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 2022

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 2022 together with the comparative figures of the last corresponding period as follows:

Condensed Consolidated Income Statement
For the six months ended 31 January 2022

	Notes	**Six months ended 31 January** **2022 (Unaudited)** ***HK$'000***	2021 (Unaudited) *HK$'000*
TURNOVER	*4*	**2,719,500**	2,745,371
Cost of sales		**(1,752,441)**	(2,127,231)
Gross profit		**967,059**	618,140
Other revenue and gains		**152,239**	429,936
Selling and marketing expenses		**(139,849)**	(93,380)
Administrative expenses		**(438,255)**	(466,644)
Other operating expenses		**(743,029)**	(753,191)
Fair value gains/(losses) on investment properties, net		**82,843**	(363,382)
LOSS FROM OPERATING ACTIVITIES	*5*	**(118,992)**	(628,521)
Finance costs	*6*	**(482,392)**	(369,546)
Share of profits and losses of associates		**(277)**	(9,750)
Share of profits and losses of joint ventures		**87,283**	(328,933)
LOSS BEFORE TAX		**(514,378)**	(1,336,750)
Tax	*7*	**(128,983)**	(195,618)
LOSS FOR THE PERIOD		**(643,361)**	(1,532,368)
Attributable to:			
Owners of the Company		**(479,936)**	(1,227,421)
Non-controlling interests		**(163,425)**	(304,947)
		(643,361)	(1,532,368)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*8*		(Adjusted)
Basic and diluted		**(HK$0.548)**	(HK$1.784)

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 31 January 2022

	Six months ended 31 January 2022 (Unaudited) *HK$'000*	2021 (Unaudited) *HK$'000*
LOSS FOR THE PERIOD	**(643,361)**	(1,532,368)
OTHER COMPREHENSIVE INCOME/(EXPENSE)		
Other comprehensive income/(expense) that may be reclassified to profit or loss in subsequent periods:		
Exchange realignments	**287,764**	2,003,098
Share of other comprehensive (expense)/income of associates	**(805)**	3,295
Share of other comprehensive expense of joint ventures	**(2,613)**	(2,582)
Release of exchange reserve upon dissolution and deregistration of subsidiaries	**(176)**	974
Reclassification of reserve upon return of capital from a subsidiary	**29,965**	—
	314,135	2,004,785
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	**(17,373)**	(16,379)
OTHER COMPREHENSIVE INCOME FOR THE PERIOD	**296,762**	1,988,406
TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE PERIOD	**(346,599)**	456,038
Attributable to:		
Owners of the Company	**(370,602)**	(63,093)
Non-controlling interests	**24,003**	519,131
	(346,599)	456,038

Condensed Consolidated Statement of Financial Position

As at 31 January 2022

	Notes	31 January 2022 (Unaudited) *HK$'000*	31 July 2021 (Audited) *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**7,395,371**	7,464,101
Right-of-use assets		**5,162,247**	5,306,475
Investment properties		**37,859,672**	37,035,152
Film rights		**11,675**	15,109
Film and TV program products		**56,914**	54,838
Music catalogs		**974**	3,124
Goodwill		**260,849**	274,423
Other intangible assets		**142,827**	150,853
Investments in associates		**218,030**	217,163
Investments in joint ventures		**7,047,743**	7,124,459
Financial assets at fair value through other comprehensive income		**1,672,576**	1,689,200
Financial assets at fair value through profit or loss		**895,360**	1,041,480
Derivative financial instruments		**—**	191
Debtors	*9*	**541,606**	526,687
Deposits, prepayments, other receivables and other assets		**308,796**	275,008
Deferred tax assets		**2,188**	2,147
Pledged and restricted bank balances and time deposits		**56,034**	55,105
Total non-current assets		**61,632,862**	61,235,515
CURRENT ASSETS			
Properties under development		**3,873,291**	2,075,324
Completed properties for sale		**6,818,041**	7,351,128
Films and TV programs under production and film investments		**337,442**	235,844
Inventories		**54,328**	48,851
Financial assets at fair value through profit or loss		**256,046**	183,290
Derivative financial instruments		**3,529**	—
Debtors	*9*	**307,990**	340,954
Deposits, prepayments, other receivables and other assets		**1,837,870**	953,539
Prepaid tax		**36,784**	53,100
Pledged and restricted bank balances and time deposits		**2,553,041**	2,270,483
Cash and cash equivalents		**6,178,117**	8,284,797
		22,256,479	21,797,310
Assets classified as held for sale		**1,938**	5,273
Total current assets		**22,258,417**	21,802,583

Condensed Consolidated Statement of Financial Position (continued)
As at 31 January 2022

	Notes	**31 January 2022 (Unaudited) *HK$'000***	31 July 2021 (Audited) *HK$'000*
CURRENT LIABILITIES			
Creditors, other payables and accruals	*10*	**3,039,799**	3,441,480
Deposits received, deferred income and contract liabilities		**1,532,118**	1,430,586
Derivative financial instruments		**6,988**	—
Lease liabilities		**271,021**	283,725
Tax payable		**655,034**	545,295
Bank borrowings		**1,451,601**	3,109,624
Other borrowings		**41,281**	41,159
Guaranteed notes		**5,807,410**	—
Total current liabilities		**12,805,252**	8,851,869
NET CURRENT ASSETS		**9,453,165**	12,950,714
TOTAL ASSETS LESS CURRENT LIABILITIES		**71,086,027**	74,186,229
NON-CURRENT LIABILITIES			
Lease liabilities		**1,010,601**	1,103,892
Bank borrowings		**15,119,263**	15,661,477
Other borrowings		**281,222**	277,398
Guaranteed notes		**4,250,564**	7,692,495
Derivative financial instruments		**—**	8,965
Deferred tax liabilities		**5,209,621**	5,256,477
Other payables and accruals	*10*	**1,018,429**	1,001,169
Long-term deposits received		**215,859**	199,653
Total non-current liabilities		**27,105,559**	31,201,526
		43,980,468	42,984,703
EQUITY			
Equity attributable to owners of the Company			
Share capital	*11*	**5,463,477**	4,134,565
Reserves		**29,666,752**	30,014,749
		35,130,229	34,149,314
Non-controlling interests		**8,850,239**	8,835,389
		43,980,468	42,984,703

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 2022 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 2021 that is included in the unaudited condensed consolidated interim financial statements of the Group for the six months ended 31 January 2022 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 2021 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 auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the 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 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 2021.

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	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
	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	858,861	1,219,993	644,215	660,862	335,552	289,317	248,945	172,069	147,244	163,534	135,362	57,235	223,940	61,074	10,251	14,197	115,130	107,090	2,719,500	2,745,371
Intersegment sales	—	—	19,506	19,910	295	400	1,436	47	—	—	3,282	3,019	1,335	146	—	—	12,543	13,132	38,397	36,654
Other revenue and gains	15,230	3,789	7,178	10,608	146	17,122	271	27,900	1,633	13,189	537	34,298	8,467	57,562	475	2,277	17,520	32,706	51,457	199,451
Total	874,091	1,223,782	670,899	691,380	335,993	306,839	250,652	200,016	148,877	176,723	139,181	94,552	233,742	118,782	10,726	16,474	145,193	152,928	2,809,354	2,981,476
Elimination of intersegment sales																			(38,397)	(36,654)
Total																			2,770,957	2,944,822
Segment results	118,656	(265,675)	359,775	399,255	(163,599)	(189,264)	(54,240)	(25,657)	9,761	8,448	11,839	13,133	(61,865)	(64,556)	(117,112)	(117,807)	5,844	6,070	109,059	(236,053)
Unallocated other revenue and gains																			100,782	230,485
Fair value gains/(losses) on investment properties, net	—	—	82,843	(363,382)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	82,843	(363,382)
Unallocated expenses																			(411,676)	(259,571)
Loss from operating activities																			(118,992)	(628,521)
Finance costs																			(482,392)	(369,546)
Share of profits and losses of associates	40	47	82	(210)	(395)	(189)	—	(186)	—	—	—	—	—	—	—	—	204	153	(69)	(385)
Share of profits and losses of associates – unallocated																			(208)	(9,365)
Share of profits and losses of joint ventures	37,259	21,117	50,097	(353,408)	274	974	—	—	92	2,805	(437)	(463)	(2)	42	—	—	—	—	87,283	(328,933)
Loss before tax																			(514,378)	(1,336,750)
Tax																			(128,983)	(195,618)
Loss for the period																			(643,361)	(1,532,368)

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 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021	31 January 2022	31 July 2021
	(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	12,194,406	10,253,411	38,519,668	37,675,821	9,144,867	9,272,393	671,340	580,155	266,967	353,929	714,602	588,886	1,255,793	1,349,565	1,620,221	1,602,919	967,887	1,084,402	65,355,751	62,761,481
Investments in associates	2,232	2,177	129	45	168,872	171,359	(9,823)	(10,105)	–	–	–	–	–	–	–	–	4,341	5,688	165,751	169,164
Investments in associates – unallocated																			52,279	47,999
Investments in joint ventures	1,978,159	2,115,704	4,962,547	4,909,949	81,091	82,730	–	–	9,796	15,018	620	1,058	2,917	–	–	–	12,613	–	7,047,743	7,124,459
Unallocated assets																			11,267,817	12,929,722
Assets classified as held for sale	1,938	5,273	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	1,938	5,273
Total assets																			83,891,279	83,038,098
Segment liabilities	2,026,719	2,025,242	774,856	812,513	471,770	513,188	181,573	177,914	90,807	131,324	304,984	367,820	1,169,309	1,259,934	96,722	132,658	290,415	384,570	5,407,155	5,805,163
Bank borrowings																			16,570,864	18,771,101
Guaranteed notes																			10,057,974	7,692,495
Other borrowings																			322,503	318,557
Unallocated liabilities																			7,552,315	7,466,079
Total liabilities																			39,910,811	40,053,395

4. TURNOVER

An analysis of turnover is as follows:

	Six months ended 31 January 2022 (Unaudited) *HK$'000*	2021 (Unaudited) *HK$'000*
Turnover from contracts with customers:		
Sale of properties	**858,861**	940,761
Building management fee income	**99,710**	99,022
Income from hotel operation	**335,552**	289,317
Income from restaurant and F&B product sales operations	**248,945**	172,069
Distribution commission income, licence income from and sale of film and TV program products and film rights	**132,877**	57,118
Box-office takings, concessionary income and related income from cinemas	**223,940**	61,074
Entertainment event income	**7,898**	489
Sale of game products	**84,000**	111,606
Album sales, licence income and distribution commission income from music publishing and licensing	**47,861**	45,202
Artiste management fee income	**7,485**	6,237
Advertising income	**2,485**	117
Income from theme park operation	**10,251**	14,197
Others	**115,130**	107,090
	2,174,995	1,904,299
Turnover from other sources:		
Rental income	**544,505**	561,840
Income from properties under finance lease	**—**	279,232
	544,505	841,072
Total turnover	**2,719,500**	2,745,371
Timing of recognition of turnover from contracts with customers:		
At a point in time	**1,837,631**	1,605,816
Over time	**337,364**	298,483
	2,174,995	1,904,299

5. LOSS FROM OPERATING ACTIVITIES

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

	Six months ended 31 January	
	2022	2021
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment^	**232,081**	257,908
Depreciation of right-of-use assets^	**206,932**	196,638
Foreign exchange differences, net	**53,378***	(79,097)@
Amortisation of film rights#	**3,434**	3,849
Amortisation of film and TV program products#	**168**	26,208
Amortisation of music catalogs#	**2,150**	16,388
Amortisation of other intangible assets*	**1,475**	1,019
Write-down of properties under development to net realisable value*	**—**	135,838
Loss on disposal of assets classified as held for sale*	**569**	2,946
Fair value losses/(gains) on financial assets at fair value through profit or loss, net	**145,568***	(106,330)@
Fair value (gains)/losses on cross currency swaps	**(5,315)@**	29,817*
Fair value losses on foreign currency forward contract*	**—**	121
Foreseeable loss on finance lease contract*	**—**	26,183

^ Depreciation charge of approximately HK$405,001,000 (Six months ended 31 January 2021: HK$432,981,000) 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 2022 (Unaudited) *HK$'000*	2021 (Unaudited) *HK$'000*
Interest on bank borrowings	**257,614**	249,908
Interest on guaranteed notes	**256,086**	160,038
Interest on other borrowings	**2,847**	2,840
Interest on lease liabilities	**25,263**	26,066
Interest on put option liabilities	**2,525**	1,974
Bank financing charges	**40,178**	33,806
	584,513	474,632
Less: Amount capitalised in construction in progress	**(7,483)**	(3,537)
Amount capitalised in properties under development	**(45,960)**	(46,648)
Amount capitalised in investment properties under construction	**(48,678)**	(54,901)
	482,392	369,546

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (Six months ended 31 January 2021: 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	
	2022	2021
	(Unaudited)	(Unaudited)
	HK$'000	*HK$'000*
Current tax		
— Hong Kong		
Charge for the period	**14,256**	20,911
Overprovision in prior periods	**(1,444)**	(29)
	12,812	20,882
— Mainland China		
Corporate income tax		
Charge for the period	**87,684**	108,568
Overprovision in prior periods	**(1)**	(20)
Land appreciation tax		
Charge for the period	**148,827**	55,304
	236,510	163,852
— Elsewhere		
Charge for the period	**5,390**	7,779
Underprovision/(overprovision) in prior periods	**68**	(3,581)
	5,458	4,198
	254,780	188,932
Deferred tax	**(125,797)**	6,686
Tax charge for the period	**128,983**	195,618

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$479,936,000 (Six months ended 31 January 2021: HK$1,227,421,000), and the weighted average number of ordinary shares of 875,835,000 (Six months ended 31 January 2021 (adjusted): 688,114,000) in issue during the period.

No adjustment has been made to the basic loss per share amounts presented for the periods ended 31 January 2022 and 2021 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.

The basic and diluted loss per share for the six months ended 31 January 2021 have been adjusted to reflect the effect of a rights issue of the Company during the current period.

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 2022 (Unaudited) ***HK$'000***	31 July 2021 (Audited) *HK$'000*
Trade receivables:		
Not yet due or less than 30 days past due	**253,419**	281,435
31 - 60 days past due	**11,030**	17,172
61 - 90 days past due	**4,858**	5,184
Over 90 days past due	**33,283**	35,366
	302,590	339,157
Finance lease receivables, not yet due	**547,006**	528,484
	849,596	867,641
Less: Portion classified as current	**(307,990)**	(340,954)
Non-current portion	**541,606**	526,687

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 2022 (Unaudited) *HK$'000*	31 July 2021 (Audited) *HK$'000*
Creditors:		
Not yet due or less than 30 days past due	**345,978**	447,146
31 - 60 days past due	**152,017**	31,209
61 - 90 days past due	**10,874**	4,648
Over 90 days past due	**5,901**	7,580
	514,770	490,583
Other payables and accruals	**2,254,400**	2,681,090
Put option liabilities	**1,289,058**	1,270,976
	4,058,228	4,442,649
Less: Portion classified as current	**(3,039,799)**	(3,441,480)
Non-current portion	**1,018,429**	1,001,169

11. SHARE CAPITAL

During the six months ended 31 January 2022, the Company allotted 33,834,900 new shares to an independent third party for approximately HK$235 million. The Company also completed a rights issue of 322,961,962 shares on the basis of one rights share for every two existing shares of the Company at a subscription price of HK$3.43 each. The net proceeds from the rights issue were approximately HK$1,094 million.

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 2022. No interim dividend was declared in respect of the last corresponding period.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

Two years after the outbreak of the COVID-19 pandemic, the global economy has been experiencing a gradual recovery. However, the momentum for growth, especially in most major economies has slowed considerably since the end of 2021 and the outlook remains uncertain in the midst of, amongst other factors, new waves of Omicron variant infections, ongoing geopolitical conflicts especially between Russia and Ukraine, rising global inflation, lingering supply-chain disruptions, as well as persistent labour market challenges. While some of these events are likely to linger in the near future and continue to cast a shadow on the global economic recovery, we remain cautiously optimistic about the future prospects of the cities in which the Group has exposure, especially in 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.

Hong Kong and Overseas Property Market

Despite continued disruption, Hong Kong's economy saw a recovery in 2021 and turned to a strong year-on-year expansion of 6.4%, after contracting by 6.5% in 2020, thanks to the rebound of global demand, a well contained pandemic situation and higher vaccination rates, as well as the consumption voucher scheme that had boosted local spending and supported the retail, catering, and services sectors. However, the growth is expected to be moderate in 2022 as the fifth wave of COVID-19 infection cases since January 2022 along with the stringent "zero-COVID-19" measures adopted by the Hong Kong government has taken a heavy toll on local economic activities and dented the market sentiment.

The property sector in Hong Kong as a whole has been showing resilience and robustness since the emergence of COVID-19 epidemic in January 2020, while the unprecedented outbreak in the fifth wave of COVID-19 epidemic has posed uncertainties and challenges to the business activities of Hong Kong property market in 2022. The retail segment remained reliant on domestic consumption as the pandemic-induced closure of the border with Mainland China and travel restrictions continued. The tightened social distancing and containment measures amid the recent resurgence of Omicron COVID-19 variant infections in the community have severely dampened consumer sentiment and impacted footfall in most shopping centers in both core and non-core areas. The growth momentum in the office leasing market seen in the second half of 2021 has also been inevitably disrupted. Although the Central business district, especially premium Grade-A offices, continued to be underpinned by the anticipated return of US-listed Chinese enterprises and the growing appetite from finance and cryptocurrency firms, tenants in other commercial areas tend to be cautious and have slowed down their relocation or expansion plans in the face of mounting uncertainties, resulting in subdued leasing sentiment and a low level of activity. Market activities also slowed down in both the primary and secondary residential markets, owing to the outbreak of the fifth wave of the COVID-19 pandemic. Home viewings have been largely restricted by the latest social distancing measures and new launches have been postponed or rescheduled by some property developers. However, unique and exclusive luxury properties are still sought-after by wealthy house hunters and investors and premium residential sites in the land sale market are still receiving enthusiastic response from local property developers, reflecting their confidence in the outlook for the luxury residential market in Hong Kong.

During the six months ended 31 January 2022, prolonged social distancing measures and travel restrictions in Hong Kong continued to impact many industries to varying degrees. Amid weak business sentiment, slowdown of retail leasing activities and soaring vacancies in the market, the Group's major Hong Kong properties performed relatively steadily at over 80% occupancy. Given the severe epidemic situation of the latest and worst COVID-19 outbreak in Hong Kong since January 2022 the Group will work closely with its stakeholders, including its tenants, to try to find a mutually beneficial solution and progress through unprecedented challenging times. With the planning consent approved by the City of London's Planning and Transportation Committee, 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**"). Despite the pandemic challenges and the increasingly complicated Russia-Ukraine tensions, which may cause near-term uncertainties around the UK economy, the Group is of the view that the City of London's positioning as a major financial and business centre should remain unchanged. The potential redevelopment of the Leadenhall Properties set to be a mixed-use development has been designed by Skidmore, Owings & Merrill. The 56-storey commercial building will target a carbon net zero strategy in line with RIBA 2030 standards thereby meeting the demands of all major global occupiers by the time of delivery. Knight Frank and CBRE have been appointed as Office Leasing and Development advisers. London & Oriental LLP are the UK Client Representative and Development Adviser.

Despite the uncertain economic outlook brought by the prolonged pandemic, the residential property market in Hong Kong has demonstrated resilience primarily due to limited supply, solid pent-up demand driven by local end-users and the prevailing low interest rate environment. During the period under review, the Group continued to source and evaluate suitable land acquisition opportunities to restock its development land bank and successfully secured 3 residential projects. In September 2021, the Group acquired a 3-storey building at No. 116 Waterloo Road in Ho Man Tin and the transaction was completed with vacant possession in March 2022. The Group intends to redevelop the site into residential units with total gross floor area ("**GFA**") of approximately 46,100 square feet. In October 2021, the Group successfully won the tender for the residential site of approximately 23,900 square feet at No. 79 Broadcast Drive, Kowloon Tong, formerly the Educational Television Centre of Radio Television Hong Kong. The Group plans to develop a high-quality luxury residential project offering around 46 medium-large sized units including 3 houses and the maximum permissible GFA is approximately 71,600 square feet. In January 2022, the Group acquired two adjacent buildings at 1&1A Kotewall Road in Mid-Levels, Hong Kong Island for redevelopment purposes and the transaction was completed with vacant possession in March 2022. The Group intends to redevelop the site into a luxury project with a total GFA of approximately 57,500 square feet, offering around 25 medium-large sized residential units.

Construction work of the Hang On Street Project and the Tai Kei Leng Project are on schedule and completions are expected to be in the fourth quarter of 2023 and the first quarter of 2024, respectively. Upon completion, these two residential projects are expected to add a total GFA of approximately 64,000 square feet and 42,200 square feet, respectively, to the development portfolio of the Group. Subject to the COVID-19 epidemic situation in Hong Kong, the pre-sale of the Hang On Street Project and the Tai Kei Leng Project are expected to be launched in 2022. The planning and design work of the residential project at the Wong Chuk Hang Station Package Five Property Development is in progress. Construction is expected to be completed in the first half of 2025.

604 units, including 23 houses in Alto Residences have been sold, achieving an average selling price of approximately HK$18,000 per square foot. The Group has released 86 car parking spaces of Alto Residences for sale since March 2019. Up to 14 March 2022, 76 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$206.9 million.

The sale and handover of all 209 residential units and 7 commercial units of 93 Pau Chung Street have been completed. Car parking spaces of 93 Pau Chung Street were launched for sale in July 2019. Up to 14 March 2022, 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.

Construction of Monti, the Sai Wan Ho Street project has been completed. Up to 14 March 2022, 136 out of 144 units in Monti has been sold with saleable area of approximately 43,034 square feet and the average selling price amounted to approximately HK$21,300 per square foot. Handover of the residential units which have been sold has been substantially completed.

The Group will continue its prudent and flexible approach and be prepared to capture the development opportunities as soon as the economy is on track for a recovery.

Mainland China Property Market

People's Republic of China ("**PRC**" or "**China**") has targeted slower economic growth of around 5.5% this year at the fifth session of the 13th National People's Congress held in March 2022 amid the rising domestic constraints and uncertain global recovery. Notwithstanding the soften economic conditions due to policy tightening across real estate, technology and education sectors, recurrent COVID-19 outbreaks and lockdown measures, as well as slower export growth, the Chinese government has set stability as its top priority for economic achievement for the year. We believe that the Chinese government will continue to forge ahead and deliver stable economic performance through a combination of more neutral fiscal policy and moderately supportive monetary policy. We remain optimistic about the long-term prospects and sustainability of the business environment in China in light of the dual circulation development model emphasising on the rebalancing of domestic and overseas demand and are fully confident about future prospects of the cities in which the Group has exposure in, especially the Greater Bay Area in southern China, and continue to regard Hong Kong, where our headquarters is situated, as one of the major beneficiary cities.

The regional focus and rental-led strategy of Lai Fung Holdings Limited ("**Lai Fung**") and its subsidiaries (together, "**Lai Fung Group**") has demonstrated resilience in recent years. The rental portfolio of approximately 4.5 million square feet in Shanghai, Guangzhou, Zhongshan and Hengqin, being Tier 1 cities in China and cities within the Greater Bay Area delivered steady performance in rental income for the period under review. Top tier cities and the Greater Bay Area will remain as the primary drivers for Lai Fung Group's rental growth in coming years. Upon completion of construction works of the existing projects on hand, which include the combined redevelopment of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building ("**Shanghai Northgate Plaza Redevelopment Project**"), the development of Guangzhou Haizhu Plaza Project and 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. The Shanghai Northgate Plaza Redevelopment Project has been officially named as "Skyline Tower" and pre-leasing is in progress. Lai Fung Group also launched the pre-leasing of Guangzhou Haizhu Plaza Project, officially named as "Lai Fung International Center", the construction of which is expected to be completed by end of 2022.

Leasing of the commercial area of Phase I of Novotown ("**Novotown Phase I**") is underway with approximately 73% of the leasable area having been leased and key tenants include two themed indoor experience centres, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin", Pokiddo Trampoline Park, Adidas Outlet, Paulaner Wirtshaus Hengqin, Oyster King, Starbucks, McDonald's and an indoor gun shooting range.

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 357,100 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Part of the office and serviced apartment spaces have been designated as for-sale properties. During the period under review, Novotown Phase II was awarded as a winner under the Retail & Leisure International ("**RLI**") Best Placemaking Scheme category at the Global RLI Awards for 2021 and was awarded the 5 Star – Best Mixed-use Architecture for Guangdong Province, China at Asia Pacific Property Awards 2021-2022. 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 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 providing 28 residential units and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. Up to the date of this results announcement, two residential units and 14 car parking spaces remain unsold, of which the contracted sales for one residential unit and one car parking space as at 31 January 2022 amounted to approximately HK$35.0 million. Construction of remaining phases of Zhongshan Palm Spring has been completed and handover of pre-sold units is in progress. The residential units and the unsold serviced apartment units in Zhongshan Palm Spring, the cultural studios, cultural workshops and office of Hengqin Novotown Phase I, as well as the remaining residential unit in Shanghai Wuli Bridge Project 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 the relevant cities and allocation of risks etc.

Cinema Operation/Media and Entertainment/Film Production and Distribution

The COVID-19 pandemic has had a drastic impact on every facet of the global economy, including the entertainment industry. Although vaccination programs have been launched on a massive scale in Hong Kong and Mainland China, the sector remains at the mercy of the coronavirus, with the recent new waves of Omicron COVID-19 variant infections affecting business confidence and the risks of future outbreaks ever present.

Due to the relaxation of social distancing measures and the release of a number of blockbuster movies, the cinema operation of eSun Holdings Limited ("**eSun**") and its subsidiaries (together, "**eSun Group**") recovered gradually in 2021 from the worst of the COVID-19 pandemic. During the period under review, eSun Group's cinemas in Hong Kong were allowed to operate at 85% capacity for all screens before the surge of the fifth wave COVID-19 cases in January 2022 and have been requested to close since 7 January 2022 as part of the government's ramped up measures to contain the spread of the Omicron variant. Cinemas in Mainland China re-opened in late July 2020 and the box office has shown a recovery in 2021 driven by the success of patriotic blockbusters. However, business performance of cinema operation in Hong Kong and Mainland China are still suffering from the social distancing measures such as restrictions on the seating capacity and food and beverage consumption within the cinema houses. Despite the challenging operating environment under the COVID-19 pandemic, 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.

In February 2022, eSun Group extended the tenancy agreement of the Festival Grand Cinema in Festival Walk for 3 years commencing on 1 February 2024. Festival Walk is one of the most popular shopping and leisure destinations in Hong Kong with direct connection to the Kowloon Tong MTR Station and eSun Group has been operating the cinema since June 2016. Given its strategic location, eSun Group considers that the continued use of the premise after the expiry of the existing tenancy will be beneficial to the cinema operation of eSun Group and will further enhance its market position as a leading multiplex cinema operator in Hong Kong. eSun Group also secured the cinema site at Plaza Hollywood in Diamond Hill, Kowloon through a joint venture company with one of major cinema operators in Hong Kong and the new cinema is expected to commence business in the third quarter of 2022. 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.

The outbreak of COVID-19 also posted unprecedented challenges to the media and entertainment industry, with entertainment spending affected severely by the accompanying social distancing measures. The entertainment consumption of the PRC markets started to recover amid the novel coronavirus epidemic. However, the recent surge of Omicron COVID-19 variant infections in Hong Kong posed a challenge to the local entertainment market. Media Asia Group Holdings Limited ("**MAGHL**", a non-wholly-owned subsidiary of the Company, together with its subsidiaries, "**MAGHL Group**"), being the media and entertainment arm of eSun Group will continue to focus on producing high quality and commercially viable products to rise to the challenge, 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 production of quality films with Chinese themes. The current production pipeline include "*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*" series, three psychological thriller each made up of three short stories produced by John Chong and Mathew Tang, and directed by Wesley Hoi, Fung Chih Chiang and Fruit Chan (Tales from the Occult I), Frank Hui, Daniel Chan and Doris Wong (Tales from the Occult II), and Li Chi Ngai, Peter Lee and Pater Wong (Tales from the Occult III).

"*Septet: the Story of Hong Kong*", an omnibus film produced by seven Hong Kong film masters including Johnnie To, Tsui Hark, Ann Hui, Patrick Tam, Sammo Hung, Yuen Woo-Ping and the memorable Ringo Lam, will be scheduled for theatrical release in later stage.

The drama series "*Modern Dynasty*" started broadcasting in Alibaba's Youku and TVB since January 2022 and have generated satisfactory viewership for the two platforms. "*Twin Shadows*", a 24-episode modern-day drama series featuring Bosco Wong and Chrissie Chau, is under production. MAGHL Group is in discussion with various Chinese portals and video websites for new project development in TV drama production.

Congratulations to Joyce Cheng who just won the best female singer award and was voted the favorite female singer in Ultimate Song Chart Awards Presentation 2021. 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 the eSun Group.

The distribution licence of music products with Tencent Music Entertainment (Shenzhen) Co., Ltd and Warner Music continues to provide stable income contribution to eSun Group. eSun Group will continue to work with prominent local and Asian artistes for concert promotion and upcoming events including concerts of Jay Fung, Yoga Lin and Tsai Chin are to be held in later stage in the hope of recovery after the pandemic situation.

It is believed that MAGHL Group's integrated media platform 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 is monitoring market conditions closely and will take a prudent approach to explore cooperation and investment opportunities to enrich its portfolio and broaden its income stream.

Other Business Updates

The issue of 33,834,900 new shares of the Company under the general mandate ("**Subscription**") to an independent third party was completed in August 2021, which provided a good opportunity to broaden the shareholder base of the Group and increase the Company's issued shares that are held in public hands. The proceeds from the Subscription was approximately HK$235.2 million and all has been used for repayment of certain bank borrowings of the Group.

The rights issue ("**Rights Issue**") announced by the Company in August 2021 on the basis of one rights share for every two existing shares of the Company at a subscription price of HK$3.43 each was completed in October 2021. The total net proceeds of the Rights Issue, after deduction of rights issue expenses, was approximately HK$1,093.8 million. As at the date of this results announcement, all HK$1,093.8 million has been used, including HK$600.0 million used for repayment of certain bank borrowings of the Company and the remaining HK$493.8 million used for property development projects of the Group.

The public float of the Company remains below 25% of the total issued shares of the Company due to the increase in the shareholding of Mr. Yu Cheuk Yi and Ms. Yu Siu Yuk, being substantial shareholders and core connected persons of the Company under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**" and "**Listing Rules**", respectively). The Company is considering steps to restore the public float at the minimum prescribed percentage in accordance with the Listing Rules. Further announcement(s) will be made if there is any update on the progress of the restoration of the public float of the Company.

As at 31 January 2022, the Group's consolidated cash and bank deposits amounted to HK$8,787.2 million (HK$2,786.6 million excluding eSun Group and Lai Fung Group) with undrawn facilities of HK$5,641.2 million (HK$3,097.3 million excluding eSun Group and Lai Fung Group). The net debt to equity ratio as at 31 January 2022 was 52% (31 July 2021: 47%). The Group's gearing excluding the net debt of eSun Group and Lai Fung Group was approximately 35%. 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 34%. The US$2,000 million Medium Term Note Programme ("**MTN Programme**") established by Lai Sun MTN Limited, a wholly-owned subsidiary of the Company in June 2021, enables the Group to raise money directly from the capital market and notes may be issued in US dollars or in other currencies, in various amounts and for various terms. The financial liquidity of the Group has been bolstered by the US$250 million guaranteed notes issued in July 2021 ("**LSD 2021 Notes**"), the US$250 million tap issue in September 2021 (being consolidated with and forming a single series with the LSD 2021 Notes) as well as the HK$180 million and HK$205 million guaranteed notes issued under the MTN Programme in November 2021 through private placement. The proceeds from this new notes will help to refinance the US$400 million guaranteed notes issued by the Group in 2017 which will mature in September 2022. 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 2022, the Group recorded turnover of HK$2,719.5 million (2021: HK$2,745.4 million) and a gross profit of HK$967.1 million (2021: HK$618.1 million). The decrease in turnover from sale of properties that was primarily driven by the sales performance of Lai Fung Group's development projects in Mainland China was partially offset by the increase in revenue from hotel operations and restaurant and food & beverage ("**F&B**") product sales operations of the Group, as well as cinema operation and media and entertainment businesses of eSun Group.

Set out below is the turnover by segment:

	Six months ended 31 January			
	2022 (HK$ million)	2021 (HK$ million)	Difference (HK$ million)	% change
Property investment	**644.2**	660.9	-16.7	-2.5
Property development and sales	**858.9**	1,220.0	-361.1	-29.6
Restaurant and F&B product sales operations	**248.9**	172.1	+76.8	+44.6
Hotel operation	**335.6**	289.3	+46.3	+16.0
Media and entertainment	**147.2**	163.5	-16.3	-10.0
Film and TV program	**135.4**	57.2	+78.2	+136.7
Cinema operation	**223.9**	61.1	+162.8	+266.4
Theme park operation	**10.3**	14.2	-3.9	-27.5
Others	**115.1**	107.1	+8.0	+7.5
Total	**2,719.5**	2,745.4	-25.9	-0.9

For the six months ended 31 January 2022, net loss attributable to owners of the Company was approximately HK$479.9 million (2021: HK$1,227.4 million). The narrowed loss is primarily attributable to the increase in valuations of investment properties owned by the Group and held through joint ventures of the Group during the period under review as compared to the same period last year. Net loss per share was HK$0.548 (2021 (adjusted): HK$1.784).

Excluding the effect of property revaluations, net loss attributable to owners of the Company was approximately HK$571.0 million (2021: HK$419.5 million). Net loss per share excluding the effect of property revaluations during the period under review was HK$0.652 (2021 (adjusted): HK$0.610).

	Six months ended 31 January	
Loss attributable to owners of the Company	**2022 HK$ million**	2021 HK$ million
Reported	**(479.9)**	(1,227.4)
Less: Adjustments in respect of revaluation of investment properties held by		
– the Company and subsidiaries	**(84.3)**	401.4
– associates and joint ventures	**(5.4)**	394.5
Deferred tax on investment properties	**(1.4)**	12.0
Net loss after tax excluding revaluation of investment properties	**(571.0)**	(419.5)

Equity attributable to owners of the Company as at 31 January 2022 amounted to HK$35,130.2 million, as compared to HK$34,149.3 million as at 31 July 2021. Net asset value per share attributable to owners of the Company dropped to HK$36.258 per share as at 31 January 2022 from HK$55.791 per share as at 31 July 2021. The decrease was primarily due to the enlarged shareholder base as a result of the Subscription and the Rights Issue completed in August 2021 and October 2021, respectively.

PROPERTY PORTFOLIO COMPOSITION

The Group maintained a property portfolio with attributable GFA of approximately 9.2 million square feet as at 31 January 2022. 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 2022 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]	1,342	588	-	-	-	1,930	1,252
Completed Hotel Properties and Serviced Apartments[2]	-	-	538	-	-	538	-
Properties under Development[3]	397	1,485	319	-	-	2,201	1,218
Completed Properties Held for Sale	91	232	163	813	-	1,299	1,926
Subtotal	**1,830**	**2,305**	**1,020**	**813**	**-**	**5,968**	**4,396**
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]	733	1,030	-	-	67	1,830	1,436
Completed Hotel Properties and Serviced Apartments[2]	-	-	722	-	-	722	92
Properties under Development[3]	8	-	-	377	-	385	130
Completed Properties Held for Sale	33	105	74	73	-	285	65
Subtotal	**774**	**1,135**	**796**	**450**	**67**	**3,222**	**1,723**
Total GFA attributable to the Group	**2,604**	**3,440**	**1,816**	**1,263**	**67**	**9,190**	**6,119**

Notes:

1. *As at 31 January 2022, Lai Fung is a 55.08%-owned subsidiary of the Group.*
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$644.2 million (2021: HK$660.9 million) comprising turnover of HK$241.6 million, HK$42.9 million and HK$359.7 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	
	2022 HK$ million	2021 HK$ million	% Change	**2022 %**	2021 %
Hong Kong					
Cheung Sha Wan Plaza	**136.1**	154.9	-12.1	**81.6**	93.3
Causeway Bay Plaza 2	**79.0**	86.6	-8.8	**93.5**	91.9
Lai Sun Commercial Centre	**24.0**	22.1	+8.6	**97.5**	98.4
Others	**2.5**	2.0	+25.0		
Subtotal:	**241.6**	265.6	-9.0		
London, United Kingdom					
107 Leadenhall Street	**13.6**	23.0	-40.9	**78.9**	97.4
100 Leadenhall Street	**26.4**	29.7	-11.1	**100.0**	100.0
106 Leadenhall Street	**2.9**	3.2	-9.4	**100.0**	100.0
Subtotal:	**42.9**	55.9	-23.3		
Mainland China					
Shanghai					
Shanghai Hong Kong Plaza	**157.0**	144.8	+8.4	**Retail: 95.3 Office: 91.2**	Retail: 91.8 Office: 83.4
Shanghai May Flower Plaza	**23.3**	20.5	+13.7	**Retail: 98.7**	Retail: 99.2
Shanghai Regents Park	**10.1**	11.6	-12.9	**79.1**	100.0
Guangzhou					
Guangzhou May Flower Plaza	**63.7**	58.4	+9.1	**98.6**	98.8
Guangzhou West Point	**14.9**	13.4	+11.2	**92.0**	96.0
Guangzhou Lai Fung Tower	**70.4**	73.8	-4.6	**Retail: 100.0 Office: 97.9**[1]	Retail: 95.9 Office: 98.3[1]
Zhongshan					
Zhongshan Palm Spring	**4.7**	2.6	+80.8	**Retail: 67.5**[1]	Retail: 74.5[1]
Hengqin					
Hengqin Novotown Phase I	**3.3**	4.3	-23.3	**Retail: 72.8**[2]	Retail: 66.2[2]
Others	**12.3**	10.0	+23.0		
Subtotal:	**359.7**	339.4	+6.0		
Total:	**644.2**	660.9	-2.5		
Rental proceeds from joint venture projects					
Hong Kong					
CCB Tower[3] (50% basis)	**59.0**	68.6	-14.0	**95.7**	100.0
Alto Residences[4] (50% basis)	**22.2**	10.9	+103.7	**84.7**	68.9
Total:	**81.2**	79.5	+2.1		

Notes:

1. *Excluding self-use area.*
2. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*
3. *CCB Tower is a joint venture project with China Construction Bank Corporation ("**CCB**") in which each of the Group and CCB has an effective 50% interest. For the six months ended 31 January 2022, the joint venture recorded rental proceeds of approximately HK$118.0 million (2021: HK$137.1 million).*
4. *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 2022, the joint venture recorded rental proceeds of approximately HK$44.5 million (2021: HK$21.8 million).*

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

	Six months ended 31 January 2022			Six months ended 31 January 2021		
	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		**62.2**	**233,807**		78.0	233,807
Office		**64.9**	**409,896**		69.3	409,896
Car parking spaces		**9.0**	**N/A**		7.6	N/A
Subtotal:		**136.1**	**643,703**		154.9	643,703
Causeway Bay Plaza 2	**100%**			100%		
Commercial		**54.0**	**109,770**		60.2	109,770
Office		**22.6**	**96,268**		24.2	96,268
Car parking spaces		**2.4**	**N/A**		2.2	N/A
Subtotal:		**79.0**	**206,038**		86.6	206,038
Lai Sun Commercial Centre	**100%**			100%		
Commercial		**11.0**	**95,063**		11.2	95,063
Office		**2.8**	**74,181**		2.5	74,181
Car parking spaces		**10.2**	**N/A**		8.4	N/A
Subtotal:		**24.0**	**169,244**		22.1	169,244
Others		**2.5**	**63,592** [1]		2.0	63,592 [1]
Subtotal:		**241.6**	**1,082,577** [1]		265.6	1,082,577 [1]
London, United Kingdom						
107 Leadenhall Street	**100%**			100%		
Commercial		**1.5**	**48,182**		2.3	48,182
Office		**12.1**	**98,424**		20.7	98,424
Subtotal:		**13.6**	**146,606**		23.0	146,606
100 Leadenhall Street	**100%**			100%		
Office		**26.4**	**177,700**		29.7	177,700
106 Leadenhall Street	**100%**			100%		
Commercial		**0.3**	**3,540**		0.6	3,540
Office		**2.6**	**16,384**		2.6	16,384
Subtotal:		**2.9**	**19,924**		3.2	19,924
Subtotal:		**42.9**	**344,230**		55.9	344,230
Mainland China						
Shanghai						
Shanghai Hong Kong Plaza	**55.08%**			54.56%		
Retail		**100.0**	**468,434**		90.8	468,434
Office		**52.7**	**362,096**		50.2	362,096
Car parking spaces		**4.3**	**N/A**		3.8	N/A
Subtotal:		**157.0**	**830,530**		144.8	830,530
Shanghai May Flower Plaza	**55.08%**			54.56%		
Retail		**20.8**	**320,314**		18.6	320,314
Car parking spaces		**2.5**	**N/A**		1.9	N/A
Subtotal:		**23.3**	**320,314**		20.5	320,314
Shanghai Regents Park	**52.33%**			51.83%		
Retail		**8.9**	**82,062**		10.5	82,062
Car parking spaces		**1.2**	**N/A**		1.1	N/A
Subtotal:		**10.1**	**82,062**		11.6	82,062

	Six months ended 31 January 2022			Six months ended 31 January 2021		
	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%**			54.56%		
Retail		**55.0**	**357,424**		49.9	357,424
Office		**7.3**	**79,431**		6.9	79,431
Car parking spaces		**1.4**	**N/A**		1.6	N/A
Subtotal:		**63.7**	**436,855**		58.4	436,855
Guangzhou West Point	**55.08%**			54.56%		
Retail		**14.9**	**171,968**		13.4	171,968
Guangzhou Lai Fung Tower	**55.08%**			54.56%		
Retail		**9.0**	**112,292**		9.0	112,292
Office		**58.0**	**625,821**		61.5	625,821
Car parking spaces		**3.4**	**N/A**		3.3	N/A
Subtotal:		**70.4**	**738,113**		73.8	738,113
Zhongshan						
Zhongshan Palm Spring	**55.08%**			54.56%		
Retail		**4.7**	**148,106**		2.6	149,433
Hengqin						
Hengqin Novotown Phase I	**64.06%** [2]			63.65%		
Retail[3]		**3.3**	**682,073** [3]		4.3	682,073 [3]
Others		**12.3**	**N/A**		10.0	N/A
Subtotal:		**359.7**	**3,410,021**		339.4	3,411,348
Total:		**644.2**	**4,836,828**		660.9	4,838,155
Joint Venture Projects						
Hong Kong						
CCB Tower[4] (50% basis)	**50%**			50%		
Office		**58.7**	**114,603** [5]		68.3	114,603 [5]
Car parking spaces		**0.3**	**N/A**		0.3	N/A
Subtotal:		**59.0**	**114,603** [5]		68.6	114,603 [5]
Alto Residences[6] (50% basis)	**50%**			50%		
Commercial		**6.4**	**47,067** [7]		2.7	47,067 [7]
Residential units[8]		**14.0**	**28,412** [9]		7.0	19,768 [9]
Car parking spaces		**1.8**	**N/A**		1.2	N/A
Subtotal:		**22.2**	**75,479**		10.9	66,835
Total:		**81.2**	**190,082**		79.5	181,438

Notes:

1. *Excluding 10% interest in AIA Central.*
2. *Including the Company's 20% direct interest in Novotown Phase I and 44.06% attributable interest through Lai Fung. As at 31 January 2022, Novotown Phase I is 80% owned by Lai Fung and Lai Fung is a 55.08%-owned subsidiary of the Company.*
3. *Excluding the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*
4. *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 2022, the joint venture recorded rental proceeds of approximately HK$118.0 million (2021: HK$137.1 million).*
5. *GFA attributable to the Group. The total GFA is 229,206 square feet.*
6. *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 2022, the joint venture recorded rental proceeds of approximately HK$44.5 million (2021: HK$21.8 million).*
7. *GFA attributable to the Group. The total GFA is 94,133 square feet.*
8. *Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
9. *Saleable area attributable to the Group. The total saleable area is 56,823 (2021: 39,536) square feet.*

The average Sterling exchange rate for the period under review appreciated by approximately 2.7% compared with the same period last year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties decreased by 25.3% during the period under review. Breakdown of rental turnover of London portfolio for the six months ended 31 January 2022 is as follows:

	2022 HK$'000	2021 HK$'000	% Change	**2022 GBP'000**	2021 GBP'000	% Change
107 Leadenhall Street	**13,621**	22,963	-40.7	**1,289**	2,232	-42.2
100 Leadenhall Street	**26,352**	29,713	-11.3	**2,493**	2,888	-13.7
106 Leadenhall Street	**2,940**	3,260	-9.8	**278**	317	-12.3
Total:	**42,913**	55,936	-23.3	**4,060**	5,437	-25.3

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.

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.

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).

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 2 banking hall floors 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 2022 was approximately 78.9%

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.

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 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 has been designed by Skidmore, Owings & Merrill and the building will target a carbon net zero strategy in line with RIBA 2030 standards thereby meeting the demands of all major global occupiers by the time of delivery. Knight Frank and CBRE have been appointed as Office Leasing and Development advisers. London & Oriental LLP are the UK Client Representative and Development Adviser.

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).

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

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

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 172,000 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 office block of Phase V of Guangzhou Eastern Place, which is a multi-phase project located on Dongfeng East Road, Yuexiu District, Guangzhou. This 38-storey office building was completed in June 2016. This property has a total GFA of approximately 738,100 square feet excluding car parking spaces.

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, a fellow subsidiary of Lai Fung Group.

Lai Fung Group owns 100% of this property.

Hengqin Novotown
Novotown is an integrated tourism and entertainment project located in the heart of Hengqin, one of the major cities in the Guangdong province within the Greater Bay Area, with close proximity to Macau and Hong Kong. It became a Guangdong-Macau In-Depth Cooperation Zone on 17 September 2021.

Phase I
Novotown Phase I comprises a 493-room Hyatt Regency hotel, offices, cultural workshops and studios, 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 officially commenced operations on 9 September 2019. In February 2021, a new interactive attraction "Wonders of Kung Fu" was launched in the outdoor garden space of Novotown Phase I, which includes light shows providing immersive experience and interactive games with Chinese Kungfu and cuisine being the key underlying theme. This attraction in the 5,000 square meters outdoor 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 73% of the leasable area let. Except for the two themed indoor experience centres, key tenants include Pokiddo Trampoline Park, Adidas Outlet, Paulaner Wirtshaus Hengqin, Oyster King, Starbucks, McDonald's and an indoor gun shooting range.

Novotown Phase I is 80% owned by Lai Fung Group and 20% owned by the Group.

Recognised Sales

For the six months ended 31 January 2022, recognised turnover from sales of properties was HK$858.9 million (2021: HK$1,220.0 million). Breakdown of turnover for the six months ended 31 January 2022 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	8	2,688	22,626	60.9
Subtotal				**60.9**
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 Units	2	5,248	12,068	58.1
Hengqin Novotown Phase I Cultural Studios Cultural Workshop Unit	 6 1	 21,954 962	 5,546 4,250	 116.0 3.7
Zhongshan Palm Spring Residential High-rise Units Residential House Units	 281 6	 334,283 12,496	 1,846 3,602	 566.7 42.9
Shanghai Wuli Bridge Project Car Parking Spaces	2	N/A	N/A	1.3
Shanghai Regents Park Car Parking Spaces	7	N/A	N/A	4.8
Guangzhou Eastern Place Car Parking Spaces	2	N/A	N/A	2.1
Guangzhou King's Park Car Parking Spaces	2	N/A	N/A	1.4
Guangzhou West Point Car Parking Space	1	N/A	N/A	0.6
Zhongshan Palm Spring Car Parking Spaces	2	N/A	N/A	0.4
Subtotal				**798.0**
Total				**858.9**
Recognised sales from joint venture project				
Hong Kong				
Recognised Basis	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price[1]** (HK$/square foot)	**Turnover** (HK$ million)
Alto Residences (50% basis) House Residential Units Car Parking Space	 1[4] 3[6] 1[8]	 1,122[4] 2,089[6] N/A	 23,623 29,786 N/A	 26.5[5] 62.2[7] 1.4
Total				**90.1**

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. *Before PRC business tax and value-added tax inclusive.*
3. *After PRC business tax and value-added tax exclusive.*
4. *No. of houses and saleable area attributable to the Group. The total no. of house recognised and total saleable area is 1 and 2,244 square feet, respectively.*
5. *Representing property sales proceeds of HK$53.0 million.*
6. *No. of residential units and saleable area attributable to the Group. The total no. of residential units recognised and total saleable area are 5 and 4,177 square feet, respectively.*
7. *Representing property sales proceeds of HK$112.0 million and rental proceeds of HK$12.4 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
8. *No. of car parking spaces attributable to the Group. The total no. of car parking space recognised is 1.*

Contracted Sales

As at 31 January 2022, the Group's property development operation has contracted but not yet recognised sales of HK$1,398.2 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 January 2022 amounted to HK$2,156.5 million. Breakdown of contracted but not yet recognised sales as at 31 January 2022 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	389	458,006	1,962	898.6
Residential House Units	9	18,786	3,652	68.6
Serviced Apartment Unit[2]	1	1,068	1,592	1.7
Shanghai Wuli Bridge Project				
Residential Unit	1	2,265	15,143	34.3
Hengqin Novotown Phase I				
Cultural Studios	12	40,913	4,991	204.2
Cultural Workshop Unit	1	962	4,054	3.9
Hengqin Novotown Phase II				
Harrow ILA Hengqin Buildings[3]	N/A	149,078	1,239	184.7
Shanghai Wuli Bridge Project				
Car Parking Space	1	N/A	N/A	0.7
Shanghai Regents Park				
Car Parking Space	1	N/A	N/A	0.7
Guangzhou King's Park				
Car Parking Space	1	N/A	N/A	0.8
Total				**1,398.2**

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	8[4]	22,371[4]	23,383	523.1[5]
Residential Units	8[6]	8,025[6]	26,359	211.5[7]
Car Parking Spaces	9[8]	N/A	N/A	23.7
Total				**758.3**

Notes:
1. *Value-added tax inclusive.*
2. *Will be recorded as disposal of assets classified as held for sale and the sales proceeds net of cost will be included in "other operating expenses" in the consolidated income statement of the Group when the sale is completed.*
3. *Will be recognised as income from finance lease under turnover.*
4. *No. of houses and saleable area attributable to the Group. The total no. of houses contracted and total saleable area are 16 and 44,742 square feet, respectively.*
5. *Representing property sales proceeds of HK$955.4 million and rental proceeds of HK$90.8 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 units and saleable area attributable to the Group. The total no. of residential units contracted and total saleable area are 15 and 16,050 square feet, respectively.*
7. *Representing property sales proceeds of HK$394.9 million and rental proceeds of HK$28.2 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
8. *No. of car parking spaces attributable to the Group. The total no. of car parking spaces contracted is 17.*

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 Area 68A2, Tseung Kwan O, New Territories, through a 50% joint venture vehicle. The lot has an area of 229,338 square feet with a total GFA of 573,268 square feet split into 458,874 square feet for residential use and 114,394 square feet for commercial use. Construction has been completed with the Occupation Permit issued by the Buildings Department in May 2018. The Certificate of Compliance was issued by the Lands Department in September 2018.

This project providing 605 flats, including 23 houses was named "Alto Residences" and was launched for pre-sale in October 2016. 604 units, including 23 houses in Alto Residences have been sold, with saleable area of approximately 405,133 square feet at an average selling price of approximately HK$18,000 per square foot. The Group released in total 86 car parking spaces of Alto Residences for sale since March 2019. Up to 14 March 2022, 76 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$206.9 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 lot 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. The construction was completed with the Occupation Permit issued by the Buildings Department in July 2018 and the Certificate of Compliance issued by the Lands Department in November 2018.

This project was named "93 Pau Chung Street" and launched for pre-sale in September 2016. The sale and handover of all 209 residential units and 7 commercial units have been completed, achieving an average selling price of approximately HK$16,400 per square foot and HK$23,500 per square foot, respectively. Up to 14 March 2022, 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.

Novi
On 16 May 2016, the Group completed the purchase of the remaining unit for the proposed development on Ki Lung Street in Sham Shui Po, Kowloon. The site comprises numbers 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 have been completed with the Occupation Permit issued by the Buildings Department in July 2019.

This project was named "Novi" and the sale and handover 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 have been fully leased.

Monti
The Group was successful in its bid for the development rights to the Sai Wan Ho Street project in September 2015 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 has been completed. The Occupation Permit was issued by the Buildings Department in October 2019 and the Certificate of Compliance was issued by the Lands Department in March 2020.

This project was named "Monti" and launched for pre-sale in August 2018. Up to 14 March 2022, the Group has sold 136 units in Monti with saleable area of approximately 43,034 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.

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 quarter of 2024. Pre-sale of residential units is expected to be launched in 2022.

Hang On Street project
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 64,000 square feet of residential spaces. Construction work is in progress and is expected to be completed in the fourth quarter of 2023. Pre-sale of residential units is expected to be launched in 2022.

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 residential development project sitting on top of the Wong Chuk Hang MTR station in the prominent Southern district of Hong Kong covers a site area of approximately 95,600 square feet, with a total GFA of approximately 636,200 square feet and is expected to deliver two residential towers, offering around 1,050 residential units. The design and planning works are in progress and construction is expected to be completed in the first half of 2025.

116 Waterloo Road project
In September 2021, the Group acquired the 3-storey building at 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 46,100 square feet. The design and planning works are in progress and construction is expected to be completed in the first half of 2026.

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 3 houses, with a total investment of around HK$2.3 billion. The design and planning works are in progress and construction is expected to be completed in the fourth quarter of 2025.

1&1A Kotewall Road project
In January 2022, the Group acquired two adjacent buildings at 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 project with a total GFA of approximately 57,500 square feet, offering around 25 medium-large sized residential units upon completion. The design and planning works are in progress and construction is expected to be completed in the first half of 2026.

Mainland China Properties
All major properties in Mainland China for sale and under development 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 Skyline Tower (Shanghai Northgate Plaza Redevelopment Project)
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. Shanghai Northgate Plaza I was comprised of office units, a retail podium and car parking spaces. Shanghai Northgate Plaza II was a vacant site adjacent to Northgate Plaza I. In September 2016, Lai Fung Group completed the acquisition of the 6^{th} to 11^{th} floors of Hui Gong Building which is physically connected to Northgate Plaza I, together with the right to use 20 car parking spaces in the basement. Shanghai Skyline Tower under a comprehensive redevelopment plan which includes an office tower, a shopping mall and an underground car parking structure is in progress and is expected to add a total GFA of approximately 727,200 square feet excluding car parking spaces to the rental portfolio of Lai Fung Group. Construction work is expected to be completed in the second quarter of 2022 and pre-leasing is in progress.

Shanghai Wuli Bridge Project
Shanghai Wuli Bridge Project is a high-end luxury residential project located by Huangpu River in Huangpu District in Shanghai with a site area of approximately 74,100 square feet. Construction work has been completed in August 2019. This 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 two residential units with a total GFA of 5,248 square feet were recognised at an average selling price of HK$12,068 per square foot, which contributed a total of HK$58.1 million to Lai Fung Group's turnover and the sale of two car parking spaces contributed HK$1.3 million to Lai Fung Group's turnover. As at 31 January 2022, contracted but not yet recognised sales for one residential unit and one car parking space amounted to HK$35.0 million. As at 31 January 2022, two residential units and 14 car parking spaces of this development remained unsold.

Shanghai May Flower Plaza
Shanghai May Flower Plaza is a completed mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Su Jia Xiang in the Jing'an District in Shanghai and situated near the Zhongshan Road North Metro Station. As of 31 January 2022, 458 car parking spaces of this development remained unsold.

Shanghai Regents Park
Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. As at 31 January 2022, a total of 223 car parking spaces of this development remained unsold.

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$1.4 million to the turnover. As at 31 January 2022, the contracted but not yet recognised sales of the one car parking space amounted to approximately HK$0.8 million and five car parking spaces remained unsold.

Guangzhou Lai Fung International Center (Guangzhou Haizhu Plaza Project)
Guangzhou Lai Fung International Center, formally known as Guangzhou Haizhu Plaza Project, is located on Chang Di Main Road in Yuexiu District, Guangzhou along the Pearl River. Lai Fung Group owns the entire project. The proposed development has a total project GFA of approximately 580,800 square feet and is intended to be developed for rental purposes. The construction commenced in the first half of 2019 and the completion is expected to be in the second half of 2022. The pre-leasing work is in progress.

Zhongshan Palm Spring
The project is located in Caihong Planning Area, Western District of Zhongshan. The overall development has a total planned GFA of approximately 6.075 million square feet. The project comprises high-rise residential towers, townhouses and commercial blocks totaling 4.466 million square feet. Construction of Phases III and IV of Zhongshan Palm Spring has been completed and handover of pre-sold units is in progress.

During the period under review, 334,283 square feet of high-rise residential units and 12,496 square feet of house units were recognised at average selling prices of HK$1,846 and HK$3,602 per square foot, respectively, which contributed a total of HK$609.6 million to the sales turnover. As at 31 January 2022, contracted but not yet recognised sales for high-rise residential units and house units amounted to HK$898.6 million and HK$68.6 million, at average selling prices of HK$1,962 per square foot and HK$3,652 per square foot, respectively.

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. During the period under review, two serviced apartment units have been sold for a total sales proceed of approximately HK$2.8 million. 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 income in the consolidated income statement of Lai Fung Group. As at 31 January 2022, contracted but not yet recognised sales for one serviced apartment unit amounted to HK$1.7 million, at an average selling prices of HK$1,592 per square foot.

As at 31 January 2022, completed units held for sale in this development, including residential units, serviced apartment units and commercial units, amounted to approximately 1,483,068 square feet and 2,680 car parking spaces remained unsold.

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 21,954 square feet of cultural studios and 962 square feet of cultural workshop units were recognised at an average selling price of HK$5,546 per square foot and HK$4,250 per square foot, respectively, which contributed a total of HK$119.7 million to Lai Fung Group’s turnover. As at 31 January 2022, contracted but not yet recognised sales for cultural studios and cultural workshop units amounted to HK$204.2 million and HK$3.9 million, at an average selling price of HK$4,991 per square foot and HK$4,054 per square foot, respectively. As at 31 January 2022, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshops units and office units, amounted to approximately 1,044,200 square feet.

Novotown Phase I is 80% owned by Lai Fung Group and 20% 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 works are on track 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 357,100 square feet, 1,585,000 square feet and 578,400 square feet, respectively. Part of the office and serviced apartment spaces have been designated as for-sale properties. Properties in Novotown Phase II occupied by Harrow Innovation Leadership Academy 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 centre, namely Real Madrid World in Novotown. Real Madrid World is currently under construction and is expected to contain over 20 attractions upon completion and will be made up of several signature experiences including an array of interactive training games, a walkthrough of Real Madrid history, plus dining and retail outlets. Lai Fung Group is in the process of identifying and planning for a motor-themed experience centre, as well as other facilities in Novotown Phase II.

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 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.

RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the six months ended 31 January 2022, restaurant and F&B product sales operations contributed HK$248.9 million to the Group's turnover, representing an increase of 44.6% from that of HK$172.1 million for the same period last year. Restaurant operations of the Group continued to be negatively affected by compulsory social distancing and seat restrictions, as well as restrictions on reduced dining time. With certain relaxation measures launched by the government in the second half of 2021, a gradual recovery for catering business was taking place in Hong Kong in the first few months during the period under review before the surge of fifth wave COVID-19 cases in January 2022. The Group is closely monitoring the development of COVID-19 epidemic situation in Hong Kong and necessary measures have been taken to safeguard employees and mitigate financial and operational exposure.

Up to the date of this results announcement, restaurant operations include the Group's interests in 24 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	37%	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	62%	One Michelin star (2015-2017)
	CIAK – All Day Italian	Hong Kong	67%	Michelin Bib Gourmand (2017-2021)
	Beefbar	Hong Kong	62%	One Michelin star (2017-2022)
	Takumi by Daisuke Mori	Hong Kong	63%	One Michelin star (2018-2022)
	Prohibition *(Note)*	Hong Kong	100%	
	Zest by Konishi	Hong Kong	67%	One Michelin star (2020-2022)
	Cipriani	Hong Kong	44%	
Asian Cuisine	China Tang Landmark	Hong Kong	50%	The Plate Michelin (2019-2021)
	China Tang Beijing	Beijing	67%	
	Howard's Gourmet	Hong Kong	50%	
	Chiu Tang Central	Hong Kong	67%	
	Old Bazaar Kitchen	Hong Kong	63%	
	Sun's Bazaar KiKi Tea Telford Plaza	Hong Kong	69%	
	Canton Bistro *(Note)*	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	67%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	67%	
	KiKi Noodle Bar Shanghai One ITC	Shanghai	67%	
	China Club	Hong Kong	10%	
Japanese Cuisine	Masa Hong Kong	Hong Kong	67%	
	Rozan	Hong Kong	67%	
	Yamato	Hong Kong	59%	
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. In 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.

COVID-19 pandemic has presented unprecedented challenges to global tourism and hospitality industry. Since early 2020, a number of social distancing measures and travel restrictions have been implementing by countries around the world to prevent the spread of the virus and the tourist economy has experienced a record contraction. For the six months ended 31 January 2022, the hotel and serviced apartment operations contributed HK$335.6 million to the Group's turnover (2021: HK$289.3 million). The increase is primarily attributable to the improved revenue of Hong Kong Ocean Park Marriot Hotel as compared to the same period last year, by providing a number of staycation packages and dining offers to attract the local guests.

Breakdown of turnover for the six months ended 31 January 2022 from hotel and serviced apartment operations 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	174.2	17.5
Ascott Huaihai Road Shanghai	Shanghai	55.08%	310	358,009	53.9	70.4
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	12.2	52.7
Hyatt Regency Hengqin	Hengqin	64.06%	493	594,763	45.1	19.1
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	51.0	14.3
Subtotal:			**1,848**	**1,840,817**	**336.4**	
Hotel management fee					(0.8)	
Total:					**335.6**	
Joint Venture Project						
Fairmont St. Andrews (50% basis)	Scotland	50%	106[2]	138,241[2]	40.3	26.9

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. Despite the impact of the COVID-19 pandemic on the tourism industry in Hong Kong especially with stringent travel restrictions and border closures, the Group remains cautiously optimistic about the prospects of the Ocean Park Marriott Hotel given the popularity of Ocean Park, as well as its newly opened Water World, being Asia's first all-season water park.

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 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.

Lai Fung Group also owns 100% interest in the 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 soft opened on 31 December 2019 is located in Novotown Phase I in Hengqin, Zhuhai, the heart of the Greater Bay Area and is within easy reach of the bridge linking Zhuhai with Hong Kong and Macau. Hyatt Regency Hengqin with total GFA of approximately 594,800 square feet 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.

CINEMA OPERATION

The cinema operation is managed by eSun Group. For the six months ended 31 January 2022, this segment recorded a turnover of HK$223.9 million (2021: HK$61.1 million) and segment results of a loss of HK$61.9 million (2021: HK$64.6 million). As at the date of this results announcement, eSun Group operates fourteen cinemas in Hong Kong and three cinemas in Mainland China and details on the number of screens and seats of each existing cinema of eSun Group 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
Guangzhou May Flower Cinema City	100	7	606
Zhongshan May Flower Cinema City	100	5	905
Subtotal		**22**	**2,951**
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 Metro City Cinema	95	6	690
MCL Telford Cinema (including MX4D theatre)	95	6	789
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
Subtotal		**74**	**11,011**
Total		**96**	**13,962**

Note: On 100% basis.

MEDIA AND ENTERTAINMENT

The media and entertainment businesses are operated by eSun Group. For the six months ended 31 January 2022, this segment recorded a turnover of HK$147.2 million (2021: HK$163.5 million) and segment results of a profit of HK$9.8 million (2021: HK$8.4 million).

Events Management

During the period under review, eSun Group organised and invested in 8 (2021: 1) show(s) by popular local renowned artistes, including Sammi Cheng, C AllStar, Joyce Cheng, Jay Fung and Eman Lam.

Music Production, Distribution and Publishing

For the six months ended 31 January 2022, eSun Group released 6 (2021: 9) albums, including titles by Sammi Cheng, Ivana Wong, C AllStar, Joyce Cheng and Jay Fung. The 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.

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 2022, this segment recorded a turnover of HK$135.4 million (2021: HK$57.2 million) and segment results of a profit of HK$11.8 million (2021: HK$13.1 million).

During the period under review, a total of 2 (2021: 2) films produced/invested by eSun Group were theatrically released, namely "*American Girl*" and "*Fireflies in the Sun*". eSun Group also distributed 10 (2021: 10) films and 133 (2021: 107) videos with high profile titles including "*American Girl*", "*Fast & Furious 9*", "*No Time to Die*" and "*Till We Meet Again*".

INTERESTS IN JOINT VENTURES

During the six months ended 31 January 2022, gains from joint ventures amounted to HK$87.3 million, as compared to losses of HK$328.9 million for the same period last year. This is primarily due to the increase in fair value of CCB Tower during the period under review.

	Six months ended 31 January	
	2022 (HK$ million)	2021 (HK$ million)
Revaluation gains/(losses)	**5.4**	(394.5)
Operating profits	**81.9**	65.6
Gains/(losses) from joint ventures	**87.3**	(328.9)

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 January 2022, cash and bank balances and undrawn facilities held by the Group amounted to HK$8,787.2 million and HK$5,641.2 million, respectively. Cash and bank balances held by the Group of which about 42% was denominated in Hong Kong dollars and United States dollars, and about 53% 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 2022 were HK$2,786.6 million and HK$3,097.3 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 2022, the Group had bank borrowings of approximately HK$16,570.9 million, guaranteed notes of approximately HK$10,058.0 million and other borrowings of approximately HK$322.5 million. As at 31 January 2022, the maturity profile of the bank borrowings of HK$16,570.9 million is spread with HK$1,451.6 million repayable within 1 year, HK$5,455.0 million repayable in the second year, HK$7,972.1 million repayable in the third to fifth years, and HK$1,692.2 million repayable beyond the fifth year.

The Group issued guaranteed notes in an aggregate principal amount of US$1,250 million and HK$385 million. The guaranteed notes have terms ranging from five to seven years and three months and bear fixed interest rates ranging from 4.6% to 5.65% per annum. The guaranteed notes are listed on the Stock Exchange and were issued for refinancing the previous notes and for general corporate purposes. The Group entered into cross currency swap agreements with financial institutions for the purpose of hedging the foreign currency risk of certain guaranteed notes.

Approximately 62% and 37% 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 52%. Excluding the net debt of eSun Group and Lai Fung Group, the Group's gearing ratio was approximately 35%. 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 34%.

As at 31 January 2022, certain investment properties with carrying amounts of approximately HK$30,833.9 million, certain property, plant and equipment with carrying amounts of approximately HK$3,036.6 million, certain right-of-use assets of approximately HK$2,959.2 million, certain completed properties for sale of approximately HK$1,137.1 million, certain properties under development of approximately HK$2,038.2 million, certain serviced apartments and related leasehold improvements of approximately HK$372.1 million, certain construction in progress of approximately HK$259.5 million, and certain bank balances and time deposits with banks of approximately HK$548.1 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 nominal. 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 2021.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

During the six months ended 31 January 2022, the Company did not redeem any of its shares listed and traded on the Stock Exchange nor did the Company or any of its subsidiaries purchase or sell any of such shares.

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 in the six months' period ended 31 January 2022 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 17 December 2021. However, 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 2022, 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 2021	Post results non-deal roadshow	DBS	Hong Kong
October 2021	Post results non-deal roadshow	DBS	United States
October 2021	Post results non-deal roadshow	HSBC	Hong Kong/Singapore/ Mainland China
November 2021	Post results non-deal roadshow	DBS	United States

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. Leung Wang Ching, Clarence. 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 2022.

By Order of the Board
Lam Kin Ngok, Peter
Chairman

Hong Kong, 25 March 2022

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, Ip Shu Kwan, Stephen and Leung Wang Ching, Clarence.*