Superstore. Lai Fung Group remains confident that the deepening of cooperation between Hengqin and Macau, and the continuous development of the Guangdong-Macau In-Depth Cooperation Zone in Hengqin will become an important center within the Guangdong-Hong Kong-Macau Greater Bay Area development. The integration between Macau and Hengqin will encourage more businesses and population to reside in Hengqin which will further enhance the tourism market, making Novotown a new contributor to Lai Fung Group's results in the long run.

Shanghai Wuli Bridge Project, the high-end luxury residential project located by the Huangpu River in Huangpu District has received an enthusiastic response from the market. As at 31 January 2023, all residential units have been sold and 13 car parking spaces remained unsold. The sale of remaining phases of Zhongshan Palm Spring is in progress. The residential units in Zhongshan Palm Spring, the cultural studios, cultural workshops and office of Hengqin Novotown Phase I, as well as office and the serviced apartment units of Hengqin Novotown Phase II are expected to contribute to the income of Lai Fung Group in coming financial years.

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

Cinema Operation/Media and Entertainment/Film Production and Distribution

With the mask mandate arrangement and all social distancing measures being lifted in Hong Kong and the nationwide loosening of COVID-19 restrictions and relaxation of border controls in Mainland China, social and economic activities have seen a revival but consumer sentiment might still be dampened by the worse-than-expected economic outlook in Hong Kong and the deterioration of global economic prospects.

Due to the gradual relaxation of COVID-19 restrictions and the release of a number of local and international blockbuster movies, the cinema operation of eSun Holdings Limited ("**eSun**") and its subsidiaries (together, "**eSun Group**") recovered gradually from the worst of the COVID-19 pandemic. During the period under review, eSun Group's cinemas in Hong Kong were requested to operate at 85% capacity for all screens before further relaxation of social distancing measures in Hong Kong since 22 December 2022. eSun Group's cinemas in Hong Kong are now operating at full capacity without any COVID-19 restriction. Business performance of cinema operation in Mainland China also suffered from the social distancing requirements such as restrictions on the seating capacity and food and beverage consumption within the cinema houses in 2022. In view of the challenging market condition and economic uncertainty in Mainland China, the Guangzhou Mayflower Cinema City was closed in October 2022. Despite short-term interruption in January 2023 from the nationwide easing of anti-epidemic measures, the cinema operation in Mainland China has largely returned to normal. eSun Group remains cautiously optimistic about the fundamental demand for entertainment in the long run and continues to evaluate opportunities to maintain and enhance its market positioning as a leading multiplex cinema operator in Hong Kong. MCL Cinemas Plus+ Plaza Hollywood, the new cinema in Hong Kong at Plaza Hollywood in Diamond Hill, Kowloon through a joint venture company with Emperor Cinemas Group opened in July 2022. The two forthcoming cinemas of eSun Group at AIRSIDE in Kai Tak, Kowloon and The ONE in Tsim Sha Tsui, Kowloon are expected to commence business in the third quarter of 2023. eSun Group is closely monitoring the market conditions and will continue to improve its overall operating efficiency and take a prudent approach in evaluating opportunities for further expansion of its footprint.

Media Asia Group Holdings Limited ("**MAGHL**", an indirect wholly-owned subsidiary of eSun as at the date of this results announcement, together with its subsidiaries, "**MAGHL Group**"), being the media and entertainment arm of eSun Group will continue to produce high quality and commercially viable products, and has also been directing its resources towards development of online content for streaming platforms and e-commerce to capture the related market opportunities.

MAGHL Group continues to invest in original productions of quality films with Chinese themes. The current production pipeline includes "*Twilight of the Warriors: Walled In*", an action film directed by Cheng Poi-Shui, featuring Louis Koo, Sammo Hung, Richie Jen and Raymond Lam and "*Tales from the Occult: Body and Soul*" and "*Tales from the Occult: Ultimate Malevolence*", psychological thrillers each made up of three short stories produced by John Chong and Mathew Tang, and directed by Frank Hui, Daniel Chan and Doris Wong (*Tales from the Occult: Body and Soul*), and Li Chi Ngai, Peter Lee and Pater Wong (*Tales from the Occult: Ultimate Malevolence*).

"*Dead Ringer*", a 24-episode modern-day TV drama series featuring Bosco Wong and Chrissie Chau, is in post-production stage. Projects under development include "*Heir to the Throne*", a 30-episode modern-drama series tailor-made for Alibaba's Youku Platforms. MAGHL Group is in discussion with various Chinese portals and video websites 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.

Congratulations to Joyce Cheng who won the Best Female Singer Gold Award and was voted the favourite female singer for the second consecutive year in Ultimate Song Chart Awards Presentation 2022. MAGHL Group will keep looking for new talent in Greater China and further cooperation with Asian artistes with an aim to build up a strong artiste roster for eSun Group.

The recent "*Re: Grasshopper Concert 2022*", "*Super Junior World Tour – Super Show 9: Road in Hong Kong*", "*Here & Now Ekin In Concert 2022*" and "*Believe Us Joyce in Concert 2023*" have earned good reputation and public praises. eSun Group will continue to work with prominent local and Asian artistes for concert promotion and events scheduled for coming months include concerts of NCT Dream, Jay Fung, Yoga Lin, Tsai Chin and Sammi Cheng.

It is believed that integrated media platform of MAGHL Group comprising movies, TV programs, music, new media, artiste management and live entertainment put it in a strong position to capture the opportunities of the entertainment market by a balanced and synergistic approach. eSun Group will continue to explore cooperation and investment opportunities to enrich MAGHL Group's portfolio, broaden the income stream of eSun Group.

Other Business Updates

The rights issue ("**Rights Issue**") announced by the Company in November 2022 on the basis of one rights share for every two existing shares of the Company at a subscription price of HK$1.64 each was completed in January 2023. The total net proceeds of the Rights Issue, after deduction of rights issue expenses, was approximately HK$776.6 million. As at the date of this results announcement, all HK$776.6 million has been used for repayment of outstanding bank borrowings of the Group. Upon the completion of the Rights Issue, public float of the Company complies with the minimum requirement as set out in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**").

On 10 November 2022, eSun announced to privatise MAGHL by way of a scheme of arrangement ("**Scheme**"). On 13 February 2023, the Scheme was approved at the court meeting and special general meeting of MAGHL and the special general meeting of eSun by respective shareholders of MAGHL and eSun. The Scheme was sanctioned (without modification) by the Supreme Court of Bermuda on 3 March 2023 and became effective on 16 March 2023, and the listing of MAGHL Shares was withdrawn at 4:00p.m. on 20 March 2023. An aggregate of 264,022,268 new shares of eSun will be allotted and issued on 27 March 2023 and cash consideration of approximately HK$194.3 million will be paid to the relevant Scheme shareholders. MAGHL became an indirect wholly-owned subsidiary of eSun and eSun remained an indirect non-wholly-owned subsidiary of the Company. Immediately upon completion of the Scheme, eSun will be indirectly owned as to approximately 63.4% by the Company.

During the period end, the Group redeemed the US$400 million guaranteed notes issued by the Group in 2017 upon maturity in September 2022. As at 31 January 2023, the Group's consolidated cash and bank deposits amounted to HK$5,617.2 million (HK$2,176.5 million excluding eSun Group and Lai Fung Group) with undrawn facilities of HK$3,416.4 million (HK$1,020.3 million excluding eSun Group and Lai Fung Group). The net debt to equity ratio as at 31 January 2023 was approximately 64% (31 July 2022: 62%). The Group's gearing excluding the net debt of eSun Group and Lai Fung Group was approximately 42%. The Group's gearing excluding the net debt of eSun Group and Lai Fung Group and the net debt of the London portfolio which have a positive carry net of financing costs is approximately 40%. The Group will continue its prudent and flexible approach in growing the landbank and managing its financial position.

OVERVIEW OF INTERIM RESULTS

For the six months ended 31 January 2023, the Group recorded turnover of HK$2,467.4 million (2022: HK$2,719.5 million) and a gross profit of HK$918.3 million (2022: HK$967.1 million). The decrease was primarily due to lower turnover from properties sales during the period under review as compared to the same period last year.

Set out below is the turnover by segment:

	Six months ended 31 January			
	2023 (HK$ million)	2022 (HK$ million)	Difference (HK$ million)	% change
Property investment	**562.2**	644.2	-82.0	-12.7
Property development and sales	**600.2**	858.9	-258.7	-30.1
Restaurant and F&B product sales operations	**262.6**	248.9	+13.7	+5.5
Hotel operation	**421.5**	335.6	+85.9	+25.6
Media and entertainment	**176.0**	147.2	+28.8	+19.6
Film and TV program	**72.9**	135.4	-62.5	-46.2
Cinema operation	**263.1**	223.9	+39.2	+17.5
Theme park operation	**8.8**	10.3	-1.5	-14.6
Others	**100.1**	115.1	-15.0	-13.0
Total	**2,467.4**	2,719.5	-252.1	-9.3

For the six months ended 31 January 2023, net loss attributable to owners of the Company was approximately HK$1,360.8 million (2022: HK$479.9 million). The loss is mainly due to substantial decrease in valuations of investment properties owned by the Group and held through joint ventures of the Group compared to the same period last year. Net loss per share was HK$1.397 (2022: HK$0.548).

Excluding the effect of property revaluations, net loss attributable to owners of the Company was approximately HK$515.7 million (2022: HK$571.0 million). Net loss per share excluding the effect of property revaluations during the period under review was HK$0.529 (2022: HK$0.652).

	Six months ended 31 January	
Loss attributable to owners of the Company	**2023 HK$ million**	2022 HK$ million
Reported	**(1,360.8)**	(479.9)
Less: Adjustments in respect of revaluation of investment properties held by		
– the Company and subsidiaries	**793.5**	(84.3)
– associates and joint ventures	**77.4**	(5.4)
Deferred tax on investment properties	**(25.8)**	(1.4)
Net loss after tax excluding revaluation of investment properties	**(515.7)**	(571.0)

Equity attributable to owners of the Company as at 31 January 2023 amounted to HK$32,183.4 million, as compared to HK$32,794.3 million as at 31 July 2022. Net asset value per share attributable to owners of the Company dropped to HK$22.145 per share as at 31 January 2023 from HK$33.847 per share as at 31 July 2022. The decrease was primarily due to the enlarged shareholder base as a result of the Rights Issue completed in January 2023.

PROPERTY PORTFOLIO COMPOSITION

The Group maintained a property portfolio with attributable GFA of approximately 8.8 million square feet as at 31 January 2023. All major properties of the Group in Mainland China are held through Lai Fung Group, except Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by the 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 2023 are set out as follows:

	Commercial/ Retail	Office	Hotel/ Serviced Apartments	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]	1,468	1,216	—	—	—	2,684	1,643
Completed Hotel Properties and Serviced Apartments[2]	—	—	545	—	—	545	—
Properties under Development[3]	288	873	319		—	1,480	745
Completed Properties Held for Sale	90	232	151	468	—	941	1,915
Subtotal	**1,846**	**2,321**	**1,015**	**468**	**—**	**5,650**	**4,303**
GFA of major properties and number of car parking spaces of the Group excluding Lai Fung Group (on attributable basis)							
Completed Properties Held for Rental[2]	737	1,030	—	—	67	1,834	1,436
Completed Hotel Properties and Serviced Apartments[2]	—	—	725	—	—	725	92
Properties under Development[3]	8	—	—	375	—	383	149
Completed Properties Held for Sale	33	105	68	42	—	248	53
Subtotal	**778**	**1,135**	**793**	**417**	**67**	**3,190**	**1,730**
Total GFA attributable to the Group	**2,624**	**3,456**	**1,808**	**885**	**67**	**8,840**	**6,033**

Notes:

1. *As at 31 January 2023, Lai Fung is a 55.08%-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$562.2 million (2022: HK$644.2 million) comprising turnover of HK$216.2 million, HK$36.4 million and HK$309.6 million from rental properties in Hong Kong, London and Mainland China, respectively.

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

	Six months ended 31 January			Period end occupancy	
	2023 HK$ million	2022 HK$ million	% Change	**2023 %**	2022 %
Hong Kong					
Cheung Sha Wan Plaza	**131.1**	136.1	-3.7	**92.7**	81.6
Causeway Bay Plaza 2	**60.7**	79.0	-23.2	**88.4**	90.0
Lai Sun Commercial Centre	**21.8**	24.0	-9.2	**89.6**	97.5
Others	**2.6**	2.5	+4.0		
Subtotal:	**216.2**	241.6	-10.5		
London, United Kingdom					
107 Leadenhall Street	**10.3**	13.6	-24.3	**88.2**	78.9
100 Leadenhall Street	**23.2**	26.4	-12.1	**100.0**	100.0
106 Leadenhall Street	**2.9**	2.9	—	**100.0**	100.0
Subtotal:	**36.4**	42.9	-15.2		
Mainland China					
Shanghai					
Shanghai Hong Kong Plaza	**134.4**	157.0	-14.4	**Retail: 90.3** **Office: 87.1**	Retail: 95.3 Office: 91.2
Shanghai May Flower Plaza	**20.9**	23.3	-10.3	**Retail: 97.0**	Retail: 98.7
Shanghai Regents Park	**9.8**	10.1	-3.0	**100.0**	79.1
Shanghai Skyline Tower[1]	**0.1**	N/A	N/A	**22.8**	N/A
Guangzhou					
Guangzhou May Flower Plaza	**46.0**	63.7	-27.8	**91.0**	98.6
Guangzhou West Point	**11.2**	14.9	-24.8	**83.5**	92.0
Guangzhou Lai Fung Tower	**67.3**	70.4	-4.4	**Retail: 100.0** **Office: 90.9**[2]	Retail: 100.0 Office: 97.9[2]
Guangzhou Lai Fung International Center[1]	**1.4**	N/A	N/A	**31.6**	N/A
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	**2.7**	3.9	-30.8	**Retail: 66.2**[2]	Retail: 67.5[2]
Hengqin					
Hengqin Novotown Phase I	**2.3**	3.3	-30.3	**Retail: 77.7**[3]	Retail: 72.8[3]
Others	**13.5**	13.1	+3.1		
Subtotal:	**309.6**	359.7	-13.9		
Total:	**562.2**	644.2	-12.7		
Rental proceeds from joint venture projects					
Hong Kong					
CCB Tower[4] (50% basis)	**55.9**	65.5	-14.7	**95.7**	95.7
Alto Residences[5] (50% basis)	**11.9**	22.2	-46.4	**93.5**	84.7
Total:	**67.8**	87.7	-22.7		

Notes:

1. *Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*
2. *Excluding self-use area.*
3. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*
4. *CCB Tower is a joint venture project with China Construction Bank Corporation ("**CCB**") in which each of the Group and CCB has an effective 50% interest. For the six months ended 31 January 2023, the joint venture recorded rental proceeds of approximately HK$111.8 million (2022: HK$131.1 million).*
5. *Alto Residences is a joint venture project with Empire Group Holdings Limited ("**Empire Group**") in which each of the Group and Empire Group has an effective 50% interest. For the six months ended 31 January 2023, the joint venture recorded rental proceeds of approximately HK$23.9 million (2022: HK$44.5 million).*

Set out below is the breakdown of turnover by usage of the Group's major rental properties:

	Six months ended 31 January 2023			Six months ended 31 January 2022		
	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	**100%**			100%		
Commercial		**58.1**	**233,807**		62.2	233,807
Office		**63.7**	**409,896**		64.9	409,896
Car Parking Spaces		**9.3**	**N/A**		9.0	N/A
Subtotal:		**131.1**	**643,703**		136.1	643,703
Causeway Bay Plaza 2	**100%**			100%		
Commercial		**36.2**	**109,770**		54.0	109,770
Office		**21.9**	**96,268**		22.6	96,268
Car Parking Spaces		**2.6**	**N/A**		2.4	N/A
Subtotal:		**60.7**	**206,038**		79.0	206,038
Lai Sun Commercial Centre	**100%**			100%		
Commercial		**8.6**	**95,063**		10.3	95,063
Office		**2.7**	**74,181**		3.5	74,181
Car Parking Spaces		**10.5**	**N/A**		10.2	N/A
Subtotal:		**21.8**	**169,244**		24.0	169,244
Others		**2.6**	**63,592** [1]		2.5	63,592 [1]
Subtotal:		**216.2**	**1,082,577** [1]		241.6	1,082,577 [1]
London, United Kingdom						
107 Leadenhall Street	**100%**			100%		
Commercial		**1.3**	**48,182**		1.5	48,182
Office		**9.0**	**98,424**		12.1	98,424
Subtotal:		**10.3**	**146,606**		13.6	146,606
100 Leadenhall Street	**100%**			100%		
Office		**23.2**	**177,700**		26.4	177,700
106 Leadenhall Street	**100%**			100%		
Commercial		**0.3**	**3,540**		0.3	3,540
Office		**2.6**	**16,384**		2.6	16,384
Subtotal:		**2.9**	**19,924**		2.9	19,924
Subtotal:		**36.4**	**344,230**		42.9	344,230
Mainland China						
Shanghai						
Shanghai Hong Kong Plaza	**55.08%**			55.08%		
Retail		**79.0**	**468,434**		100.0	468,434
Office		**52.4**	**362,096**		52.7	362,096
Car Parking Spaces		**3.0**	**N/A**		4.3	N/A
Subtotal:		**134.4**	**830,530**		157.0	830,530
Shanghai May Flower Plaza	**55.08%**			55.08%		
Retail		**18.8**	**320,314**		20.8	320,314
Car Parking Spaces		**2.1**	**N/A**		2.5	N/A
Subtotal:		**20.9**	**320,314**		23.3	320,314
Shanghai Regents Park	**52.33%**			52.33%		
Retail		**8.7**	**82,062**		8.9	82,062
Car Parking Spaces		**1.1**	**N/A**		1.2	N/A
Subtotal:		**9.8**	**82,062**		10.1	82,062
Shanghai Skyline Tower [2]	**55.08%**			55.08%		
Retail and Office		**0.1**	**727,065**		N/A	N/A

	Six months ended 31 January 2023			Six months ended 31 January 2022		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Guangzhou						
Guangzhou May Flower Plaza	**55.08%**			55.08%		
Retail		**39.2**	**357,424**		55.0	357,424
Office		**5.7**	**79,431**		7.3	79,431
Car Parking Spaces		**1.1**	**N/A**		1.4	N/A
Subtotal:		**46.0**	**436,855**		63.7	436,855
Guangzhou West Point	**55.08%**			55.08%		
Retail		**11.2**	**182,344**		14.9	182,344
Guangzhou Lai Fung Tower	**55.08%**			55.08%		
Retail		**8.1**	**112,292**		9.0	112,292
Office		**56.0**	**625,821**		58.0	625,821
Car Parking Spaces		**3.2**	**N/A**		3.4	N/A
Subtotal:		**67.3**	**738,113**		70.4	738,113
Guangzhou Lai Fung International Center[2]	**55.08%**			55.08%		
Retail and Office		**1.4**	**614,621**		N/A	N/A
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	**55.08%**			55.08%		
Retail[3]		**2.7**	**148,106**		3.9	148,106
Hengqin						
Novotown Phase I	**64.06%**[4]			64.06%[4]		
Commercial[5]		**2.3**	**995,717**[5]		3.3	975,365[5]
Others		**13.5**	**N/A**		13.1	N/A
Subtotal:		**309.6**	**5,075,727**		359.7	3,713,689
Total:		**562.2**	**6,502,534**[1]		644.2	5,140,496[1]
Joint Venture Projects						
Hong Kong						
CCB Tower[6] (50% basis)	**50%**			50%		
Office		**55.6**	**114,603**[7]		65.2	114,603[7]
Car Parking Spaces		**0.3**	**N/A**		0.3	N/A
Subtotal:		**55.9**	**114,603**[7]		65.5	114,603[7]
Alto Residences[8] (50% basis)	**50%**			50%		
Commercial		**7.3**	**47,067**[9]		6.4	47,067[9]
Residential units[10]		**3.1**	**15,262**[11]		14.0	28,412[11]
Car Parking Spaces		**1.5**	**N/A**		1.8	N/A
Subtotal:		**11.9**	**62,329**		22.2	75,479
Total:		**67.8**	**176,932**		87.7	190,082

Notes:

1. *Excluding 10% interest in AIA Central.*
2. *Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*
3. *Excluding self-use area.*
4. *Including the Company's 20% direct interest in Novotown Phase I and 44.06% attributable interest through Lai Fung. As at 31 January 2023, Novotown Phase I is 80% owned by Lai Fung and Lai Fung is a 55.08%-owned subsidiary of the Company.*
5. *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 2023. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of the Group.*
6. *CCB Tower is a joint venture project with CCB in which each of the Group and CCB has an effective 50% interest. For the six months ended 31 January 2023, the joint venture recorded rental proceeds of approximately HK$111.8 million (2022: HK$131.1 million).*
7. *GFA attributable to the Group. The total GFA is 229,206 square feet.*
8. *Alto Residences is a joint venture project with Empire Group in which each of the Group and Empire Group has an effective 50% interest. For the six months ended 31 January 2023, the joint venture recorded rental proceeds of approximately HK$23.9 million (2022: HK$44.5 million).*
9. *GFA attributable to the Group. The total GFA is 94,133 square feet.*
10. *Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
11. *Saleable area attributable to the Group. The total saleable area is 30,524 (2022: 56,823) square feet.*

The average Sterling exchange rate for the period under review depreciated by approximately 12.1% compared with the same period last year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties decreased by 3.5% during the period under review. Breakdown of rental turnover of London portfolio for the six months ended 31 January 2023 is as follows:

	2023 HK$'000	2022 HK$'000	% Change	**2023 GBP'000**	2022 GBP'000	% Change
107 Leadenhall Street	**10,344**	13,621	-24.1	**1,113**	1,289	-13.7
100 Leadenhall Street	**23,161**	26,352	-12.1	**2,493**	2,493	—
106 Leadenhall Street	**2,887**	2,940	-1.8	**311**	278	+11.9
Total:	**36,392**	42,913	-15.2	**3,917**	4,060	-3.5

Review of major investment properties

Hong Kong Properties

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.

The 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.

The 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).

The Group owns 100% of this property.

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

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

Overseas Properties

107 Leadenhall Street, London EC3, United Kingdom
In April 2014, the Group acquired a property located at the core of the insurance district in the City of London, surrounded by 30 St Mary Axe (commonly known as the Gherkin), Lloyd's of London and the Willis Building at 51 Lime Street. It is a freehold commercial property housing commercial, offices and retail space. The building comprises 146,606 square feet gross internal area of office accommodation extending over basement, ground, mezzanine and seven upper floors. The occupancy at the end of January 2023 was approximately 88.2%.

The Group owns 100% of this property.

100 Leadenhall Street, London EC3, United Kingdom
Following the acquisition of 107 Leadenhall Street in April 2014, the Group completed the acquisition of 100 Leadenhall Street in January 2015. This property comprises a basement, a lower ground floor, ground floor and nine upper floors and provides 177,700 square feet gross internal area of offices and ancillary accommodation. The property is currently fully let to Chubb Market Company Limited.

The Group owns 100% of this property.

106 Leadenhall Street, London EC3, United Kingdom
In December 2015, the Group acquired the property located adjacent to 100 and 107 Leadenhall Street, namely 106 Leadenhall Street, which is a multi-tenanted asset with approximately 19,924 square feet gross internal area of commercial and offices including ancillary space. The property is currently fully leased out.

The Group owns 100% of this property.

The City of London's Planning and Transportation Committee has approved a resolution to grant Planning Consent to the Group to redevelop the Leadenhall Properties. The Leadenhall Properties currently have a combined GFA of approximately 344,230 square feet. The Planning Consent would allow the Group to redevelop the Leadenhall Properties into a 56 storey tower with i) approximately 1,068,510 square feet gross internal area of office space as well as new retail space of approximately 8,730 square feet; ii) a free, public viewing gallery of approximately 19,967 square feet at levels 55 and 56 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 178,435 square feet, the total gross internal area of the proposed tower is expected to be approximately 1,275,642 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 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. It is anticipated that the revised proposal will be approved in coming months.

All leases of the Leadenhall Properties have been aligned to expire in 2023 and the Group will continue to monitor the market conditions in London closely.

Mainland China Properties

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

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

Connected by an indoor footbridge, the property comprises a 32-storey office building, a 32-storey serviced apartment (managed by the Ascott Group), a shopping mall and carpark. The property's total GFA is approximately 1,188,500 square feet excluding 350 car parking spaces, comprising approximately 362,100 square feet for office, approximately 358,000 square feet for serviced apartment, and approximately 468,400 square feet for shopping mall. Anchor tenants, as of the date of this 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 Su Jia Xiang in the Jing'an District in Shanghai. This project is situated near the Zhongshan Road North Metro Station.

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

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

Shanghai Skyline Tower
Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. This 30-storey office tower, erected upon a 3-level shopping mall and car-parking basement, has a total GFA of approximately 727,100 square feet excluding 443 car parking spaces. This property has obtained the LEED Pre-certified Gold Rating and is in the progress of preparing for application for LEED Gold Certification. The construction was completed in September 2022 and leasing is underway. As at the date of this results announcement, approximately 25% of commercial and office areas have been secured.

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

Lai Fung Group owns 100% of this property.

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, formally known as Guangzhou Haizhu Plaza, is located on Chang Di Main Road in Yuexiu District, Guangzhou along the Pearl River. Guangzhou Lai Fung International Center, comprising an 18-storey office tower, erected upon a 4-level commercial facility, has a total GFA of approximately 614,600 square feet excluding 267 car parking spaces. The construction was completed in November 2022. This property has been awarded the LEED v4 Gold Certification in February 2023. The leasing work is in progress and as at the date of this results announcement, approximately 33% of commercial and office areas have been leased.

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-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.

Lai Fung Group owns 100% of this property.

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

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

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 commenced operations on 9 September 2019. In February 2021, a new interactive attraction "Wonders of Kung Fu" was launched in the central garden space of Novotown Phase I, which includes light shows providing immersive cultural experience and interactive games with Chinese Kungfu being the key underlying theme. This attraction in the 5,000 square meters central garden offers more than 10 interactive points, aiming not only to bring new experiences to visitors in terms of advanced visual/media technologies and cultural enlightenment, but also with an objective to boost night economy at Novotown. Leasing of the commercial area of Novotown Phase I is underway with approximately 77.7% of the leasable area. Except for the two themed indoor experience centers, key tenants include Zhuhai Duty Free, BaoLian Retail Commerce, Adidas Outlet, Pokiddo Trampoline Park, Starbucks, McDonald's, Paulaner Wirtshaus Hengqin, Oyster King and Vanguard Life Superstore.

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

Recognised Sales

For the six months ended 31 January 2023, recognised turnover from sales of properties was HK$600.2 million (2022: HK$858.9 million). Breakdown of turnover for the six months ended 31 January 2023 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)
Monti Residential Units	4	1,344	22,085	29.7
Subtotal				**29.7**
Mainland China				
Recognised basis	**No. of Units**	**Approximate GFA** (Square feet)	**Average Selling Price**[2] (HK$/square foot)	**Turnover**[3] (HK$ million)
Shanghai Wuli Bridge Project Residential Unit	1	3,302	13,986	41.1
Hengqin Novotown Phase I Cultural Studios Cultural Workshop Units	 3 9	 9,672 7,761	 4,630 2,369	 42.0 16.9
Zhongshan Palm Spring Residential High-rise Units Residential House Units	 215 3	 257,497 6,208	 1,879 3,409	 444.1 20.1
Shanghai Regents Park Car Parking Spaces	7			4.5
Guangzhou King's Park Car Parking Spaces	2			0.9
Guangzhou West Point Car Parking Space	1			0.5
Zhongshan Palm Spring Car Parking Spaces	2			0.4
Subtotal				**570.5**
Total				**600.2**
Recognised sales from joint venture project				
Hong Kong				
Recognised basis	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price**[2] (HK$/square foot)	**Turnover** (HK$ million)
Alto Residences (50% basis) House Residential Unit Car Parking Space	 1[4] 1[6] 1[8]	 2,880[4] 709[6] 	 22,275 25,406 	 64.1[5] 18.0[7] 1.4
Total				**83.5**

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 houses and saleable area attributable to the Group. The total no. of houses recognised and total saleable area are 2 and 5,759 square feet, respectively.*
5. *Representing property sales proceeds of HK$118.9 million and rental proceeds of HK$9.4 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 and saleable area attributable to the Group. The total no. of residential unit recognised and total saleable area is 1 and 1,417 square feet, respectively.*
7. *Representing property sales proceeds of HK$34.2 million and rental proceeds of HK$1.8 million in relation to certain residential unit offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
8. *No. of car parking space attributable to the Group. The total no. of car parking space recognised is 1.*

Contracted Sales

As at 31 January 2023, the Group's property development operation has contracted but not yet recognised sales of HK$312.7 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 January 2023 amounted to HK$651.9 million. Breakdown of contracted but not yet recognised sales as at 31 January 2023 is as follows:

Mainland China

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	43	53,704	1,772	95.2
Hengqin Novotown Phase I				
Cultural Studios	2	10,044	4,560	45.8
Cultural Workshop Units	2	1,612	3,102	5.0
Hengqin Novotown Phase II				
Harrow ILA Hengqin Buildings[2]	N/A	149,078	1,109	165.3
Shanghai Regents Park				
Car Parking Space	1			0.7
Guangzhou King's Park				
Car Parking Space	1			0.7
Total				**312.7**

Contracted sales from joint venture project
Hong Kong

Contracted basis	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price** (HK$/square foot)	**Turnover** (HK$ million)
Alto Residences (50% basis)				
Houses	4[3]	10,999[3]	23,165	254.8[4]
Residential Units	3[5]	2,932[5]	25,926	76.0[6]
Car Parking Spaces	3[7]			8.4
Total				**339.2**

Notes:
1. *Value-added tax inclusive.*
2. *Will be recognised as income from finance lease under turnover.*
3. *No. of houses and saleable area attributable to the Group. The total no. of houses contracted and total saleable area are 7 and 21,998 square feet, respectively.*
4. *Representing property sales proceeds of HK$467.7 million and rental proceeds of HK$41.8 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
5. *No. of residential units and saleable area attributable to the Group. The total no. of residential units contracted and total saleable area are 5 and 5,864 square feet, respectively.*
6. *Representing property sales proceeds of HK$144.4 million and rental proceeds of HK$7.6 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
7. *No. of car parking spaces attributable to the Group. The total no. of car parking spaces contracted is 6.*

Review of Major Projects for Sale and under Development

Hong Kong Properties

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

This project providing 605 flats, including 23 houses was named "Alto Residences" and the construction was completed in September 2018. 604 units, including 23 houses in Alto Residences have been sold, with saleable area of approximately 404,640 square feet at an average selling price of approximately HK$18,000 per square foot. Total 86 car parking spaces of Alto Residences have been released for sale since March 2019. Up to 24 March 2023, 75 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$204.1 million.

93 Pau Chung Street

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

This project was named "93 Pau Chung Street" and the construction was completed in November 2018. All 209 residential units and 7 commercial units have been sold, achieving an average selling price of approximately HK$16,400 per square foot and HK$23,500 per square foot, respectively. Up to 24 March 2023, 7 out of 20 car parking spaces and 4 out of 5 motor-parking spaces have been sold and the total sales proceeds amounted to approximately HK$10.2 million.

The Group owns 100% of this project.

Novi

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

This project was named "Novi" and the sale of all 138 flats, including studios, one and two-bedroom units with total saleable area of approximately 28,800 square feet have been completed. As at the date of this results announcement, 4 commercial units of Novi are fully leased.

The Group owns 100% of this project.

Monti

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

This project was named "Monti" and launched for pre-sale in August 2018. Up to 24 March 2023, the Group has sold all 144 units in Monti with saleable area of approximately 45,822 square feet at an average selling price of approximately HK$21,300 per square foot. Handover of the residential units which have been sold has been substantially completed.

The Group owns 100% of this project.

Tai Kei Leng project

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

The Group owns 100% of this project.

Bal Residence
In April 2019, the Group successfully secured the Urban Renewal Authority project covering a site area of approximately 8,500 square feet at No. 18 Hang On Street, Kwun Tong, Hong Kong which will be developed into a total GFA of approximately 71,800 square feet, including 8,100 square feet of commercial facilities and 63,700 square feet of residential spaces, offering 156 residential units. The project has been officially named as "Bal Residence". Pre-sale of residential units was launched in February 2023. Up to 24 March 2023, the Group has pre-sold 3 units in Bal Residence with saleable area of approximately 1,016 square feet at an average selling price of approximately HK$18,000 per square foot. Construction work is in progress and is expected to be completed in the first quarter of 2024.

The Group owns 100% of this project.

Wong Chuk Hang project
In January 2021, the consortium formed by the 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 to be opened by end of 2023, 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 824 residential units. The tendering and contract awarding works are in progress and construction is expected to be completed in 2025.

The Group owns 15% interest in this project.

116 Waterloo Road project
In September 2021, the 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. The Group intends to redevelop the site into residential units with a total GFA of approximately 46,600 square feet, offering around 88 residential units, with a total investment of approximately HK$1.1 billion. The design, planning and demolition works are in progress and construction is expected to be completed in the first half of 2027.

The Group owns 100% of this project.

79 Broadcast Drive project
In October 2021, the 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. The 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. The design, planning and demolition works are in progress and construction is expected to be completed in the first half of 2026.

The Group owns 100% of this project.

1&1A Kotewall Road project
In January 2022, the 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. The Group intends to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 28 medium-large sized residential units upon completion. The total investment of the project will be approximately HK$1.9 billion. The preparation of foundation work is in progress and construction is expected to be completed in the first half of 2027.

The Group owns 100% of this project.

Mainland China Properties

All major properties for sale and under development in Mainland China of the Group are held through Lai Fung Group except Hengqin Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by the 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. During the period under review, sales of a residential unit with a total GFA of 3,202 square feet was recognised at an average selling price of HK$13,986 per square foot, which contributed a total of HK$41.1 million to Lai Fung Group's turnover. As at 31 January 2023, all residential units and 30 car parking spaces have been sold. 13 car parking spaces of this development remained unsold as at 31 January 2023.

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 2023, 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 seven car parking spaces contributed HK$4.5 million to the turnover. As at 31 January 2023, the contracted but not yet recognised sales of one car parking space amounted to approximately HK$0.7 million and a total of 213 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 two car parking spaces contributed HK$0.9 million to the turnover. As at 31 January 2023, the contracted but not yet recognised sales of one car parking space amounted to approximately HK$0.7 million and the three car parking spaces remained unsold.

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

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

During the period under review, 257,497 square feet of high-rise residential units and 6,208 square feet of house units were recognised at an average selling price of HK$1,879 per square foot and HK$3,409 per square foot, respectively, which contributed a total of HK$464.2 million to the sales turnover. As at 31 January 2023, contracted but not yet recognised sales for high-rise residential units amounted to HK$95.2 million, at an average selling price of HK$1,772 per square foot.

STARR Resort Residence Zhongshan comprising two 16-storey blocks in the Palm Lifestyle complex was closed in 2019. The serviced apartment units were launched for sale in May 2019 and have been re-classified from “Property, plant and equipment” to “Assets classified as held for sale” in the consolidated statement of financial position of Lai Fung Group. The sale of these serviced apartment units is recorded as disposal of assets classified as held for sale and the sales proceeds net of cost are included in “Other operating expenses, net” on the face of the consolidated income statement of Lai Fung Group. As at 31 January 2023, a serviced apartment unit remained unsold.

As at 31 January 2023, completed units held for sale in this development, including residential units, a serviced apartment unit and commercial units, amounted to approximately 905,600 square feet and the 2,677 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 9,672 square feet of cultural studios and 7,761 square feet of cultural workshop units were recognised at an average selling price of HK$4,630 per square foot and HK$2,369 per square foot, respectively, which contributed a total of HK$58.9 million to Lai Fung Group’s turnover. As at 31 January 2023, contracted but not yet recognised sales for cultural studios and cultural workshop units amounted to HK$45.8 million and HK$5.0 million, at an average selling price of HK$4,560 per square foot and HK$3,102 per square foot, respectively. As at 31 January 2023, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshop units and office units, amounted to approximately 963,300 square feet.

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

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

Construction work is in progress and the completion is expected to be in phases by 2024. This mixed-used development project is expected to provide commercial and experiential entertainment facilities, office space and serviced apartment space of 355,500 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Parts of the office units and serviced apartment units have been designated as for-sale properties. Properties in Novotown Phase II occupied by Harrow ILA Hengqin have been sold to the school operator, which enabled 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 entered into a licence agreement with Real Madrid Club de Fútbol in June 2017 in relation to the development and operation of the location-based entertainment center, namely Real Madrid World in Novotown. Lai Fung Group is also in the process of identifying and planning for a motor-themed experience center, as well as other culturally themed tourism facilities in Novotown Phase II.

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

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

RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the six months ended 31 January 2023, restaurant and F&B product sales operations contributed HK$262.6 million to the Group's turnover, representing an increase of approximately 5.5% from that of HK$248.9 million for the same period last year. The Group has 3 more new restaurants in operation under the period under review, namely ADD+, MOSU Hong Kong and SẾP, however, restaurant operations of the Group have yet returned to pre-pandemic business levels.

Up to the date of this results announcement, restaurant operations include the Group's interests in 25 restaurants in Hong Kong and Mainland China and 1 restaurant in Macau under management. Details of each existing restaurant of the Group are as follows:

Cuisine	Restaurant	Location	Attributable interest to the Group	Award
Owned restaurants				
Western/ International Cuisine	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012-2022)
	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017-2022)
	Opera BOMBANA	Beijing	20%	
	CIAK – In The Kitchen	Hong Kong	63%	One Michelin star (2015-2017)
	CIAK – All Day Italian	Hong Kong	68%	Michelin Bib Gourmand (2017-2021)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2022)
	Takumi by Daisuke Mori	Hong Kong	65%	One Michelin star (2018-2022)
	Prohibition *(Note)*	Hong Kong	100%	
	Zest by Konishi	Hong Kong	68%	One Michelin star (2020-2022)
	Cipriani	Hong Kong	44%	
	ADD+	Hong Kong	68%	
Asian Cuisine	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019-2021)
	China Tang Beijing	Beijing	68%	
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Old Bazaar Kitchen	Hong Kong	65%	
	Canton Bistro *(Note)*	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	85%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	85%	
	MOSU Hong Kong	Hong Kong	68%	Three Michelin stars (Seoul) (2023)
	SẾP	Hong Kong	68%	
	China Club	Hong Kong	17%	
Japanese Cuisine	Masa Hong Kong	Hong Kong	68%	
	Rozan	Hong Kong	65%	
	Yamato	Hong Kong	60%	
Managed restaurant				
Western Cuisine	8½ Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016-2022)

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

HOTEL AND SERVICED APARTMENT OPERATIONS

The hotel and serviced apartment operation segment of the Group includes the Group's operation of the Ocean Park Marriott Hotel in Hong Kong and the Caravelle Hotel in Ho Chi Minh City, Vietnam, as well as Lai Fung Group's hotel and serviced apartment operation in Shanghai and Hengqin, Mainland China. Since December 2019, the 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 the Group invested in June 2017 is still at the planning stage. The 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 2023, the hotel and serviced apartment operations contributed HK$421.5 million to the Group's turnover (2022: HK$335.6 million). Recovery of tourism industry and hotel business in Vietnam was strong since its reopening of border gate to foreign visitors in March 2022 and the Group's Caravelle Hotel in Ho Chi Minh City recorded robust growth during the period under review as compared to the same period last year. Hong Kong Ocean Park Marriot Hotel was operating as a designated quarantine hotel since June 2022 before the change of quarantine arrangement in Hong Kong to a "0+3" regime in September 2022 and during that period the hotel's catering and banquet businesses saw a significant decrease in demand. The occupancy dropped significantly after the lifting of compulsory quarantine requirement from 26 September 2022 and has been under pressure due to the lack of inbound tourism, especially visitors from Mainland China before the border with Mainland China reopened in early January 2023, as well as lower demand for hotel staycations from the local market.

Breakdown of turnover from hotel and serviced apartment operations for the six months ended 31 January 2023 is as follows:

	Location	Attributable interest to the 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	112.4	45.9
Ascott Huaihai Road Shanghai	Shanghai	55.08%	310	358,009	44.8	62.8
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	9.1	52.5
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	55.2	77.7
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	199.5	55.2
Subtotal:			**1,848**	**1,856,594**	**421.0**	
Hotel management fee					0.5	
Total:					**421.5**	
Joint Venture Project						
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106[2]	138,241[2]	32.5	24.4

Notes:

1. *On 100% basis.*
2. *No. of rooms and GFA attributable to the 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 the Group. Ocean Park Marriott Hotel has achieved "Gold" rating in BEAM Plus Final Assessment. With the border between Hong Kong and Mainland China reopened on 8 January 2023, the 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. The 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. The Group owns a 26.01% interest in Caravelle Hotel.

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

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

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

Hyatt Regency Hengqin is located in Novotown Phase I in Hengqin, Zhuhai, the heart of the Greater Bay Area and is within easy reach of the Hong Kong-Zhuhai-Macau Bridge. Hyatt Regency Hengqin with total GFA of approximately 610,500 square feet 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 the Group.

CINEMA OPERATION

The cinema operation is managed by eSun Group. For the six months ended 31 January 2023, this segment recorded a turnover of HK$263.1 million (2022: HK$223.9 million) and segment results of a loss of HK$35.2 million (2022: a loss of HK$61.9 million). The Hong Kong box office was encouraging with a strong line-up of locally produced movies and Hollywood blockbusters released during the period under review. In view of the challenging market condition and economic uncertainty in Mainland China, the Guangzhou Mayflower Cinema City was closed in October 2022 during the period under review. As at the date of this results announcement, eSun Group operates fifteen cinemas in Hong Kong (including one joint venture project) and two cinemas in Mainland China and details on the number of screens and seats of each existing cinema are as follows:

Cinema	**Attributable interest to eSun Group** (%)	**No. of screens** *(Note)*	**No. of Seats** *(Note)*
Mainland China			
Suzhou Grand Cinema City	100	10	1,440
Zhongshan May Flower Cinema City	100	5	905
Subtotal		**15**	**2,345**
Hong Kong			
K11 Art House	100	12	1,708
Movie Town (including MX4D theatre)	100	7	1,702
MCL Cyberport Cinema	100	4	818
MCL Citygate Cinema	100	4	673
MCL Amoy Cinema	100	3	603
Festival Grand Cinema	95	8	1,196
MCL Telford Cinema (including MX4D theatre)	95	6	789
MCL Metro City Cinema	95	6	690
STAR Cinema	95	6	622
Grand Kornhill Cinema (including MX4D theatre)	95	5	706
MCL Cheung Sha Wan Cinema	95	4	418
MCL South Horizons Cinema	95	3	555
MCL Green Code Cinema	95	3	285
Grand Windsor Cinema	95	3	246
MCL Cinemas Plus+ Plaza Hollywood	50	6	1,595
Subtotal		**80**	**12,606**
Total		**95**	**14,951**

Note: On 100% basis.

MEDIA AND ENTERTAINMENT

The media and entertainment businesses are operated by eSun Group. For the six months ended 31 January 2023, this segment recorded a turnover of HK$176.0 million (2022: HK$147.2 million) and segment results of an increased profit to HK$17.4 million from that of a profit of HK$9.8 million in the same period last year.

Events Management

During the period under review, eSun Group organised and invested in 47 (2022: 8) shows by popular local, Asian and internationally renowned artistes, including Grasshopper, Super Junior, Ekin Cheng, Sammi Cheng, ILUB, Miriam Yeung and C AllStar.

Music Production, Distribution and Publishing

During the period under review, eSun Group released 5 (2022: 6) albums, including titles by Jay Fung, Cloud Wan and Leslie Cheung. eSun Group is expected 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 television drama production and film production businesses. eSun Group currently has 27 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 2023, this segment recorded a turnover of HK$72.9 million (2022: HK$135.4 million) and segment results of a loss of HK$12.2 million (2022: a profit of HK$11.8 million).

During the period under review, a total of 2 (2022: 2) films produced/invested by eSun Group were theatrically released, namely "*Warriors of Future*" and "*Tales From The Occult I*". eSun Group also distributed 17 (2022: 10) films and 127 (2022: 133) videos with high profile titles including "*Warriors of Future*", "*Mama's Affair*", "*Godfather*", "*Jurassic World Dominion*" and "*Top Gun: Maverick*".

INTERESTS IN JOINT VENTURES

During the six months ended 31 January 2023, losses from joint ventures amounted to losses of HK$30.7 million, as compared to gains of HK$87.3 million for the same period last year. The loss is primarily a mix of the increase in fair value loss of CCB Tower and decrease in operating profits of joint ventures during the period under review.

	Six months ended 31 January	
	2023 (HK$ million)	2022 (HK$ million)
Revaluation (losses)/gains	**(77.4)**	5.4
Operating profits	**46.7**	81.9
(Losses)/Gains from joint ventures	**(30.7)**	87.3

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 January 2023, cash and bank balances and undrawn facilities held by the Group amounted to approximately HK$5,617.2 million and approximately HK$3,416.4 million, respectively. Cash and bank balances held by the Group of which about 56% was denominated in Hong Kong dollars and United States dollars, and about 36% was denominated in Renminbi. Excluding eSun Group and Lai Fung Group, cash and bank balances and undrawn facilities held by the Group as at 31 January 2023 were approximately HK$2,176.5 million and approximately HK$1,020.3 million, respectively.

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

As at 31 January 2023, the Group had bank borrowings of approximately HK$21,746.1 million, guaranteed notes of approximately HK$4,279.2 million and other borrowings of approximately HK$325.5 million. As at 31 January 2023, the maturity profile of the bank borrowings of HK$21,746.1 million is spread with HK$5,658.6 million repayable within one year, HK$2,075.7 million repayable in the second year, HK$12,125.8 million repayable in the third to fifth years, and HK$1,886.0 million repayable beyond the fifth year.

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

Approximately 83% and 16% of the Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 1% of 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 64%. Excluding the net debt of eSun Group and Lai Fung Group, the Group's gearing ratio was approximately 42%. Excluding the net debt of London portfolio which had a positive carry net of financing costs, and the net debt of eSun Group and Lai Fung Group, the Group's gearing ratio was approximately 40%.

As at 31 January 2023, certain investment properties with carrying amounts of approximately HK$28,112.3 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK$8,212.4 million, certain completed properties for sale with carrying amounts of approximately HK$184.6 million, certain properties under development with carrying amounts of approximately HK$3,882.8 million and certain bank balances and time deposits with banks of approximately HK$840.5 million were pledged to banks to secure banking facilities granted to the Group. In addition, certain shares in subsidiaries were pledged to banks to secure banking facilities granted to the Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Group. The Group's secured bank borrowings were also secured by floating charges over certain assets held by the Group.

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

CONTINGENT LIABILITIES

There has been no material change in contingent liabilities of the Group since 31 July 2022.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

LSD Bonds (2017) Limited, a wholly-owned subsidiary of the Company, issued the US$400,000,000 4.6% guaranteed notes due 13 September 2022 ("**LSD Guaranteed Notes**") in September 2017.

The maturity amount and interest amount of the LSD Guaranteed Notes due was fully paid on the maturity date of 13 September 2022.

Lai Fung Bonds (2018) Limited ("**LF Bonds**", a wholly-owned subsidiary of Lai Fung) issued the US$350,000,000 5.65% guaranteed notes due 2023 ("**LF Guaranteed Notes**") in January 2018.

On 12 August 2022, LF Bonds repurchased the LF Guaranteed Notes in a principal amount of US$3,500,000, for an aggregate consideration (with accrued interest) of approximately US$3,235,000 (equivalent to approximately HK$25,365,000) in the open market. On 18 January 2023, LF Bonds fully redeemed its outstanding LF Guaranteed Notes at principal amount upon maturity.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the six months ended 31 January 2023.

CORPORATE GOVERNANCE

The Company has complied with all the code provisions set out in the Corporate Governance Code contained in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange during the six months ended 31 January 2023 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 ("**AGM**") held on 16 December 2022. Mr. Chew Fook Aun, the Deputy Chairman and an Executive Director present at that AGM took the chair of that AGM pursuant to Article 71 of the Articles of Association to ensure an effective communication with the Shareholders thereat.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 January 2023, the Group employed a total of approximately 4,200 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 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.

Despite the pandemic, 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 number of research analysts and investors via online meetings and conference calls as follows:

Month	Event (Virtual)	Organiser	Investor Base
October 2022	Post results non-deal roadshow	DBS	Hong Kong
October 2022	Post results non-deal roadshow	DBS	United States
November 2022	Post results non-deal roadshow	DBS	United States
December 2022	DBS Vickers Hong Kong Property and Logistics Conference Calls	DBS	Hong Kong/Singapore

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@laisun.com.

REVIEW OF INTERIM RESULTS

The audit committee of the Company ("**Audit Committee**") currently comprises three Independent Non-Executive Directors, namely Mr. Leung Shu Yin, William, Mr. Lam Bing Kwan and Mr. Ip Shu Kwan, Stephen. 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 2023.

By Order of the Board
Lam Kin Ngok, Peter
Chairman

Hong Kong, 24 March 2023

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

Executive Directors:	*Dr. Lam Kin Ngok, Peter (Chairman) and Messrs. Chew Fook Aun (Deputy Chairman), Lau Shu Yan, Julius (Chief Executive Officer), Lam Hau Yin, Lester (also alternate to Madam U Po Chu) and Lee Tze Yan, Ernest;*
Non-Executive Director:	*Madam U Po Chu; and*
Independent Non-Executive Directors:	*Messrs. Lam Bing Kwan, Leung Shu Yin, William and Ip Shu Kwan, Stephen.*