LAI SUN GARMENT

Lai Sun Garment (International) Limited
(Incorporated in Hong Kong with limited liability)
(Stock Code: 191)

ANNOUNCEMENT OF FINAL RESULTS FOR THE YEAR ENDED 31 JULY 2024

Results Highlights:

Despite loss attributable to the owners of the Company increased to HK$2,167.8 million, the Group narrowed operating loss from HK$2,358.1 million in the last financial year to HK$1,668.5 million against a challenging backdrop:

- Adjusted earnings before interests, taxes, depreciation and amortisation ("**adjusted EBITDA**") (excluding impact of fair value changes of investment properties and other non-cash and non-recurring items) improved to HK$1,191.6 million, increased by 44.4% year-on-year.
- Resilient investment properties portfolio generated rental income of HK$1,363.5 million with high occupancy rate in Hong Kong and Chinese Mainland against a challenging operating environment, up by 8.6% year-on-year.
- Hotel operation took advantage of the post-COVID recovery and posted a revenue of HK$1,191.4 million despite changing customers spending pattern, up by 21.9% year-on-year, underpinned by Ocean Park Marriott Hotel primarily.
- Recognised sales of properties increased significantly to HK$1,529.5 million, primarily driven by sales of properties in Lai Fung Group, our PRC property arm, up by 61.6% year-on-year.
- Effective cost control measures resulted in administrative expenses decreased by 12.2% year-on-year.
- Sold 84 out of 156 units of Bal Residence and pre-sold 103 out of 112 units of The Parkland as at 15 October 2024. Total proceeds for the respective projects are estimated to be HK$436.2 million and HK$305.6 million, of which HK$119.5 million and HK$305.6 million are to be recognised in the next financial year.
- Successfully achieved non-core disposals totalling HK$2,081.1 million during the year under review, of which HK$527.7 million will be recognised in the next financial year. The Group will continue its review and reassessment of options of its businesses and redeploy resources as appropriate.
- The Group's total capital resources amounted to approximately HK$10,171.3 million, comprising cash and bank balances of approximately HK$4,234.3 million and undrawn bank facilities of approximately HK$5,937.0 million as at 31 July 2024, versus the Group's bank borrowings due within one year of approximately HK$2,523.0 million as at 31 July 2024; before the above proceeds from property sales and non-core disposal of HK$952.8 million to be recognised in the next financial year.
- The Group's e-commerce hub in Hengqin Novotown held by Lai Fung Group achieved major breakthroughs. Hengqin Novotown has successfully re-positioned itself for the development of a cross-border e-commerce and social media and related ecosystem. As at the date of this results announcement,
  - Phase I has been fully operational with major office tenants of leading Chinese social media and e-commerce platform, technology and logistics corporations and their related ecosystem partners, improving traffic and tenant mix in the commercial area and providing synergy to its Phase I cultural workshop units and Hyatt Regency Hengqin hotel; and
  - Phase II is making major progress particularly on rental accommodation towers. In addition to the three towers under construction, of which two are for accommodation purpose, Lai Fung Group received approval from the local government to develop the remaining eight towers of accommodation for rental purpose, becoming the first project certified as rental accommodation towers in Hengqin, so as to satisfy the growing rental accommodation need from the commercial ecosystem of Hengqin, and as supporting facilities for them.

RESULTS

The board of directors (the "**Board**") of Lai Sun Garment (International) Limited (the "**Company**") announces the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 July 2024 together with the comparative figures of the last year as follows:

Consolidated Income Statement
For the year ended 31 July 2024

	Notes	**2024 HK$'000**	2023 HK$'000
TURNOVER	*4*	**6,096,141**	4,994,591
Cost of sales		**(4,492,125)**	(4,195,305)
Gross profit		**1,604,016**	799,286
Other revenue and gains		**480,983**	359,274
Selling and marketing expenses		**(279,931)**	(241,182)
Administrative expenses		**(839,684)**	(956,369)
Other operating expenses		**(1,706,040)**	(1,428,736)
Fair value losses on investment properties, net		**(927,888)**	(890,366)
LOSS FROM OPERATING ACTIVITIES	*5*	**(1,668,544)**	(2,358,093)
Finance costs	*6*	**(1,403,086)**	(1,214,342)
Share of profits and losses of associates		**11,671**	(2,643)
Share of profits and losses of joint ventures		**(796,305)**	(10,346)
LOSS BEFORE TAX		**(3,856,264)**	(3,585,424)
Tax	*7*	**(399,715)**	56,378
LOSS FOR THE YEAR		**(4,255,979)**	(3,529,046)
Attributable to:			
Owners of the Company		**(2,167,836)**	(1,665,400)
Non-controlling interests		**(2,088,143)**	(1,863,646)
		(4,255,979)	(3,529,046)
LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY	*9*		
Basic and diluted		**(HK$2.454)**	(HK$2.159)

Consolidated Statement of Comprehensive Income
For the year ended 31 July 2024

	2024 **HK$'000**	2023 HK$'000
LOSS FOR THE YEAR	**(4,255,979)**	(3,529,046)
OTHER COMPREHENSIVE (EXPENSE)/INCOME		
Other comprehensive (expense)/income that may be reclassified to profit or loss in subsequent periods:		
Changes in fair values of financial assets at fair value through other comprehensive income	**—**	1,945
Exchange realignments	**(229,062)**	(1,204,420)
Share of other comprehensive (expense)/income of associates	**(1,459)**	4,786
Share of other comprehensive income of joint ventures	**83**	3,047
Release of exchange reserve upon disposal of interest in an associate	**535**	—
Release of exchange reserve upon dissolution and deregistration of subsidiaries	**(5,090)**	(11,118)
Reclassification of reserve upon return of capital from subsidiaries	**—**	(285)
	(234,993)	(1,206,045)
Other comprehensive (expense)/income 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	**(158,886)**	(12,356)
Surplus on revaluation of properties upon reclassification to investment properties	**7,218**	—
	(151,668)	(12,356)
OTHER COMPREHENSIVE EXPENSE FOR THE YEAR	**(386,661)**	(1,218,401)
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	**(4,642,640)**	(4,747,447)
Attributable to:		
Owners of the Company	**(2,329,469)**	(1,993,592)
Non-controlling interests	**(2,313,171)**	(2,753,855)
	(4,642,640)	(4,747,447)

Consolidated Statement of Financial Position
As at 31 July 2024

	Notes	**2024 HK$'000**	2023 HK$'000
NON-CURRENT ASSETS			
Property, plant and equipment		**5,636,816**	6,212,812
Right-of-use assets		**3,804,930**	4,500,380
Investment properties		**37,095,818**	38,281,121
Film rights		**22,092**	24,366
Film and TV program products		**61,431**	61,059
Music catalogs		**—**	—
Goodwill		**219,792**	221,977
Other intangible assets		**108,146**	109,630
Investments in associates		**438,865**	397,806
Investments in joint ventures		**6,131,952**	6,807,047
Financial assets at fair value through other comprehensive income		**119,364**	1,700,052
Financial assets at fair value through profit or loss		**941,274**	977,114
Derivative financial instruments		**6,537**	—
Debtors	*10*	**489,237**	477,974
Deposits, prepayments, other receivables and other assets		**217,399**	597,159
Deferred tax assets		**1,945**	1,858
Pledged and restricted bank balances and time deposits		**104,468**	126,472
Total non-current assets		**55,400,066**	60,496,827
CURRENT ASSETS			
Properties under development		**4,794,588**	5,379,037
Completed properties for sale		**3,728,569**	4,374,885
Films and TV programs under production and film investments		**277,468**	306,142
Inventories		**47,131**	66,614
Financial assets at fair value through profit or loss		**70,948**	95,258
Derivative financial instruments		**—**	748
Debtors	*10*	**416,567**	352,245
Deposits, prepayments, other receivables and other assets		**1,295,922**	788,323
Prepaid tax		**66,726**	162,381
Pledged and restricted bank balances and time deposits		**1,302,755**	1,288,746
Cash and cash equivalents		**2,827,083**	3,709,057
		14,827,757	16,523,436
Assets classified as held for sale		**113,744**	1,758
Total current assets		**14,941,501**	16,525,194
CURRENT LIABILITIES			
Creditors, other payables and accruals	*11*	**2,484,740**	3,072,146
Deposits received, deferred income and contract liabilities	*12*	**565,484**	1,297,329
Lease liabilities		**263,543**	243,712
Tax payable		**706,014**	500,075
Bank borrowings		**2,523,016**	6,014,821
Other borrowings		**34,485**	34,412
		6,577,282	11,162,495
Liabilities directly associated with the assets classified as held for sale		**11,499**	—
Total current liabilities		**6,588,781**	11,162,495
NET CURRENT ASSETS		**8,352,720**	5,362,699
TOTAL ASSETS LESS CURRENT LIABILITIES		**63,752,786**	65,859,526

Consolidated Statement of Financial Position (continued)
As at 31 July 2024

	Notes	**2024 HK$'000**	2023 HK$'000
NON-CURRENT LIABILITIES			
Lease liabilities		**642,414**	838,125
Bank borrowings		**18,730,871**	15,859,828
Other borrowings		**757,105**	737,720
Guaranteed notes		**4,232,145**	4,263,654
Deferred tax liabilities		**4,112,822**	4,218,012
Other payables and accruals	*11*	**899,114**	909,044
Long-term deposits received	*12*	**239,534**	213,361
Total non-current liabilities		**29,614,005**	27,039,744
		34,138,781	38,819,782
EQUITY			
Equity attributable to owners of the Company			
Share capital		**2,178,944**	2,178,944
Reserves		**13,782,603**	16,111,774
		15,961,547	18,290,718
Non-controlling interests		**18,177,234**	20,529,064
		34,138,781	38,819,782

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

The financial information has been prepared in accordance with Hong Kong Financial Reporting Standards ("**HKFRSs**") (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants and the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) ("**Companies Ordinance**"). It has been prepared under the historical cost convention, except for investment properties, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, derivative financial instruments and certain financial assets, which have been measured at fair value. Non-current assets classified as held for sale are stated at the lower of their carrying amounts and fair values less costs to sell. The financial information is presented in Hong Kong dollars ("**HK$**") and all values are rounded to the nearest thousand except when otherwise indicated.

The financial information relating to the years ended 31 July 2024 and 31 July 2023 included in this preliminary announcement of annual results for the year ended 31 July 2024 does not constitute the Company's statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The Company has delivered the financial statements for the year ended 31 July 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 31 July 2024 in due course.

Auditor's reports have been prepared on these financial statements of the Group for both years. The auditor's reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

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

HKFRS 17	*Insurance Contracts*
Amendments to HKAS 1 and HKFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to HKAS 8	*Definition of Accounting Estimates*
Amendments to HKAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to HKAS 12	*International Tax Reform — Pillar Two Model Rules*
Amendments to HKAS 1	*Classification of Liabilities as Current or Non-current* (the "**2020 Amendments**")
Amendments to HKAS 1	*Non-current Liabilities with Covenants* (the "**2022 Amendments**")

The Group has early applied the 2020 Amendments and the 2022 Amendments in the current year's financial statements. The adoption of the above new and revised standards has had no significant financial effect on the financial statements.

3. SEGMENT INFORMATION

Segment revenue and results

The following table presents revenue and results 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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	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	**1,529,479**	946,639	**1,363,522**	1,255,622	**1,191,418**	977,696	**544,564**	552,594	**387,082**	372,458	**340,950**	113,116	**439,506**	525,066	**15,065**	18,877	**284,555**	232,523	**6,096,141**	4,994,591
Intersegment sales	**—**	—	**44,956**	47,408	**1,157**	662	**2,850**	2,975	**—**	—	**14,697**	19,286	**4,209**	5,543	**—**	—	**28,054**	29,258	**95,923**	105,132
Other revenue and gains	**30,098**	31,024	**28,360**	23,790	**62**	1,393	**6,414**	4,963	**10,841**	7,572	**1,476**	2,612	**46,877**	17,617	**2,053**	657	**118,912**	84,808	**245,093**	174,436
Total	**1,559,577**	977,663	**1,436,838**	1,326,820	**1,192,637**	979,751	**553,828**	560,532	**397,923**	380,030	**357,123**	135,014	**490,592**	548,226	**17,118**	19,534	**431,521**	346,589	**6,437,157**	5,274,159
Elimination of intersegment sales																			**(95,923)**	(105,132)
Total																			**6,341,234**	5,169,027
Segment results	**(490,759)**	(1,066,931)	**753,765**	613,584	**(117,386)**	(201,492)	**(238,502)**	(142,811)	**35,873**	12,214	**(21,918)**	(48,615)	**(356,069)**	(55,503)	**(126,165)**	(295,797)	**111,975**	57,509	**(449,186)**	(1,127,842)
Unallocated other revenue and gains																			**235,890**	184,838
Fair value losses on investment properties, net	**—**	—	**(927,888)**	(890,366)	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**(927,888)**	(890,366)
Unallocated expenses																			**(527,360)**	(524,723)
Loss from operating activities																			**(1,668,544)**	(2,358,093)
Finance costs																			**(1,403,086)**	(1,214,342)
Share of profits and losses of associates	**76**	350	**(353)**	(1,640)	**(647)**	(755)	**10,304**	(527)	**—**	—	**—**	—	**—**	—	**—**	—	**3,452**	1,245	**12,832**	(1,327)
Share of profits and losses of associates — unallocated																			**(1,161)**	(1,316)
Share of profits and losses of joint ventures	**(469,036)**	47,340	**(267,538)**	(35,965)	**(16,678)**	(9,881)	**—**	—	**229**	(744)	**(69)**	(55)	**(44,686)**	(11,000)	**—**	—	**1,473**	(41)	**(796,305)**	(10,346)
Loss before tax																			**(3,856,264)**	(3,585,424)
Tax																			**(399,715)**	56,378
Loss for the year																			**(4,255,979)**	(3,529,046)

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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	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	**9,614,538**	10,773,356	**37,730,362**	38,921,349	**8,093,670**	8,472,812	**523,999**	718,675	**213,613**	235,392	**755,494**	773,501	**606,155**	1,088,189	**739,312**	852,827	**990,089**	1,025,364	**59,267,232**	62,861,465
Investments in associates	**2,534**	2,242	**73,483**	74,211	**162,617**	166,442	**14,012**	1,003	**–**	–	**–**	–	**–**	–	**–**	–	**8,791**	4,221	**261,437**	248,119
Investments in associates – unallocated																			**177,428**	149,687
Investments in joint ventures	**1,523,511**	1,931,531	**4,276,672**	4,584,710	**56,910**	73,474	**16,652**	–	**22,458**	8,957	**37**	106	**26,862**	25,999	**–**	–	**208,850**	182,270	**6,131,952**	6,807,047
Unallocated assets																			**4,389,774**	6,953,945
Assets classified as held for sale	**–**	1,758	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	–	**–**	1,758
Assets classified as held for sale – unallocated																			**113,744**	–
Total assets																			**70,341,567**	77,022,021
Segment liabilities	**462,168**	1,222,994	**785,929**	1,245,546	**298,160**	353,423	**204,619**	177,675	**117,555**	138,987	**442,975**	432,776	**886,195**	1,026,379	**32,049**	95,128	**474,542**	453,977	**3,704,192**	5,146,885
Bank borrowings																			**21,253,887**	21,874,649
Guaranteed notes																			**4,232,145**	4,263,654
Other borrowings																			**791,590**	772,132
Unallocated liabilities																			**6,209,473**	6,144,919
Liabilities directly associated with the assets classified as held for sale																			**11,499**	–
Total liabilities																			**36,202,786**	38,202,239

3. SEGMENT INFORMATION (continued)

Other segment information

The following table presents the other segment information 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	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	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
Depreciation of property, plant and equipment	**548**	659	**13,853**	15,645	**228,122**	238,451	**31,357**	32,570	**323**	834	**6**	163	**45,752**	45,421	**23,961**	60,760	**5,751**	6,549	**349,673**	401,052
Depreciation of property, plant and equipment — unallocated																			**15,295**	15,872
																			364,968	416,924
Depreciation of right-of-use assets	**—**	—	**1,454**	1,700	**150,514**	151,384	**58,525**	49,861	**128**	131	**978**	1,351	**112,749**	119,473	**5,149**	7,400	**13,023**	10,557	**342,520**	341,857
Depreciation of right-of-use assets — unallocated																			**28,347**	31,651
																			370,867	373,508
Impairment of property, plant and equipment	**—**	—	**—**	—	**—**	—	**62,146**	16,372	**318**	211	**48**	610	**87,179**	—	**76,180**	173,642	**386**	578	**226,257**	191,413
Impairment of right-of-use assets	**—**	—	**—**	—	**—**	—	**44,102**	2,452	**—**	633	**2,700**	883	**190,551**	—	**—**	—	**1,355**	1,234	**238,708**	5,202
Impairment of other intangible assets	**—**	—	**—**	—	**—**	—	**—**	27,601	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	27,601
Amortisation of film rights	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**2,274**	3,747	**—**	—	**—**	—	**—**	—	**2,274**	3,747
Amortisation of film and TV program products	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**68,522**	35,641	**—**	—	**—**	—	**—**	—	**68,522**	35,641
Amortisation of music catalogs	**—**	—	**—**	—	**—**	—	**—**	—	**—**	663	**—**	—	**—**	—	**—**	—	**—**	—	**—**	663
Impairment of films and TV programs under production	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**9,956**	2,472	**—**	—	**—**	—	**—**	—	**9,956**	2,472
Write-down of properties under development to net realisable value	**430,600**	858,000	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**430,600**	858,000
Write-down of completed properties for sale to net realisable value	**182,137**	321,337	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**182,137**	321,337
Impairment of debtors, net	**—**	—	**161**	(607)	**—**	—	**1,032**	—	**(163)**	206	**142**	78	**—**	—	**—**	—	**—**	—	**1,172**	(323)
Impairment of advances and other receivables	**—**	—	**—**	—	**—**	—	**1,841**	—	**10,284**	4,671	**5,621**	—	**—**	—	**—**	—	**—**	—	**17,746**	4,671
Impairment of advances and other receivables — unallocated																			**—**	27,881
																			17,746	32,552
Derecognition loss on rental receivables	**—**	—	**828**	4,553	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**828**	4,553
Capital expenditure, net	**168**	335	**(85,972)**	469,438	**18,020**	9,571	**106,871**	84,730	**449**	439	**58**	193	**74,840**	91,524	**2,540**	28,919	**7,510**	14,943	**124,484**	700,092
Capital expenditure — unallocated																			**4,623**	8,510
																			129,107	708,602

3. **SEGMENT INFORMATION** (continued)

Geographical information

The following table presents revenue and assets by geographical location of the assets:

	Hong Kong		Chinese Mainland and Macau		United Kingdom		Vietnam		Others		Consolidated	
	2024	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
	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	**2,649,547**	2,290,276	**2,589,497**	1,935,899	**78,655**	77,144	**484,189**	439,506	**294,253**	251,766	**6,096,141**	4,994,591
Other revenue	**200,223**	127,744	**41,487**	45,397	**1,163**	64	**12**	812	**2,208**	419	**245,093**	174,436
Total	**2,849,770**	2,418,020	**2,630,984**	1,981,296	**79,818**	77,208	**484,201**	440,318	**296,461**	252,185	**6,341,234**	5,169,027
Segment assets												
Non-current assets	**19,936,950**	21,860,407	**24,238,252**	24,538,984	**2,672,705**	3,025,908	**425,450**	461,578	**353,337**	364,958	**47,626,694**	50,251,835
Current assets	**6,276,701**	6,201,832	**4,626,382**	5,692,944	**48,562**	50,354	**205,190**	194,638	**483,703**	469,862	**11,640,538**	12,609,630
Total	**26,213,651**	28,062,239	**28,864,634**	30,231,928	**2,721,267**	3,076,262	**630,640**	656,216	**837,040**	834,820	**59,267,232**	62,861,465

Information about major customers

For both the years ended 31 July 2024 and 31 July 2023, there was no revenue derived from a single customer which contributed more than 10% of the Group's revenue for the respective years.

4. TURNOVER

An analysis of turnover is as follows:

	2024	2023
	HK$'000	HK$'000
Turnover from contracts with customers:		
Sale of properties	**1,529,479**	946,639
Building management fee income	**251,079**	216,476
Income from hotel operation	**1,191,418**	977,696
Income from restaurant and F&B product sales operations	**544,564**	552,594
Distribution commission income, licence income from and sale of film and TV program products and film rights	**334,023**	105,163
Box-office takings, concessionary income and related income from cinemas	**439,506**	525,066
Entertainment event income	**255,119**	208,410
Sale of game products	**55,593**	98,257
Album sales, licence income and distribution commission income from music publishing and licensing	**59,346**	53,011
Artiste management fee income	**17,024**	12,780
Advertising income	**6,927**	7,953
Income from theme park operation	**15,065**	18,877
Others	**284,555**	232,524
	4,983,698	3,955,446
Turnover from other source:		
Rental income	**1,112,443**	1,039,145
Total turnover	**6,096,141**	4,994,591
Timing of recognition of turnover from contracts with customers:		
At a point in time	**4,115,611**	3,193,573
Over time	**868,087**	761,873
	4,983,698	3,955,446

5. LOSS FROM OPERATING ACTIVITIES

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

	2024 HK$'000	2023 HK$'000
Depreciation of property, plant and equipment^	**364,968**	416,924
Depreciation of right-of-use assets^	**370,867**	373,508
Impairment of property, plant and equipment*	**226,257**	191,413
Impairment of right-of-use assets*	**238,708**	5,202
Impairment of other intangible assets*	**—**	27,601
Amortisation of film rights#	**2,274**	3,747
Amortisation of film and TV program products#	**68,522**	35,641
Amortisation of music catalogs#	**—**	663
Impairment of films and TV programs under production#	**9,956**	2,472
Fair value change from film investments*	**2,568**	4,614
Write-down of properties under development to net realisable value#	**430,600**	858,000
Write down of completed properties for sale to net realisable value#	**182,137**	321,337
Impairment of debtors, net	**1,172***	(323)@
Impairment of advances and other receivables*	**17,746**	32,552
Fair value (gains)/losses on cross currency swaps	**(6,537)@**	26,873*
Fair value losses on financial assets at fair value through profit or loss, net*	**75,752**	14,765
Foreign exchange differences, net	**47,202***	(19,677)@

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

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

* These items are included in "other operating expenses" on the face of the consolidated income statement.

^ Depreciation charges of approximately HK$665,553,000 (2023: HK$722,783,000) are included in "other operating expenses" on the face of the consolidated income statement.

6. FINANCE COSTS

	2024 **HK$'000**	2023 HK$'000
Interest on bank borrowings	**1,461,999**	1,107,001
Interest on guaranteed notes	**221,188**	324,204
Interest on other borrowings	**19,979**	18,613
Interest on lease liabilities	**42,200**	40,890
Bank financing charges	**121,782**	132,010
Interest on put option liabilities	**4,474**	4,612
	1,871,622	1,627,330
Less: Amount capitalised in construction in progress	**(6,915)**	(29,835)
Amount capitalised in properties under development	**(434,273)**	(334,165)
Amount capitalised in investment properties under construction	**(27,348)**	(48,988)
	1,403,086	1,214,342

7. TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK$2,000,000 (2023: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

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

	2024 **HK$'000**	2023 HK$'000
Current tax		
— Hong Kong		
Charge for the year	**24,611**	13,517
Overprovision in prior years	**(4,527)**	(919)
	20,084	12,598
— Chinese Mainland		
Corporate income tax		
Charge for the year	**153,029**	100,227
Land appreciation tax		
Charge for the year	**225,244**	211,693
	378,273	311,920
— Elsewhere		
Charge for the year	**29,081**	19,126
Overprovision in prior years	**(3,597)**	—
	25,484	19,126
	423,841	343,644
Deferred tax	**(24,126)**	(400,022)
Tax charge/(credit) for the year	**399,715**	(56,378)

8. DIVIDEND

No final dividend was declared for the years ended 31 July 2024 and 2023.

9. LOSS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of basic loss per share amount was based on the loss for the year attributable to owners of the Company of HK$2,167,836,000 (2023: HK$1,665,400,000), and the weighted average number of ordinary shares of 883,374,000 (2023: 771,294,000) in issue during the year.

No adjustment has been made to the basic loss per share amounts presented for the years ended 31 July 2024 and 2023 in respect of a dilution relating to share options as the impact of the share options of the Company, Lai Sun Development Company Limited, eSun Holdings Limited ("**eSun**") and Lai Fung Holdings Limited had an anti-dilutive effect on the basic loss per share amounts presented.

10. 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 did 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:

	2024 **HK$'000**	2023 HK$'000
Trade receivables:		
Not yet due or less than 30 days past due	**321,468**	243,867
31 — 60 days past due	**20,756**	40,414
61 — 90 days past due	**8,545**	9,534
Over 90 days past due	**62,283**	54,305
	413,052	348,120
Finance lease receivables, not yet due	**492,752**	482,099
	905,804	830,219
Less: Portion classified as current	**(416,567)**	(352,245)
Non-current portion	**489,237**	477,974

11. 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:

	2024	2023
	HK$'000	HK$'000
Creditors:		
Not yet due or less than 30 days past due	**217,298**	255,742
31 — 60 days past due	**21,825**	29,228
61 — 90 days past due	**9,629**	7,824
Over 90 days past due	**37,525**	109,536
	286,277	402,330
Other payables and accruals	**1,993,534**	2,464,780
Put option liabilities	**1,104,043**	1,114,080
	3,383,854	3,981,190
Less: Portion classified as current	**(2,484,740)**	(3,072,146)
Non-current portion	**899,114**	909,044

12. DEPOSITS RECEIVED, DEFERRED INCOME AND CONTRACT LIABILITIES

An analysis of the deposits received, deferred income and contract liabilities is as follows:

	2024	2023
	HK$'000	HK$'000
Deposits received and deferred income	**567,126**	568,777
Contract liabilities	**237,892**	941,913
	805,018	1,510,690
Less: Portion classified as current	**(565,484)**	(1,297,329)
Non-current portion	**239,534**	213,361

FINAL DIVIDEND

The Board does not recommend the payment of a final dividend for the year ended 31 July 2024 (2023: Nil).

No interim dividend was declared during the year (2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The global economy grinded along a fragile path against a backdrop of geopolitical instability, intensifying trade tensions, relatively high interest rates, and inflationary pressures. Whilst the impending United States presidential election should alleviate some uncertainties, geopolitical tensions in Europe and Middle East might get worse before it gets better. As such, the global economic outlook remains highly volatile for reasons above and all of which are likely to continue to impede global growth and business activities. The long-awaited Federal Reserve interest rate cut finally took place in September 2024 with a 0.5% decrease, hinting at further cuts that offer a glimmer of hope. Nonetheless, we have yet to see how the global economy will respond.

Hong Kong and Overseas Property Market

Whilst the Hong Kong economy has been showing signs of post-COVID recovery with some success, the progress is still lagging behind expectations. Local consumption is dampened by sluggish economic outlook, subdued property market, lackluster stock market performance, and relatively high funding costs, to name a few. Although the number of visitors increased to approximately 21 million in the first half of 2024, marking a significant 64% year-on-year increase, the corresponding economic impact fell short of expectations. The northbound visits to the Greater Bay Area, such as Shenzhen, have rediverted some support away from Hong Kong. We must continue to adapt to the change in consumers' behaviour and lifestyle to ensure the long-term success of the Group.

The looming economy affected different segments of the property market to varying extents. Retail and office tenants have remained cautious and delayed their relocation or expansion plans. The reduced demand from multinational and Chinese enterprises have contributed to a rental softening. All of these factors led to vacancy and pricing pressure in the foreseeable future. Supportive measures from the Chinese and Hong Kong governments to promote mega events and expand the Individual Visit Scheme to 59 cities, as well as the recent enhancement of duty-free allowances for Mainland travelers effective from July 2024, are poised to attract more visitors, especially from Chinese Mainland. These measures are positioned to boost market confidence, stimulate growth in sectors such as retail and hospitality, and drive business expansion.

Despite persistent challenges in the office and retail leasing sector stemming from surplus supply and reduced demand due to the hybrid work model, the Group has been coping with changing market trends and an evolving operating environment to deliver resilient results. It remains dedicated to optimising its tenant mix to maintain current occupancy levels. Additionally, renovation and space optimisation initiatives undertaken during the year under review have enhanced the competitiveness of the Group's major rental properties, resulting in growth in both office and retail leasing businesses in Hong Kong during the year under review.

During the year under review, the Hong Kong government has taken steps to improve the residential property market by relaxing residential purchase restrictions, including the abolition of the Special Stamp Duty, Buyer's Stamp Duty, and New Residential Stamp Duty in February 2024. This initiative initially led to a significant increase in property transactions, but this growth was mitigated by persistently high interest rates, resulting in a loss of sales momentum. The Hong Kong government's proactive talent attraction strategies have drawn a noteworthy influx of skilled professionals, fostering economic expansion and revitalizing the local housing market. The Group maintains a cautious stance, envisioning sustained housing demand driven by incoming talent and continued interest rate reductions.

Construction work of Bal Residence in Kwun Tong was completed in October 2023, while fitting-out work was completed in late March 2024. Presale of Bal Residence was launched in February 2023, followed by the official sale launch in late November 2023. Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. Up to 15 October 2024, Lai Sun Development Company Limited ("**LSD**") and its subsidiaries (together, "**LSD Group**") has sold 84 residential units in Bal Residence with saleable area of approximately 28,501 square feet at an average selling price of approximately HK$15,303 per square foot.

Construction work of The Parkland (previously named as Tai Kei Leng Project) in Yuen Long was completed in late March 2024, while fitting-out work is expected to be completed in the end of 2024. Upon completion of The Parkland, it is expected to add total gross floor area ("**GFA**") of approximately 42,200 square feet to the development portfolio of LSD Group. The Parkland pre-sale commenced in October 2024. The Parkland has a total saleable area of approximately 36,720 square feet, offering 112 residential units. Up to 15 October 2024, LSD Group has pre-sold 103 units in The Parkland with saleable area of approximately 32,623 square feet at an average selling price of approximately HK$9,368 per square foot.

Construction works of the residential project at the Wong Chuk Hang Station Package Five Property Development is in progress and is expected to be completed in the fourth quarter of 2025. Superstructure works of the 79 Broadcast Drive project in Kowloon Tong is in progress and the construction is expected to be completed in the first half of 2026. It will be developed into a high-quality luxury residential property with the maximum permissible GFA of approximately 71,600 square feet, offering around 46 medium-large sized units, including 2 houses. LSD Group also acquired the 1&1A Kotewall Road project in Mid-Levels, Hong Kong Island and the transaction was completed with vacant possession in March 2022. LSD Group plans to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 27 medium-large sized residential units. Excavation and lateral support and foundation works are in progress and the construction is expected to be completed in the fourth quarter of 2027. The project design work of the residential project, namely 116 Waterloo Road project, is in progress and is expected to be completed in the third quarter of 2028. LSD Group intends to redevelop the 116 Waterloo Road project, which was acquired in September 2021 with vacant possession in March 2022, into a residential project offering around 85 residential units with total GFA of approximately 46,600 square feet.

With the planning consent approved by the City of London's Planning and Transportation Committee, LSD Group keeps monitoring the market conditions in London closely for the potential redevelopment of the three properties on Leadenhall Street in London, comprising 100, 106 and 107 Leadenhall Street ("**Leadenhall Properties**"). A revised proposal was submitted to the City of London's Planning and Transportation Committee in August 2022 for improving on the original design and repositioning the building to provide higher sustainability standards and enhanced amenities within the building. The revised proposal has been approved by the City of London Authority in May 2023. LSD Group is currently considering options and timing for the redevelopment of the Leadenhall Properties.

Chinese Mainland Property Market

Chinese Mainland announced GDP growth target this year of around 5.0% at the National People's Congress held in March 2024, indicating the challenges posed by the economic slowdown. Chinese Mainland's GDP growth fell below expectations in the second quarter of 2024, with retail sales and property investment acting as persistent headwinds. Weak consumer confidence has hampered economic recovery across the board. Current and impending tariffs from the US will undoubtedly present challenges, but trade partnerships with members of the BRICS and countries under the Belt and Road initiative should somewhat mitigate the issue. The property sector remained subdued for the year under review, with outlook remaining uncertain. In May 2024, house prices in Chinese Mainland experienced the fastest decline in nearly a decade, attributed to numerous factors including an oversupply of properties dampening demand, resulting in a series of developer defaults and numerous idle construction sites in recent years. In order to support and stabilise the struggling property sector, the Central Government implemented extensive measures during the year to enhance confidence in the property market. These measures included reducing down payment requirements, lowering mortgage rates, easing home purchase restrictions, and encouraging local governments to acquire unsold properties for social housing. Furthermore, to address the property market downturn, the Central Government declared its intent to "promote the stabilisation of the real estate market" in September 2024. This initiative involves expanding the list of approved housing projects eligible for further financing, revitalising idle land, removing home purchase restrictions, reducing existing mortgage rates, and refining land, fiscal, tax, and financial policies. These actions are aimed at expediting the transition to a new real estate development model, fostering significant confidence, and providing sustainable momentum for Chinese Mainland's real estate sector. The Group believes that the Central Government will demonstrate continued commitment to sustain a long-term economic growth. While the Group remains cautiously optimistic about the long-term business outlook in Chinese Mainland, the Group holds confidence in the future prospects of cities where our operations are based, especially in the dynamic Greater Bay Area ("**GBA**") in southern Chinese Mainland.

The GBA is a young, vibrant, complementary and connected geography making it an attractive growth engine for the future:

- Approximately 56,000 square kilometres spread over 9 municipalities and 2 special administrative regions with complementary industries around the Pearl River Delta;

- Approximately 87 million people; nearly 11 times the size of Hong Kong or 6% of Chinese Mainland's total population. Over 70% of which is between 15-59 years old;

- GDP achieved approximately RMB14,000 billion or 11% of Chinese Mainland GDP. Over RMB160k per capita, which is substantially over the Chinese Mainland average; and

- Established and well-connected network of roads, high speed rails, ships and airports.

Lai Fung Holdings Limited ("**Lai Fung**") and its subsidiaries (together, "**Lai Fung Group**"), the PRC property arm of the Group, has adopted a regional focus and rental-led strategy. The rental portfolio, comprising approximately 5.9 million square feet in Shanghai, Guangzhou, Zhongshan and Hengqin, all of which are Tier 1 cities in Chinese Mainland and cities within the GBA, has remained steady in rental income amid weakened economy in Chinese Mainland for the year under review. The continued rental ramp up of two recently completed grade A office towers, Shanghai Skyline Tower and Guangzhou Lai Fung International Center, in September and November 2022 respectively, have substantially expanded Lai Fung Group's rental portfolio. These new properties have made a significant contribution to Lai Fung Group's rental portfolio during the year, surpassing the revenue generated last year. The existing rental portfolio has also managed amicably in the face of challenging economic conditions and ample market supply, particularly in Shanghai and Guangzhou.

Lai Fung Group's initiative in establishing an e-commerce hub in Novotown has, a bright spot in an otherwise turbulent environment, gathered steady momentum. On 16 July 2024, the Urban Planning and Construction Bureau of Guangdong-Macao In-Depth Cooperation Zone in Hengqin officially approved the name of Hengqin Novotown Cross-Border E-commerce Hub to be recognised. Hengqin island enjoys a number of benefits which redefine its strategic value as a spring board for cross-border e-commerce:

- Heart of the GBA; covers most parts of GBA in 2-4 hours;
- Proximity to international airports and ports connected by bridges, expressways and railways;
- Proximity to universities; access to local talent pool provides steady supply of low cost work force;
- Unrivaled personal and corporate tax benefits within Chinese Mainland: Corporate income tax 15%; Personal Income Tax 15% for qualified high-end and in-demand talents; and
- Advantages tax arrangements for moving of goods: Goods are tax free crossing the border to Hengqin. Goods processed in Hengqin with an added value of 30% or more are exempted from import duties entering into Chinese Mainland from Hengqin.

Lai Fung Group has positioned its Hengqin Novotown project for the development of a cross-border e-commerce and social media and related ecosystem. This encompasses e-commerce office headquarters, professional broadcasting and recording centre, live broadcast training facilities, e-commerce studios, X-Space entrepreneur exchange hub, roadshow centre, hotel and conference facilities, fitness centre, cultural workshops, commercial spaces, etc..

Phase I of the Novotown project ("**Novotown Phase I**") in Hengqin is operational with space accessible to e-commerce and social media and related ecosystem partners, attracting leading Chinese social media and e-commerce platform, technology and logistics corporations and their related ecosystem partners. Lai Fung Group has leased six floors of our office spaces in Novotown Phase I to an anchor tenant as a global cross-border e-commerce headquarter and is actively exploring further expansion opportunities with it. Such anchor tenant has 1,200 staff currently and is expected to increase to more than 3,000 staff once the additional floors are occupied. As at the date of this results announcement, approximately 76% of the office units have been leased. Lai Fung Group has also leased out the remaining unsold cultural workshop units in Novotown Phase I to the staff of these tenants. This is expected to enhance traffic in commercial area and improve the commercial area's tenant mix. Novotown Phase I has become the leading cross border e-commerce hub in terms of development pace and occupancy rate, as well as the heart of the cross border e-commerce in the Henqin-Macao region.

As at the date of this results announcement, leasing of the commercial area of Novotown Phase I is underway with approximately 82% being leased and key tenants include two themed indoor experience centers, namely "Lionsgate Entertainment World®" and "National Geographic Ultimate Explorer Hengqin", Heytea, McDonald's, Pokiddo Trampoline Park, Kunpeng Go-Kart Sports Centre, Snow Alarm, Da Yin Restaurant, Oyster King, Zhen Qi Ji, Ai Shang Niu Ding Ji, Vanguard Life Superstore and ULSC Hengqin. Industrial and Commercial Bank of China Limited also demonstrated their confidence in the project through their purchase of two retail units in Novotown Phase I from Lai Fung Group, which was completed in August 2024.

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

The sale of remaining phases of Zhongshan Palm Spring, the cultural studios and cultural workshop units of Hengqin Novotown Phase I are in progress. The residential units in Zhongshan Palm Spring, the cultural studios and cultural workshops of Hengqin Novotown Phase I, as well as elements of Hengqin Novotown Phase II are expected to contribute to the revenue of Lai Fung Group in coming financial years.

Cinema Operation/Media and Entertainment/Film Production and Distribution

Although there has been a revival of social and economic activities since the reopening of borders and the return of tourists, consumer sentiment dampened by Hong Kong's worse-than-expected economic outlook. The Hong Kong box office has experienced a decline due to factors such as lack of blockbusters titles, citizens traveling abroad, northbound visits, unfavourable economic situation and a shift in consumers' behaviour towards streaming platforms. These unfavourable conditions have contributed to the challenged performance of our cinema operation. Moreover, in view of the market condition and economic uncertainty, the Zhongshan Mayflower Cinema City in Chinese Mainland and the MCL South Horizons Cinema in Hong Kong were closed during the year under review. Whilst operational performance has been variable at best during the year under review, blockbusters titles such as "*Twilight of the Warriors: Walled In*" demonstrated their clout and helped the cinemas to charter its course through these rough waters. eSun Holdings Limited ("**eSun**") and its subsidiaries (together, "**eSun Group**") is closely monitoring the market conditions and will continue to improve its overall operating efficiency. eSun Group will take a prudent approach in evaluating opportunities for further expansion of its footprint.

Media Asia Group Holdings Limited (an indirect wholly-owned subsidiary of eSun), being the media and entertainment arm of eSun Group, will continue to produce high quality and commercially viable products.

"*Twilight of the Warriors: Walled In*", the martial art film produced by eSun Group, has become Hong Kong's second-biggest domestic hit ever and most-watched film in the cinemas with almost 1.7 million viewers. The film has grossed over USD110 million at the global box office since its premiere on 1 May 2024. The film was selected for the Official Selection (Midnight Screening) at the 2024 Cannes Film Festival in May and was recently nominated as Hong Kong's entry for the Best International Feature Film category at the 2025 Academy Awards.

eSun Group will continue to invest in original productions of quality films with Chinese themes and the next upcoming pipeline includes crime thriller "*Octopus with Broken Arms*" and mystery-comedy "*Detective Chinatown 1900*", produced by Chen Sicheng, one of Chinese Mainland's most consistently successful writer-director-producer.

During the Hong Kong Filmart in March 2024, eSun Group has announced its strategic alliance with Alibaba Digital Media & Entertainment Group including Youku and Alibaba Pictures. The co-operation includes co-production and investment in film and TV drama and artiste management. The alliance enables eSun Group access to valuable channels securing investment and distribution of our production projects.

eSun Group continues to produce engaging TV drama series in response to the ongoing strong demand for quality programs from TV stations and online video websites in Chinese Mainland. The drama series "*Heir to the Throne*" and "*Dead Ringer*" broadcasted in Alibaba's Youku and TVB during the year have generated satisfactory viewership for the two platforms. eSun Group is in discussion with various Chinese partners for new project development in TV drama production.

The distribution license of music products with Tencent Music Entertainment (Shenzhen) Co., Ltd. and Warner Music continue to provide stable income to eSun Group.

The recent "*You & Mi Sammi Cheng World Tour - Hong Kong 2023*" (rescheduled performances in 2024) and "*Tsai Chin Live in Hong Kong 2024*" have earned good reputation and public praises. eSun Group will continue to work with prominent local and Asian artistes for concert promotion and the upcoming events include concerts of Tsai Chin, Grasshopper, Ekin Cheng and Jay Fung.

Looking ahead, we believe that eSun Group's integrated media platform comprising movies, TV programs, music, artiste management and live entertainment put it in a strong position to capture the opportunities of entertainment market by a balanced and synergetic approach and eSun Group will continue to explore cooperation and investment opportunities to enrich its portfolio, broaden its income stream and maximise value for its shareholders.

Other Business Updates

On 15 March 2024 (after trading hours), a wholly-owned subsidiary of LSD had entered into a provisional sale and purchase agreement with an independent third party of the Group, in relation to the disposal of a non-residential property and car parking spaces situated at Wyler Centre Phase II ("**Wyler Disposal**"), for the consideration of HK$80 million. The Wyler Disposal enables the Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the Group. The transaction was completed on 6 June 2024.

On 8 April 2024 (after trading hours), Peakflow Profits Limited (a wholly-owned subsidiary of LSD) as vendor and Grand Design Development Limited (an independent third party) as purchaser had entered into a sale and purchase agreement, in relation to the disposal of 10% equity interest in Bayshore Development Group Limited ("**Bayshore Development**") ("**AIA Disposal**") at the consideration of 10% of the net asset value based on the audited completion account of Bayshore Development at the completion date. The final consideration for the AIA Disposal was approximately HK$1,422 million. Bayshore Development holds the entire legal and beneficial interest of all those pieces or parcels of land with all messuages, erections and buildings thereon now known as "AIA Central". Upon completion, each of the Group and the LSD Group ceased to hold any interest in Bayshore Development. The AIA Disposal enables the Group to realise the value of its property investment, thereby enhancing the cashflow and financial position of the Group and the LSD Group as a whole. The transaction was completed on 31 May 2024.

On 3 May 2024 (after trading hours), Boom Goal Limited (a wholly-owned subsidiary of LSD) ("**Boom Goal**") as vendor and Star Gallery Limited ("**Star Gallery**") (an independent third party) as purchaser had entered into an offer letter ("**Offer Letter**"), pursuant to which Star Gallery has conditionally agreed to acquire the entire issued share capital of Hong Kong Hill Limited ("**Hong Kong Hill**"), the sole legal and beneficial owner of the residential property situated at Eighteenth Floor and Nineteenth Floor of May Tower II, May Road, Hong Kong and car parking spaces nos. 60 and 67 of May Tower I and May Tower II, from Boom Goal and take up the assignment of all such sum of money due and owing by Hong Kong Hill to LSD at completion of the Offer Letter ("**May Tower Disposal**"), with a purchase price of HK$215,800,000 (subject to proforma net tangible asset value adjustments and completion net tangible asset value adjustments). Upon completion, Hong Kong Hill will cease to be a subsidiary of the Company and LSD. The May Tower Disposal enables the Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the Group, as well as, to enhance the cashflow and financial position of the Group and LSD Group as a whole. The transaction is expected to be completed in January 2025.

On 14 May 2024 (after trading hours), Kingswood Shine Limited ("**Kingswood**") (an indirect wholly-owned subsidiary of LSD), Bright Jewel Investments Limited ("**Bright Jewel**") (an indirect wholly-owned subsidiary of LSD), Feldmore Investments Limited (an independent third party) and Ms. Huang Qing (an independent third party) as vendors, and Weishan Shipping Pte. Ltd. ("**Weishan**") (an independent third party) as purchaser had entered into a sale and purchase and put option agreement, in relation to a disposal of 95% of the equity interest in Orwell Investments Pte. Ltd. (新加坡廣成股份有限公司*) ("**Orwell**") and the assignment of the shareholder's loan owing to the vendors by Orwell, and the put option grants by Weishan to Kingswood subject to the occurrence of the completion and in consideration of SGD1 paid by Kingswood to Weishan under the sale and purchase and put option agreement ("**Golf Club Disposal**"). The total consideration from sale of sale shares and assignment of shareholder's loan to which the LSD Group (through Kingswood and Bright Jewel) shall be entitled is US$7,393,542 (based on RMB53,500,000). Orwell indirectly holds a 90% interest in Guangzhou International Golf Club* (廣州仙村國際高爾夫球場), a golf club in the PRC invested in and operated by Guangzhou International Golf Club* (廣州仙村國際高爾夫球場). The Golf Club Disposal enables the Group to enhance its capital structure and/or for general corporate purpose, as well as, to enhance the cashflow and financial position of the Group and the LSD Group as a whole. The transaction is expected to be completed in November 2024.

On 20 June 2024, Zhuhai Hengqin Laisun Creative Culture Co., Ltd.* (珠海橫琴麗新文創天地有限公司) (an indirect non-wholly-owned subsidiary of Lai Fung) had entered into sale and purchase agreements with an independent third party of Lai Fung Group, in relation to the disposal of the non-residential properties situated at Shop No.90 and 92 in Zhishui Road, Hengqin New Area ("**Business Premises Disposal**"), for the consideration of RMB32,963,320 (equivalent to approximately HK$35,400,000). The Business Premises Disposal enables the Group and the Lai Fung Group to reallocate more financial resources on capital structure enhancement and/or for general corporate purpose of the Group and Lai Fung Group. The transaction was completed on 16 August 2024.

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

As at 31 July 2024, the Group's consolidated cash and bank deposits amounted to HK$4,234.3 million (HK$89.9 million excluding LSD Group) with undrawn facilities of HK$5,937.0 million (HK$425.0 million excluding LSD Group). The net debt to equity ratio as at 31 July 2024 was approximately 138% (31 July 2023: 119%). The Group's gearing excluding the net debt of LSD Group was approximately 6%.

The Group will review the performance of its portfolio of businesses proactively and consider appropriate options for it in the interest of all stakeholders as a whole. The Group will continue its prudent and flexible approach in managing its operations and financial position.

* *For identification purpose only*

OVERVIEW OF FINAL RESULTS

For the year ended 31 July 2024, the Group recorded turnover of HK$6,096.1 million (2023: HK$4,994.6 million) and a gross profit of HK$1,604.0 million (2023: HK$799.3 million). The increase was primarily due to (i) higher turnover from the Group's rental operation; (ii) increase in the Group's property sales particularly from Lai Fung Group; (iii) growth in the Group's hotel operation, which was mainly driven by the relaxation of COVID-19 restrictions; and (iv) the increase in revenue derived from eSun Group's film and TV program. Nonetheless, this increase was partially offset by the Group's weaker than expected performance in cinema operation during the year under review, as compared to last financial year.

Set out below is the turnover by segment:

	Year ended 31 July			
	2024 (HK$ million)	2023 (HK$ million)	Difference (HK$ million)	% change
Property investment	**1,363.5**	1,255.6	+107.9	+8.6
Property development and sales	**1,529.5**	946.6	+582.9	+61.6
Hotel operation	**1,191.4**	977.7	+213.7	+21.9
Restaurant and F&B product sales operations	**544.6**	552.6	-8.0	-1.4
Media and entertainment	**387.1**	372.5	+14.6	+3.9
Film and TV program	**341.0**	113.1	+227.9	+201.5
Cinema operation	**439.5**	525.1	-85.6	-16.3
Theme park operation	**15.1**	18.9	-3.8	-20.1
Others	**284.4**	232.5	+51.9	+22.3
Total	**6,096.1**	4,994.6	+1,101.5	+22.1

For the year ended 31 July 2024, net loss attributable to owners of the Company was approximately HK$2,167.8 million (2023: HK$1,665.4 million). The increased loss was primarily due to (i) decrease in fair values of investment properties directly owned by the Group, and (ii) increase in share of losses of joint ventures held by LSD Group during the year under review as compared to last financial year. Net loss per share was HK$2.454 (2023: HK$2.159).

Non-HKFRS Financial Measures

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

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

	For the year ended 31 July	
(HK$ million)	**2024**	2023
Loss from operating activities of the Group (HKFRS measure)	**(1,668.5)**	(2,358.1)
Adjustments for:		
Share of losses of joint ventures	**(796.3)**	(10.3)
Share of profits and losses of associates	**11.7**	(2.6)
Fair value losses of investment properties held by the Group *(Note 1)*	**927.9**	890.4
Fair value losses of investment properties held by the associates and the joint ventures *(Note 1)*	**599.0**	79.9
Depreciation of property, plant and equipment *(Note 2)*	**365.0**	416.9
Depreciation of right-of-use assets *(Note 2)*	**370.9**	373.5
Amortisation of film rights, film and TV program products and music catalogs *(Note 3)*	**70.8**	40.0
Impairment of properties held by the Group *(Note 4)*	**688.9**	1,353.0
Impairment of properties held by the joint ventures *(Note 4)*	**223.6**	–
Impairment of restaurant and F&B product sales, cinema and film & TV program operations *(Note 4)*	**398.6**	42.4
Adjusted EBITDA of the Group (non-HKFRS measure)	**1,191.6**	825.1

Notes:

1. *Given the sizeable investment properties portfolio held by the Group, the associates and the joint ventures, the adjustments relate to fair value losses of investment properties, which are non-cash in nature.*
2. *The adjustments arise from depreciation of the Group's property, plant and equipment and right-of-use assets, which are non-cash in nature.*
3. *The adjustment arises from amortisation of film rights, film and TV program products and music catalogs, which is non-cash in nature.*
4. *The adjustments arise from impairment of the Group's and the joint ventures' properties, and the restaurant and F&B product sales, cinema and film & TV program operations, which are non-cash and non-recurring in nature.*

Excluding the net effect of property revaluations, other non-cash and non-recurring items, EBITDA of the Group was approximately HK$1,191.6 million for the year under review (2023: HK$825.1 million).

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

(HK$ million)	For the year ended 31 July **2024**	2023
Net loss attributable to owners of the Company (HKFRS measure)	**(2,167.8)**	(1,665.4)
Adjustments for:		
Fair value losses of investment properties held by the Group *(Note 1)*	**927.9**	890.4
Fair value losses of investment properties held by the associates and the joint ventures *(Note 1)*	**599.0**	79.9
Deferred tax on fair value changes of investment properties held by the Group *(Note 1)*	**111.6**	(33.5)
Non-controlling interests' share of fair value losses of investment properties held by the Group less deferred tax *(Note 1)*	**(598.9)**	(413.5)
Impairment of properties held by the Group *(Note 2)*	**688.9**	1,353.0
Impairment of properties held by the joint ventures *(Note 2)*	**223.6**	–
Impairment of restaurant and F&B product sales, cinema and film & TV program operations *(Note 2)*	**398.6**	42.4
Deferred tax on impairment *(Note 2)*	**(126.0)**	(160.4)
Deferred tax assets written off *(Note 2)*	**181.1**	–
Non-controlling interests' share of impairment less deferred tax and deferred tax assets written off *(Note 2)*	**(759.6)**	(646.3)
Adjusted net loss attributable to owners of the Company excluding fair value losses of investment properties and other non-cash and non-recurring items (non-HKFRS measure)	**(521.6)**	(553.4)

Notes:

1. *Given the sizeable investment properties portfolio held by the Group, the associates and the joint ventures, the adjustments relate to fair value losses of investment properties and related deferred tax and impact on non-controlling interest's share, which are non-cash in nature.*
2. *The adjustments arise from impairment of the Group's and the joint ventures' properties, and the restaurant and F&B product sales, cinema and film & TV program operations and related deferred tax, deferred tax assets written off, and impact on non-controlling interest's share, which are non-cash and non-recurring in nature.*

Excluding the net effect of property revaluations and other non-cash and non-recurring items, net loss attributable to owners of the Company was approximately HK$521.6 million for the year under review (2023: HK$553.4 million). Net loss per share excluding the effect of property revaluations and other non-cash and non-recurring items was approximately HK$0.590 (2023: HK$0.717).

Equity attributable to owners of the Company as at 31 July 2024 amounted to HK$15,961.5 million, as compared to HK$18,290.7 million as at 31 July 2023. Net asset value per share attributable to owners of the Company dropped to HK$18.069 per share as at 31 July 2024 from HK$20.706 per share as at 31 July 2023.

PROPERTY PORTFOLIO COMPOSITION

The Group maintained a property portfolio with attributable GFA of approximately 4.8 million square feet as at 31 July 2024. All major properties of the Group in Chinese Mainland are held through Lai Fung Group, except Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by LSD Group, and all major properties in Hong Kong and overseas are held by the Group excluding eSun Group and Lai Fung Group.

Approximate attributable GFA (in '000 square feet) of the Group's major properties and number of car parking spaces as at 31 July 2024 are set out as follows (before latest development on Novotown Phase II):

	Commercial/ Retail	Office	Hotel/ Serviced Apartment	Residential	Industrial	Total (excluding car parking spaces & ancillary facilities)	No. of car parking spaces
GFA of major properties and number of car parking spaces of Lai Fung Group (on attributable basis[1])							
Completed Properties Held for Rental[2]	819	676	—	—	—	1,495	915
Completed Hotel Properties and Serviced Apartments[2]	—	—	303	—	—	303	—
Properties under Development[3]	167	485	177	—	—	829	414
Completed Properties Held for Sale	50	129	59	47	—	285	1,043
Subtotal	**1,036**	**1,290**	**539**	**47**	**—**	**2,912**	**2,372**
GFA of major properties and number of car parking spaces of LSD Group (excluding Lai Fung Group) (on attributable basis[1])							
Completed Properties Held for Rental[2]	411	549	—	—	8	968	792
Completed Hotel Properties and Serviced Apartments[2]	—	—	403	—	—	403	51
Properties under Development[3]	—	—	—	173	—	173	76
Completed Properties Held for Sale	23	58	27	30	—	138	27
Subtotal	**434**	**607**	**430**	**203**	**8**	**1,682**	**946**
GFA of major properties and number of car parking spaces of the Group (excluding LSD Group) (on attributable basis)							
Completed Properties Held for Rental[2]	91	—	—	—	160	251	37
Subtotal	**91**	**—**	**—**	**—**	**160**	**251**	**37**
Total GFA attributable to the Group	**1,561**	**1,897**	**969**	**250**	**168**	**4,845**	**3,355**

Notes:

1. *As at 31 July 2024, Lai Fung is a 55.08%-owned subsidiary of LSD and LSD is a 55.60%-owned subsidiary of the Company.*
2. *Completed and rental generating properties.*
3. *All properties under construction (before latest development on Novotown Phase II).*

PROPERTY INVESTMENT

Rental Income

During the year under review, the Group's rental operations recorded a turnover of HK$1,363.5 million (2023: HK$1,255.6 million) comprising turnover of HK$571.7 million, HK$77.7 million and HK$714.1 million from rental properties in Hong Kong, London and Chinese Mainland, respectively.

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

	Year ended 31 July			**Year end occupancy**	
	2024 HK$ million	2023 HK$ million	% Change	**2024 %**	2023 %
Hong Kong					
Cheung Sha Wan Plaza	**284.6**	268.6	+6.0	**96.9**	95.5
Causeway Bay Plaza 2	**130.7**	125.5	+4.1	**89.7**	93.5
Lai Sun Commercial Centre	**50.8**	44.9	+13.1	**98.9**	94.3
Crocodile Center (commercial podium)*	**79.7**	75.8	+5.1	**100.0**	100.0
Por Yen Building*	**15.1**	14.9	+1.3	**96.6**	96.4
Others	**10.8**	10.1	+6.9		
Subtotal:	**571.7**	539.8	+5.9		
London, United Kingdom					
107 Leadenhall Street	**12.1**	24.6	-50.8	**47.8**	64.8
100 Leadenhall Street	**64.7**	47.1	+37.4	**100.0**	100.0
106 Leadenhall Street	**0.9**	5.4	-83.3	**0.0**	100.0
Subtotal:	**77.7**	77.1	+0.8		
Chinese Mainland					
Shanghai					
Shanghai Hong Kong Plaza	**271.3**	270.3	+0.4	**Retail: 92.7** **Office: 90.3**	Retail: 91.5 Office: 90.8
Shanghai May Flower Plaza	**41.0**	42.4	-3.3	**Retail: 99.6**	Retail: 98.9
Shanghai Regents Park	**17.4**	20.6	-15.5	**100.0**	100.0
Shanghai Skyline Tower[1]	**49.2**	12.0	+310.0	**Retail: 83.9** **Office: 45.6**	Retail: 70.1 Office: 31.9
Guangzhou					
Guangzhou May Flower Plaza	**93.1**	95.0	-2.0	**95.1**	94.5
Guangzhou West Point	**22.2**	21.3	+4.2	**95.0**	95.0
Guangzhou Lai Fung Tower	**122.5**	130.9	-6.4	**Retail: 100.0** **Office: 90.6**[2]	Retail: 100.0 Office: 85.0[2]
Guangzhou Lai Fung International Center[1]	**43.0**	10.6	+305.7	**Retail: 99.0** **Office: 52.9**	Retail: 6.0 Office: 42.0
Zhongshan					
Zhongshan Palm Spring Rainbow Mall	**5.0**	5.1	-2.0	**Retail: 83.5**[2]	Retail: 66.5[2]
Hengqin					
Hengqin Novotown Phase I	**6.7**	2.7	+148.1	**Retail: 81.3**[3]	Retail: 81.0[3]
Others	**42.7**	27.8	+53.6		
Subtotal:	**714.1**	638.7	+11.8		
Total:	**1,363.5**	1,255.6	+8.6		
Rental proceeds from joint venture projects					
Hong Kong					
CCB Tower[4] (50% basis)	**114.4**	111.5	+2.6	**95.9**	91.8
Alto Residences[5] (50% basis)	**21.6**	24.4	-11.5	**82.0**	94.0
Total:	**136.0**	135.9	+0.1		

Notes:

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

1. *Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*
2. *Excluding self-use area.*
3. *Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin.*
4. *CCB Tower is a joint venture project with China Construction Bank Corporation ("**CCB**") in which each of LSD Group and CCB has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximately HK$228.9 million (2023: HK$223.0 million).*
5. *Alto Residences is a joint venture project with Empire Group Holdings Limited ("**Empire Group**") in which each of LSD Group and Empire Group has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximately HK$43.1 million (2023: HK$48.8 million).*

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

	Year ended 31 July 2024			Year ended 31 July 2023		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Hong Kong						
Cheung Sha Wan Plaza	**55.60%**			55.60%		
Commercial		**131.8**	**233,807**		120.1	233,807
Office		**133.4**	**409,896**		129.5	409,896
Car Parking Spaces		**19.4**	**N/A**		19.0	N/A
Subtotal:		**284.6**	**643,703**		268.6	643,703
Causeway Bay Plaza 2	**55.60%**			55.60%		
Commercial		**82.5**	**109,770**		76.8	109,770
Office		**42.8**	**96,268**		43.6	96,268
Car Parking Spaces		**5.4**	**N/A**		5.1	N/A
Subtotal:		**130.7**	**206,038**		125.5	206,038
Lai Sun Commercial Centre	**55.60%**			55.60%		
Commercial		**23.7**	**95,063**		18.2	95,063
Office		**5.3**	**74,181**		5.3	74,181
Car Parking Spaces		**21.8**	**N/A**		21.4	N/A
Subtotal:		**50.8**	**169,244**		44.9	169,244
Crocodile Center*	**100%**			100%		
Commercial		**79.7**	**91,201**		75.8	91,201
Por Yen Building*	**100%**			100%		
Industrial		**14.8**	**109,010**		14.6	109,010
Car Parking Spaces		**0.3**	**N/A**		0.3	N/A
Subtotal:		**15.1**	**109,010**		14.9	109,010
Others		**10.8**	**61,169**[1]		10.1	61,169[1]
Subtotal:		**571.7**	**1,280,365**[1]		539.8	1,280,365[1]
London, United Kingdom						
107 Leadenhall Street	**55.60%**			55.60%		
Commercial		**3.1**	**48,182**		3.0	48,182
Office		**9.0**	**98,424**		21.6	98,424
Subtotal:		**12.1**	**146,606**		24.6	146,606
100 Leadenhall Street	**55.60%**			55.60%		
Office		**64.7**	**177,700**		47.1	177,700
106 Leadenhall Street	**55.60%**			55.60%		
Commercial		**0.1**	**3,540**		0.4	3,540
Office		**0.8**	**16,384**		5.0	16,384
Subtotal:		**0.9**	**19,924**		5.4	19,924
Subtotal:		**77.7**	**344,230**		77.1	344,230

	Year ended 31 July 2024			Year ended 31 July 2023		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Chinese Mainland						
Shanghai						
Shanghai Hong Kong Plaza	**30.62%**			30.62%		
Retail		**168.5**	**468,434**		164.1	468,434
Office		**97.3**	**362,096**		100.2	362,098
Car Parking Spaces		**5.5**	**N/A**		6.0	N/A
Subtotal:		**271.3**	**830,530**		270.3	830,532
Shanghai May Flower Plaza	**30.62%**			30.62%		
Retail		**36.4**	**320,314**		37.8	320,314
Car Parking Spaces		**4.6**	**N/A**		4.6	N/A
Subtotal:		**41.0**	**320,314**		42.4	320,314
Shanghai Regents Park	**29.10%**			29.10%		
Retail		**16.2**	**82,062**		18.5	82,062
Car Parking Spaces		**1.2**	**N/A**		2.1	N/A
Subtotal:		**17.4**	**82,062**		20.6	82,062
Shanghai Skyline Tower[2]	**30.62%**			30.62%		
Retail		**6.4**	**92,226**		1.5	92,226
Office		**41.2**	**634,839**		10.3	634,839
Car Parking Spaces		**1.6**	**N/A**		0.2	N/A
Subtotal:		**49.2**	**727,065**		12.0	727,065
Guangzhou						
Guangzhou May Flower Plaza	**30.62%**			30.62%		
Retail		**81.3**	**357,424**		80.1	357,424
Office		**8.5**	**79,431**		12.3	79,431
Car Parking Spaces		**3.3**	**N/A**		2.6	N/A
Subtotal:		**93.1**	**436,855**		95.0	436,855
Guangzhou West Point	**30.62%**			30.62%		
Retail		**22.2**	**182,344**		21.3	182,344
Guangzhou Lai Fung Tower	**30.62%**			30.62%		
Retail		**16.8**	**112,292**		17.2	112,292
Office		**99.2**	**625,821**		107.0	625,821
Car Parking Spaces		**6.5**	**N/A**		6.7	N/A
Subtotal:		**122.5**	**738,113**		130.9	738,113
Guangzhou Lai Fung International Center[2]	**30.62%**			30.62%		
Retail		**9.6**	**109,320**		0.1	109,320
Office		**30.6**	**505,301**		10.2	505,301
Car Parking Spaces		**2.8**	**N/A**		0.3	N/A
Subtotal:		**43.0**	**614,621**		10.6	614,621
Zhongshan						
Zhongshan Palm Spring Rainbow Mall	**30.62%**			30.62%		
Retail[3]		**5.0**	**148,106**		5.1	148,106
Hengqin						
Novotown Phase I[#]	**35.62%**			35.62%		
Commercial[4]		**6.7**	**1,006,091**[4]		2.7	1,006,091[4]
Others		**42.7**	**N/A**		27.8	N/A
Subtotal:		**714.1**	**5,086,101**		638.7	5,086,103
Total:		**1,363.5**	**6,710,696**[1]		1,255.6	6,710,698[1]

	Year ended 31 July 2024			Year ended 31 July 2023		
	Attributable interest to the Group	**Turnover (HK$ million)**	**Total GFA (square feet)**	Attributable interest to the Group	Turnover (HK$ million)	Total GFA (square feet)
Rental proceeds from joint venture projects						
Hong Kong						
CCB Tower[5] (50% basis)	**27.80%**			27.80%		
Office		**113.9**	**114,603** [6]		111.0	114,603 [6]
Car Parking Spaces		**0.5**	**N/A**		0.5	N/A
Subtotal:		**114.4**	**114,603** [6]		111.5	114,603 [6]
Alto Residences[7] (50% basis)	**27.80%**			27.80%		
Commercial		**14.1**	**47,067** [8]		15.1	47,067 [8]
Residential units[9]		**3.9**	**11,447** [10]		6.1	15,262 [10]
Car Parking Spaces		**3.6**	**N/A**		3.2	N/A
Subtotal:		**21.6**	**58,514**		24.4	62,329
Total:		**136.0**	**173,117**		135.9	176,932

Notes:

*	*The property is held by the Group (excluding LSD Group).*
#	*Excluding office units and cultural workshop units. Office units of total GFA of 525,881 square feet and cultural workshop units of total GFA of 239,143 square feet of Hengqin Novotown Phase I under "Completed properties for sale" have been leased during the year ended 31 July 2024, with occupancy rate of approximately 62.0% and 72.0%, respectively, achieving a total of approximately HK$3.3 million and HK$3.5 million to "Other revenue and gains", respectively.*
1.	*Excluding 10% interest in AIA Central.*
2.	*Shanghai Skyline Tower and Guangzhou Lai Fung International Center were completed in September and November 2022, respectively.*
3.	*Excluding self-use area.*
4.	*Including the cultural attraction spaces occupied by Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin (self-use area), the total GFA of which was approximately 384,759 square feet as at 31 July 2024. Revenue from Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin are recognised under turnover from theme park operation of LSD Group.*
5.	*CCB Tower is a joint venture project with CCB in which each of LSD Group and CCB has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximately HK$228.9 million (2023: HK$223.0 million).*
6.	*GFA attributable to LSD Group. The total GFA is 229,206 square feet.*
7.	*Alto Residences is a joint venture project with Empire Group in which each of LSD Group and Empire Group has an effective 50% interest. For the year ended 31 July 2024, the joint venture recorded rental proceeds of approximately HK$43.1 million (2023: HK$48.8 million).*
8.	*GFA attributable to LSD Group. The total GFA is 94,133 square feet.*
9.	*Referring to those sold residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
10.	*Saleable area attributable to LSD Group. The total saleable area is 22,893 (2023: 30,524) square feet.*

The average Sterling exchange rate for the year under review appreciated by approximately 4.0% compared with last financial year. Excluding the effect of currency translation, the Sterling denominated turnover from London properties decreased by approximately 3.2% during the year under review. Breakdown of rental turnover of London portfolio for the year ended 31 July 2024 is as follows:

	2024 HK$'000	2023 HK$'000	% Change	**2024 GBP'000**	2023 GBP'000	% Change
107 Leadenhall Street	**12,086**	24,606	-50.9	**1,221**	2,585	-52.8
100 Leadenhall Street	**64,704**	47,082	+37.4	**6,536**	4,946	+32.1
106 Leadenhall Street	**869**	5,456	-84.1	**88**	573	-84.6
Total:	**77,659**	77,144	+0.7	**7,845**	8,104	-3.2

Review of major investment properties

Hong Kong Properties

Crocodile Center

Crocodile Center is a 25-storey commercial/office building which was completed in 2009 and located near the Kwun Tong MTR station. The Group owns the commercial podium which has a total GFA of 91,201 square feet (excluding car parking spaces). Tenants dominated by local restaurant groups.

The Group owns 100% of this property.

Por Yen Building

Por Yen Building, being a 14-storey industrial building with total GFA of 109,010 square feet (excluding car parking spaces), is located at the hub of Cheung Sha Wan Business Area and is near to the Lai Chi Kok MTR station.

The Group owns 100% of this property.

Cheung Sha Wan Plaza

The asset comprises an 8-storey and a 7-storey office towers erected on top of a retail podium which was completed in 1989. It is located on top of the Lai Chi Kok MTR station with a total GFA of 643,703 square feet (excluding car parking spaces). The arcade is positioned to serve the local communities nearby with major banks and recognised restaurants chains as the key tenants.

LSD Group owns 100% of this property.

Causeway Bay Plaza 2

The asset comprises a 28-storey commercial/office building with car parking facilities at basement levels which was completed in 1992. It is located at the heart of Causeway Bay with a total GFA of 206,038 square feet (excluding car parking spaces). Key tenants include a HSBC branch and commercial offices and major restaurants.

LSD Group owns 100% of this property.

Lai Sun Commercial Centre

The asset comprises a 13-storey commercial/carpark complex completed in 1987. It is located near the Lai Chi Kok MTR station with a total GFA of 169,244 square feet (excluding car parking spaces).

LSD Group owns 100% of this property.

CCB Tower

This is a 50:50 joint venture between LSD Group and CCB involving the redevelopment of the former Ritz-Carlton Hotel in Central. This 27-storey office tower is a landmark property in Central featuring underground access to the Central MTR station. The property has a total GFA of 229,206 square feet (excluding car parking spaces). 18 floors of the office floors and 1 banking hall floor of CCB Tower are leased to CCB for its Hong Kong operations.

Overseas Properties

107 Leadenhall Street, London EC3, United Kingdom

In April 2014, LSD Group acquired a property located at the core of the insurance district in the City of London, surrounded by 30 St Mary Axe (commonly known as the Gherkin), Lloyd's of London and the Willis Building at 51 Lime Street. It is a freehold commercial property housing commercial, offices and retail space. The building comprises 146,606 square feet gross internal area of office accommodation extending over basement, ground, mezzanine and seven upper floors. The occupancy rate at the end of July 2024 was approximately 47.8%.

LSD Group owns 100% of this property.

100 Leadenhall Street, London EC3, United Kingdom

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

LSD Group owns 100% of this property.

106 Leadenhall Street, London EC3, United Kingdom

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

LSD Group owns 100% of this property.

The City of London's Planning and Transportation Committee has approved a resolution to grant Planning Consent to LSD Group to redevelop the Leadenhall Properties. The Leadenhall Properties currently have a combined GFA of approximately 344,230 square feet. LSD Group will continue to monitor the market conditions in London closely. The Planning Consent would allow LSD Group to redevelop the Leadenhall Properties into a 57 storey tower with i) approximately 1,059,525 square feet gross internal area of office space as well as new retail space of approximately 57,827 square feet including two restaurant floors at levels 53 and 54; ii) a free, public viewing gallery of approximately 25,190 square feet at levels 56 and 57 of the building which offers 360 degree views across London; and iii) new pedestrian routes between Leadenhall Street, Bury Street and St Mary Axe, and new public spaces around the base of the building. Including ancillary facilities of approximately 153,487 square feet, the total gross internal area of the proposed tower is expected to be approximately 1,296,029 square feet upon completion. This mixed-use development is targeting a carbon net zero strategy. Knight Frank and CBRE have been appointed as Office Leasing and Development advisers. A revised scheme was submitted to the City of London's Planning and Transportation Committee in August 2022 for improving on the original design and repositioning the building to provide higher sustainability standards and enhanced amenities within the building. The revised proposal has been approved by the City of London Authority in May 2023. LSD Group is currently considering options and timing for the redevelopment of the Leadenhall Properties.

Chinese Mainland Properties

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

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

Connected by an indoor footbridge, the property comprises a 32-storey office building, a 32-storey serviced apartment (managed by the Ascott Group), a shopping mall and carpark. The property's total GFA is approximately 1,188,500 square feet excluding 350 car parking spaces, comprising approximately 362,100 square feet for office, approximately 358,000 square feet for serviced apartment, and approximately 468,400 square feet for shopping mall. Anchor tenants, as of the date of this results announcement, include The Apple Store, Tiffany, Genesis Motor, Tasaki, Swarovski etc.

Lai Fung Group owns 100% of this property.

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

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

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

Shanghai Skyline Tower
Shanghai Skyline Tower is a mixed-use redevelopment project of Shanghai Northgate Plaza I, Northgate Plaza II and the Hui Gong Building, located at Tian Mu Road West in the Jing'an District of Shanghai near the Shanghai Railway Terminal. This 30-storey office tower, erected upon a 3-level shopping mall and car-parking basement, has a total GFA of approximately 727,100 square feet excluding 443 car parking spaces. The construction was completed in September 2022. This property has been awarded the Leadership in Energy and Environmental Design ("**LEED**") v4 Gold Certification in October 2023. As at the date of this results announcement, approximately 83% of commercial and 47% of office areas have been secured, respectively.

Lai Fung Group owns 100% of this property.

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

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

Lai Fung Group owns 100% of this property.

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

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

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

Lai Fung Group owns 100% of this property.

Guangzhou Lai Fung International Center
Guangzhou Lai Fung International Center, formerly known as Guangzhou Haizhu Plaza, is located on Chang Di Main Road in Yuexiu District, Guangzhou along the Pearl River. Guangzhou Lai Fung International Center, comprising an 18-storey office tower, erected upon a 4-level commercial facility, has a total GFA of approximately 614,600 square feet excluding 267 car parking spaces. The construction was completed in November 2022. This property has been awarded the LEED v4 Gold Certification in February 2023. As at the date of this results announcement, approximately 99% of commercial and 65% of office areas have been secured, respectively.

Lai Fung Group owns 100% of this property.

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

Lai Fung Group owns 100% of this property.

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

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

In the first half of 2024, Hengqin Port experienced remarkable growth in transportation throughput, with over 10 million passengers and 1.08 million vehicles crossing the border, marking a 44% and 11% year-on-year increase, respectively. The Cooperation Zone is poised to drive the development of new industries in support of Macao's economic diversification, in particular e-commerce, science and technology research, high-end manufacturing, traditional Chinese medicine, and other key Macao industries such as education, culture and tourism, conventions and exhibitions, and modern finance.

In line with efforts to boost the e-commerce ecosystem, Hengqin authorities have introduced measures providing financial support to businesses in the Cooperation Zone. Lai Fung Group's initiative in establishing an e-commerce hub in Novotown has gathered steady momentum. Lai Fung Group has positioned its Hengqin Novotown project for the development of a cross-border e-commerce and social media and related ecosystem. This encompasses e-commerce office headquarters, professional broadcasting and recording centre, live broadcast training facilities, e-commerce studios, X-Space entrepreneur exchange hub, roadshow centre, hotel and conference facilities, fitness centre, cultural workshops, commercial spaces, etc..

Novotown Phase I is operational with space accessible to e-commerce and social media and related ecosystem partners, attracting leading Chinese social media and e-commerce platform, technology and logistics corporations and their ecosystem partners. Lai Fung Group has leased six floors of our office spaces in Novotown Phase I to an anchor tenant as a global cross-border e-commerce headquarter and is actively exploring further expansion opportunities with it. Such anchor tenant has 1,200 staff currently and is expected to increase to more than 3,000 staff once the additional floors are occupied. As at the date of this results announcement, approximately 76% of the office units have been leased. Lai Fung Group has also leased out the remaining unsold cultural workshop units in Novotown Phase I to the staff of these tenants. This is expected to enhance traffic in commercial area and improve the commercial area's tenant mix. Novotown Phase I has become the leading cross border e-commerce hub in terms of development pace and occupancy rate, as well as the heart of the cross border e-commerce in the Henqin-Macao region.

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

Phase I

Novotown Phase I was opened in 2019 and comprises a 493-room Hyatt Regency Hengqin hotel, multi-function hall, wedding pavilion, offices, cultural workshops and studios, a central garden for hosting outdoor performances, shopping and leisure facilities with 1,844 car parking spaces and ancillary facilities.

As at the date of this results announcement, leasing of the commercial area of Novotown Phase I is underway with approximately 82% being leased. Except for the two themed indoor experience centers, namely Lionsgate Entertainment World® and National Geographic Ultimate Explorer Hengqin, key tenants include Heytea, McDonald's, Pokiddo Trampoline Park, Kunpeng Go- Kart Sports Centre, Snow Alarm, Da Yin Restaurant, Oyster King, Zhen Qi Ji, Ai Shang Niu Ding Ji, Vanguard Life Superstore and ULSC Hengqin. Industrial and Commercial Bank of China Limited also demonstrated their confidence in the project through their purchase of two retail units in Novotown Phase I from Lai Fung Group, which was completed in August 2024.

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

PROPERTY DEVELOPMENT

Recognised Sales

For the year ended 31 July 2024, recognised turnover from sales of properties was HK$1,529.5 million (2023: HK$946.6 million). Breakdown of turnover for the year ended 31 July 2024 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)
Bal Residence Residential Units	61	20,677	15,314	316.7
Ki Lung Street Retail Units	2	2,400	11,117	26.7
Monti Car Parking Spaces	4			3.8
Subtotal				**347.2**
Chinese Mainland				
Recognised basis	**No. of Units**	**Approximate GFA** (Square feet)	**Average Selling Price** [2] (HK$/square foot)	**Turnover** [3] (HK$ million)
Hengqin Novotown Phase I				
Cultural Studios	12	42,179	4,412	175.8
Cultural Workshop Units	98	69,488	2,218	141.4
Zhongshan Palm Spring Residential High-rise Units	460	558,615	1,644	842.4
Shanghai Regents Park Car Parking Spaces	13			8.0
Guangzhou West Point Car Parking Spaces	35			13.8
Zhongshan Palm Spring Car Parking Spaces	5			0.9
Subtotal				**1,182.3**
Total				**1,529.5**
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)				
Houses	2 [4]	4,614 [4]	23,158	106.9 [5]
Residencial Unit	1 [6]	589 [6]	27,859	16.4 [7]
Car Parking Spaces	2 [8]			5.6
Total				**128.9**

Notes:

1. *Excluding the financing component for sale of completed properties in accordance with Hong Kong Financial Reporting Standard 15 "Revenue from Contracts with Customers".*
2. *Value-added tax inclusive.*
3. *Value-added tax exclusive.*
4. *No. of houses and saleable area attributable to LSD Group. The total no. of houses recognised and total saleable area are 3 and 9,228 square feet, respectively.*
5. *Representing property sales proceeds of HK$198.8 million and rental proceeds of HK$14.9 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
6. *No. of residential unit and saleable area attributable to LSD Group. The total no. of residential unit recognised and total saleable area are 1 and 1,178 square feet, respectively.*
7. *Representing property sales proceeds of HK$31.2 million and rental proceeds of HK$1.6 million in relation to certain residential unit offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
8. *No. of car parking spaces attributable to LSD Group. The total no. of car parking spaces recognised are 4.*

Contracted Sales

As at 31 July 2024, the Group's property development operation has contracted but not yet recognised sales of HK$284.5 million. Including the joint venture project of the Group, the total contracted but not yet recognised sales of the Group as at 31 July 2024 amounted to HK$451.7 million. Breakdown of contracted but not yet recognised sales as at 31 July 2024 is as follows:

Hong Kong

Contracted basis	**No. of Units**	**Approximate Saleable Area** (Square feet)	**Average Selling Price** (HK$/square foot)	**Turnover** (HK$ million)
Bal Residence				
Residential Units	18	6,153	15,283	94.0
Monti				
Car Parking Spaces	2			1.9
Subtotal				**95.9**

Chinese Mainland

Contracted basis	**No. of Units**	**Approximate GFA** (Square feet)	**Average Selling Price**[1] (HK$/square foot)	**Turnover**[1] (HK$ million)
Zhongshan Palm Spring				
Residential High-rise Units	11	10,277	1,421	14.6
Hengqin Novotown Phase I				
Cultural Studio	1	2,928	4,542	13.3
Hengqin Novotown Phase II				
Harrow LiDe School Hengqin Buildings[2]	N/A	149,078	1,074	160.1
Shanghai Regents Park				
Car Parking Space	1			0.6
Subtotal				**188.6**
Total				**284.5**

Contracted sales from joint venture project
Hong Kong

Contracted basis	No. of Units	Approximate Saleable Area (Square feet)	Average Selling Price (HK$/square foot)	Turnover (HK$ million)
Alto Residences (50% basis)				
Houses	2[3]	4,627[3]	22,945	106.2[4]
Residential Units	2[5]	2,343[5]	25,440	59.6[6]
Car Parking Spaces	1[7]			1.4
Total				**167.2**

Notes:

1. *Value-added tax inclusive.*
2. *Will be recognised as income from finance lease under turnover.*
3. *No. of houses and saleable area attributable to LSD Group. The total no. of houses contracted and total saleable area are 3 and 9,254 square feet, respectively.*
4. *Representing property sales proceeds of HK$196.6 million and rental proceeds of HK$15.7 million in relation to certain houses offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
5. *No. of residential units and saleable area attributable to LSD Group. The total no. of residential units contracted and total saleable area are 4 and 4,686 square feet, respectively.*
6. *Representing property sales proceeds of HK$113.3 million and rental proceeds of HK$6.0 million in relation to certain residential units offering early occupation benefit which allows the purchasers to move in earlier before completion of the sale.*
7. *No. of car parking space attributable to LSD Group. The total no. of car parking space contracted is 1.*

Review of major projects for sale and under development

Hong Kong Properties

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

This project providing 605 flats, including 23 houses was named "Alto Residences" and the construction was completed in September 2018. Up to 15 October 2024, all 605 units, including 23 houses in Alto Residences have been sold, with saleable area of approximately 405,831 square feet at an average selling price of approximately HK$18,000 per square foot. Total 110 car parking spaces of Alto Residences have been released for sale. Up to 15 October 2024, 75 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$204.1 million.

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

This project was named "93 Pau Chung Street" and the construction was completed in November 2018. All 209 residential units and 7 commercial units have been sold, achieving an average selling price of approximately HK$16,400 per square foot and HK$23,500 per square foot, respectively. Up to 15 October 2024, 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.

LSD Group owns 100% of this project.

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

This project was named "Novi" and the sale of all 138 flats, including studios and one bedroom unit with total saleable area of approximately 28,800 square feet have been completed. Up to 15 October 2024, 4 commercial units of Novi are fully leased.

LSD Group owns 100% of this project.

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

This project was named "Monti" and launched for pre-sale in August 2018. LSD Group has sold all 144 residential units in Monti with saleable area of approximately 45,822 square feet at an average selling price of approximately HK$21,300 per square foot. Total 6 car parking spaces of Monti have been released for sale. Up to 15 October 2024, 6 car parking spaces have been sold and the total sales proceeds amounted to approximately HK$5.7 million.

LSD Group owns 100% of this project.

Bal Residence
In April 2019, LSD 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 developed into a total GFA of approximately 71,800 square feet, including 8,100 square feet of commercial facilities and 63,700 square feet of residential spaces, offering 156 residential units. Construction work was completed in October 2023, while fitting-out work was completed in late March 2024.

The project was named as "Bal Residence". Pre-sale of residential units was launched in February 2023, followed by the official sale launch in late November 2023. Bal Residence has a total saleable area of approximately 62,148 square feet, including 7,506 square feet of commercial facilities and 54,642 square feet of residential spaces, offering 156 residential units. Up to 15 October 2024, LSD Group has sold 84 residential units in Bal Residence with saleable area of approximately 28,501 square feet at an average selling price of approximately HK$15,303 per square foot.

LSD Group owns 100% of this project.

The Parkland (previously named as Tai Kei Leng project)
In March 2019, LSD Group successfully tendered for and secured a site located at No. 266 Tai Kei Leng, Lot No. 5382 in Demarcation District No. 116, Tai Kei Leng, Yuen Long, Hong Kong. This site is designated for private residential purposes adding a total GFA of approximately 42,200 square feet to the development portfolio of LSD Group, offering 112 residential units. Construction work was completed in late March 2024, while fitting-out work is expected to be completed in the end of 2024.

The project was named as "The Parkland". Pre-sale of residential units commenced in October 2024. The Parkland has a total saleable area of approximately 36,720 square feet, offering 112 residential units. Up to 15 October 2024, LSD Group has pre-sold 103 units in The Parkland with saleable area of approximately 32,623 square feet at an average selling price of approximately HK$9,368 per square foot.

LSD Group owns 100% of this project.

Wong Chuk Hang project
In January 2021, the consortium formed by LSD Group together with New World Development Company Limited, Empire Development Hong Kong (BVI) Limited and CSI Properties Limited successfully won the tender for the Wong Chuk Hang Station Package Five Property Development. This luxury residential development project sitting on top of the Wong Chuk Hang MTR station and "THE SOUTHSIDE", the largest shopping mall in the prominent Southern district of Hong Kong, covers a site area of approximately 95,600 square feet, with a total GFA of approximately 636,200 square feet and is expected to deliver two residential towers, offering around 825 residential units, with a total investment of approximately HK$18.0 billion. Construction work is in progress and is expected to be completed in the fourth quarter of 2025.

LSD Group owns 15% interest in this project.

79 Broadcast Drive project
In October 2021, LSD Group successfully tendered for and secured a site at No. 79 Broadcast Drive, Kowloon Tong, Hong Kong. The site with a site area of approximately 23,900 square feet used to be the Educational Television Centre of Radio Television Hong Kong and maximum permissible GFA is around 71,600 square feet. LSD Group plans to develop a high-quality luxury residential project offering around 46 medium-large sized units including 2 houses, with a total investment of approximately HK$2.3 billion. Superstructure work is in progress and the construction is expected to be completed in the first half of 2026.

LSD Group owns 100% of this project.

1&1A Kotewall Road project
In January 2022, LSD Group acquired two adjacent buildings at Nos. 1&1A Kotewall Road in Mid-Levels, Hong Kong Island for redevelopment purpose and the transaction was completed with vacant possession in March 2022. LSD Group intends to redevelop the site into a luxury residential project with a total GFA of approximately 55,200 square feet, offering around 27 medium-large sized residential units upon completion. The total investment of the project will be approximately HK$1.9 billion. Excavation and lateral support and foundation works are in progress and the construction is expected to be completed in the fourth quarter of 2027.

LSD Group owns 100% of this project.

116 Waterloo Road project
In September 2021, LSD Group acquired the 3-storey building at No. 116 Waterloo Road in Ho Man Tin, Kowloon, Hong Kong for redevelopment purpose and the transaction was completed with vacant possession in March 2022. LSD Group intends to redevelop the site into residential units with a total GFA of approximately 46,600 square feet, offering around 85 residential units, with a total investment of approximately HK$1.1 billion. Project design work is in progress and the construction is expected to be completed in the third quarter of 2028.

LSD Group owns 100% of this project.

Chinese Mainland Properties

All major properties for sale and under development in Chinese Mainland of the Group are held through Lai Fung Group except Hengqin Novotown Phase I which is 80% owned by Lai Fung Group and 20% owned by LSD Group.

Shanghai Wuli Bridge Project
Shanghai Wuli Bridge Project is a high-end luxury residential project located by Huangpu River in Huangpu District in Shanghai. This project providing 28 residential units with an attributable GFA of approximately 77,900 square feet and 43 car parking spaces was launched for sale in September 2020 and has received an enthusiastic response from the market. As at 31 July 2024, all residential units and 30 car parking spaces have been sold. 13 car parking spaces of this development remained unsold.

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

Shanghai May Flower Plaza
Shanghai May Flower Plaza is a completed mixed-use project located at the junction of Da Tong Road and Zhi Jiang Xi Road in Su Jia Xiang in the Jing'an District in Shanghai and situated near the Zhongshan Road North Metro Station. As at 31 July 2024, 458 car parking spaces of this development remained unsold.

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

Shanghai Regents Park
Shanghai Regents Park is a large-scale residential/commercial composite development located in the Zhongshan Park Commercial Area at the Changning District, Shanghai. It is situated within walking distance of the Zhongshan Park Metro Station. During the year under review, the sales of 13 car parking spaces contributed HK$8.0 million to the turnover. As at 31 July 2024, the contracted but not yet recognised sales of one car parking space amounted to approximately HK$0.6 million and a total of 187 car parking spaces of this development remained unsold.

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

Guangzhou King's Park
This is a high-end residential development located on Donghua Dong Road in Yuexiu District. The attributable GFA is approximately 98,300 square feet excluding 57 car parking spaces and ancillary facilities. As at 31 July 2024, two car parking spaces remained unsold.

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

Guangzhou West Point
Guangzhou West Point is located on Zhongshan Qi Road and is within walking distance from the Ximenkou Subway Station. This is a mixed-use property where Lai Fung Group has sold all the residential and office units. During the year under review, the sales of 35 car parking spaces contributed HK$13.8 million to the turnover. As at 31 July 2024, 80 car parking spaces remained unsold.

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

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

During the year under review, 558,615 square feet of high-rise residential units were recognised at an average selling price of HK$1,644 per square foot, which contributed a total of approximately HK$842.4 million to the sales turnover. Also, the sales of five car parking spaces contributed approximately HK$0.9 million to the turnover. As at 31 July 2024, contracted but not yet recognised sales for high-rise residential units amounted to approximately HK$14.6 million, at an average selling price of HK$1,421 per square foot.

STARR Resort Residence Zhongshan comprising two 16-storey blocks in the Palm Lifestyle complex was closed in 2019. The serviced apartment units were launched for sale in May 2019 and have been re-classified from "Property, plant and equipment" to "Assets classified as held for sale" in the consolidated statement of financial position of Lai Fung Group. The sale of these serviced apartment units is recorded as disposal of assets classified as held for sale and the sales proceeds net of cost are included in "Other operating expenses, net" on the face of the consolidated income statement of Lai Fung Group. As at 31 July 2024, the remaining serviced apartment unit of 1,068 square feet was sold at an average selling price of HK$1,240 per square foot, contributing a total of approximately HK$1.3 million to "Other operating expenses, net".

As at 31 July 2024, completed units held for sale in this development, including residential units and commercial units, amounted to approximately 260,400 square feet and 2,672 car parking spaces remained unsold.

Lai Fung Group owns 100% interest in this project.

Hengqin Novotown

Phase I
Sales of the cultural studios and cultural workshop units of Hengqin Novotown Phase I are in progress. During the year under review, sales of 42,179 square feet of cultural studios and 69,488 square feet of cultural workshop units were recognised at an average selling price of HK$4,412 per square foot and HK$2,218 per square foot, respectively, which contributed a total of HK$317.2 million to Lai Fung Group's turnover. As at 31 July 2024, contracted but not yet recognised sales for cultural studio unit amounted to HK$13.3 million, at an average selling price of HK$4,542 per square foot. As at 31 July 2024, completed properties held for sale in Novotown Phase I, including cultural studios, cultural workshop units and office units, amounted to approximately 793,900 square feet.

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

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

On 19 September 2024, the Urban Planning and Construction Bureau of Guangdong-Macao In-Depth Cooperation Zone in Hengqin issued a confirmation for the development of eight accommodation for rental purpose towers in Novotown Phase II. It stated that towers four to eleven can be developed into rental accommodation. Construction works for towers one and three have started. Construction works for towers four to eleven will begin as soon as relevant approvals have been obtained by the project team. Tower two is an office and is expected to accommodate more cross-border e-commerce tenants.

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

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

HOTEL AND SERVICED APARTMENT OPERATIONS

The hotel and serviced apartment operation segment of the Group includes LSD Group's operation of the Ocean Park Marriott Hotel in Hong Kong and the Caravelle Hotel in Ho Chi Minh City, Vietnam, as well as Lai Fung Group's hotel and serviced apartment operation in Shanghai and Hengqin, Chinese Mainland. Since December 2019, LSD Group further expanded its hotel portfolio with the acquisition of a 50% interest in Fairmont St. Andrews resort in Fife, Scotland, United Kingdom. Performance of the 50:50 joint venture of Fairmont St. Andrews resort is recognised as "Share of profits and losses of joint ventures" in the consolidated income statement of the Group. The hotel project in Phuket, Thailand that LSD Group invested in June 2017 is still at the planning stage. LSD Group is closely monitoring the tourism market in Thailand and will provide updates on this project as and when there is material progress.

For the year ended 31 July 2024, the hotel and serviced apartment operations contributed HK$1,191.4 million to the Group's turnover (2023: HK$977.7 million), representing a significant increase of approximately 21.9%. The noticeable recovery in LSD Group's hotel business was mainly driven by (i) the relaxation of COVID-19 restrictions in Hong Kong and Chinese Mainland; (ii) the reopening of the border with Chinese Mainland; and (iii) the upward trend of the tourism industry in Vietnam. As a result, a robust growth was recorded for LSD Group's hotels, particularly the Hong Kong Ocean Park Marriott Hotel, Hyatt Regency Hengqin and Caravelle Hotel in Ho Chi Minh City, during the year under review compared to last financial year.

Breakdown of turnover from hotel and serviced apartment operations for the year ended 31 July 2024 is as follows:

	Location	**Attributable interest to LSD Group**	**No. of Rooms** [1]	**Total GFA** (square feet)	**Turnover** (HK$ million)	**Year end occupancy rate** (%)
Hotel and serviced apartment						
Ocean Park Marriott Hotel	Hong Kong	100%	471	365,974	425.0	75.9
Ascott Huaihai Road Shanghai	Shanghai	55.08%	310	358,009	103.2	88.8
STARR Hotel Shanghai	Shanghai	55.08%	239	143,846	28.7	82.3
Hyatt Regency Hengqin	Hengqin	64.06%	493	610,540	147.8	75.4
Caravelle Hotel	Ho Chi Minh City	26.01%	335	378,225	484.1	63.3
Subtotal:			**1,848**	**1,856,594**	**1,188.8**	
Hotel management fee					2.6	
Total:					**1,191.4**	
Joint Venture Project						
Fairmont St. Andrews resort (50% basis)	Scotland	50%	106 [2]	138,241 [2]	101.0	76.8

Notes:

1. *On 100% basis.*
2. *No. of rooms and GFA attributable to LSD Group. The total number of rooms and total GFA are 211 and 276,482 square feet, respectively.*

Ocean Park Marriott Hotel officially commenced its operations on 19 February 2019, adding a total of 471 rooms and approximately 365,974 square feet of attributable rental space to the rental portfolio of LSD Group. Ocean Park Marriott Hotel has achieved "Gold" rating in BEAM Plus Final Assessment. LSD Group remains cautiously optimistic about the prospects of the Ocean Park Marriott Hotel given the popularity of Ocean Park, as well as Asia's first all-season water park, Water World, grand opened in September 2021. LSD Group owns 100% interest in Ocean Park Marriott Hotel.

Caravelle Hotel is a leading international 5-star hotel in the centre of the business, shopping and entertainment district in Ho Chi Minh City, Vietnam. It is an elegant 24-storey tower with a mixture of French colonial and traditional Vietnamese style and has 335 superbly appointed rooms, suites, exclusive Signature Floors, Signature Lounge and a specially equipped room for the disabled. Total GFA of Caravelle Hotel is approximately 378,225 square feet. LSD Group owns a 26.01% interest in Caravelle Hotel.

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

Ascott Huaihai Road 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 a 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).

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 attributable to Lai Fung Group.

Hyatt Regency Hengqin is located in Novotown Phase I in Hengqin, Zhuhai, the heart of the GBA and is within easy reach of the Hong Kong-Zhuhai-Macao Bridge. Hyatt Regency Hengqin has total GFA of approximately 610,500 square feet and approximately 488,400 square feet attributable to Lai Fung Group has 493 guest rooms including 55 suites ranging in size from 430 square feet to 2,580 square feet, a wide range of dining options, as well as banqueting and conference facilities of over 40,000 square feet. Lai Fung Group owns 80% interest in Hyatt Regency Hengqin and the remaining 20% is owned by LSD Group.

RESTAURANT AND F&B PRODUCT SALES OPERATIONS

For the year ended 31 July 2024, restaurant and F&B product sales operations contributed HK$544.6 million to the Group's turnover, representing a slight decrease of approximately 1.4% from that of HK$552.6 million for last financial year. The Group has 4 new restaurants in operation under the year under review, namely Plaisance by Mauro Colagreco, KiKi Noodle Bar Hysan Place, Academia and HANU.

Up to the date of this results announcement, restaurant operations include LSD Group's interests in 23 restaurants in Hong Kong and Chinese Mainland and 1 restaurant in Macau under management. Details of each existing restaurant of LSD Group are as follows:

Cuisine	Restaurant	Location	Attributable interest to LSD Group	Award
Owned restaurants				
Western/ International Cuisine	8½ Otto e Mezzo BOMBANA Hong Kong	Hong Kong	38%	Three Michelin stars (2012-2024)
	8½ Otto e Mezzo BOMBANA Shanghai	Shanghai	13%	Two Michelin stars (2017-2024)
	Beefbar	Hong Kong	63%	One Michelin star (2017-2024)
	Prohibition *(Note 1)*	Hong Kong	100%	
	ZEST by Konishi	Hong Kong	68%	One Michelin star (2020-2024)
	Cipriani	Hong Kong	44%	
	Plaisance by Mauro Colagreco	Hong Kong	48%	
Asian Cuisine	China Tang Landmark	Hong Kong	51%	The Plate Michelin (2019-2021)
	Howard's Gourmet	Hong Kong	51%	
	Chiu Tang Central	Hong Kong	68%	
	Canton Bistro *(Note 1)*	Hong Kong	100%	
	KiKi Noodle Bar IFC	Hong Kong	83%	
	KiKi Noodle Bar K11 MUSEA	Hong Kong	83%	
	KiKi Noodle Bar OP Mall	Hong Kong	83%	
	KiKi Noodle Bar Hysan Place	Hong Kong	83%	
	Academia	Hong Kong	83%	
	MOSU Hong Kong	Hong Kong	68%	
	SÊP	Hong Kong	68%	
	HANU	Hong Kong	65%	
	Bibigo Bapsang *(Note 2)*	Hong Kong	68%	
	China Club	Hong Kong	17%	
Japanese Cuisine	Kanesaka Hong Kong	Hong Kong	68%	
	Yamato	Hong Kong	60%	
Managed restaurant				
Western Cuisine	8½ Otto e Mezzo BOMBANA, Macau	Macau	N/A	One Michelin star (2016-2024)

Notes:

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

2. *Commenced operation in October 2024.*

CINEMA OPERATION

The cinema operation is managed by eSun Group. For the year ended 31 July 2024, this segment recorded a turnover of HK$439.5 million (2023: HK$525.1 million) and segment results of a loss of HK$356.1 million (2023: a loss of HK$55.5 million). As at the date of this results announcement, eSun Group operates sixteen cinemas in Hong Kong (including one joint venture project) and one cinema in Chinese Mainland. Details on the number of screens and seats of each existing cinema are disclosed in below table. Besides, eSun Group has extended its cinema network through two 50% joint ventures with Emperor Cinemas Group, namely Emperor Cinemas Plus+ (The Wai) (opened in July 2023) and Emperor Cinemas Plus+ (The Southside) (opened in June 2024), which are managed by Emperor Cinemas Group.

Cinema (managed by eSun Group)	Attributable interest to eSun Group (%)	No. of screens *(Note)*	No. of Seats *(Note)*
Chinese Mainland			
Suzhou Grand Cinema City	100	10	1,440
Subtotal		**10**	**1,440**
Hong Kong			
K11 Art House	100	12	1,708
Movie Town (including MX4D theatre)	100	7	1,702
MCL AIRSIDE Cinema	100	7	944
MCL The ONE Cinema	100	6	831
MCL Cyberport Cinema	100	4	818
MCL Citygate Cinema	100	4	673
MCL Amoy Cinema	100	3	603
Festival Grand Cinema	95	8	1,196
MCL Telford Cinema (including MX4D theatre)	95	6	789
MCL Metro City Cinema	95	6	690
STAR Cinema	95	6	622
Grand Kornhill Cinema (including MX4D theatre)	95	5	706
MCL Cheung Sha Wan Cinema	95	4	418
MCL Green Code Cinema	95	3	285
Grand Windsor Cinema	95	3	246
MCL Cinemas Plus+ Plaza Hollywood	50	6	1,595
Subtotal		**90**	**13,826**
Total		**100**	**15,266**

Note: On 100% basis.

MEDIA AND ENTERTAINMENT

The media and entertainment businesses are operated by eSun Group. For the year ended 31 July 2024, this segment recorded a turnover of HK$387.1 million (2023: HK$372.5 million) and segment results of an increased profit to HK$35.9 million from that of HK$12.2 million last year.

Events Management

During the year under review, eSun Group organised and invested in 77 (2023: 93) shows by popular local and Asian renowned artistes, including Sammi Cheng, Leon Lai, Andy Lau, Grasshopper, Mayday, Dear Jane, Ekin Cheng, On Chan, NCT Dream, Jan Lamb, Yoga Lin, Crowd Lu, YEAHS, Waa Wei, Tsai Chin and Woo Fung.

Music Production, Distribution and Publishing

During the year under review, eSun Group released 14 (2023: 7) albums, including titles by Sammi Cheng, Jay Fung, Richie Jen, On Chan, Cloud Wan, ILUB, Feanna Wong, Andy Leung and various artists. eSun Group expects to continue to increase its music licensing revenue from the exploitation of the music library through new media distribution.

Artiste Management

eSun Group has a strong artiste management team and a sizeable number of talents and will continue to expand its profile and in tandem with our growing TV drama production and film production businesses. eSun Group currently has 20 artistes under its management.

FILM AND TV PROGRAM PRODUCTION AND DISTRIBUTION

The film and TV program production and distribution businesses are operated by eSun Group. For the year ended 31 July 2024, this segment recorded a turnover of HK341.0 million (2023: HK$113.1 million) and segment results of a decreased loss to HK$21.9 million (2023: loss of HK$48.6 million).

During the year under review, a total of 3 (2023: 6) films and 3 (2023: nil) TV programs produced/invested by eSun Group were theatrically released, namely "*Twilight of the Warriors: Walled In*", "*Love at First Lie*", "*The Grey Men*", "*Dead Ringer*", "*Bazaar Beloved Birds*" and "*The Heir to the Throne*". eSun Group also distributed 42 (2023: 32) films with high profile titles including "*Twilight of The Warriors: Walled In*", "*IF Imaginary Friends*", "*Lost in the Stars*", "*No More Bets*", "*In Broad Daylight*", "*Killers of The Flower Moon*" and "*The Boy and the Heron*".

INTERESTS IN JOINT VENTURES

For the year ended 31 July 2024, share of losses from joint ventures of the Group amounted to HK$796.3 million, as compared to HK$10.3 million for last year. The increased loss was primarily due to decrease in fair values of the properties during the year under review.

	Year ended 31 July	
	2024 (HK$ million)	2023 (HK$ million)
Revaluation losses	**(598.2)**	(77.7)
Operating (losses)/profits	**(198.1)**	67.4
Losses from joint ventures	**(796.3)**	(10.3)

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 July 2024, cash and bank balances and undrawn facilities held by the Group amounted to approximately HK$4,234.3 million and approximately HK$5,937.0 million, respectively. Cash and bank balances held by the Group of which about 49% was denominated in Hong Kong dollars and United States dollars, and about 37% was denominated in Renminbi. Excluding LSD Group, cash and bank balances and undrawn facilities held by the Group as at 31 July 2024 were approximately HK$89.9 million and approximately HK$425.0 million, respectively.

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

As at 31 July 2024, the Group had bank borrowings of approximately HK$21,253.9 million, guaranteed notes of approximately HK$4,232.1 million and other borrowings of approximately HK$791.6 million. As at 31 July 2024, the maturity profile of the bank borrowings of HK$21,253.9 million is spread with HK$2,523.0 million repayable within one year, HK$9,050.4 million repayable in the second year, HK$6,842.0 million repayable in the third to fifth years, and HK$2,838.5 million repayable beyond the fifth year.

The Group issued guaranteed notes in an aggregate principal amount of US$493 million and HK$385 million. The guaranteed notes have terms ranging from five years to seven years and three months, and bear fixed interest rates ranging from 4.9% to 5.25% per annum. Certain guaranteed notes are listed on The Stock Exchange of Hong Kong Limited ("**Stock Exchange**") and were issued for refinancing the previous notes and for general corporate purposes. The Group entered into cross currency swap agreements with financial institutions for the purpose of hedging the foreign currency risk of certain guaranteed notes.

Approximately 82% and 16% of the Group's total borrowings carried interest on a floating rate basis and fixed rate basis, respectively, and the remaining 2% of the Group's borrowings were interest-free.

The gearing ratio, expressed as a percentage of the total outstanding net debt (being the total borrowings less cash and bank balances) to consolidated net assets attributable to owners of the Company, was approximately 138%. Excluding the net debt of LSD Group, the Group's gearing ratio was approximately 6%.

As at 31 July 2024, certain investment properties with carrying amounts of approximately HK$35,260.4 million, certain property, plant and equipment and the related right-of-use assets with carrying amounts of approximately HK$8,052.5 million, certain completed properties for sale with carrying amounts of approximately HK$1,237.9 million, certain properties under development with carrying amounts of approximately HK$4,088.5 million, and certain bank balances and time deposits with banks of approximately HK$935.7 million were pledged to banks to secure banking facilities granted to the Group. In addition, shares in certain subsidiaries were pledged to banks to secure banking facilities granted to the Group. Shares in certain joint ventures were pledged to banks to secure banking facilities granted to the respective joint ventures of the Group. The Group's secured bank borrowings were also secured by floating charges over certain assets held by the Group.

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

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

On 28 July and 9 September 2021, Lai Sun MTN Limited ("**LS MTN**", a wholly-owned subsidiary of LSD), issued guaranteed notes in an aggregate principal amount of US$500,000,000. The notes are guaranteed by LSD, have a term of five years and bear interest at a fixed interest rate of 5% per annum payable semi-annually in arrears ("**Guaranteed Notes**"). The Guaranteed Notes are listed on the Stock Exchange.

On 17 April 2024, LS MTN repurchased the Guaranteed Notes in a principal amount of US$5,000,000, for an aggregate consideration (with accrued interest) of approximately US$3,369,000 (equivalent to approximately HK$26,386,000) in the open market. The repurchased Guaranteed Notes were cancelled on 24 April 2024.

On 17 May 2024, LS MTN repurchased the Guaranteed Notes in a principal amount of US$2,000,000, for an aggregate consideration (with accrued interest) of approximately US$1,356,000 (equivalent to approximately HK$10,635,000) in the open market. The repurchased Guaranteed Notes were cancelled on 19 June 2024.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 July 2024.

CORPORATE GOVERNANCE

The Company is committed to achieving and maintaining high standards of corporate governance and has established policies and procedures for compliance with the principles and code provisions set out in the Corporate Governance Code ("**CG Code**") contained in Part 2 of Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange from time to time.

The Company has complied with all the code provisions set out in the CG Code for the year ended 31 July 2024 save for the deviation from code provision F.2.2.

Under code provision F.2.2, the chairman of the board should attend the annual general meeting.

Due to other pre-arranged business commitments which must be attended to by Dr. Lam Kin Ngok, Peter, the Chairman, he was not present at the annual general meeting of the Company ("**AGM**") held on 15 December 2023. However, Mr. Cheung Sum, Sam, an executive director of the Company ("**Executive Director**") and the Group Chief Financial Officer, who was present at that AGM was elected chairman of that AGM pursuant to Article 71 of the articles of association of the Company to ensure an effective communication with the shareholders of the Company ("**Shareholders**") thereat.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 July 2024, the Group employed a total of approximately 3,800 employees. The Group recognises the importance of maintaining a stable staff force in its continued success. Under the Group's existing policies, employee pay rates are maintained at competitive levels whilst promotion and salary increments are assessed on a performance-related basis. Discretionary bonuses are granted to employees based on their merit and in accordance with industry practice. Other benefits including share option scheme, mandatory provident fund scheme, free hospitalisation insurance plan, subsidised medical care and sponsorship for external education and training programmes are offered to eligible employees.

INVESTOR RELATIONS

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

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

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

REVIEW OF ANNUAL RESULTS

The audit committee of the Company ("**Audit Committee**") currently comprises three independent non-executive directors, namely Messrs. Leung Shu Yin, William (Chairman of the Audit Committee), Lam Bing Kwan and Chow Bing Chiu. The Audit Committee has reviewed the consolidated results (including the consolidated financial statements) of the Company for the year ended 31 July 2024.

REVIEW OF THE PRELIMINARY ANNOUNCEMENT OF RESULTS BY INDEPENDENT AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated income statement, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 July 2024 as set out in the preliminary announcement have been agreed by the Company's auditor, Ernst & Young, Certified Public Accountants to the amounts set out in the Group's consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on the preliminary announcement.

ANNUAL GENERAL MEETING

The AGM will be held on Friday, 13 December 2024. Notice of the AGM together with the proxy form and the Annual Report of the Company for the year ended 31 July 2024 will be published on the respective websites of Hong Kong Exchanges and Clearing Limited and the Company and despatched to Shareholders in mid-November 2024.

By Order of the Board
Lam Kin Ngok, Peter
Chairman

Hong Kong, 18 October 2024

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